

IT IS ALL ABOUT THE MONEY

This book explains in everyday English the federal publications up to 1986 and what bankers explained to Tom. Bankers told Tom that they want this to remain a secret. They even tried to get Tom to swear to secrecy. The bankers wrote the loan agreement. If it is good for America, why not explain all of the details to all voters?

Tom says stop fighting the bankers and stop going to court. Court is risky. Use the banking system to your advantage like the judge, lawyer, sheriff, politician and CPA to accumulate wealth or use the vote to change things.

Money can control the media, politicians, judges and the church. Today's banking violates the Bible as the Church remains silent. Why silent? The Church has a secret agreement with the bank (IRS tax deductions) to remain silent as the Church gets a financial benefit. 2 John 9-11 says stop supporting the Church with false teaching. If you obey, the Church has to tell the truth or have no money to operate. Why does the bank need to control the Church? The answer is Revelations 13. Someone working with the government in 1982 was working on a national ID card to track all Americans by satellite. He was scared, and explained how this would take all rights and freedoms away. He said to expect a terrorist attack to convince Americans to accept this new slavery. Banks fear that the Church will object so the banks control what the preacher says by money – the IRS tax deduction. (The IRS is the collection agency for the privately owned Federal Reserve Bank.)

Why support any church like this? Freedom costs. Bankers fear voters will learn the truth and reject the bankers' agenda.

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Thomas Schauf has a diverse background. He graduated from Northern Illinois University with a Bachelor of Science with double majors in accounting and finance. After graduation, he worked as a staff accountant for Motorola. He worked for a small certified public accounting firm, owned and operated his own business brokerage firm and certified public accounting practice. Over a period of nearly ten years, he has testified in a number of cases as an expert witness in business valuation, and has taught the arts of business valuation, business acquisition and negotiations to buyers, CPAs, and lawyers on a national level in colleges and major universities. He has taught lawyers and thousands of CPAs the art of valuation and negotiations in his copyrighted course designed to meet continuing education requirements. He has been a controller, and the head of purchasing and personnel for a major manufacturing company. He was also a real estate broker and aircraft flight instructor (CFII).

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America's Hope: To Cancel Bank Loans Without Going to Court

Who funded the bank loan check, borrower or banker?

The bank loan concealment revealed.

If the bank paid their debt, you would be out of debt.

**You be the judge and the jury and decide if a bank loan
is bank robbery in reverse.**

Thomas Schauf

Nothing But The Truth Press

c/o Thomas Schauf

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INTRODUCTION

If the government issued cash using United States Notes (cash) interest free, like President Andrew Jackson, President Abraham Lincoln, and President John F. Kennedy, the national debt could be zero, your personal income tax could be zero, and the average American could have very little, if any, debt. History shows President Kennedy was assassinated within a few months of issuing United States Notes. Upon his death, President Johnson immediately replaced the United States Notes with Federal Reserve Notes. If President Kennedy had lived and continued printing United States Notes interest free, tens of trillions of dollars the banks now have would be in the hands of American citizens. If he had lived, the national debt could be zero and your personal income tax cut to zero.

For every dollar of United States Notes issued by the government interest free, the citizens have one less dollar of tax and one less dollar of debt. Economically speaking, a United States Note gives the citizens an economic benefit similar to having gold or silver currency. Only the government can create money, giving bankers and non-bankers equal protection. Banks must only loan other depositors' money and stop creating money like a counterfeiter.

The banks demand that only they print the money and loan it to the government at interest, creating the national debt of five trillion dollars. The banks create money and loan it to citizens as they buy homes, cars and farms. For every dollar the banks print and loan to citizens, the citizens have one more dollar of debt. The banks believe it is good business to create money, loan it out, and force you into more debt paying them interest.

If your neighbor could counterfeit money and loan it out at interest, he would be rich. If he was not stopped, he would end up loaning money to nearly every person owning a home, car, farm, or business. Nearly everyone in America would be pay-

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ing your neighbor interest or he would foreclose and own the property. This is why counterfeiters go to jail. Economically speaking, there is little or no difference between your neighbor counterfeiting money and the banks creating money and loaning it out at interest.

The Revolutionary War was fought to stop banks from creating money and loaning it out. The Constitution allowed gold and silver as currency, prohibiting banks from creating money. This is why the media and the banks hate the Constitution.

America's history shows that the banking system has changed from one where the government issues the money, to one where the banks issue the money. When enough people wake up, the government will issue the money once again and people will become debt free. If we remain asleep, the banks will continue to create money and the people will end up having huge debts. The people are waking up once more, pushing for the government to follow presidents Andrew Jackson, Abraham Lincoln and John F. Kennedy. All we need do is follow these great American presidents and expose those who would support the enemies of our Revolutionary War.

Educated people want United States Notes issued interest free and banks want to create money and loan it out. This is the secret the media tries to hide, the bankers try to conceal, the judges ignore, and the lawmakers support. Obviously they have a financial interest in creating money and loaning it out at interest. If the American population knew the truth and understood why we fought the Revolutionary War, they would vote out every lawmaker, judge and policeman aiding and abetting the banks.

This is why this book is sweeping the nation. People are talking and informing others. Brochures and cassette tapes are being copied and distributed. If we followed president Abraham Lincoln and the Constitution and if the banks paid their debts, the national debt would be eliminated, personal income tax eliminated and people would be out of debt in a short time.

Please join us in exposing the truth. Be a leader. Tell your friends. Get groups of people to pass out the brochures, copy the cassette tape and lend out the book to others. When enough

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Americans learn the truth and what the media has hidden from us, every real American will want to follow presidents Jackson, Lincoln and Kennedy and eliminate our debt.

All freedom-loving Americans who believe in the Revolutionary War, the Constitution and the Bill of Rights, join us in getting this message out so we can get the support of the American people. We cannot correct it if we all believe a lie. But we can correct it if enough Americans learn the truth and want out of their loans. It will be up to you to save America.

TEACHING METHOD

To make things simple, this book will begin with the basic concepts. These concepts will be repeated with new information added as we progress. Different illustrations will be added with more sophisticated arguments and teaching given. The goal is to have an average, non-banker able to argue the bank loan agreement like a CPA expert witness.

Key concepts will be repeated a number of times in various illustrations to be certain you understand the idea. If you do not understand the key concepts, you will be lost. For those who understand it the first time, please be patient with those who need repetition. About half of the population needs repetition to grasp new concepts and many people who claim to understand without repetition find that upon being examined, they do not. It is important that bankers know this book explains to everyone exactly how to argue the bank loan agreement like a CPA expert witness.

Experience has shown that even a competent CPA bank auditor occasionally requires 20 minutes of instruction on some of the concepts included in this book, while others understand these concepts immediately. Therefore, we have chosen to repeat some of the material more than once, in slightly different words, and with different examples, to be sure that non-professionals can clearly grasp the information.

The goal of this book is to arm you with the information you will need to argue against a CPA expert witness, and win!

ACKNOWLEDGMENTS

Ancient history records leaders like Hannibal and Caesar fighting against the bankers. No book would be complete without acknowledging the Bible's condemnation of today's banking system. Moses gave the bookkeeping entries of today's bankers and condemned it. History acknowledges Moses as the first lawgiver prohibiting today's banking system. The Apostle Paul called it a swindle. The Apostle Paul insisted anyone involved in this practice be thrown out of the church.

President Andrew Jackson fought the moneychangers and won his battle. He read and believed the Bible. President Jackson followed the Bible's condemnation of today's banking system. President Jackson declared that, "the Bible is the rock on which our Republic rests. I thank the President and Congress for making PL 97-280, 96 Stat 1211 law proclaiming the Bible to be the "WORD OF GOD." This law allows Americans to use their religious beliefs in condemning the banking practice.

I thank Attorney General Janet Reno for her statement: "It is very important... that Congress represent the people of the United States and not one special interest group." I thank Judge Martin Mahoney for admitting that the banks operate contrary to public policy.

PUBLIC NOTICE

This book was not written with the aim of overthrowing the government. This book is designed to expose the truth of the bank loan agreement and illustrate its economic effect on Americans. It is explained in everyday terms that people can relate to and understand. This book is pro-American and pro-claims Americans' right to free speech and the practice of religion. I am merely putting forward this information as part of my political platform as a candidate for President of the United States.

THIS BOOK IS PROHIBITED FROM BEING USED IN COURT. It is not designed to be used in court and people are prohibited from using it as an exhibit in court. You may, however, take notes and use those notes, questions, and Federal Reserve Bank publications as court exhibits — but use of this book is prohibited. Upon receipt of this book, the reader agrees not to use the information contained herein as an exhibit in court.

If the government, bank, or any other agency attempts to stop this book from being distributed, by accident or design, or if I die or am placed in jail to silence this book, steps have been taken to copy this information and have it distributed from hundreds of locations throughout the nation. This will happen if there is any attempt to suppress this information.

The banks may create a depression or a cashless society as a result of this book. We must inform as many Americans as quickly as possible to be sure everyone knows the truth and who to blame. I believe that if brochures are copied and distributed like wildfire, the banks will not dare create a depression in order to force us into a cashless society, or try to call a constitutional convention to end our rights. America's future is up to you. Please spread the word quickly.

DISCLAIMER

This book is based solely on the definitions as given in this book, as well as Federal Reserve Bank publications and standard bank bookkeeping entries. This book presumes equal protection under the law and that all material facts must be disclosed in an agreement. The basic presumption of this book is that a loan is not an exchange.

I am not claiming that bankers, politicians, or CPAs are criminals. I believe the general public is misled as to the truth of the bank loan agreement regarding who provided the original capital in funding the bank loan check. The general public is misinformed as to the economic consequences of such banking processes. This book will not claim that bankers are criminals, but endeavors to show the general public the economic effect of a transaction according to the bookkeeping entries. The reader must use the glossary of terms unique to this book. (Example: "counterfeit" is defined as private banks creating money. "Stealing" or "theft" is defined as the bank obtaining the borrower's promissory note (loan agreement) without loaning one cent of legal tender or other depositors' money.) The words counterfeit, theft, larceny, etc. have been used to describe similar or like economic effects. In this way, non-accountants can understand the real cost and risk of the bank loan agreement. I have written this book according to my research, belief, theory, and religious conviction.

THIS BOOK CANNOT BE USED IN A GOVERNMENT COURT AS EVIDENCE. Attorneys representing banks may contact me to help stop this book from being entered as evidence in court. I refuse to be the expert witness or testify in court unless I agree in writing and am paid to do so. This book was written to create a political solution, not to correct the bank problem in court. A political solution will save the economy and the nation. We must be responsible and protect the economy. I believe we have the best government and nation in the world,

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and we should use the vote we have to correct the nation's problems. Before one can vote intelligently, one must know the whole truth.

The problem is that people believe that the bank agreement discloses all material facts. Borrowers would never dream that the Federal Reserve Bank publications show that the banks do the opposite of what most borrowers believe. This book will present evidence allowing the reader to be the judge and jury and decide for themselves if there is a fraud or not. According to certified public accounting ethics, I believe I must tell the truth about this banking system.

No other party is to speak on my behalf. If I did not publish an idea or piece of information or place it in writing and sign it, I take no responsibility for it. I am concerned that people will misquote me or take my meaning out of context. By changing one word, the entire meaning can be obscured. Therefore, I ask that people not quote me or this book.

Do your own research before taking any legal action. Tom Schauf is not giving legal advice — he is merely giving information to become elected. This book is based on information believed to be correct, but it is up to you to research it. It is possible that the FED may change their publications in the future in order to change their previous quotes.

This book uses information from Federal Reserve Bank publications up to 1996. After 1996 I do not know what Federal Reserve Bank publications will say. Do your own research.

DEFINITIONS

The definitions of words in this book are unique and only pertain to this book. It is suggested that one use a law dictionary for legal definitions of words used in this book.

Agreement: Written terms and conditions between two or more parties stating specific performance each party must do to bind the other party to the agreement. There is no agreement without mutual consent. There can be no mutual consent if there was a concealment and one party did the opposite of what was expected. Material facts must be disclosed, authorization must be granted, permission must be obtained, and adequate consideration (money) must be given to have an agreement. Example: In the agreement, who was to provide the funds to issue the bank loan check? Was it the borrower or the bank? Was the bank to loan you legal tender as consideration loaned to obtain the promissory note or was the bank to loan you the opposite of legal tender? The cost and risk of the agreement changes significantly depending on the answers.

Asset: Anything owned that can be sold. A car, house, legal tender, promissory note, securities, and bonds can be sold, so they are assets to the one who owns them. Banks record legal tender as a bank asset. Banks also record owing legal tender as a bank liability.

Bank agent: Anyone who benefits from the current banking system and/or is responsible for enforcing the banking system. Bank employees, police, attorneys, media, judges, lawmakers, and anyone aiding and abetting the trustees (Congress) of the bankruptcy of the United States. Anyone dependent or benefiting from favors of bank money, either directly or indirectly, or loans to be in business. A foreign agent or unregistered foreign agent representing a foreign interest, such as judges, police,

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and attorneys as in U.S.C. Title 22, Sections 610 - 615, or in any court case making them foreign agents, or any other law.

Bank-controlled media and publishing companies: Any media or publishing company that is biased in favor of the current banking operation or refuses to give equal time and representation to exposing the whole truth as outlined in this book. Media which has bank debt and is dependent on the bank to renew the loan or where the bank may withdraw the loan. Media which is dependent on advertising dollars whereby a bank can ask borrowers not to advertise with such media that expose the whole truth and nothing but the truth concerning the alleged bank loans.

Bond: A bond is a promissory note — an IOU agreeing to repay the principle plus interest.

Check: The Federal Reserve Board defines a check as "a draft or order upon a bank or banking house purporting to be drawn upon a deposit of funds for the payment at all events of a certain sum of money to a certain person therein named or to him or his order or to bearer and payable instantly on demand" (definition as per Black's Law Dictionary). Please do not forget that the bank claims a bank liability is a debt. To make a checking account balance into money, equal protection must be denied and money must be redefined to mean the opposite, or the promissory note is money or check kiting. It appears the bank may lead people to believe it is check kiting if one writes a check without first having a checking account balance (asset) to match the amount of the check. The checking account balance has no value without legal tender, recorded as a bank asset, offsetting the liability. The check merely transfers a bank liability checking account balance from one checking account to another. A check is not money. A check acts LIKE money because you can exchange it for cash.

Consideration: The reason for entering into the agreement. Consideration must be something of value, such as an asset or

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legal tender (cash). A check written without first depositing an asset (money) so that the check can be cashed is illegal consideration. If the check was the funds loaned to obtain the promissory note, then the promissory note cannot be used to fund the check. If the promissory note were used to fund the check, then the check cannot be the consideration loaned to obtain the promissory note because the bank owned the promissory note before the check paid for it. Either the promissory note had to be loaned to the bank or the bank stole the promissory note to fund the check. Stealing the promissory note means that no valuable consideration was given to obtain the promissory note.

Counterfeit(er): To forge. To alter or change a document after it was signed without knowledge or permission or authorization of all parties signing the document. An intent to deceive by passing the forged document as a genuine one that was not altered. Example: after the promissory note was signed, the bank stamps the back of the instrument, thus allowing the bank to use the promissory note to fund the check. The bank created money.

Counterfeit money: For purposes of this book, this means money banks created or caused to be created and loaned at interest. It does not necessarily mean the banks committed a crime.

Credit: The postponement of the payment of money. The postponement of the payment of money cannot be transferred by check if a check must have a sum certain of money to make it valid. Is the promissory note money or credit? The definition of a promissory note means the promissory note must be paid in money. How can it be money and mean money is owed at the same time unless there is more than one kind of money, legal and non-legal tender, at the same time?

Damage: In court you cannot win damage awards without showing you were damaged. One has a damage if one is the victim of a theft. The bank believes they were damaged if you do not repay the loan. Likewise, you were damaged if the bank

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did not loan you other depositors' money or if the bank refused to repay the loan from you to the bank.

Deposit: Money or negotiable instruments (checks) or commercial paper (promissory notes) handed to a bank; the bank credits a checking account, demand deposit account, savings account, or certificate of deposit, creating a bank liability. The depositor loaned the bank money or funds, allowing the depositor to withdraw the money deposited or loaned to the bank.

Equal protection: Bankers and nonbankers having the same rights. Bankers cannot create money or credit and loan it out to nonbankers.

Exchange: Trading value for value. To barter or swap. Example: You give the bank something of value worth \$100 and they swap it for something of value worth \$100, giving you back \$100. A \$100 loan is where one party hands \$100 to another party, to be repaid at a later date. Stealing \$100 from one party and returning the \$100 back to the victim is not a loan. The stolen \$100 does not legally belong to the thief; it belongs to the victim. An exchange is not a loan. Chicago Federal Reserve Bank publication *Modern Money Mechanics* (p. 6) claims the bank exchanged the promissory note for credit in the borrower's transaction account and called it a loan. The bank simply redefined the word exchange and called it a loan. The borrower hands the lender \$100 and the lender hands the \$100 back to the borrower, claiming the lender loaned the borrower \$100. For this exchange, the borrower must pay a fee as if there was a loan. The borrower lost \$100, the lender gained \$100, and, for this privilege, the borrower must repay the \$100 plus interest.

Forgery: Counterfeit. Most people think it means your signature was signed by another person, however, a forgery includes changing a document after it was signed. When the document was signed and then altered, your signature becomes null and void.

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Fraud: Intentionally perverting the truth for the purpose of inducing others to rely on a lie or misinformation. False statements or half-truths and half-lies, with the other party relying on such information to enter into an agreement, in order to have the party part with something of value, such as a legal right or property. Knowing one will breach the agreement before entering into the agreement . Example: The bank claims they will make you a loan. The bank conceals that there is a loan from you to the bank exchanged for a loan from the bank back to you. It was concealed; the bank never loaned you one cent of legal tender that existed before you signed the agreement to be loaned as consideration to obtain your promissory note. The bank called an exchange a loan and never repaid the loan from you to the bank. The bank received your property for free instead of loaning you legal tender to obtain your promissory note, thus changing the cost and the risk without the borrower being aware. The bank's omission, concealment, false statement, and breach of agreement changed the cost and risk. If people understood, they would have voted out every lawmaker, judge, and police official aiding and abetting such a practice. This is why the bank hides the truth.

Fraudulent concealment: The hiding and/or suppression of facts which would significantly change the cost or risk of an alleged agreement. To mislead the borrower as to which party supplied the capital to fund the bank loan check. In or out of court, misleading or hindering the acquisition of information disclosing a right or transaction in an alleged contract or agreement. Planning to escape investigation, suppressing the truth, or preventing inquiry to the truth.

Interest: The charge for the use of borrowed money, not the opposite of money or the postponement of the payment of money.

Larceny: To steal. Theft by gaining possession of another party's property by using a trick, fraud, or policy or device designed to convert the property into another party's possession

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and having the economic effect of a theft. Depositing a promissory note instead of loaning legal tender to obtain ownership of the promissory note. Placing an illegal lien on property without fulfilling the agreement. Originating or reinforcing a false impression and not correcting the false impression or preventing one from obtaining the truth as to the correct information regarding the real cost and risk of the transaction in the alleged agreement which might change the judgment of a party entering into the agreement. Example: Was it an exchange and then charged as if there was a loan, or was there a loan? Who provided the capital to fund the check? Exactly who was to loan exactly what to whom?

Liability: A bank liability means the bank owes a depositor legal tender (cash). A liability is a debt, IOU, checking account balance, demand deposit account, savings account, certificate of deposit, or check. An unpaid obligation. A scorecard of how much legal tender or cash the bank owes depositors. A promise to pay. A liability is something you owe. A promissory note is owing money. A liability is a legally enforceable claim on the assets of a bank. Transferring a liability by check from one checking account to another checking account is not payment of a liability. The liability remains on the bank books. Payment of a liability is proven when the liability no longer remains on the member bank's balance sheets. A bank liability is recorded in the accounting books on the far right hand column of numbers.

Lien: The right to someone's property or assets as a result of money they owe or are in default of paying. The bank receives the lien on your house if you take out a loan. If you do not repay the loan, the lien on the house allows the lender to foreclose and obtain the house.

Loan: Money or asset advanced or delivered to another party to be repaid at a later date with or without interest. The agreement can be expressed or implied. Example: If a bank receives a promissory note from a borrower and records the promissory

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note as a loan from the borrower to the bank, the bank assets and liabilities increase by the amount of the loan to the bank. When a bank claims it granted a loan, the bank's assets and liabilities increase by the amount of the promissory note. It is the same situation if the bank received the promissory note in a fraudulent conversion and loaned the value of the stolen property back to the victim. The question is, did the bank hide this transaction? Did the borrower give the bank permission? Did the borrower have knowledge? If there was no knowledge, how can there be mutual understanding or an agreement? Was it a loan, theft, or did the borrower have knowledge? According to the accounting records, it is either a loan to the bank or it is a theft. According to the accounting records, at a minimum it is an implied loan to the bank because the bank recorded it as such. You have a right to receive the loan back in "its equivalent in kind", meaning you have the right to receive the principal and interest paid to the bank. If it was stolen, most people would want their stolen property back.

Misleading: Delusive, to misrepresent, to deceive, and to lead astray.

Money: As defined in this book, money must be a bank asset. In this book, the Federal Reserve Bank defines money as a bank liability. This book believes a bank liability is not money. For illustrative purposes, in this book, the word money can be used as the bank's definition of money being a bank liability. The point of the book is to show money (legal tender) is recorded as a bank asset. Owing legal tender is a bank liability. If owing money is money, then it is the opposite of legal tender. The bank deals in legal tender and the opposite of legal tender (checkbook money) and call both money. Treasury Notes, not Federal Reserve Notes, are called United States Notes.

Promissory fraud: When the bank claimed they would loan you a bank check payable in cash and when the bank policy showed intent to breach the agreement and use the promissory note to fund the same check that was to be the loan consider-

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ation for the promissory note, it was a misrepresentation of the lender's agreement and advertising.

Promissory note: A promise to return money loaned to a borrower with or without interest. An unconditional promise to pay a sum certain in money. Please note, it does not say the opposite of money or credit, which is the postponement of the payment of money.

Stolen: Theft, receiving something for free when you agreed to loan something of value. A plan to deny another party equal possession under the law, money, credit, or agreement to obtain something for nothing. A dishonest act or wrongdoing to willfully retain control of another party's property without authorization or beyond authorization and permission given, with intent to deprive the party of their property. For purposes of this book, stolen or theft means the bank obtained the promissory note or credit card agreement without earning the money to loan, like nonbankers earn money, and/or without loaning one cent of other depositors' money, and by creating money or bank liabilities to obtain the bank loan agreement, promissory note, or credit card agreement. Example: The bank records the promissory note on the bank's assets and increases the bank's liabilities. The bank obtained the promissory note for free simply by increasing the bank's debt and not paying the debt and making it appear that the bank paid for the promissory note by transferring the debt to another person by means of a check. The banks could obtain the liens on the nation's assets and national debt simply by increasing the bank's debts and not paying them. To steal.

Thief or theft: Obtaining the promissory note without the bank loaning other depositors' money and by creating money having the economic effect of counterfeiting. Obtaining the promissory note by increasing the bank liabilities. To steal.

United States Notes: This book refers to Silver Certificates, Greenbacks, and paper money issued interest-free by the gov-

ernment as United States Notes. A note is an obligation. By being a United States Note, it shows whose obligation it is to pay. Generally speaking, it is obvious that a United States Note is cash and is not paid but merely circulated as money or redeemed for silver or gold. For purposes of this book, we are only looking at the general economic effect — not long-winded legal arguments on exact theories of paper money or gold and silver coins.

Wealth: Property/asset which has value and can be sold. Wealth includes your labor, because labor is exchanged for goods and services. People barter wealth for other people's wealth. For example: ten chickens exchanged for one pig. Today, money is used to help facilitate exchanging wealth.

These terms are designed to illustrate the economic effect of the bank loan agreement using everyday language. The author is not claiming the bankers are criminals. You are the judge and jury, and you decide whether there is a fraud and whether we should vote to cancel your bank loans.

1. HIGH SCHOOL POP QUIZ

Mr. Jefferson taught high school economics. The class was studying recessions and learned that banks create recessions to increase their profits and that recessions and bank loans were directly related. Mr. Jefferson taught from the Federal Reserve Bank publications. After he taught the class about bank loans, he gave a pop quiz. Mr. Jefferson ordered his class to clear their desks and take out a piece of paper and a pen. He gave the class one essay problem: Using everyday language, explain the economic effect of a \$100,000 bank loan.

The first student wrote, "There are two banking systems. Under the U.S. Constitution, everyone has equal protection

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under the law. There is no economic effect of stealing or counterfeiting. The banks loan out other depositors' money to borrowers. We fought the Revolutionary War to stop the European banking system because it denies us equal protection. Under the European banking system, the banks do not loan other depositors' money. The banks create the money like a counterfeiter and loan out the newly created money. Counterfeiting and stealing have the same economic effect because the bank ends up with nearly all the property for free. If a counterfeiter could create all the money he wanted, he would create money and loan it out. Soon the counterfeiter would own the promissory notes (bank loan agreement promising to repay the loan) and the liens (a creditor's claim against your house or car to insure repayment on the loan) on nearly every house, car, farm, and business in the nation. It is like printing money to buy all the property and renting it back to the citizens. The lender (counterfeiter) owns the liens and collects the interest for free, just like buying the property and collecting rent. It is like stealing the property and renting it back to the victim of the theft. Counterfeiting is more sinister than stealing; people can easily see an out and out theft and use their vote to stop it. Counterfeiting is not as easily seen. People think they are loaned other depositors' money, but the lender knows it is new money that was created as if by a counterfeiter. Modern day bankers know better than to counterfeit cash and go to jail, so they create checkbook money. They know your labor produces a payroll check. Your labor is worth money. American bankers merely shift the value of your future payroll checks to their pocket for free under the guise of a loan. Thus, they receive the liens on the nation's assets for free and charge the citizens interest on what was taken. Counterfeiting creates inflation and devalues money, destroying the property of other citizens.

People are fooled into thinking that the banks give depositors' interest so they can loan the money out. The truth is, the banks agree to only create new money in relation to money on deposit. Example: if the bank has \$1,000 on deposit, it can create \$900 in new money (which people call checkbook money). They loan out the \$900 of checkbook money knowing few

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people use cash. People use cash for small purchases and checks for larger purchases.

Under the constitutional banking system, the people own their homes, cars, farms, and businesses with very little debt compared to the European banking system. In the European system, for every dollar counterfeited and loaned, at the moment the loan papers are signed, one dollar of wealth is immediately transferred from the citizen's pocket to the banker's pocket for free. Just before the American Revolutionary War, the colonists used colonial scrip (money) under a constitutional banking system. In a sinister plot to obtain the colonists' property for free, King George of England forced the citizens into a European banking system, thereby allowing the banks to obtain nearly all the colonists' property for free and forcing them to pay interest on what was taken. According to founding father Benjamin Franklin, this was one of the primary reasons for the Revolutionary War. The Constitution prohibits the European banking system by requiring gold and silver money and equal protection. Imagine if Congress forced the citizens to surrender their assets to the bankers for free. Then the bankers returned the value of the assets back to the citizens as loans from the bankers to the citizens. Imagine Congress allowing bankers to legally steal or counterfeit."

Mr. Jefferson was amazed to see how well this student understood the two banking systems and gave him an "A."

The next student wrote, "Think of the United States as a big casino. One can use cash to buy dinner or cigarettes. If you wish to play the slot machines, however, you must use casino tokens. There are two kinds of money, cash and tokens. Tokens are the private money used within the casino. Players trade \$100 cash for 100 tokens. The law requires the casino to have one dollar of cash or cash equivalent (an asset that can be sold for cash) on hand for every token the casino issues. If you have 25 tokens left at the end of the day, you may exchange them for \$25 cash. Nearly everyone uses tokens because they are more convenient than cash. Merchants outside the casino accept them

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as money because their value is equal to cash. The casino bank offers loans of 100,000 tokens if the borrower signs a \$100,000 promissory note agreeing to repay the tokens. The \$100,000 promissory note can be sold for \$100,000 cash, so the promissory note meets the legal requirements to be a cash equivalent. The casino uses the promissory note to issue and fund 100,000 newly created tokens. The casino received \$100,000 value from the alleged borrower for free, used it to create new tokens, and returned the same \$100,000 back to the alleged borrower as a loan. Receiving the promissory note for free is like receiving stolen property. Nothing of value was loaned to obtain it. The new tokens are like new money, like counterfeit money. It is like stealing and counterfeiting rolled into one transaction under the appearance of a legal transaction. The agreement only agreed to use the promissory note to repay a loan, not finance new tokens given back as a loan. The tokens are not legal if the promissory note did not fund the value of the tokens. If the note funded the value of the tokens, the bank loaned nothing of value to the borrower. It is like depositing \$150, with the bank returning the \$150 back to the depositor as a bank loan; the bank loaned nothing to own the \$150 deposit. The bank does not legally own the promissory note until the bank fulfills the agreement and first loans \$100,000 of actual cash value to the borrower. The borrower expected tokens to be backed by other depositors first depositing cash, not the casino owner using the value of the promissory note to fund the newly issued tokens. If the bank received the promissory note for free, it is the same as a thief getting your future payroll checks for free when they are used to make the loan payments. Stealing future payroll checks, or stealing a car and selling it for cash, and depositing the payroll checks, or cash from the car sale, and then returning the money back to the victim as a loan is really stealing, not a true loan. Bankers know that no one in their right mind would agree to this, so the written agreement conceals the fact that the bank does not loan other depositors' money, and the bank gets the money from the borrower for free and returns it to the victim as a loan. If you replace the word `token' with the words `checkbook money,' you just described American banking."

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Mr. Jefferson was amazed at the student's insight and gave him an "A+".

Another student wrote, "The bank acts like a moneychanger and charges you a fee as if there was a loan. You loan the bank a \$100,000 promissory note that can be sold for \$100,000 cash. The bank invests nothing and records receiving the \$100,000 promissory note as a loan from you to the bank, thus funding the loan from the bank back to you. A \$100,000 loan from you to the bank was exchanged for a \$100,000 loan from the bank back to you. It is like exchanging a newly created IOU for another newly created IOU. The bank demands that we use the bank's IOU as new money (counterfeit) and the bank never pays their IOU. Then, we must work to earn the bank IOU (money) to repay the principal and interest on the loan from the bank to us. The bank even got the people to call the bank IOU check-book money. When people use checks, they use the IOU as if it was money. It is like exchanging \$100,000 of American money for the same value of German money and then having the bank charge a \$100,000 fee, plus interest, for the transaction. It is like depositing \$100,000 of future payroll checks at the bank and withdrawing the money as a loan from the bank to you."

The teacher gave him an "A."

The next student proposed that it was like the old goldsmiths of several hundred years ago. Everyone deposited their gold at the goldsmith for safekeeping. The goldsmith gave the depositors a gold receipt showing the amount of gold coins deposited. The merchants used the gold receipts like money, knowing they could exchange the receipts for gold coins. Soon there were few people using the gold coins. Instead, they were using the receipts as money. The goldsmiths realized they could create gold receipts without actually having the gold to back it, because few people ever asked to exchange the receipts for gold. The goldsmiths advertised that they could loan money at 10% interest. People flocked to the goldsmiths. Farmers agreed to lien their farms and sign promissory notes. The goldsmiths cre-

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ated new gold receipts (promissory notes agreeing to pay gold coins), because people used these receipts as money instead of the gold coins. Instead of loaning \$100,000 of gold, the goldsmith received \$100,000 in actual value of gold for free (he received the borrower's promissory note for free and could sell it for gold). The goldsmith created new money like a counterfeiter when he created new gold receipts (tokens) and loaned them out. If you replace the word gold receipt with checkbook money, you just described today's American banking system.

Mr. Jefferson gave him an "A+." He congratulated the student, saying that using the example of gold receipts was an excellent way to explain the banking system.

We will use this illustrative pop quiz as a building block and add to this concept as we go along.

2. SECRET BANKER'S MEETING

I believe we have the best government in the world. I personally believe that neither government officials nor the voters understand banking procedures and money transactions the way bankers do. I have talked to certified public accountants who were themselves confused, so I can certainly see how Congress and the President could be confused. This book is designed to clear up the confusion, giving you the methods to cancel bank loans without going to court.

To best illustrate the problem, I present the following hypothetical story. This book will prove that the economic and political effect illustrated in this story has happened in America.

An invitation went out to the top bankers in the world, asking them to meet and discuss how they could work in unison to increase bank profits. A month later, a dozen of the top bankers met in secret. Before the meeting began, they stood around talking about the good old days. One of them said, "If only we

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could create money and loan it out. That would increase profits." Another replied, "If only we could become moneychangers, exchange \$100 for \$100 and charge \$100 plus interest for the exchange." Yet another spoke up and said, "How about making the borrower deposit \$100 while we withdraw the \$100 and give it back to him as a \$100 loan?"

Doubting Thomas said, "People would never be so stupid as to allow us to do that."

Richard, who called the meeting, rebuked him, saying, "You're wrong, Thomas. I have devised a plan to do exactly that, without the people ever suspecting what's being done. Everyone please be seated and I will explain how we can end up owning nearly all the wealth of the globe without ever loaning one cent of other depositors' money." He went to the front of the room and explained the following: "Gentlemen, I have a bill in my hands that I wrote, and that the Congress and the President will pass, making it legal for us to convert the property of the world into our hands without people ever realizing it. Today the people own their homes, cars, farms, and businesses debt-free because the government prints money like President Lincoln did. We will stop Lincoln's successors and ensure that only the banks can create money. We will then loan it out at interest. Every time someone receives a \$100,000 bank loan, the bank will create \$100,000 of money and loan it out. The people will have \$100,000 of new debt that never existed before, while the bank will have a lien on their house or farm. If they do not repay the loan, we get the real estate for free. When someone buys a house, they are dependent on obtaining a bank loan to purchase it. The average house sells every 7.5 years, so in less than 10 years the banks will have these counterfeit liens on most homes. Every loan from a bank will ensure that the people will have more debt, not only in principal balance but also by paying us interest. If they do not pay us the interest, we foreclose and take their property. In short, the bank creates the money and buys up the nation's assets, ending up owning nearly everything. Today, people can own a \$100,000 house debt-free because of Lincoln. Tomorrow, the same house will have a \$90,000 mortgage on it and the bank will receive

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10% interest. Each year, we will receive \$9,000 of the homeowner's income for free, simply because Congress and the President will make it legal. We will have to breach the loan agreement, but, since no one understands banking, no one will sue. Credit cards, student loans, car loans, house loans, commercial loans, and government loans will be financed by the money we create and loan out at interest.

The new law will create a new personal income tax (IRS) so that the government will have the money to pay interest on the national debt that the banks will receive for free. The bank will pay 2.5¢ for \$100 of cash. The bank will then loan the cash to the government to finance the government deficit. The government will give the bank back a \$100 government bond and then tax the citizens \$8. The government will give the \$8 to the bank in the form of 8 percent interest (\$8.00) on the \$100 government bond that the bank received for 2.5¢. It will be like the government giving banks the cash as a gift, and the banks returning the money back as a loan. Soon, the government will create a \$5 trillion deficit by overspending, forcing the people to pay nearly 40 percent of their IRS tax to the bankers.

We will force the wives to work as much as their husbands so that the banks can receive more profit. If a family has an income of \$50,000, they will pay \$10,000 in income tax. Forty percent of the tax (\$4,000) will be paid to the banker for interest on the government bonds they received for 2.5¢. The family will have a \$100,000 house with a \$90,000 mortgage, paying the bank 10 percent interest. So, there again, the bank will receive \$9,000 for free. Two car loans, student loans, and credit cards would mean another \$30,000 of debt at 10 percent interest, giving the bank another \$3,000 for free. The banks will receive an average of \$16,000 from this family alone. Today, the banks get nothing, but when we get this bill through, we could get 32 percent of an average family's income for free."

Another man, Frank, spoke up, explaining how the state, county, and city governments need loans just like the federal government. "The banks," he said, "will create money and loan it to the state, county, and local governments so that the American people must pay taxes to cover the interest on the money

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the banks create and loan out. Government is the biggest monopoly. All we have to do is get the money for free and loan it to the monopoly. Then we use the judges and police to collect the taxes, and we get nearly half of it back for free. To get the judges, police, and lawmakers to join us, we will show them how to profit from foreclosures. Sheer greed will enforce this banking system. The law will allow us to take from the Americans, putting their money and wealth into our hands without ever loaning one cent of other depositors' money. Many states have a 7% sales tax and a 3 to 5% income tax. The banks could get much of this tax once we get the monopoly into enough debt. Gasoline tax, utility tax, sales tax, real estate tax, and state income tax could be as high as 10% of a family's income. The banks could receive nearly 40% of the tax for free, which is 4% of families' income. Add the 4% to the 32% calculated earlier and the banks could receive about 36% of an average family's income for free."

Doubting Thomas continued to argue that the people would never allow this, and that the media would expose it even if it got through Washington D.C.

In response, Richard explained, "The major media is easy to control. They cannot exist without bank loans either. They know that if they upset the banks, they will not get the loans they need to stay in existence. With all the bank profit and retirement money to invest, we can own a portion of the major media and publishing companies as well. Anyone speaking against the banks will be labeled as a conspiracy nut or an anti-government group. That will shut people up.

If we collect nearly 36 percent of the income from families, we have plenty of money to be one of the largest political funders of Presidents, Congress, judges, sheriffs, and other officials. They need the media and money to get elected. Let everyone argue over the little issues, but never allow this secret to be revealed. Anyone running for political office to correct our banking system will never receive favorable major media attention and will never get elected. Any lawmaker opposing the banks will be taught a lesson by having the media favor their opponent in the next election. The banking interests will

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simply withdraw financial support from those who oppose them and give financial support to political candidates who help us continue our banking system. Other lawmakers will learn by example, thus keeping them in line.

"We have to sell the idea to the American people without them understanding the truth. We will give the bank a name to make it sound governmental, making the people think it is federal, but it will be privately owned. The central bank will give back to the government any profit, but the government cannot audit the bank and the bank pays no IRS tax. We simply load up the bank expenses so there is little profit to give back to the government. Whether or not we give back profit is irrelevant. This just makes it look good to the public so they will not get wise and vote us out. The profit is in the local banks creating money and loaning it out. We will simply deceive the people. Today, people think they can only deposit cash, checks, drafts, and wire transfers into checking accounts. The new banking law will allow us to deposit the bank loan agreement or promissory note (contract borrower signed agreeing to repay the loan) into a checking account. A \$100,000 promissory note can be sold for \$100,000 of cash or government bonds, so depositing a promissory note is just like depositing cash. The bank will receive a \$100,000 promissory note from the borrower, deposit the promissory note, or sell the promissory note for \$100,000 cash and deposit the cash. Then the bank withdraws the funds and returns it back to the same borrower, calling it a bank loan check. The bank never invests or loans one cent to obtain the promissory note. The promissory note acts like new money because it can be sold for money. The promissory note is deposited, creating a new checking account balance (bank liability owing money). It has the economic effect of \$100,000 of counterfeit money, or of stealing the \$100,000 promissory note and returning the value of the stolen property back to the victim as a loan.

Economically speaking, it is similar to stealing the victim's (borrower's) future payroll checks, depositing the payroll checks, and returning the money back to the victim as a loan instead of a return of the capital earlier deposited. The bank

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loans nothing of value, but obtains the promissory notes, liens on the nation's homes, cars, farms, and businesses, for free. For every \$100,000 loan, the people have an additional \$100,000 of debt that did not exist before. If people loan their neighbors money, or if banks loan other depositors' money, \$100,000 is not shifted from the people to the banks for free. The bank loan agreement is the problem. We cannot explain the truth in the agreement. The bank must conceal and omit the part about the borrower being the lender, creditor, or depositor. If people understand the truth, they will never agree to it."

Mike spoke up and explained that, if the bank was to be truthful in the bank loan agreement, it would say: "The bank loans no legal tender or other depositors' money to fund the bank loan check. The borrower agrees to loan the bank the \$100,000 promissory note, and the bank loans the same \$100,000 back to the borrower. The borrower must repay the loan back to the bank, but the bank never repays the loan from the borrower to the bank."

John was so excited he jumped up, interrupting Mike. "It is like the borrower asking for a \$100,000 loan. The moment the borrower signs the \$100,000 promissory note, they've created a paper that can be sold for \$100,000 cash. Because the promissory note has interest, an investor will pay \$100,000 for the \$100,000 promissory note. The investor's money is safe because of the collateral, which is the lien on the house or car. If the borrower does not pay the loan, we foreclose and get our money. The bank loans nothing; it simply deposits the \$100,000 and withdraws it again, returning it back to the borrower as a bank loan check. The new \$100,000 acts like new money. The bank gets the \$100,000 check and the \$100,000 promissory note for free. The bank gets the borrower's future labor for free or the bank forecloses and gets his or her house for free. The bank does not give up \$100,000; they receive \$100,000 and return it as a loan to anyone stupid enough to give them \$100,000 in the first place!"

Sam said, "Depositing the promissory note is like depositing cash, because it can be sold for cash. Banks sell depositors' cash for government bonds to get interest. So we will not only

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deposit cash, we will deposit the promissory note and then sell the promissory note for government bonds. It makes no difference whether cash or promissory notes are deposited; we sell both to get government bonds that can be sold later for cash if we need it. Depositing a \$100,000 promissory note is like depositing new money, creating a new deposit. Then, the check is written from this new deposit. The check has cash behind it so it is not check kiting. We loan nothing for the promissory note, we get it for free, and then loan it back to the one we stole it from. If we can keep stealing and returning the value of the stolen property back to the victim as a loan, the bankers will end up owning the world for free. We can control everything!"

Joe explained what he loved most about the idea: "It is too confusing to explain this to a jury. If we foreclose, the victim has no money to take the bank to court and hire an attorney and expert witness."

Peter was sitting quietly in the back of the room, thinking. He said, "Let me get this straight. On a national level, the government gives us \$100 cash for the cost of printing it, and we loan it back to the government who gave it to us for free or printing cost. And when local banks grant a \$100,000 loan, the borrower gives the bank \$100,000 for free, and the bank returns the \$100,000 back to the borrower as a loan."

James interrupted and asked, "How can the bank receive \$100,000 from the borrower for free when the borrower needs money and is going to the bank for a loan?"

Charles spoke up and said, "The minute the borrower signs the \$100,000 promissory note, the note can be sold for \$100,000 cash. When you deposit the cash or promissory note into a checking account, there is a new checking account balance of \$100,000 that acts like money. It is like creating \$100,000 of counterfeit money. Whatever is deposited, by law, becomes the bank's property. People use checks to buy things instead of cash, so we do not need cash, we need checkbook money."

James spoke up and said, "It is simple. The government or the people give us money or something that can be sold for money, and we get it for free. Then, we return it back to the same person and call it a loan. The people will never figure it

out because they think it is a loan. We will simply conceal the fact that we took the money we're lending from the borrower himself. If the borrower has no idea they gave us something and no idea what we did with it, we can do it all day long."

Richard said, "All we have to do is promise the politicians money to get elected. When they retire, we give them consulting fees and make them rich for passing the laws that take from the American pocket and put into our pocket for free. Money will control the media. Those who understand the system will become rich at the expense of the ignorant."

Debbie finally piped up and said, "You haven't even seen the best part yet. I used my economics background to write a bank manual showing banks how to expand and contract the money supply, forcing Americans into foreclosure and bankruptcy. Banks can create planned recessions and depressions to own the wealth of the nation for free. Our plan is to foreclose on all farms, ranches, homes, cars, and businesses. What Americans own today will be ours tomorrow, simply because a private organization will control the money."

Richard concluded the meeting by making everyone take a vow of silence on the subject.

One cannot prove that this secret meeting, or one like it, ever occurred. But one can look to see if the results predicted in such a meeting occurred. This book will prove that the economic effect of the plan discussed in this meeting has occurred in America.

Once you learn the banking secret, you can help foreclosure victims and legally divert money from the bankers' pockets, back to the citizens where it belongs.

3. AMERICAN BANKING SYSTEM ON TRIAL

I have been a certified public accountant for many years, and have testified in court as an expert witness in financial

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matters for nearly a decade. I have also taught thousands of CPAs nationally for CPE (continuing professional education) programs. A couple of years ago, one of my students, a bank auditor, proposed to me that all bank loans are fraudulent and proceeded to explain why. I am not defending the notion that they either are or are not fraudulent. Neither do I propose that the bankers and auditors are white collar criminals. My aim is to see to it that you understand the whole bank loan agreement so that you may judge for yourself. I will present the evidence as given by the Federal Reserve Bank publications and the bank advertising and loan agreement. To understand this book, you may need to refer to the glossary for definitions of unique terms. Throughout the book, I will be citing the publications or official operations of the Federal Reserve Bank up to the end of 1996. In the past four years I have used a manual and cassette tapes to teach people how the banks operate. I have found that many of the words and concepts are new to most people. Some people understand the material very quickly, but the majority of people who contacted me thanked me for repeating the basic ideas and giving a number of illustrations. If you are a quick study, please be patient with those who read a few chapters and then put the book down for a while before reading on. New words and concepts are difficult to absorb, so repetition is needed for most readers to understand them. This book was not written for bankers and certified public accountants. It was written for the person having trouble reconciling their checkbook to the bank statement and the person with no business background.

To win back America, we need everyone to learn the material thoroughly. Even if you pick up on the concept quickly, the additional illustrations will help you to teach others. At all times, this book will presume that there should be equal protection under the law, money, credit, and agreement, and that the agreement should have full disclosure. At all times, this book will illustrate the economic effect of the bank transaction. The bank bookkeeping entries will tell the truth. We will not argue whether Federal Reserve Notes (cash) are lawful or not. We will presume Federal Reserve Notes are legal tender recorded as a bank

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asset and checkbook money is a bank liability owing legal tender, as proven by the bank publications. The aim of this book is to use the bank's publications, agreements, and court cases to prove our point. I believe you should be the judge and jury and weigh the evidence for yourself. The biggest fear the banks and government leaders have is that voters will discover the truth about the banking system and vote out every lawmaker, judge, and police official supporting it, voting in leaders who will bring justice to this land.

I believe it is only human nature for one group of people to take advantage of others, but only if they can get away with it. It is the voters' responsibility to vote in honest statesmen who will not allow deception to continue and who will stop corruption and give us equal protection. It appears that the major media's job is to stop the truth and to elect politicians who will follow the banks. It is your responsibility as an American to get the truth out to all Americans. We need statesmen who will represent the majority of the people and not allow banks to obtain America's wealth for free, leaving the victim in perpetual debt. If you decide the bank is guilty, I will present you with a solution to cancel your bank loans without going to court.

The court is in session. You are the judge and the American voter is the jury. The plaintiffs against the banks are the founding fathers of this nation, who gave us a constitution requiring money of gold and silver, equal protection under the law, and the right to contract. The plaintiff is now reading the charges against the banks. They are as follows:

The banks are charged with violating the bank loan agreement. The banker is charged with advertising that he will loan a check as consideration (money) loaned if the borrower signs the promissory note agreeing to repay the money. The lender is charged with forging the promissory note, recording it as a loan from the borrower, and using it to fund a loan from the bank back to the same alleged borrower. The bank fails to loan other depositors' money or repay the unauthorized loan from the alleged borrower to the bank. The damages are equal to stealing, default, or counterfeiting.

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(Additional felonies and breaches of agreement will follow as you read this book.)

The controversy lies in the agreement, not in the Federal Reserve Notes. The bank wrote the bank loan agreement and recorded the bookkeeping entries. The borrower intended the promissory note only to be used as a guarantee to repay the money loaned. The banker's intent was to receive actual cash value from the alleged borrower for free and to return the funds as a loan from the bank to the alleged borrower. This fundamentally changes the cost and risk of the loan, allowing nearly all the citizens' property to be given to the banks for free. The controversy is over who agreed to loan what to whom. Who agreed to fund the bank loan check, the borrower or the banker?

This book will show that the bankers had intent and knew exactly what they were doing. The lawmakers, judges, and police had knowledge and allowed this practice to continue, even though they took an oath of office to uphold the U.S. Constitution, which gives everyone a Republican form of government, which prohibits the banks from stealing and counterfeiting, and which provides equal protection under the law.

For the last year I have offered a \$1,000 reward to the first bank president or CPA bank auditor who signs the bank audit to tell the whole truth and nothing but the truth, answering each and every question I ask regarding bank loans, money, credit, checks, bank bookkeeping entries, bank policy, and other banking questions. The meeting would be public and recorded so people could obtain the information. The meeting must be at a time and location I agree to. The banker or CPA must agree to give all the specific details to the questions answered under penalty of perjury and not simply claim they do not know the answers. The bank must qualify as a member bank of the Federal Reserve Bank. If the banking industry has nothing to hide, then the bank presidents or CPAs are challenged to come forward and show the world the truth. The bankers have been challenged by the American people to sign the affidavit in the back of the book in order to prove their innocence. So far, the bankers have refused to either take the \$1,000 reward or sign the

affidavit. Their silence tells us everything we need to know. The Federal Reserve Bank publications' admissions are prima facie evidence that the allegations in the lawsuit are true.

WARNING: IN ACTUAL COURT CASES, DO NOT FILE THIS SAME LAWSUIT. THIS IS FOR ILLUSTRATION AND TEACHING PURPOSES ONLY. A real judge will throw out the case if you discuss things like gold and silver or the bank never loaning you anything of value. As you read the book, you will know how to argue with a real bank auditor, attorney, or judge, using the arguments a real CPA expert witness would use.

4. TWO BANKING SYSTEMS

Most people believe we follow the Abraham Lincoln or Constitutional banking system. The Constitutional banking system is a system whereby the government creates money. The government has three ways to receive money: taxing, borrowing, or printing money (including minting coins of gold or silver). When President Abraham Lincoln needed money to finance the Civil War, he decided not to rely on taxation or borrowing. He printed the Greenback (cash, also known as United States Notes) and used this to pay the soldiers and buy war supplies. When he printed the money, there was no debt and no interest because there was no loan. If the government has tax revenues of \$500 million and spends \$600 million, there is a \$100 million deficit. Lincoln's solution was simply to print the \$100 million needed to pay government expenses. This saved the taxpayers \$100 million in taxes and also prevented them from having to borrow money and pay it back with interest. All money circulated into the economy would come from the government printing the cash and spending the money. With Lincoln's system, there is no government debt. Everyone benefits. Everyone saves in taxes and everyone has equal protection. The banks cannot create money; they can only loan out

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other depositors' cash. There is no stealing or counterfeiting. Nearly all the homes, cars, farms, and businesses in the country would be debt-free. Not so with the opposing banking system.

The second banking system is called the European banking system. Under this system, the banks create the cash or money. The banks are privately owned and do not loan other depositors' money. If the government runs a \$100 million deficit, the bank prints the cash (or the government prints the cash and gives it to the bank for the cost of printing, paper, and ink). The bank then loans the same \$100 million cash back to the government as a bank loan. To ensure the government will pay the loan back, the government gives the banker \$100 million of government bonds. Bonds are like promissory notes agreeing to repay the loan. The government must pay 10% interest to the bank for the \$100 million cash loan. They collect \$10 million in taxes, and the \$10 million is paid to the bankers for interest on the loan. Within twelve months, the government owes the \$100 million principal plus \$10 million in interest. There is only \$100 million in cash to pay \$110 million owed. The government now has a new deficit of \$150 million plus the \$10 million in interest due. The government then prints \$150 million in cash and gives the cash to the bank for the cost of printing, which the bank then lends back to the government at 10% interest. Within twelve months, the government owes the bankers \$100 million for the first year, plus \$150 million for the second year. The interest is 10% of \$250 million, calculated to be \$25 million, plus the \$10 million of interest from the previous year. The total money the government owes the bank is \$285 million. Unfortunately, there is only \$250 million printed to pay the bank toward the \$285 million in principal and interest. World history shows the banks typically foreclose on the nation just like they foreclose on a house. Soon, the bank files bankruptcy against the government and the bank owns the nation. All of the nation's assets are collateral for the national debt. There is never enough cash to pay the principal and interest. To stop an economic collapse, the banks must keep loaning more and more money to the government, with taxes increasing and increas-

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ing. Soon the economy will fall into a depression and the banks will foreclose on the national debt. Nearly all homes, cars, farms, and businesses end up in the hands of the bank.

When the European banking system grants loans, the bank loan agreement conceals one very important fact: the bank first receives the money they loan from the borrower for free. The bank then loans this money back to the borrower as a bank loan. Just as when the government gives the bank cash and the bank loans the cash back to the government, the same thing occurs when local banks grant house loans, car loans, student loans, business loans, and credit cards.

This book will use the Federal Reserve Bank publications to prove that we are under the European banking system. Most Americans will argue that they do not give the bank \$100,000 actual cash value for free and that the bank returns it back to them as a loan. This book will not only expose how this trick works, but will teach you how to argue the point like a certified public accountant expert witness, destroying the arguments of a judge, attorney, or banker.

Would you agree to give the bank cash, or something that can be sold for cash, allowing the banker to deposit the money and write a check back to you as a loan? Of course not. The banker believes this is what you agreed to. Most Americans know that if you deposit \$100 cash into a checking account, there is a new deposit of \$100 and the bank owes you \$100. You can ask for the cash back as a return of your capital earlier deposited, or write a \$100 check. The \$100 deposit funds the check. We know the bank cannot return the \$100 back to us as a bank loan. Most Americans believe the bank will loan them \$20,000 of other depositors' money if they sign a promissory note agreeing to repay the money. The banker does the opposite of what most Americans believe the agreement is, changing the cost and the risk of the alleged loan. The banker knows that if you deposit \$100 cash, they can sell the cash for \$100 of government bonds, with the banker receiving interest. Government bonds are just like cash. If the banker needs cash, they sell the government bonds. The trick is this simple: instead of depositing cash, the banker sells the \$20,000 promissory note

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(agreement to repay the loan) to investors for \$20,000 cash. The banker then takes the cash and sells it for \$20,000 of government bonds. Instead of depositing cash and selling the cash for government bonds, the banker sells the promissory note for government bonds and deposits the bonds. The banker deposits \$20,000 to create a new \$20,000 deposit, which acts like printing \$20,000 of new money. You can write a \$20,000 check from the new deposit. Then, the banker writes a check from the \$20,000 deposited earlier and gives the check back to the borrower as a bank loan check. The banker received \$20,000 for free from the alleged borrower, used it to create a new \$20,000 bank deposit that acts like new money, and returned the same money back to the person as a bank loan.

The alleged borrower signed the promissory note (agreement to repay the loan) hoping to receive other depositors' money, giving everyone equal protection. The bank never intended to loan anything of value for the promissory note. The bank intended to receive something from the borrower worth \$20,000 for free and then return the money back to the borrower as a loan. Receiving something for free without permission is stealing. Selling the stolen property for government bonds or cash and depositing the government bonds or cash to create a new bank deposit (checkbook money) is equivalent to creating new money. The stolen property is used to create new money. Now you have an economic effect similar to stealing or counterfeiting rolled into one transaction. This book will now give the details of the evidence. The conclusion is that the bank receives the liens on the nation's assets for free. The written loan agreement never authorized such a transaction.

Most Americans will argue that we are not under the European banking system because, when a borrower goes to the bank for a \$100,000 loan, the borrower does not have \$100,000 to give to the bank. If you think that we follow Lincoln's example today and loan other depositors' money, that we are not under the European banking system, you were tricked right along with most Americans.

If you earned \$1,000 in the past 10 days and deposited the money into a checking account, would you allow the bank to

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keep it for free and then return the \$1,000 back to you as a bank loan? Of course not, unless you are completely insane. Would you agree to allow the bank to take the money you will earn ten days in the future, deposit the money, and return it back to you as a loan? If you are that gullible, I want to loan you some money. Your future labor represents the future payroll money to fund the loan repayment required by the promissory note. If you object to letting the bank have your \$1,000 payroll check for free and giving it back to you as a loan, you would object to the European banking system. If you want justice and equal protection, you will follow Lincoln's and our founding fathers' Constitutional, gold- and silver-backed banking system. Banks hate gold and silver because they cannot manipulate the promissory note, deposit it, and create new money (a new bank deposit). If you believe that no class of citizens has the right to steal and counterfeit legally, then you agree with Lincoln and our founding fathers' Constitution. If someone kept stealing your future payroll checks, depositing them, and returning the money back to you as a loan, you would be poor and in perpetual debt, paying interest to the thief. It is very profitable to steal and counterfeit, especially if you have the aid of government to enforce it.

National Geographic (Jan. 93, p. 84) claims that the banks create money and loan it out at interest. Later this book will show you Federal Reserve Bank publications confirming that this is true. There is a controversy as to who owns the Federal Reserve Banks. It is true that local banks own part of the Federal Reserve Bank in their district. But these local banks do not appear to have control over the Federal Reserve Bank. This kind of ownership means little if anything to most Americans. *Encyclopaedia Britannica* claims it is privately owned. The FED does not pay IRS tax but does pay real estate tax. Some researchers believe it is owned by the government. The economic effect remains the same whether it is government or private. I do not wish to explain the details regarding the corporate status of the United States government and/or who owns the Federal Reserve Bank. It is sufficient to say that the Federal Reserve Bank is a federally chartered agency of the federal government.

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ARE YOU MAD YET? Remember how Ross Perot and Bob Dole went on national television wanting a balanced budget? Both were given information about banking and how the Federal Reserve Bank operates. Do you think they are smart enough to know about Abraham Lincoln and the Constitution? Did they tell you 32 out of the required 34 States passed a constitutional convention under the guise of needing a balanced budget and that the bankers funded a new constitution to replace our existing one? It was to be a constitution wherein everyone loses the freedom of speech and religion, along with our other rights. The bankers' goal is to end our Constitutional gold and silver money and equal protection. Notice how the media is silent about the truth. They are trying to talk you into a balanced budget, while all we have to do is follow Lincoln's example. Bob Dole made a small fortune with his television advertisement pushing a cashless society, allowing the banks to have absolute control over every citizen through the use of credit cards. The banks create the problem/deficit, then they push for a constitutional convention to solve the very problem they created. The solution, then, is designed to end our rights. We would never agree to ending our rights unless we had a problem that needed to be solved. If the American people understood the truth, no one would believe Bob Dole or the media and we could correct the problem. If you study and research, you will find the banks and the United Nations are working together with the same agenda. But that's left for another book.

I thank the grassroots organization of United We Stand for helping to stop the constitutional convention and helping people become aware of the banking problem. They know about the Federal Reserve Bank and the problems it has created. I believe if we can get this book out to the people of United We Stand, and if they support equal protection, we could restore America to her former greatness. I thank the grassroots for their gallant efforts to expose the truth. Grassroots Republicans and Democrats are just beginning to see the benefit of following the Constitutional banking system. The Republican and Democrat leaderships may be receiving favorable media coverage and money from bankers, forcing them to remain silent, but the faster

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the grassroots movement grows, the faster the change will take place.

The solution is simple. We need 200 people in every state to distribute 1,000 brochures, and soon ten percent of the people will want out of their loans. The ten percent will grow. Educated Americans will support us. As the numbers grow, statesmen will run for office to represent the people and not the banks. We must wake the voters up. We must expose the big lie so we can vote out every lawmaker, judge, and police official who would aid and abet the enemies of our founding fathers in the Revolutionary War.

Two great Americans said it all. In *Bulletin* (Nov. 1991, p.4), President Andrew Jackson is quoted as saying, "If the American people only understood the rank injustice of our money and banking system, there would be a revolution before morning." Automaker Henry Ford Sr. said, "It is well enough that people of the nation do not understand our banking and monetary system, for if they did, I believe there would be a revolution before tomorrow morning" (see bibliography #10, p. 11). We do not need guns or bombs. America has the greatest government in the world. All we need is an informed populace willing to vote out anyone who thinks one class of citizens should have the legal right to enforce an economic effect of stealing and counterfeiting against the other citizens.

5. UNITED STATES NOTES VS. FEDERAL RESERVE NOTES

If the government runs a deficit and needs money, cash is printed in either United States Notes (cash) or Federal Reserve Notes (cash). The bank or government pays the cost of paper, ink, and printing. If the government prints United States Notes, it spends the cash and there is no debt or interest to pay. For every dollar printed, there is one less dollar of tax and one less dollar of debt. If you want this cash, you must work to earn it.

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No one gets a free ride by acting like a counterfeiter. Everyone has equal protection and no one receives a lien on your home for free. A dollar bill (cash) has value and people accept it as money regardless of whether it is a United States Note or a Federal Reserve Note.

The bankers believe that cash or checkbook money has no value unless the bank receives a government bond for free and the bond gives value to the newly issued cash to match the newly issued bond. The bankers believe that the bank should receive government bonds for free and then print cash to match the amount of the government bonds, giving the cash back to the government as a loan. Bankers believe the bonds give the cash value. The bankers argument is flawed, because if the value of the cash is based on the value of the bonds, then the bank is claiming the cash has no value in itself and therefore, if the bank loaned the cash to the government, the cash has no value. The bank loaned nothing of value to the government to obtain the bonds. The Federal Reserve Note is a bank IOU that the bank has not paid. Imagine loaning someone an IOU you refuse to pay and having them give you back a government bond. The government bond gives your IOU value. You keep the bond and receive interest and you still never pay your IOU. If the taxpayers make the bond good, the taxpayers can make a dollar bill (cash called United States Notes) good. The difference is that the banks do not receive interest for free.

Simply stated, if the government needs money, they can print United States Notes (bills) and use the cash to pay the government payroll or expenditures. There is no loan, so there is no interest. If we use Federal Reserve Notes, the cash is printed and given to the banks for the cost of printing. Then the bank loans the cash back to the government. The government gives the bank government bonds, paying the bank interest. If we stop giving the cash to the bank, to be returned back as a loan, the taxpayers save the principal and interest the banks receive for free. Using Federal Reserve Notes is a legal way to take from the taxpayers and give to the bankers. Then, the bankers use part of the money to get lawmakers, judges, and police elected to support them. The government leaders and bankers

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win at the expense of the taxpayers. The late Thomas Edison explained the matter of issuing currency this way:

If our Nation can issue a dollar bond (interest bearing) it can issue a dollar bill (interest-free). The element that makes the bond good makes a bill good also. The difference between the bond and the bill, is that the bond lets money brokers collect twice the amount of the bond and an additional 20 percent, whereas the currency pays nobody but those who contribute directly in some useful way. It is absurd to say that our country can issue \$30 million in bonds and not \$30 million in currency. Both are promises to pay, but one promise fattens the usurers (interest collectors) and the other helps the people (see bibliography #12, p.46).

The next time someone claims we should use Federal Reserve Notes instead of United States Notes, ask them if they've read Thomas Edison's quote. The bankers just receive the assets of the nation for free and force us to pay the interest on the assets. Is it unfair? The bankers will say it is legal and authorized by lawmakers. Many bankers simply think this is just good business. The bankers have one major problem. The contract or bank loan agreement has a major flaw and does not allow this. The lawmakers, judges, and police have a contract problem also. Their oath to uphold the U.S. Constitution is a contract with the American people.

Without us knowing it or agreeing to this in the bank loan agreement, the bankers have implemented the medieval feudal system, wherein the nobles own the land and rent it to the serfs. Economically, this is the situation we have in America. Every time a house or car sells and people go to the bank to finance the purchase, the bank receives the lien and promissory note for free, forcing us to pay the interest or rent. And if we refuse, they foreclose, kick us off the property, and find a new tenant (borrower). Whether they create money to buy the land and rent it back to us, or create money to obtain the promissory note and charge interest, the rent and the interest is the same. This feudal system was a class system our founding fathers abhorred. In it, nobles were above the law. Today, in court, it seems the

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bankers are above the law. Do you know of a banker who has gone to jail for violating the U.S. Constitution or bank loan agreement? The medieval, feudal system denies equal protection under the law, as does today's American banking system. The courts, lawmakers, and police have enforced this medieval, feudal banking system, denying us equal protection under the law. The banks have demanded the serfs give up one-third to one-half of their payroll check to them, paying all the interest forced upon us. Why should we allow the banks to conceal the whole truth about the real bank loan agreement, allowing the economic effect of theft and counterfeiting to continue? It continues because Americans believe the big lie.

Once Americans educate their other fellow Americans, we will repeat history and change the banking system. Outraged Americans will demand the government create interest-free United States Notes and that this cash be the only money allowed in circulation. If you want money, you must earn it and not create it like banks do today. If money is loaned, the bank must loan other depositors' money and not create it.

Today, Congress and the President are too fearful to change the laws and follow Lincoln's example, and they will continue to be until we organize and send out enough brochures to enough Americans so that the population will support the change and make it safe for lawmakers to follow their oath of office to uphold the U.S. Constitution. The lawmakers, political candidates, and judges are waiting on you to do your job to spread the word and get the truth out. We must show that the media is biased and supports the medieval, feudal banking system of nobles and serfs. Greed and the love of money run the bankers, government leaders, and the media. To correct the problem, we need you to join us in distributing brochures and cassette tapes. If we have 25 hairdressers in every state joining us, and if they convert 100 clients each, we will have 2,525 people wishing to follow Lincoln. Wives could stop working and maintain the same standard of living. If these 2,525 converted one more person each, we would have 5,050 people talking, 252,500 in all 50 states. If the average person passed out 100 brochures, one in every four voters would want to follow Lincoln. Soon the

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whole country will follow. You and your group of friends could get 25 people in your state interested and watch American history repeat itself by changing the banking system once again. Senator Bob Dole's book Trusting the People (p. 8) explains that, in 1995, the government paid over \$230 billion on the national debt. This is nearly 40 percent of every dollar the federal government collects. The \$230 billion in interest and 40 percent of taxes going to the bankers for free will be a part of the past and never be repeated in American history. People will again remember the reason we fought the Revolutionary War.

In my next book, I will explain how judges, police officials, and lawmakers can double their money every 6 to 8 months without risking one cent. You cannot rely on the courts to give you justice if the judges and police are quietly doubling their money every 6 to 8 months. Why would politicians vote to end doubling their wealth? Once you learn how easily it can be done, you may decide to join them. But for those with a conscience, I will illustrate a way to use the same method to help restore this country's economic stability and security. If you were a policeman or judge enjoying the benefits of a feudal noble, doubling your wealth at the expense of the others, you would not stop until the nation was outraged. It is clearly up to the voters to change the system.

President Kennedy issued United States Notes just before he was assassinated. I owned one of the Kennedy dollars, called a silver certificate. This cash was issued interest-free. Within a few months, he was assassinated. If President Kennedy had lived and continued, today the national budget could be balanced, your personal IRS tax eliminated, your home, car, or farm could be debt-free, and you could be living in prosperity. The three to six months of labor the banks receive for free from you today could be all yours to spend. Today they spend it, but if Kennedy had lived, the money would be yours. Trillions and trillions of dollars that the banks have today would be in the hands of American citizens if Kennedy had lived and continued printing his United States Notes. Immediately after he died, President Johnson withdrew the Kennedy dollar and issued Federal Reserve Notes in their place. Who benefited most by Kennedy's

death? One death and trillions and trillions of dollars were kept in the hands of the bankers, with nearly half your labor being given to the bankers for free in the medieval, feudal banking system. Just one bullet shifted the wealth of every American. The people may not know, but bankers surely know the difference between the United States Notes and the Federal Reserve Notes.

I believe President Kennedy would have lived if he had first exposed the banking scheme on TV and then issued United States Notes. Media control is essential to keeping the money system secret, essential to deceiving the nation and making every American a serf instead of the free American our founding fathers intended. Now we need to act like we are free and tell the world the whole truth, end the debt slavery, and become free once again.

6. FORMER FDIC BANK AUDITOR TELLS ALL (True Story)

When I lived in Illinois, I was asked to fly to Arizona to meet with a former FDIC bank auditor who had decided to join us in exposing the banks. We met for several hours in a library. Being accountants, we used accounting language such as debits, credits, liabilities, and assets. I will translate the conversation into layman's terms so you can understand what the bank loan agreement really is.

I began the meeting by reading and paraphrasing the bank publication *Modern Money Mechanics* (p. 3). It was discussing goldsmiths. People deposited gold coins in exchange for gold receipts. The banks would redeem the gold receipts for gold coins upon request. Depositors began using the gold receipts as money instead of the gold coins. When people asked the banks for loans, the banks simply created new gold receipts and loaned the new gold receipts as money to obtain the borrower's promissory notes. In this manner, the banks obtained the liens on the

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nation's assets for the cost of printing new gold receipts. Gold receipts are really bank notes.

The publication went on to explain how transaction deposits are the modern counterpart of bank notes (gold receipts). It was a small step from printing notes to making book entries crediting the deposits of borrowers, which the borrowers could, in turn, "spend" by writing checks. I asked the bank auditor, if we replaced the word gold with cash, and gold deposit receipt with checkbook money, would this describe American banking today? Does that gold deposit receipt represent a check or bank promissory note? Yes. Did the bank redefine the word money by calling the gold receipt money, just as they call a checking account balance checkbook money? He said yes, and that it is not going to change until the people realize what is happening.

You went to the bank for a loan of gold coins. The bank created \$100,000 of new gold deposit receipts and loaned you a slip of paper owing you \$100,000 in gold coins without the gold coins on deposit to make the gold deposit slip valid. The deposit slip was a fake; There was no money behind it. It is like counterfeit money. Who would agree to being loaned a slip of paper? You owe the bank \$100,000 in gold coins, and the bank has given you a piece of paper without the money to back it. If the bank paid you the gold it owed you, and you paid the bank the gold you owed it, both debts would be canceled. **Key lesson:** If the bank paid their debt, you would be out of debt. Instead, they tell you to use the gold deposit receipt as money.

The \$100,000 promissory note the borrower signed can be sold for \$100,000 in gold coins, and this is why the promissory notes are called the banker's gold. The bank loaned a fake, a piece of paper with no gold behind it. The borrower was tricked. The borrower must work to earn \$100,000 in gold coins, plus interest, to repay the bank. Today the promissory note can be sold for \$100,000 in cash, so the investor can receive interest. The borrower's labor to repay the loan is worth \$100,000 in cash today. **Key lesson:** Your labor is equivalent to money. Your labor is your property. A \$100,000 promissory note has the equivalent value of \$100,000 legal tender because it can be sold for that amount.

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The bank loaned nothing of value. If merchants were told the truth, they would not accept this deposit slip without value. It is like writing a check without first depositing money. All the bank did was take something of value (the promissory note or the borrower's future labor), sell it for \$100,000 in gold coins or cash, and loan it back to the borrower. The bank gained \$100,000 in gold coins and loaned nothing. The gold deposit slip people used as money is no different than our checkbook money. Checkbook money is a bank liability owing cash. Few people use cash; they use checks. **Key lesson:** The bank did not loan one cent of legal tender to obtain your \$100,000 promissory note. The bank received \$100,000 from you and acted like a counterfeiter, loaning you the newly printed money (checkbook money).

The deposit slip represents a checking account balance, which is a scorecard of how much cash the bank owes us. Instead of handing the merchant a deposit slip, we hand the merchant a check, which transfers the bank liability from our checking account to the merchant's checking account. When we used gold deposit slips, the bank owed us money, just as with a checking account balance today. If we gave the merchant deposit slips, the bank would no longer owe us the money. They would owe the merchant the money. We can no longer spend that money. Now the merchant can spend it. **Key lesson:** A bank liability, a deposit slip, a debt, an IOU, checkbook money, a check, a casino token, a promissory note, or a bank note are all the opposite of money. They are worthless without an asset to redeem them. A bank liability is merely a bank scorecard showing how much legal tender the bank owes customers. A check is not money. If you write a million dollar check without first depositing the million dollars, you go to jail. A check merely transfers a bank liability from one checking account to another with the assumption that there is a bank asset (cash) to exchange for it.

If you deposit cash, the bank uses the cash to buy government bonds that can be sold for cash, making your check valid. So, what if the bank stole your car or promissory note, sold it for government bonds, and used the government bonds to fund

the bank loan check? The check would be valid. The seller of the house received a check. He does not care if other depositors funded the check or if the borrower funded the **check**. **Key lesson:** According to the agreement, was the bank to loan you money to obtain the promissory note, or was the bank to deposit the promissory note and return it back to you as a loan? It would be different if the people used only gold coins to buy merchandise? If the bank can trick you into using casino tokens (or **checkbook** money or deposit slips) in place of real gold coins, you do not know if the value to back up the tokens came from you or other depositors. If we only used cash or gold coins and the banks could not create money, then we would know for sure we were being loaned other depositors' money. Would it matter whether the borrower funded the bank loan check or whether other depositors funded the check? If the borrower deposited his \$1,000 (earned by his labor) into a checking account and was forced to withdraw it as a loan, he would have lost \$1,000 and had a \$1,000 debt. If he does not pay this debt, the bank forecloses. If this continued, the nonbankers would have huge debts and all their wealth would be transferred to the bankers.

I proceeded to explain the bank bookkeeping entries and asked the bank auditor to stop me if I was wrong. If Tim deposits \$100 in his checking account, the bank records the cash as a bank asset and records a \$100 bank liability. The \$100 liability is like a bank scorecard saying the bank owes Tim \$100. The deposit is like Tim loaning the bank \$100, as proven by the \$100 liability. Because Tim loaned the bank \$100, Tim can receive back the \$100 in the form of either cash or by writing a check to a merchant. **Key lesson:** If you deposit money at the bank, it is like loaning the bank the money. You have a right to receive your money back. **Key lesson:** The promissory note has value because it has interest and collateral (lien.) Without interest or collateral, few people would buy it.

If Tim loaned the bank \$5,000 in diamonds, the diamonds would be recorded as a bank asset and a new bank liability of \$5,000 would be recorded. If Tim did not want the diamonds back and it was agreed that the bank would repay the loan by

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giving Tim a \$5,000 check, the loan from Tim to the bank would be paid in full. The bank exchanged the \$5,000 in diamonds for a \$5,000 check, just like the bank exchanged the borrower's promissory note for a check. Tim had to earn \$5,000 to buy the diamonds, just as he must earn the money to repay the loan. He earned the money, so he has the right to spend the money. If the bank stole what Tim earned and deposited the money, returning it to him as a loan, it would be an injustice to Tim. **Key lesson:** An exchange is the same as a deposit. The bookkeeping entries are the same. Receiving \$5,000 in diamonds from a borrower, selling it for cash, and returning the cash back to the borrower as a loan is a fraudulent conversion of the diamonds. Taking our previous example, the bank records the \$100,000 promissory note as a bank asset, creating a new \$100,000 bank liability called checkbook money. This is really an unauthorized loan from the borrower to the bank. The bank returns the loan back to the borrower by issuing a check for \$100,000. The check merely transfers the liability from one checking account to another. Bank loan agreements do not disclose the unauthorized loan from the borrower to the bank. Example: A bank advertises that it loans money. You apply for a \$100,000 loan. The bank gives you a \$100,000 check. What really happened? The bank implied that they loaned you \$100,000. The truth is that the bank recorded a loan from you. The bank owes you the \$100,000 they agreed they would loan you as required to legally own your promissory note. The bank paid you \$100,000, they still owe you \$100,000 more for the deposit (the unauthorized loan to the bank). The auditor agreed that this is true, according to the bank bookkeeping. The bank loan checks need cash or an asset (promissory note that can be sold for cash) to make the check legal. The Federal Reserve Bank publications admit that the bank never loaned one cent of legal tender or other depositors' money. The FED publications admit that the bank used the promissory note to fund the bank check. Stealing the promissory note or recording the promissory note as a loan from the borrower and then using it to fund the check is essentially the same. Bank assets and liabilities both increase whether it was "loaned" to the bank or stolen. Whether it was stolen or

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not, most people want their property back. Stealing and refusing to pay a loan is essentially the same thing. I asked the former bank auditor to tell me if I was wrong. He said I was correct.

About one hundred years ago, Rothschild claimed the nonbankers would never learn the secret. He claimed the simple people were too stupid to learn how the bankers stole everything. The oldest bank trick is this simple: People think they can only deposit cash or checks into a checking account. The checking account balance acts like a substitute for the real money or cash deposited. It is like exchanging cash for a casino token and using the token as the money. The trick is to get people to use the token as money, or checks and checking account balances as money, instead of cash. The next trick is that a bank can deposit anything into a checking account as long as it can be sold for cash. For example, if I stole cars or diamonds and the bank cooperated and allowed me to deposit the stolen property, it would be like depositing cash as long as the stolen property can quickly be sold for cash. If one deposits cash, the bank sells the cash to buy government bonds that pay the bank interest. In hours, the bank calls all the bonds for cash, making the bonds the equivalent cash. If one deposits stolen cars or diamonds and the bank exchanges the stolen property for government bonds, it is like depositing cash. The bank knows it is easier to sell promissory notes than stolen cars or diamonds. One telephone call and the promissory notes are sold for government bonds. It is done every day. It is like depositing government bonds (cash) to issue a check.

The oldest bank trick in the world is to make you think you received a loan which you are then willing to repay. You got an alleged bank loan check with cash behind it. The question is, where did the cash come from?

The bank auditor replied, "I think you finally understand."
Key lesson: The bank does not own the promissory note until the bank fulfills the agreement and gives you consideration (money) in accordance to the agreement. Depositing funds and stealing the deposit is called a fraudulent conversion. It is a felony. The key question is, did the borrower agree in writing to be the depositor and fund the bank loan check?

7. ACTUAL CASH VALUE

Actual cash value means the cash price you can sell an item for in the ordinary course of business, without being forced to sell it. When you apply for a \$100,000 bank loan, you sign a \$100,000 promissory note. The note funds the \$100,000 bank loan check back to you. What is the actual cash value of the promissory note? It is \$100,000, because the bank sells it at the end of the day for \$100,000 in government bonds, which has value equal to cash. What is the actual cash value of the new bank loan check? It is \$100,000 because you can receive \$100,000 cash. They merely exchanged actual cash value for actual cash value, and charged you as if there was a loan. Some of you may want proof. Federal Reserve Bank of San Francisco publication *Monetary Policy in the United States* (p. 13) states that, "bank loans is funded... by banks creating new deposits." They claim there was a loan. The truth is, it was an exchange and they called the exchange a loan. The proof is in the bookkeeping entries. No actual cash value was loaned as consideration to obtain the promissory note, and the proof is that the note funded the check. The proof that the note funded the check is the new money, the new deposit, as the FED publications so clearly admit. If you gave the bank \$100 cash as collateral for a bank loan, and the bank loaned you nothing, but deposited the \$100 cash and used it to fund a bank loan check, refusing to return the \$100 cash collateral, would you be mad? That is exactly what the bank did to you. When you hand the promissory note to the bank, it has equal value to the bank loan check. After the loan is repaid, the promissory note has no value because the loan payments stopped. When they return the note it has no value, which is the same as refusing to return the \$100 cash collateral. If we followed the Constitution and only used gold and silver as lawful money, the bank could never use your promissory note to fund the bank loan check. The bank would be forced to use other depositors' money to fund the check, giving you equal protection under the law. This is why the bank-

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ers hate the Constitution, gold and silver money, and equal protection. Next time the media claims a group is anti-government, I bet that group believes in the Constitution and in gold and silver.

You are receiving the training of a bank expert witness. Volume II will significantly increase your skills. Volume I is the basics to get everyone up to the same level. Volume II is the bankers' nightmare.

The banks know they cannot answer the following questions without exposing everything. Ask the banker to give his personal opinion on the following questions.

If the bank demands I place \$10,000 cash as security with the bank to receive a \$10,000 loan, and the bank deposits the \$10,000 into a checking account, did the bank loan anything so far? No. If the bank deposits the \$10,000 to issue a \$10,000 check from the deposit and returns the \$10,000 check to me, did the bank loan me anything? No. Did the promissory note or lien act like security for the alleged loan? Yes. If I deposit \$10,000 cash into a checking account, does the checking account balance increase by \$10,000? Yes. Does the \$10,000 cash deposited and the new checking account balance of \$10,000 mean there is now \$20,000 of money that can be spent? No. The \$10,000 cash is exchanged for new money called checkbook money. You may spend the checkbook money by using a check or you may exchange the checkbook money back into cash. We ask the question to prevent the bank from claiming they can create checkbook money without first depositing an asset, money, having equal value to the new checkbook money created. Checkbook money has equal value to legal tender, cash, just like a promissory note has equal value to cash because you can sell it for cash. Depositing cash, a check or a promissory note/lien security merely means that one exchanged the value of the funds deposited for equal value of checkbook money. An exchange of equal value is not a loan,.

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Mr. Banker, please answer the following questions. If one deposits the \$10,000 promissory note/lien does the checking account balance increase by \$10,000? Yes. Does the new \$10,000 checking account balance act like new \$10,000 of currency one can spend? Yes. If the bank deposits a \$10,000 promissory note, does the bank receive the promissory note for free and create \$10,000 of new money in the same transaction? Yes. Does this have an economic effect similar to stealing the \$10,000 promissory note or future wages and counterfeiting rolled into one transaction? Yes. What right does the bank have to take \$10,000 of actual cash value from a customer, deposit it and withdraw the money and the bank keep the \$10,000 as the bank's property without the customer's knowledge, authorization, or permission? None. The book will prove this is the situation using the Federal Reserve Bank publications. Do you see why the bankers and government leaders fear this book? If this book got into enough Americans' hands, the leaders would be forced to follow the Constitution and great American Presidents like Lincoln, setting all Americans free of bank loans. The average American wife would have the option to stop working, stay home and have the same standard of living produced with both husband and wife working today. If you keep giving your \$10,000 worth of future wages to the banker for free and they return it back to you as a loan, both spouses must work to support the banking welfare.

8. INTENT OF AGREEMENT

One of the requirements to become a certified public accountant is to take a business law course. The course I took in college taught that a loan contract has the following essential elements: 1) an agreement with mutual understanding, 2) competent parties, 3) based on the approval, willingness, of both parties, 4) supported by consideration (money). The lender has to give up money to the borrower, 5) made for a lawful pur-

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pose, 6) in legal form. An agreement must have full disclosure of material facts. Do I loan you my money or do you give me your money for free and I return it back to you as a loan? It is material who provided the money loaned.

The course taught that an "offer" expresses the intent and willingness of the one making the offer to do or not do certain things. The three requirements of an offer are: 1) Contractual intention (the state of mind as to where the money is coming from to make the loan), 2) definiteness (known positively, for certain, sure), 3) communication of the offer to the other party. If an offer is vague or indefinite or if essential provisions are lacking, there is no offer or acceptance or agreement. For an agreement to be valid, there must be mutual understanding.

Independent certified public accountants audit banks, acting like police to protect the public. The CPA must follow audit guidelines. These guidelines require the CPA to know the intent of the borrower's agreement and be sure the agreement and economic effect of the bank bookkeeping entries are in agreement. As judge and jury, you must decide if the agreement stated "loan" or implied loan by the words interest, borrower, and lender, and whether the bookkeeping entries show an exchange but charged you as if there was a loan, significantly changing the cost and the risk. The CPA must have the competence to know the difference and must have investigated this requirement in the audit investigation.

As the judge and jury, you must make a decision on whether there is a valid agreement or whether there was an intentional breach. The facts are simple: the bank advertised and wrote an agreement implying that they would loan money, credit, or a check to the borrower if he signed an agreement, a promissory note, to repay the loan. The judge and jury will now consider the intent of both parties on a typical \$10,000 bank loan.

Intent can be stated as simply as whether the bank led the alleged borrower to believe the bank would loan a bank check (cash equivalent) if the borrower agreed to sign the promissory note to repay the loan? Most borrowers I talk to believe the reason they signed the promissory note was simply to agree to repay the check loaned to them. That was the intent of signing

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it. Only the alleged borrower signed the agreement, so only the alleged borrower's signature is relevant to the intent.

The bank had a far different intent in writing the agreement. The bank intended to receive actual cash value of \$10,000 for free from the alleged borrower and return the \$10,000 back to the borrower as a loan. The law allows the bank to create new tokens (checkbook money called bank liabilities, deposits, and IOUs) to match cash or government bonds the bank owns. The bank simply used the promissory note to obtain government bonds for free and used the government bonds to create 10,000 new tokens (new money) as if someone deposited cash.

The money supply increased by the amount of the promissory note. The bank exchanged the promissory note having actual cash value of \$10,000 for bank tokens (checkbook money) having actual cash value of \$10,000. The bank received \$10,000 for free from the alleged borrower and returned it back to the alleged borrower as a loan. The bank required the alleged borrower to repay the alleged loan in cash or tokens.

If the alleged borrower knew the bank loaned nothing of value for the promissory note, they would use their vote to change the system. When we took an opinion poll of the American people and told them the whole truth, they agreed they never had the intent to give the bank \$10,000 of actual cash value for free and have it returned back to them as a loan. They had no idea, so they could not have had intent to fund the bank loan check. The borrower believed the tokens loaned were financed by other depositors. The alleged borrowers had no idea they financed their own loan and had to pay back the principal and interest to a third party who never loaned any actual cash value.

The bank knew the truth and what their intent was. The bank wrote the agreement, they advertised and had the intent proven by the bookkeeping entries. They claimed there was a loan when, in fact, the economics prove that no loan existed. That there was an exchange and a charge as if there was a loan, I believe, shows that the bank intended to make false statements, false representations, to conceal the exchange in the agreement with the intent to reinforce a false impression, and

failed to correct a false impression by showing the true intent in the written agreement and bank advertising.

Why did the bank change and conceal the true intent? It obviously changes the cost and the risk of the alleged loan. The exchange allows the bank to obtain the assets of the nation for free and to force us to pay them interest on what they received from us for free. If the bankers' intent was not concealed, informed Americans would be outraged and vote out everyone aiding and abetting the bankers.

Can we prove the intent of the borrower? Sure we can. What borrower do you know that is stupid enough to agree to give the bank a gift of \$10,000 of actual cash value and have the bank immediately return it back to the same person as a loan? Americans are not that stupid; they have to be tricked into it. Can we prove the intent of the bank? Yes, by the bookkeeping entries, the stamp on the back of the promissory note (as will be discussed later), and bank policy.

9. BANK AUDITOR FROM TEXAS **(True Story)**

A radio station in Texas invited me to speak about bank loans. After I spoke, a man called, identifying himself as a former CPA bank auditor. He told me he always knew that something was wrong, but could never quite put his finger on it. In a matter of minutes, I explained how I felt. The bank auditor was concerned that he could go to jail. I suggested we do some role playing, as if we were in court. I told him to pretend he was on the witness stand. I said, "Do you have the competence to conduct the bank audit?"

He said yes. He admitted that under CPA ethics he had no choice but to say yes.

I asked, "Did you determine if the bank legally owned the promissory note?"

He said, yes, that this is part of the audit requirement.

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I asked him, "On a \$100,000 bank loan, how much legal tender must the bank loan in order for the bank to legally own the \$100,000 promissory note?"

He responded that it would have to loan \$100,000. I knew he had just made a fatal mistake.

I asked, "What does a \$100,000 bank liability mean?"

He said it means the bank owes \$100,000 of legal tender.

I asked him if a check is money or merely an order to pay money?

He gave the standard reply, stating a check is the same as money because you can redeem it in cash.

I asked him if, according to the Uniform Commercial Code, it is money or merely an order to pay money?

He said, "Don't worry about it."

I said, "Do you have the competence to answer the question?" I knew he could not say no if he took on a CPA bank audit assignment. He finally confessed that it is not money, it is merely an order to pay money.

I asked, "According to the standard bank bookkeeping entries and according to the Federal Reserve Bank policy and procedures, who provided the original capital to fund the bank loan check? Was it the bank or the borrower?"

He said, "If I answered that question, I might go to jail."

He admitted the check and liability is not money. He admitted the bank must loan \$100,000 of legal tender to the borrower in order for the bank to legally own the promissory note. That means the promissory note cannot fund the bank loan check. He became very upset and concerned. He explained that, if the bank does not legally own the promissory note, then the audit was incorrect and must be changed. If this were done, it would open the door for a lawsuit. He very well might go to jail. The next day he called me, claiming he'd found a weakness in my argument and charging that the banking procedure was not check kiting.

I asked him if the word loan meant money advanced to a borrower to be repaid at a later date, usually with interest.

He said yes. He had no choice, he had to say yes. This definition comes from the dictionary.

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I asked him if the bank records legal tender as a bank asset.

He said yes. This refuted his claim that the local banks have a license to create the opposite of legal tender (bank liability called checkbook money owing legal tender) and loan the opposite of legal tender to the borrower.

I asked him if it is standard policy for the banks to record promissory notes as a loan from the borrower to the bank. Obviously the answer is yes.

He knew I had the Federal Reserve Bank publications showing the standard bank bookkeeping entries, which recorded the promissory note as a bank asset offset by a new bank liability. This is economically the same as loaning the promissory note to the bank, and the bank loaning the value back to you. He knew that, if it is material to disclose a loan from the bank to you, it is equally material to disclose a loan from you to the bank. If it was not a loan, it had to be a theft. He could not answer the question.

I asked him, "According to your understanding, is the promissory note money or not?"

He told me he could not answer this question in court without going to jail. Later in the book, I will explain why he gave this response.

10. MORE AND MORE PROFESSIONALS JOINING TO SAVE AMERICA (A **true story**)

Jeff, a California CPA, asked me to train him as an expert witness. I had him listen to my 15 hours of cassette tapes and read my manual. I then flew to Los Angeles and met him at a friend's house. I spent hours writing on a chalkboard, explaining the bank loan agreement. The best way to teach him the concepts was to hold a mock trial. I asked Jeff to pretend he was the bank president or CPA expert witness on the witness stand. As an expert witness, you must know everything about

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banking. You cannot claim you do not know an answer to a question in the area you are testifying in. I asked Jeff, "Do you know the Federal Reserve Bank policies and procedures regarding loans, deposits, and bookkeeping entries?" He said he did.

"Is a bank liability a banker's debt?" I asked.

He said yes.

"Do banks charge interest for the use of borrowed money?"

"Yes they do," he said.

"Is this a \$100,000 promissory note?" I said hypothetically, holding up a piece of paper. He said yes.

"If the bank refused to loan the borrower a \$100,000 check as consideration for the promissory note, do you believe the bank would legally own the promissory note?"

He said, "If the bank refused to loan the money, the bank does not legally own the promissory note."

"Does a bank liability mean the bank owes legal tender?"

He responded yes.

"Is the check money, or merely an order to pay money?"

He responded, "It is not money. The Uniform Commercial Code says it is not money. It acts like money with the assumption that there is legal tender deposited to make the check valid."

"Is it your assumption that the bank followed the Federal Reserve Bank policies and procedures?" He said if they didn't, they would go to jail. "Is it your opinion that the bank legally owns the promissory note?"

He said yes.

I said, "Jeff, if this were a real court case, I think you would be headed to jail. At the very least, you would have lost the case." He asked me what the problem was.

I explained that the check could never be the consideration loaned for the promissory note. If the check was the consideration loaned, then there was no cash or asset behind the check, making the check illegal. The FED publications state that the bank never loans other depositors' money or legal tender as consideration for the promissory note. According to the FED publications, the promissory note is used as the value to fund the check. If the promissory note funded the check, then the check could never be the consideration loaned because the bank

owned the promissory note without loaning one cent of legal tender. Which came first, the chicken or the egg? The question is, did the bank steal the promissory note or record it as a loan from the borrower to fund the check? Did they then lie and claim the check was the consideration loaned to obtain the promissory note?

Key lesson: Most nonbankers believe the bank bookkeeping entries were the opposite of what the agreement actually was. There is no agreement without mutual understanding. Did the agreement imply a loan of the bank's money to the borrower or a loan of the borrower's money to the borrower? The banker does not want to answer which came first, the chicken or the egg.

Jeff asked me, "What if the bank sold the promissory note?"

Was the promissory note stolen? Look up the words "receipt of stolen goods and property" and I think you will agree that the one who bought the promissory note understood the bank policy, standard bookkeeping entries, and agreement. They had knowledge and intent. Buying a car you know was stolen makes you guilty. As judge and jury, you must decide if the acquisition of the promissory note is receipt of stolen goods or property.

Stealing is defined as obtaining another's property through a trick, a dishonest act without authorization, or permission given, larceny, embezzlement, false pretense, or other wrongful acquisitions. Larceny is defined as obtaining property by unauthorized means through fraud, false representation, intentional perversion of the truth, deception with intent, or preconceived plan to convert or steal. Larceny by fraud or deception is defined as obtaining property by deception, using or creating a false impression, and/or reinforcing a false impression, or preventing one from obtaining the correct information that may alter the transaction. The deceiver fails to correct the misleading information which he previously created. Example: the bank claimed there was a loan when there was only an exchange of equal value, and then they charged you as if they loaned you their money. The deception changed the cost and the risk of the transaction. Through this trick, the banks could obtain nearly

all the property in the nation for free. Judges and attorneys have routinely refused evidence into court. Larceny by fraud, extortion, and concealment are committed when a court prevents one from bringing evidence into court for one's defense. The lawyer reinforces a false statement, claiming there was a loan, concealing that the bank took actual cash value from us, returned it back to us, and claimed it was a loan from the bank and not a return of the unauthorized loan from us to the bank. Please look up the words conspiracy and white collar crime as well. The bank told you that you received a check you can cash for legal tender, and that the check was the loan allowing you to buy the house or car. All one has to do is follow the money entries— to see that this is not the case.

11. HOW DOES SOCIETY VALUE MONEY?

Money is only worth the products it can buy. Money is valued by the labor required to obtain it. Your employer gives you a paycheck because you sold your labor to him in exchange for money. Before money existed, people bartered their time for other people's time. Joe agreed to work five hours to fix Randy's wagon, and in exchange, Randy agrees to work five hours to fix Joe's plumbing. Money merely made it easier to barter one's labor; it is the medium of exchange for other people's labor. Money can be valued in time, and banks charge interest for the time money is borrowed.

When you buy food, you barter your the farmer's labor. A gold coin has value in itself. You could melt the coin down and people will still trade their labor for the melted gold. If everyone counterfeited money and stopped working, people would have houses full of cash and no food, water, electricity, or gas to fill their cars. Bankers know labor is more valuable than counterfeit money. Labor produces wealth. A counterfeiter receives your labor for free and devalues the money

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and savings by the inflation caused by creating the counterfeit money.

If your neighbor loaned you \$10,000, he worked 1,000 hours to earn the money. You will work 1,000 hours to repay the loan, plus interest. Money was the barter mechanism to exchange labor for labor, value for value. No one stole anything from anyone. If banks loaned other depositors' money, you would receive a loan of their labor, to be repaid with your labor. No one stole or counterfeited. No one received another person's labor for free.

But the bank never loaned you value for value. They did not loan you 1,000 hours of labor to be repaid by 1,000 hours of your labor, plus interest. The bank received 1,000 future hours of your labor for free, and this labor gave value to the new money that the bank created and claimed it loaned to you. Your labor funded the bank loan check. The bank received your labor for free when you paid the principal and interest. Then, often, the bank forecloses and receives the property for free. The borrower is constantly giving the bank his labor without receiving any of the bank's labor or other depositors' labor in return.

The banks claim Congress gave them the right to create money and receive Americans' labor for free. A thief and counterfeiter can receive your labor for free, too, unless they are caught and go to prison. If you are constantly stolen from or forced to give your labor to another for free, you will be poor, in debt, and bankrupt, while the one receiving your property for free gets rich without working.

The cost of bank-created money is the cost of having today's value of your future payroll checks stolen and used to create new counterfeit money value that is loaned back to you at interest. It is not only the cost of stealing and giving you back a debt in place of the property (future payroll checks) stolen, it is also the cost of inflation and devaluation of currency created by the counterfeit money.

The cost of Lincoln's money eliminates the cost of stealing and paying new interest on new debt. Lincoln needed \$449,338,902 in taxes, borrowed funds, or newly printed green-

backs to finance the war. The bankers wanted Lincoln to print the money and give the cash to them for free, or to have them create the money and loan the cash back to Lincoln at 24% to 36% interest. That would cost the taxpayer \$449,338,902 plus \$161,762,000 in interest every year. The great-great-grandchildren of the taxpayers would be paying the great-grandchildren of the bankers this interest today if Lincoln did not refuse to give the cash to the bankers for free and return it as a loan to the government. Lincoln printed \$100 for less than one cent, making a profit of \$99.99 for each \$100 printed. The new money was used to pay the soldiers and bought the guns, saving taxpayers the money. Lincoln's solution saved the taxpayer \$449,338,902 plus interest. The controversy is over who receives the \$449,338,902 for free — the taxpayers (government) or the bankers? The government is supposed to belong to the voters; it was never intended to be taken from the voters and given to the bankers.

The cost and value of money is much more than labor, interest, and debt. It has to do with who controls the government. The value or cost of money determines if you are an economic slave or free, as our founding fathers intended. Do the citizens own the country and government or do the banks?

If you are forced to give your labor away for free, over time you will be broke and will lose your country. United States Notes are the bankers' nightmare and the citizens' salvation. Real Americans who love our government and Constitution and know we fought the Revolutionary War to stop banks from creating money and only allow the government that privilege will conclude that President Abraham Lincoln was right, and that United States Notes have the greatest value to society.

12. WHAT IS MONEY IN AMERICA?

Most people know that gold and silver is lawful money in the United States according to our founding fathers and the U.S.

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Constitution. One cannot lawfully redefine money without an amendment to the U.S. Constitution. I can argue that Federal Reserve Notes are not legal nor lawful using the law and court cases. I would have to write another book to present the evidence. However, for the purposes of teaching you the real bank loan agreement, we will call Federal Reserve Notes legal tender. It would take too long to explain how Congress passed bills taking away gold and silver and substituting them with Federal Reserve Notes; it suffices to say that they did it.

Instead of the government creating the money, the banks created it. How did the banks create money? The Federal Reserve Bank of Richmond publication, *Your Money*, says, "Federal Reserve Banks pay 2.5 cents for each note produced by the Bureau of Engraving and Printing" (p. 12). The bank buys \$100 of cash for 2.5 cents, making a profit of \$99.975. The Federal Reserve Bank of Chicago publication, *Two Faces Of Debt*, says, "Federal Reserve Notes are liabilities" (p. 4). A liability is a bank debt or an IOU. Rockefeller got the money for free or for the cost of printing the money. This is how Rockefeller got so rich. He was a smart man. The bank his family owns creates money. No wealth is produced; it is simply shifted out of your pocket and put into the bank's pocket. The bank gives back some of it to get the Congress, judges, and sheriffs elected, ensuring more laws are passed and enforced in favor of the banks. Greed and the love of money run this country.

According to court cases years ago, judges would have ruled that Federal Reserve Notes are not lawful money. What did the bank do? They simply redefined the word money and made the definition mean the opposite of what lawful money used to be. Gold and silver are assets and could never be liabilities. Years ago, you could exchange a Federal Reserve Note for gold or silver, but not today. Today, if you ask the bank to give you real money for a \$10 Federal Reserve Note, they give you back ten \$1 Federal Reserve Notes. A Federal Reserve Note is the opposite of gold or silver (asset); the paper money is a bank liability for the real money. It is a bank IOU. For every dollar the banks print, the nonbankers are forced into one more dollar of debt, owing the banks more money and interest. It is like the banks

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printing money and, for every dollar they print, they buy something while having you repay the bank principal and interest on the money they created. The banks cannot lose.

The Federal Reserve Bank publications simply redefined "money" to mean the opposite of what the traditional meaning was. A simple illustration: years ago cash was scarce, so people used horses like currency; they bartered. The bank had a better idea. Instead of using a horse as currency, the people gave the bank a \$500 horse and the bank created 500 tokens worth one dollar each. The bank received the horse for free by creating 500 new tokens and giving you the new tokens. People used the tokens as money instead of using horses like money. Tokens are really bank notes owing cash. Tokens became checkbook money. Checkbook money stopped people from stealing cash. For safety reasons and out of convenience, people used checkbook money for large transactions and cash for small purchases. The bank simply expanded its operations by exchanging newly created tokens for matching amounts of promissory notes that can be sold for cash. Casinos force you to use cash or tokens (liabilities) as money, and the banks force you to use cash or checkbook money (liability) as currency, thereby forcing their private Monopoly money upon the citizens.

The people did not see the banking secret. When the bank created new tokens and exchanged the tokens for horses, the bank ended up owning all the horses for free. It was so profitable that the bank expanded their operation, exchanging nearly anything of value for newly created tokens. Soon the bank owned nearly everything. They learned that counterfeiting works better than outright stealing.

Key Lesson: Any asset — farms, ranches, cattle, gun powder, houses, cars, cash, promissory notes, liens on houses, gold, silver, diamonds, or anything else of value — can be bartered and traded just like money. A bank token by itself has no value. The proof is that no one will accept a check (liability/token) that cannot be cashed. The bank must receive an asset from us for free that has equal value to cash and can be quickly sold for cash to match the newly created bank tokens (liabilities) so that

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people will accept the token as money. The banking monopoly forces the token as a medium of exchange by only accepting cash and tokens to be deposited, unless one deposits promissory notes, and the currency created by the deposit is returned to the depositor as a loan.

The Federal Reserve Bank of Chicago publication *Modern Money Mechanics*, (p. 2) uses the logic that, if people use tokens in place of cash, then only cash and tokens need be considered money. The Federal Reserve Bank is wrong and here is the proof. Cash is an asset. Tokens are bank liabilities representing the value of the matching asset earlier deposited, creating the token (checkbook money). The token is the substitute for the earlier deposited asset. The asset gives the token value, so the correct conclusion is that only assets are money and liabilities represent a substitute of the asset earlier deposited. The bankers have a secret. If you deposit cash (asset), the cash becomes the bank's property and they owe you back an equal amount of cash or checks. If you deposit a promissory note (asset), it becomes the banker's property just like depositing cash. The banks know you cannot create new deposits (liabilities, tokens, IOUs, checkbook money) without first depositing, or loaning 'e bank, an asset (cash, check, promissory note) to create the bank liability (checkbook money). This bank liability becomes a token/substitute for the real money, which is a bank asset. They deposit your money (promissory note/asset) and they keep the money (asset). They use your money to create a matching amount of private bank money (liability). They then return your deposit back to you as if they loaned you other peoples' money, hoping you do not find out that they loaned you your own money.

The proof is in *Modern Money Mechanics* (p. 2). Just as a token is a casino liability, checkbook money is a bank liability. The publication states, "This (is a) transaction concept of money." It then lists demand deposit (bank liability/tokens) and other checkable deposits (bank liability/tokens) as money. The next page explains that banks learned how they could create money/tokens by exchanging a borrower's promissory notes for newly created bank notes (bank liabilities/tokens) and loaning

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the bank notes back to the alleged borrower as money. "In this way, banks began to create money." The next paragraph states, "Transaction deposits are the modern counterpart of bank notes." Remember a transaction deposit is a checking account balance (bank liability/token). Then it explains how issuing a bank note is like making a bank bookkeeping entry that creates a deposit (bank liability/token) for a borrower which can be spent by writing a check. The check merely transfers the funds (tokens) from your checking account to another checking account. Both the deposit and bank note are bank liabilities used as private bank money (tokens). The bank liability is spent like money and is used in place of cash. To use private bank money like cash, one first deposits cash (asset) or a promissory note (asset) having actual cash value. The asset is exchanged for a token (liability) or checkbook money (liability owing the cash). Every dollar deposited is matched with a new bank liability or token. Now the depositor spends the token like money because the real money was exchanged for a substitute (liability/token). No one will use the token as money without first depositing an asset so one can cash the check. The token is dependent on cash behind it if it is to be used as money, thus proving the real money is a bank asset (cash), and not a liability (token).

Creating new money proves that they did not loan you other depositors' money. A token is not legal tender because it is owing cash, which is the opposite of cash. *Modern Money Mechanics* gives the details, explaining that the bank did not loan you other depositors' money. Richmond Federal Reserve Bank publications *Your Money* and *Our Money* claim that demand deposits, traveler's checks, and interest-bearing accounts are not legal tender, even though they are "usually accepted in payment for purchases for goods and services." These publications admit that they loaned you a bank liability called a demand deposit or checkbook balance traded by check.

Modern Money Mechanics explains how the promissory note is "exchanged for credits in the borrower's transaction accounts," thereby creating new money. The new money is then given back to the alleged borrower as a bank loan. *Your Money* and *Our Money* claim that "the loan in fact becomes new de-

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posit money." Federal Reserve Bank of New York publication *I Bet You Thought...* states, "Commercial banks create checkbook money whenever they grant a loan..." Then it gives the details on how the bank exchanges a promissory note for a newly created deposit and the new deposit becomes new money. The publication then explains that checks are not money, they simply transfer bank liabilities/tokens from one checking account to another checking account. "They are simply order forms...to move transaction balances."

The banks want tokens as money because the borrower will not know if the tokens loaned came from other depositors' labor or if the bank exchanged your promissory note for newly created tokens, loaning you your own labor (money) back to you.

If everyone only used cash as money, issued interest-free by the government, the bank could only loan other depositors' money. By exchanging the promissory note for tokens, new money is created. The bank received money or actual cash value for free from the alleged borrower and returned an equal amount of actual cash value back to the same borrower as a bank loan. The economic effect of stealing and counterfeiting could be stopped if we all stopped using credit cards and checkbook money. This is why the bankers are pushing for a cashless society where only checkbook money is used, giving the bank absolute control over you.

I know of no other business like this. The borrower hands you \$100,000. You hand the \$100,000 back as a loan. The borrower repays the \$100,000 plus interest. We should all become bankers, judges, police, or lawmakers in order to benefit from this system, or hire legal counsel to give us equal protection, or vote out anyone aiding and abetting the bankers. The bankers do not fear you suing them if they can control the judges. They fear an informed populace agreeing that our founding fathers' Constitution prohibits such a banking system. We can never vote out the politicians aiding the bankers until we can get enough brochures and cassette tapes copied and distributed and people reading this book. We need informed voters to correct the problem. Whoever owns or controls the media controls the

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money and the government. Our brochures, tapes, and this book will become our media to expose the ugly truth about our banking problem.

Conclusion: Any asset is money. A car, house, cash, promissory note, lien on a car or house, anything that has value that you own and can trade is money. The banks created a monopoly, forcing your to transfer your assets to the bank for free. The bank gives you back an equal amount of private bank tokens representing the value of the asset. The banks then only accept cash or tokens as money, forcing private bank liabilities (IOUs/tokens) to be used as a substitute in place of the real money, i.e. car, house, or promissory note. In the process, the bank obtains the nation's assets for free through money creation. Then the bank loans us back the substitute money (liability) representing the money the bank just took from us.

The Constitution our founding fathers gave us gives us equal protection and gold and silver currency, and prohibits credit (bank tokens, liabilities, IOUs). The citizens are not forced to transfer their assets to the bank for free to obtain money. One cannot redefine the Constitutional definition of money, i.e. gold and silver coin (asset), without an Amendment to the Constitution or a constitutional convention.

The Constitution demands equal protection, prohibiting two classes of citizens. Our founding fathers' Constitution prohibits those who can legally transfer wealth from your pocket into theirs, use it to create money, and loan it back to you. In the future, informed voters will decide if the bankers are right or if our founding fathers were correct. Our job is to tell everyone what the real bank loan agreement is. The bankers know they must conceal the truth.

I talked to bankers who redefine words and call checks cash because you can get cash for the check. We know that a check merely transfers money previously deposited. The banks claim that they do not steal nor counterfeit. They redefine it and call it good business or monetizing. Monetize means to make into money. They made the asset (house, promissory note, cash) into checkbook money/tokens by matching the value of the asset with new tokens. The economic effect is similar to stealing and

counterfeiting, but monetize sounds legal. Redefining words does not change the economic effect of the transaction. Someone still transferred an asset from one party to another without the authorization of the one who lost the asset.

13. IS THE PROMISSORY NOTE MONEY ACCORDING TO THE BANK?

From previous chapters, we learned that the bank has forced us to use bank IOUs (tokens) as money. *I Bet You thought...* teaches us that the bank IOUs (checkbook money) have no value without first depositing cash or promissory notes to create the bank IOUs traded as money. It explains how banks create money (bank IOUs), "based on a borrower's promise to repay..." The publication then explains how the alleged borrower's promissory note and secured collateral gives the newly created bank IOU value. The banks create money "against the value of those IOUs." The IOUs they are referring to are the alleged borrower's promissory notes. It continues to explain how banks are monetizing debt. Monetizing is simply explained as creating a new bank IOU (called new money) to match a promissory note (IOU) to repay the loan. The publication then admits, "Money doesn't have to...be issued by the government." A simple IOU can be used as money.

The same publication admits that promissory notes are money by admitting that any item having the following three traits is money: 1) anything individuals or banks "generally accept in exchange for items of value", 2) a standard of measuring value, 3) purchasing power stored for future spending. When the bank sells, deposits or exchanges the promissory note, it is proof that the bank used the promissory note as money. It has a standard of measuring value (it has equal value to cash) and purchasing power is stored (it retains its value because the principal and interest are returned or foreclosure results).

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Apply the bank's definition of money to bank checkbook money and you have just proved that checkbook money is not money. The bank checkbook money is merely a score card of money banks owe depositors. It is a standard of measuring value owed for the asset. Money owed disqualifies checkbook money as a standard of measuring value; the new asset and new liability represent the same funds deposited. A check or checking account balance (liability) without cash (asset) behind it has no value. It is an IOU that cannot be paid. The publication admitted that the value of the bank's IOU (checkbook money, token, liability) came from the borrower's IOU (promissory note/asset). People do not accept checks that cannot be exchanged for cash, proving the bank's IOU/token is not money per the bank's own definition of money. The bank token/liability is merely a substitute representing the real money recorded as a bank asset (cash). The promissory note (asset) has equal value of cash, making the promissory note equal to money (asset). The banking monopoly uses tokens/IOUs/checkbook money when you repay the alleged loans in an attempt to force the tokens to be used like money, but the value behind it is a bank asset. In court, it is common for the bank to claim that the promissory note is money to the bank, but not money to the alleged borrower. How can it be money and not money at the same time? If they admit it is money to the bank, then the banker must admit that they received money from the alleged borrower to fund the check. If this is the case, where is the money loaned to issue the check?

I received a telephone call from someone suing a bank who claimed that there was not a bona fide signature on the promissory note and that the promissory note was a forgery. He demanded that the bank produce the original promissory note so that he could prove it was a forgery. The bank responded by claiming that the promissory note had burned, and that they only had a copy of it. The bank knew that on the back of the promissory note was stamped "pay to the order of", just like a check, and that people trade these notes like money. The bank also stamps the words "Without Recourse.", which completely eliminates the drawer's secondary liability. Does this show you that they know the promissory note is a hot potato? The bank

did not want to show that they altered the promise to pay money into money itself. Altering a document makes the document a forgery, and then they would have to admit that you gave them money to fund the check. They had to conceal the evidence and claim that the original burned.

14. RANCHER STAMP

(A true story. Names are changed to protect the identity of those involved.)

This is a true story every American must hear. I met with a Midwest rancher who showed me documentation of how promissory notes/security agreements are used like money to issue bank loan checks.

The rancher owned a commercial dry lot feeding facility for cattle. As customers buy, they need financing. The rancher made an arrangement with the bank to give each customer a bank loan check without it costing the bank one cent to issue.

The rancher had the customer sign a promissory note. Unknown to the customer, the rancher stamped the back of the original promissory note "pay to the order of Bank # 1 Colorado With Recourse Rancher Trust." The copy of the promissory note given back to the customer never showed the stamp altering the note into money. The rancher hands the promissory note to the bank and the bank stamps the back of the original promissory note "pay to the order of Bank # 1 Colorado Without Recourse." This means that the bank receives the value of the promissory note just like a check, which also says "pay to the order of."

The first stamp marked "with recourse" made the rancher and customer liable for the note. When the bank stamped the note "without recourse", the bank was no longer liable for repaying the note. The bank then used the note (money) to fund the bank loan check to the customer. Over \$1.6 million were created in 10 months. The bank never used one cent of their

own money to fund the check and received \$1.6 million plus interest in return. It was pure profit. The money loaned to the customer came from the same customer, because the note was altered and changed. Many ranchers and banks are involved in this practice.

15. DID THE BANK DEPOSIT THE PROMISSORY NOTE?

Regardless of whether one exchanges the promissory note for credit in a transaction account, or for a check, or deposits it, all are essentially the same bookkeeping entry. Economically, all three are the same. About ninety percent of the balances in customers' accounts, such as demand deposit accounts, savings accounts, certificates of deposit, and checking accounts, were created when the bank granted a loan. The Federal Reserve Bank publications and bank balance sheets prove this. The question is, how can one issue a check or create a checking account balance without first depositing the money? The banks may start redefining words, as they have in the past, but economically speaking, it is the same thing as depositing the promissory note. If one used cash instead of a promissory note to issue a check or to create credit in a deposit account, it would be called a deposit. So I will claim that the bank deposits the promissory note and returns the proceeds back to the depositor as a loan. Depositing cash is depositing money you earned in the past. Depositing a promissory note is depositing the value of your future earnings and having it returned to you as a loan. The bank is receiving your promissory note and your future payroll checks for free, depositing them, and returning them back to you as a loan. This is why the bank does not want to admit that they deposited the promissory note and called it an exchange. A deposit is like loaning the bank the funds. If one deposited cash and the bank returned it back as a loan, it would be a fraudulent conversion. This is why people say it is a felony when the

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bank does the same thing with the promissory note. As the judge and jury, I ask you to determine whether this is fraudulent or not.

The Federal Reserve Bank of New York publication *The Story of Banks* is summarized as follows: By depositing \$5,000 into the bank with a 10% reserve requirement, the bank can lend up to \$4,500 (\$5,000 times 90%). When the \$4,500 is deposited, the bank can loan another \$4,050 (\$4,500 times 90%). When the \$4,050 is deposited, the bank can loan another \$3,645 (\$4,050 times 90%). The bank's assets thereby grow by \$12,195 (\$4,500 + \$4,050 + \$3,645).

The publication then explains how, through a \$5,000 deposit and three loans, the banks received \$13,550 in new deposits and lent \$12,195. The most interesting point made in the publication is the admission that banks, credit unions, and savings and loans create a lot of new money when they grant loans. Read it carefully and you will see that the bank first received \$12,195 in new deposits and then made \$12,195 in loans. You will find the new deposits of \$12,195 were created by depositing promissory notes or exchanging promissory notes for credit in the borrower's account.

Federal Reserve Bank of New York publication *The Story of Checks and Electronic Payments* claims that you deposit cash and checks. Cash and checks have actual cash value. The FDIC Call Reports (i.e. bank balance sheets) prove that all checking account balances are matched by an offsetting bank asset which can be converted into cash to pay the checking account balance (liability). This proves one cannot create a new deposit balance (liability) without depositing something of value that can be exchanged for cash.

The Federal Reserve Bank admits, that, if you deposited funds at the bank, you loaned the bank the funds. Federal Reserve Bank of Kansas City Publication *Banking Regulation* claims that a deposit becomes a liability of the bank, placing the "...bank and the depositor in a debtor-creditor relationship." The bank is the debtor and the depositor is the creditor or lender to the bank. The alleged borrower is first the creditor, depositor, and lender to the bank, proven by the bank recording the

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promissory note as a bank asset matched by an offsetting new bank liability called a deposit. The increase in assets and liabilities is the proof. The loan back to the same person is the check transferring the bank liability, the checking account balance, to another account. Two loans were exchanged and only the borrower repaid the loan; the bank never repaid the promissory note loaned to the bank by the borrower.

Federal Reserve Bank of Chicago publication *ABCs of Figuring Interest* prove that the borrower is the lender to the bank. It explains how the new deposit is a loan to the bank. When one opens or deposits money into a savings account, "an individual makes a loan to the bank."

The bank receives a new asset (promissory note) having actual cash value from the alleged borrower. This asset is used to create a new deposit (a bank liability called a checking account balance, also known as a transaction account). This is the loan to the bank. The check transfers the money to another account, which is the loan to the alleged borrower.

I Bet You Thought... states, "Checkbook money is created by currency deposits." People deposit cash and checks. If checkbook money is created by currency deposits and new deposits are created when banks grant loans, then checkbook money is created by depositing promissory notes.

Modern Money Mechanics explains the details of exchanging the promissory note for "credits in the borrower's transaction account." Please note the phrase "borrower's transaction account" is possessive. When did the borrower give the bank written permission and authorization to open up a checking account (transaction account), deposit the promissory note (today's value of future payroll checks to repay the alleged loan), and withdraw a check from the deposit without the signature of the alleged borrower on a signature card or on the check?

Your Money states, "...the loan in fact becomes new deposit money." Everyone knows you cannot have a new deposit without depositing money or something having actual cash value. A deposit is defined as entrusting money (asset/cash) in the custody of a bank to be withdrawn upon the depositor's request. There must be an asset (cash/check/promissory note) deposited

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to create a new bank liability (deposit/checking account balance/checkbook money). The asset deposited was the promissory note, or they sold it and deposited the proceeds. They cannot deposit it nor sell it until they legally own it. To legally own it, they must first loan consideration (money or actual cash value) in accordance with the agreement. They cannot take an asset from us, deposit it, and claim it is their property without authorization, permission, and knowledge of both parties of the agreement. A bank must act as a fiduciary (trusted position) of the depositor. The conversion (unauthorized transfer of the promissory note from borrower to bank) took place at the time of the deposit. The deposit transferred ownership of the promissory note from the individual to the bank without any loan taking place. The deposit means the bank obtained the promissory note for free and the bank used it to create an equal amount of new checkbook money (liability/checking account balance). Clearly, the bank violated contract law and acted in an unauthorized manner, transferring your wealth to the bank for free and returning it back as a loan. Loaning other depositors' money ends both theft and new money creation.

Federal Reserve Bank of Chicago publication *Public Debt: Private Asset* states that, "The bank then uses our money to make loans..." No one can logically argue that the bank owes depositors money that is in their accounts. Even this publication agrees with that statement. The publication is correct, the bank did use our money to loan. The problem is, we did not know we loaned ourselves our own money. The bank forced us to loan ourselves our own money and to repay the money to the bank as if they loaned us other depositors' money. If we loaned ourselves our own money, we should repay ourselves our own money. Who do you know that is stupid enough to loan himself his own money and repay a third party the principal and interest when the third party refused to loan their money? If anyone is this insane, send them to me; I would love to receive their money for free.

Here's the bankers' secret. The trick is, the bank deposits the promissory note and then uses our money to make loans back to us. Once the banker admits that he deposited the prom-

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issory note, then we can repay the loan in its equivalent in kind, i.e., a second promissory note with no interest or lien. If we have equal protection under the law, money, credit, and agreement, and if the alleged borrower created the money for the first alleged loan, why not create some more and repay the loan? The bank refuses the second note, demanding tokens or cash, thus proving the banker is merely a moneychanger and not a lender. The second note has value because the banker can use it like money to buy your house if, and when, you ever sell it. If the banker demands you repay the second note, have him endorse the back and keep the note and then give him a new note. The bank publication admits it is money and they deposited it before. They don't want your second note because they don't want you to do to them what they did to you in the first place. The banker must deny you equal protection to keep his banking system.

If both parties repaid their loans, the loans would cancel. But the bank refuses to repay your unauthorized loan to them, while they demand that you repay their loan. Again, equal protection is denied if the bank is to keep their European feudal banking system, thereby owning the nation's assets for free and forcing us serfs to pay the nobles their rent (interest).

The bank owes us for the deposit in the transaction account because they altered the agreement and made the borrower the creditor, lender, and depositor. The bank should return this money to us as a return of our loan or deposit to the bank. They received it for free and should return it. They advertised that they would loan us money. That implies they loaned us their money. They gave us one check for the earlier deposit. That was a return of our original capital. They called this a loan, but we never received a loan of actual cash value from the bank in order for the bank to obtain the promissory note. If they want us to pay them back, I believe they should either loan us the money to fund the bank loan check or return the loan from us to the bank. In either case, the bank loan is canceled. No rights can be acquired by fraud.

The promissory note acts just like a check; both say "pay to the order of." Both have value and can be exchanged for cash.

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A promissory note has equal value to cash or a check and is, in fact, a check made payable to the bank. The bank deposits it to create new tokens.

By depositing the promissory note, the bankers can manipulate the money supply and, in a second transaction, take additional wealth (equity in your home or farm) from you and transfer it to the bank. The new money creation creates inflation, forcing house prices to increase and increases the equity in homes. The bankers want your equity for free just like they want your promissory note for free. By decreasing the money (promissory notes) deposited to create new money, the banks can cause a bank-induced recession as outlined in the Federal Reserve Bank publications. By the banks creating \$100 at 10 percent interest, you must repay \$110 in one year, but there exists only \$100 to repay \$110. If the bank does not create an additional \$10 by depositing a new \$10 promissory note, there is not enough money to pay the bank loan, forcing a contraction in the money supply and thereby creating a recession. People are put out of work so they cannot service the debt, forcing foreclosure. The banks can scientifically predetermine what percentage of the people they can put out of work, forcing foreclosure to gain the equity in your home for free. The foreclosures employ attorneys, sheriffs, auctioneers, and judges, all financed by the one being foreclosed on. It is more profitable for a bank to foreclose on a \$200,000 home with a \$70,000 mortgage than for the borrower to repay the alleged loan. The bank is repaid the \$70,000, and receives \$130,000 bonus by forcing you or your family members out of work or to be underemployed so you cannot make the payments.

Volume II of this book and Mr. Schauf's seminar have more details on this subject. Mr. Schauf has found a way for you to help others going through foreclosure. Using a high moral standard, Mr. Schauf keeps the \$130,000 from being transferred to the banker, keeping it in your hands. Someone must receive the money, I believe it should not be the banks, but the citizens. By depositing the promissory note, the banks can receive it and the equity in your home for free, leaving the victim homeless. The deposit gives the bank an incentive to debauch the cur-

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rency, causing inflation and creating a recession for their profit. The banker's \$70,000 was turned into a \$130,000 gain. The banker tripled his money by forcing you out on the street. With this knowledge and marketing tool, you can turn the tables and make the deposit work to your advantage.

Mr. Schauf's plan uses current law and business savvy in a network of people, allowing individuals to use this concept like the bankers, but in an effort to save families, not destroy them. Mr. Schauf is hoping to teach leaders his theory. Learn how to earn \$5,000 part-time showing others the concept. Mathematics shows that if one doubles \$5,000 every 6 months, in 5 years it nets over \$5 million. You must decide if the potential \$5 million will go into your pocket, a friend's pocket, or the banker's. When you learn what the bankers know, you will understand why you will never get rich earning \$5.00 per hour. You get very rich if you earn \$5,000 part-time and double your money every 6 to 8 months. People who understand how profitable the banking system is do not want it changed. Money is power. If you want it changed, it will take money and power to do it. If you are broke and bankrupt, you are not a threat to anyone. Just decide if you should have the potential \$5 million or if the banker should have it. Will you help people or allow them to be victims? If you wish to learn this concept and how to market this idea to others, write to Mr. Schauf. When you learn to stop fighting the banks and courts, and outwit them in making money, you will simply transfer money the bank would have received for free back into your pocket. Stop getting mad, just get even. Learn the secret to making lots of money and then apply it to your advantage. You decide if you will be a slave or a king. The secret is in making the deposit work to your advantage.

A true friend will share this secret of the very wealthy with other friends and profit from the knowledge. We hope you wish to quit your \$5 an hour job. We hope you utilize our marketing concept to your advantage. How many of your friends want to end their \$10 an hour job and obtain millions of dollars, leaving the slavery for freedom? Start by sharing this book with others. Complete the training and make money by helping others. For the record, I am not recommending buying foreclosed

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properties. Stop profiting from the misery of others—help the victims.

As the judge and jury, you must decide if the written agreement ever agreed that the alleged borrower be the lender, creditor, depositor, or the one giving the bank the money to fund the check and never have the capital returned unless the bank returned it as a loan from the bank to you. As judge and jury you must decide if there was written permission or authorization for the bank to take actual cash value from you and deposit it, and for the bank to receive it for free. Was this a theft, larceny, or conversion and fraudulent concealment? You must examine the bank policy to prove the banker's intent. Intent is needed to prove criminal activity. Remember, the bank advertised a loan. The written agreement the bank wrote said interest, which is defined for the use of borrowed money. It did not say exchange and charge as if there was a loan. It did not say you were the lender, depositor, or exchanger. The bank advertised, wrote the agreement, and wrote the bookkeeping entries proving their intent.

Can the bank prove I am wrong? To prove I am wrong, they must prove the Federal Reserve Bank publications are wrong. If the bank claims they loaned other depositors' money, they must prove they violated the Federal Reserve Bank policies and procedures, which could land them in jail.

As I see it, if the bank claims that the promissory note was not loaned to the bank or deposited, they must prove that the promissory note was given to them for free, stolen, converted, or that they violated the Federal Reserve Bank procedures. No borrower I talked to knew that they gave the bank actual cash value in the amount of the loan for free and that the bank returned it back as a loan. The Constitution gave us the right to contract, making the written agreement the highest law. Congress cannot change the agreement without violating the Constitution.

As judge and jury, please look up the following definitions in a law dictionary and ask yourself if the bank committed the following crimes: mail fraud, wire fraud (calling you to pay), fraudulent conversion, fraudulent concealment, fraudulent mis-

representation, false statements, embezzlement, promissory fraud, fraud in the inducement, fraud, forgery of the promissory note, forgery of the check withdrawing the funds from the borrower's transaction account, extortion, white collar crime, deliberate deception, trick, breach of contract or agreement, de facto contract, insurance fraud (to FDIC), deceptive advertising, deceit, theft, larceny, slavery, attempt to suspend the Constitution through national bankruptcy, illegal lien, threat to bring fraud on the court to collect money, bad faith, filing forged documents at the county level, or any number of other crimes.

The title insurance companies must have known exactly what was happening. They participated in it and filed the records at the county level. They insured it, so it makes me wonder if you can collect the insured value because of their involvement. This is an interesting legal question.

16. THE SIGNATURE

The bank's attorney offered evidence that the borrower signed the promissory note and received a check. The borrower claimed that the document was a forgery. As judge and jury, you must determine who is telling the truth.

If you sign a \$200 check and mail it to Tim and he alters the check by changing the \$200 to \$20,000, is your signature on the check a bona fide signature? The definition of bona fide means an act done in good faith without fraud or deception; an act done without notice of fraud. Signature means a mark or written name to authenticate a writing or document. One places a signature on a document to authenticate the validity to the document. Forgery means to alter a document with intent to defraud. Forgery makes the signature null and void.

The question is, did your signature validate a \$200 or \$20,000 check? The altering of the document makes the document a forgery, and your signature no longer attests to the validity of the forged document. The forged document may have

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your handwriting or name at the bottom, but your signature is not lending validity to the authenticity of the document because it was altered.

The Rocky Mountain News (Sun., Feb. 9, 1997) printed an article entitled "Officer charged with forgery" in which a Denver patrolman who lost his drivers license in a drunken driving case was charged with using a phony license. The patrolman pleaded guilty. A forgery does not only mean the signature was forged, it may also mean the document was altered.

The bank knew that they would not loan one cent of other depositors' money or legal tender to obtain the promissory note. They knew they would record it as a loan from you to the bank and enter the bank bookkeeping entry as if they deposited it. They stamped the back of the note to validate it or to have the note act as money to fund the check. That stamp and deposit (exchange) fundamentally altered the document, along with the cost and risk of the loan, and did the opposite of what the borrower's signature had endorsed. The stamp allowed the promissory note to fund the check instead of other depositors' money.

The question is, was the promissory note with the borrower's signature validating a document which agreed only to the repayment of the loan by the borrower, or did the borrower agree to loan himself his own money and then repay the bank as if the bank had loaned him other depositors' money? Only the borrower can testify, because the bank does not sign the agreement. A notary can claim you signed something, but how can they claim the document was not forged? To do that, they must determine whether the promissory note is or is not money. If you agreed that it was not money, the document would need to have been forged after you signed it. The bank exchanged the promissory note for credit in the borrower's transaction account. When the check was withdrawn, was that check a forgery? How can they deposit and withdraw without your knowledge or without your signature to open up the account or as approval for the check? As judge and jury, you decide whether there was a forgery involved or not.

17. WHO LOANED EXACTLY WHAT TO WHOM?

To save repeating, simply combine earlier quotes from the Federal Reserve Bank and the bank bookkeeping entries to prove that the promissory note was recorded as a loan from the alleged borrower to the bank. The loan to the bank was proven by the promissory note recorded as a bank asset matched with a new bank liability. The loan to the bank funded the bank loan back to the same alleged borrower. The funds being returned back to the same alleged borrower is proven by the check transferring the newly created liability to another checking account. Two loans were exchanged. The Federal Reserve Bank's policies and procedures, the bank balance sheet, the bank bookkeeping entries, and the bookkeeping entries in *Modern Money Mechanics* prove it.

Bankers call it a loan. The money trail shows a deposit or exchange. The truth is that the borrower's promissory note funded the bank loan check. The new bank liability is the proof that either there was a loan to the bank, the promissory note was stolen, or the bank received it for free.

Some people question me, asking how I know for sure that the bank bookkeeping entries recorded it as a loan to the bank. The proof is in the accounting principles and the policies and procedures mandating standard bookkeeping entries for banks. Bank auditors confirmed the bookkeeping entries are standard for all banks. There may be a short or long version, but the net result is the same. My next book, Volume II, and the cassette tapes go into more detail.

Please watch out for one bank trick. They may claim that you can cash the bank loan check and receive cash resulting in no new bank liability. If you receive cash, there is no new liability. When the seller of the house you are purchasing deposits the cash, the new liability results. Anytime the promissory note is recorded as a bank asset, and the promissory note is used to fund the bank loan check, a new bank liability will ap-

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pear. The newly created bank liability means the bank received the promissory note for free.

The banker cannot answer one tax question (if he does, he could go to jail): How did he get the promissory note for free? If a person or business received \$100,000 for free, the IRS is right there demanding taxes. It could not be a gift, because the borrower had to have known. There was not a loan of actual cash value to the alleged borrower as consideration loaned to obtain it. If there is no loan, there is no need to repay it. If it was a loan to the bank (not taxable to the bank), every American would demand the loan be returned, canceling every bank loan. If the loan to the bank was forgiven, it is taxable to the bank. If it was stolen, it is taxable to the bank. The bank tax return, signed under penalty of perjury, will tell us if it was a loan to the bank or if they obtained it for free.

To avoid the tax question, the banker must then claim that the bank checking account balance is money. If it is money, the bank could never be obligated to allow you to write checks off the checking account balance, nor obligated to give you cash for the money in your checking account. Legal tender is recorded as a bank asset and owing legal tender is a bank liability. If a bank liability is money per the bank or judge, then that money is the opposite of legal tender. The bank liability and the promissory note both owe legal tender, which is the opposite of legal tender. If money is deposited at the bank, there is a new bank asset and liability. The new liability and the new asset represent the same deposit. If the bank claims the bank liability is money, then the matching asset (cash, check, promissory note deposited) is equally money. The new liability represents the matching asset and the new asset deposited represents the matching new liability. For the banker to win, he must prove legal tender (asset) deposited ceases to be money or legal tender and the new matching bank liability is money. The banker must prove that one can issue a check without first depositing cash or something having actual cash value (asset) to fund the check (liability), thus proving check kiting is now legal. The bank must prove that they are no longer obligated to exchange checks (liability) into cash (asset). The bank must prove that

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they no longer owe us the money in our account. The liability is merely a token representing the real money (asset).

Did you hear about the robber who got caught? He claimed he was just borrowing the money. Unauthorized borrowing is a theft. An unpaid loan is really a theft. If you do not repay your alleged loan, the bank takes you to court. Perhaps you should do the same to the bank.

As judge and jury, you should ask the banker a few questions. If a depositor deposits a \$50 gold coin, and the banker gives the depositor a \$50 gold coin receipt, allowing the depositor to exchange the receipt for the return of the gold coin, in your opinion, is the gold coin (bank asset) money or is the gold receipt (bank liability) money? Obviously, everyone, including the banker, knows the gold coin is the money. If I deposit \$100 cash in the bank and the bank gives me a \$100 bank deposit receipt, crediting my account by \$100, is the receipt money or is the cash the money? Obviously, owing money is not money. Cash is the money. This just proved the bank liability is not really money. It proves that the bank asset (cash) is the real money having the real value.

If you deposit the cash at the bank, you really exchanged the cash (bank asset) for an equal amount of checkbook money (bank liability) which you can spend by check. If you are forced to earn cash and give the cash to the lender for free, and if the lender deposits the cash, exchanging it for checkbook money and returning the checkbook money back to you as a loan, you will need both husband and wife working to put bread on the table. If you follow Lincoln's banking system and quit giving your payroll check away to the banker, your wife could stop working and you could maintain the same standard of living. If both work, you could double your wealth. If you are continually stolen from, you will have to work more to put bread on the table. Stop the stealing and counterfeiting and you will have more wealth. For the banks to receive your wealth for free, they must call the bank liabilities money. They even have you calling it checkbook money.

18. MONEY VERSUS CREDIT

Did the bank loan agreement say they would loan you credit? As an expert witness, I want to use the bank's definition of money and credit. Federal Reserve Bank publication *Your Money* states, "Money is a medium of exchange." *Our Money* states, "Credit is the postponement of the payment of money." Court cases confirm the same definitions. By using the Federal Reserve Bank definitions, policies, and procedures, you can nail the coffin shut on the argument. They cannot say they do not know or follow the Federal Reserve Bank policies and procedures. Interest is defined as a charge for the use of borrowed money. It does not say for the use of the postponement of the payment of money. Is the bank now going to redefine the words money, interest, and credit?

Blacks Law Dictionary claims that the Federal Reserve Board explains a check is payable in a certain sum of money. Federal Reserve Notes are recorded as a bank asset. A bank liability is a bank scorecard showing how much legal tender the bank owes depositors, so the liability is not a certain sum of money. The bank check cannot, by the bank's own definitions, pay credit, a postponement of the payment of money. Did the bank loan you credit? A loan is defined as an agreement to have money transferred from one person to another which must be returned, with or without a charge for the use of money. (i.e. a loan is temporary use of an item which itself or "its equivalent in kind" must be returned with or without a fee for the use of the item.) Money is not credit. The bank policy is to use the same bank bookkeeping entries as if the bank recorded the promissory note as a loan from you to the bank. It is an implied loan because the bank recorded it as a loan from you to the bank and the new liability is the proof.

If you have equal protection under the law, money, credit, and agreement, you have the right to do one of two things. Demand your promissory note back plus all past payments so that you get "its equivalent in kind" back, or repay the bank loan in

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credit. Give them some of your postponement of the payment of money. They created it so why can't you do the same? They will try and deny you equal protection under the law, money, credit, and agreement. This is the CPA bank auditor's nightmare. They had intent. It is their definitions, their agreement which they wrote, their bank bookkeeping entries, and their advertisement claiming they made a loan. Do we have deceptive or unfair trade practices showing confusion and misunderstanding? Remember, no rights can be acquired by fraud.

Can you imagine the bank foreclosing on someone as the alleged borrower is notifying the court, bank, the banker's attorney, and sheriff of a bank fraud? Imagine the victim being foreclosed on, then suing the bank and the banker's attorney for conspiracy to defraud and bringing fraud on the court. The attorney will be placed on the witness stand and the former victim will ask him all the right questions. If he commits perjury, he automatically loses his bar membership. He is no longer an attorney. Many attorneys have malpractice insurance. Are you starting to see why judges do not wish to hear any of these arguments in their court?

I was in one court case where we demanded that the judge make a decision whether a promissory note is or is not money? The judge flew off the bench, with his robe flying behind him. The bank attorney followed him back to the judge's chambers. They made it clear they would not discuss the issue. When another banker was asked a similar question, the judge broke his pencil and ordered no more questions of this nature be asked. If it is money, you give the lender some more of the same kind of money. If it is not money, the bank committed check kiting and gave you illegal consideration. Imagine how a judge would react if we discussed the credit issue. If there is an agreement, the lender must give you the details of the agreement.

19. WHAT IS A BANK LIABILITY?

The Dictionary of Banking Terms defines a liability as, "a legally enforceable claim on the assets of a company." It explains that the funds the bank owes are bank liabilities.

Black's Law Dictionary defines a liability as a "duty to pay money... all character of debts." It defines a debt as "a sum of money due by certain and express agreement."

Throughout the Federal Reserve Bank publications, they call these bank liabilities money or checkbook money. We have learned that they are really tokens. *The American Heritage Dictionary of the English Language* defines tokens as something "used as a substitute for currency." The bank substitute (liability/token) represents the real money, cash and promissory notes, recorded as a bank asset. An asset has value because you can sell it. A liability/token has no value by itself.

Federal Reserve Bank of Chicago publication *Public Debt: Private Assets* states that, "banks owe us the money that is in our account." Do not forget the borrower's transaction account that was created by depositing the promissory note. The next sentence claims the bank loans out our money earlier deposited. If we are the depositor, the bank owes us the money deposited. Then they loan us our own money. The bank owes us for the deposit which created a bank liability. The bank liability is the prima facie evidence that the bank owes us the money. The bank claims we owe them for the alleged bank loan. The bank liability owing us money cancels the liability we owe.

Federal Reserve Bank publication *Two Faces of Debt* states that, "Federal Reserve Notes are liabilities", and then explains how our currency is really unpaid bank IOUs. It is like you buying cars, houses, and boats simply by giving the seller an IOU and never paying the IOU. People then use your IOU like cash. The publication then claims that the bankers know that deposits are banker's debts (IOUs).

Any accountant will tell you a liability to the bank means you loaned the bank something of value or the bank received

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something having actual cash value and deposited it. They know a new liability will also result if the bank stole your property, deposited it, and returned the value back to you as a loan. certified public accountants universally know a liability is a debt owing money. The FED publications clearly admit bank assets and liabilities (IOUs) both increase when banks grant loans. An IOU owing money is the opposite of money. The banker cannot discuss whether he loaned you money or the opposite of money. If he loaned you the opposite of money, you need to repay in the opposite of money—that is, a promise to pay money.

The banks add money and the opposite of money together and call it money. That is like adding apples and a slip of paper called an IOU (owing you apples) together and claiming the total is the number of apples you have in inventory today. Even a child knows an apple and an IOU owing an apple are not the same. Your child will chose an ice cream cone to eat, not an IOU owing an ice cream cone. The banker tried to sell you the IOU and never intended to give you the money. The bank IOU has no value and is worthless if it cannot be paid by a bank asset.

The bank IOU is just like a casino token. If the bank can get you to use the token as money, they can steal and counterfeit. If everyone must use the real money—cash or gold and silver coins—as money, giving everyone equal protection under the law, then stealing and counterfeiting will cease to exist. Interest and tokens are the bankers' secret weapons, used in a silent war to seize your property and return it back to you as a loan. They keep the war silent, concealed, so they can quietly continue. They know if the voters learned the truth, the stealing and counterfeiting would end. It is your responsibility as an American to stop the bankers from denying us equal protection. The only way to stop a secret war is to expose it. We must inform all Americans so we can all join in saving the Republic for Which We Stand.

20. CONSIDERATION

As judge and jury, you must decide if the bank gave consideration in accordance with the agreement, contract, and advertisement. *The Dictionary of Banking Terms* explains consideration as the lending of money in exchange for a borrower's promise to repay the loan. The key words are, "lending of money." Remember how the bank redefined money? Instead of calling gold or cash money, they redefined money to mean owing gold or owing cash. Typically, the lender loans you a check or some similar instrument. Remember how the bank redefined the word loan, calling it an exchange? By changing the definition of the word money to mean the opposite of money, and changing the definition of the word loan to exchange, the meaning of the agreement has been completely altered. It now means the borrower funds the bank loan check. The Law Dictionary defines the following:

Consideration—inducement to an agreement. The cause, motivation, price, cost, money, or impelling influence which motivates a contracting party to enter into an agreement.

Contract—an agreement reached by mutual understanding which creates an obligation to do a particular thing. Each party must give up something of value. Competent parties, subject matter, legal consideration, mutuality of understanding, and mutuality of obligation, along with full disclosure of material facts are essential for a valid contract.

Did the agreement agree to an exchange, stealing, or a loan as consideration for the bank to obtain the promissory note? What was the legal consideration the bank loaned to obtain the promissory note? It was not the check because the promissory note funded the check. The contract or agreement is the highest law.

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Adequate considerations—I recommend you look this up in *Black's Law Dictionary*. If it "shocks our sense of morality of fairness", then it is not adequate consideration.

The agreement called for a loan, not an exchange. The agreement was for the bank to loan you a check or similar instrument that is redeemable in cash. Did the bank give the borrower consideration in accordance with the agreement? The Federal Reserve Bank admits that the check is redeemable in cash and that you must repay the alleged loan. The Federal Reserve Bank also admits that the bank used the note signed by the borrower to fund the check. What was the money (cash) loaned as consideration to obtain the promissory note? No cash was loaned. The bank received an asset for free and never loaned an asset to obtain the promissory note. It appears to me that stealing the promissory note and returning the value of the stolen property as a loan is not moral and would shock the conscience of most Americans.

As judge and jury, you must judge the following in accordance with the policies and procedures of the Federal Reserve Bank:

1. Did the bank give consideration in accordance to the alleged agreement? (No.)
2. Did the written agreement say loan or exchange? (Loan.)
3. Did the bank loan legal tender or the opposite of legal tender? (The opposite.)
4. Did the bank loan the check backed by cash as consideration loaned to legally obtain the promissory note? (No.)
5. Did the bank obtain ownership of the promissory note without loaning one cent of legal tender or other depositors' money? (Yes, but not legal ownership.)
6. Did the bank significantly change the cost and the risk of the written agreement? (Yes.)
7. Is it true that the bank does not give up wealth to the borrower, but instead receives wealth from the borrower? (Yes.)

8. Is it true that the bank check or checkbook money (liability) has no value without an asset called cash to give it value? (Yes.)
9. Did the cash come from the borrower's future labor, which has value today and that the bank used to fund the check? (Yes.)
10. What was the valuable consideration loaned if the bank received the promissory note for free? (None.)

21. MONEY VERSES WEALTH

Bankers know the difference between money and wealth. If you can print money, you can buy everything in America, including the media (through advertising money and ownership.) You can buy judges, sheriffs and congress by political contributions. If bankers control the media, they control the congress and the information Americans hear.

Wealth is anything that you can sell. You can sell a house, car, farm, business, gold, silver coins, promissory notes, bonds, stocks and investments. Most people sell their 40 hours a week for a payroll check. Yes, labor produces wealth. Houses, cars, farms, roads, factory goods, food, gas, and services are produced by labor.

Why is it illegal for a counterfeiter to counterfeit money and lend it out? The counterfeiter would obtain nearly all the wealth of the nation for free without using a gun. The counterfeiter gets your labor for free as you work to obtain money to repay the loan or the counterfeiter forecloses and gets your home or car for free. Counterfeiting and stealing both result in obtaining the victims wealth for free. One uses a suit and tie as he prints money and lends it out and the other one uses a gun.

The bank gets the borrower's promissory note for free. He then deposits the promissory note, making it money, and returns the value of the money (promissory note) to the victim as a loan. The bank got your promissory note for free. The bank

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gets your labor for free. And if you fail to repay the loan, the bank gets your home in foreclosure for free. The minute the bank deposits your promissory note and gets your money (promissory note) for free, the banker's wealth is increased and your debt is increased by a simple bookkeeping entry. If the bank lent other depositor's money, and the money was returned to the one who funded the loan (you) no theft or wealth transfer would take place. But, instead, the bank gets new money for free and returns it to you as a loan. Now the banker gets your wealth for free by making you work for the banker (to repay the loan) or by foreclosing and getting your home or car for free. Debtor's are the banker's slave. Only slaves work for free.

The banker needs you working to produce food, cars, gas for the cars, homes, roads, bridges, bank buildings and services. Then the banker gets a free ride by printing money and getting your production for free. Who has the biggest building in town? Often the banker does.

The banker knows that if everyone stopped working, and stayed home with a money making machine, everyone would have piles of millions of dollars in their living room. If the farmer, grocery worker and gas station attendant stopped working to print money, there would be no food. or gas to buy. Everyone would starve. If everyone had to work, and could only barter food for gas, or a car for a motor cycle, the bankers would have to produce wealth to survive. The banker could not print money to get your wealth (gas or food or car) for free. If we had no money, and could only barter, the problem would be corrected. If the banker could not print money he would have to work like everyone else. He would have to build a house and barter one house for another house.

Why should you have to work to produce wealth, but the banker can obtain wealth without working, by printing money and getting a house for free? Why does the counterfeiter go to jail, but the banker creates new money and sits on the board of directors of the church and local businesses? It's because the banker is smart enough to not print cash and go to jail. The banker prints money as bookkeeping entries (non-legal tender, like a casino prints casino tokens) so it is not technically coun-

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terfeiting. But he gets a benefit similar to counterfeiting. The banker gets the benefit without going to jail. To stop the banker, you have to sue him for breach of agreement and the banker knows that few understand how to explain it in front of a jury. The banker is smart enough to give part of the spoils, or booty, to the preacher, judge, sheriff, lawmakers. This money keeps the banker's secret a secret and keeps the banker's money-making machine going.

Bankers give advertising money to the media and the media has bank loans. Banks can control the media by advertising and loan money. Without it, the media is out of business. Many in power want to correct the system, but fear if they speak up, the bankers will heavily fund their opponent next election and have the media swing the election in favor of the banker's candidate. Judges and politicians alike profit from the secret banker's system through investments. They get foreclosure properties before the general public does, and make huge profits. One judge bought foreclosure properties, amassing a \$8 million fortune in a few years. You guessed it—he was a foreclosure judge. The judge helps the bank and the bank helps the judge. They call it good business. Others call it dirty business. Politicians use computer-generated buy-sell signals on investments, making huge profits, all because of the secret banking system. The preacher wants the banker's tithe money and loan money. And they fear that if they condemn the banker, the tithe will stop, the bank will foreclose on the church and the preacher is out of business. The preacher puts the banker first and God second. This is idol worship. The bank controls the church instead of God controlling the church. The bank controls the government instead of the voters. The CPA needs bank loans for his clients and he gets new clients from the bank. The CPA says nothing so that he gets paid his fees. It is all about profit and depends upon secrecy. The banking system cannot continue without the help of politicians. For a price, politicians help continue it to their benefit and profit. Their god is money and the love of money.

We have a political party who will join us, if we distribute enough emails and put up enough web sites to get the truth out

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to the voters. Voters will join us if they know that we can win. And we can win if you help us get one American to join at a time. The bankers use deception and we must use the truth to win. The key is the vote. Politicians have a price. Give them enough money and they change their views and sell their vote to the highest bidder. You can never trust anyone who will sell their vote to the highest bidder. Even if the current politicians change the banking system, you cannot trust them. They have proved to us that they will sell themselves to the highest bidder. What else will they do to you? We need honest people in government. We need politicians who represent the people, and not the bankers or special interest groups who steal our wealth, our rights and our liberties.

Bankers use deception and we use the truth. Please help us by hosting a web site, or by getting out emails to bring people to the web sites. You can help us make a huge impact for the freedoms we deserve in America. We have a political party that will join us if we get the web sites up and emails out. When we have converted enough Americans to the truth, and it is safe, they will join us. Please help us make it safe to correct the problem. Help us convert the voters to the truth. You can have the government you deserve. But, if you do nothing, you deserve to have your children be the banker's slaves. Or, you can help us to set your children free. You really can make a difference. Join us while we have the freedom to correct the problem. Your job and money mean nothing if they take your freedoms away or manipulate the money supply and create a bank induced depression for their further profits. The time to act is now. Help us save America and get out the truth today.

22. EXPERT WITNESS

An expert witness has special skills or knowledge in a certain area, such as banking. The expert assists legal counsel in determining the court strategy. The expert knows the strengths and weaknesses of both the plaintiff and defendant. Most people think it is the primary responsibility of the expert to testify. It is not. In Chicago, I testified for nearly ten years. My primary job was to give courtroom strategy and show legal counsel how to crush their opponents. I was known for showing legal counsel what questions to ask their opponent that would destroy them no matter how they answered. You want the expert for the other side to agree that you are correct.

The bankers' strategy is to make sure you are bankrupt or lose your house so that you will have no money to sue them with. I believe their goal is to make sure most people do not have enough money to hire an attorney or an expert witness. Experts do not take a percentage of the win, you pay them huge fees before they walk into court.

My strategy is to train you just like I would train a CPA to be an expert witness. I have trained about 2,000 CPAs nationally. Part of the course gave the CPAs expert witness training, so I am qualified to train you and your legal counsel.

The first thing you must do is obtain all the literature from the opponent. In this case, it is the Federal Reserve Bank publications. I have already done this, studied them, and given you the information you need. The next thing is to understand the information. I have carefully explained it in this book, having had years of experience in banking and knowing how to train you to exploit the banks' weaknesses and minimize your own. I will then show you how to use CPA expert witness arguments to ask the questions that give the bankers' witnesses the sweats. The beauty of filing a lawsuit is, if the case goes to a jury trial and if the bank defends it by bringing in a CPA expert witness, the expert must know everything and cannot say he does not know or understand. My goal is to train you to take on their

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expert witness, discussing the agreement and exposing the truth. If you can get the bank's expert witness to agree you are right, you may not need to hire an expert.

If you hire an expert witness, the bank will have a strategy. You pay thousands of dollars to hire and schedule an expert for trial. The bank delays the trial. You still have to pay the expert. The bank delays trial several times until you are out of money and can no longer hire the expert.

If you are trained like an expert, you know how to question the banker's expert and turn him to your advantage. The banks will not know whether you have read this book or my second book (with many more questions). This book does not have all of the court strategy that you need, but it shows you the basic fundamentals of banking. My goal is to teach you some of these fundamentals and expert witness procedures.

You may wonder why I repeat myself so often in this book. It is to give you firsthand experience of the kind of repeat a jury needs to hear. The more they hear something, the more believable it becomes. The more evidence and the more witnesses, repeating the same information, drums the point into people's heads. My goal is to win Americans to the truth. It is possible you may not have any choice but to defend yourself in court. If that is the case, I want you to tackle their expert and win the argument.

People have taken the information in this book and charged others thousands of dollars for it. You are getting it for the cost of the book. I have been the leader in researching this subject. The others are following me. Always remember that courtroom strategies constantly change. Many of the people following me are using old strategies that may not help you.

I am concerned that people will claim they know me, that they talk to me often, and that I will be their expert witness if I am needed, when in fact, I have never heard of the group or individual and may not actually endorse the group. Please be wary of people using my strategies or claiming they know me to entice you to give them a fee. Every three months, my leaders have a new letter from me. This letter will enable you to know who my leaders are. I suggest that you work with the

genuine leaders who have my latest information and not the others who are only reading the book and do not have my most current strategies.

Once you have the CPA expert witness training, you can argue with political parties and neighbors or conduct seminars. This book and Volume II, plus all my cassette tapes for leaders and distributors, will teach you the CPA expert witness type of training that will give a banker or his expert witness nightmares. I encourage you to contact me and become a distributor or leader so that you will have the latest strategies.

Once you understand banking like an expert witness, you may decide it is easier to spend your time doubling your money every 6 months instead of fighting in court. If you and your friends could quickly obtain tens of millions of dollars, the money could be used as a political solution to regain our rights, freedoms, liberties, and Constitution. Wealth in a country that is not free is not real wealth.

23. FALSE WITNESS: FORM vs. SUBSTANCE

Before an attorney can sue, he must show that the defending party breached the agreement. The attorney needs a witness to give testimony that there is an agreement and that the agreement has been breached.

If Rich testifies in court that there was a loan when he knew that there was only an exchange of equal value, Rich would be giving false testimony and would be called a false witness.

In a normal court foreclosure, the lender does not come to court to give testimony. The bank attorney uses the alleged promissory note with the alleged borrower's signature as the witness in court to claim that there is an agreement, that there was a loan, that the lender fulfilled his agreement, and that the alleged borrower did not fulfill the agreement to repay the money. Instead of the attorney using Rich to give oral testi-

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mony, the attorney uses the promissory note as the witness and as the evidence to sue the alleged borrower.

There is a legal concept of form vs. substance. The form is the promissory note, which says that the lender lent money to the alleged borrower. The substance is the money trail—the bookkeeping entries. The substance shows that there were two loans exchanged, equal value for equal value. The borrower was required to repay his loan to the bank plus interest, but the bank never repaid the debt it owes. IOU was exchanged for IOU. The two newly created IOUs cancel each other.

Substance—true transaction—shows that the borrower was the lender to the bank. Then the bank repaid the loan from the borrower to the bank. The form—the alleged bank loan agreement—shows the opposite.

Example: You sign a paper that says you were lent \$10,000, but no one lent you one cent to obtain the promissory note. A thief stole \$10,000 worth of diamonds from you, sold them for cash, and returned the cash to you as a loan. The form says that there was a loan; your signature also says that there was a loan. The true transaction, though, proves that there was no loan. The substance—the money trail and the bookkeeping entries—proves that someone took something of value worth \$10,000 from you, exchanged it for a different asset of equal value, and returned your \$10,000 to you as a loan that you now have to pay off with interest. The attorney sues you, claiming that your signature proves that you received the loan. You hire an expert witness to prove that there was no loan, that the substance of the true transaction was an exchange, and that you were charged as if it were a loan.

Economically speaking, what is the difference if a stranger received your \$10,000 worth of diamonds for free, or if he got a \$10,000 lien on your property for free, or if he received \$10,000 of your future payroll checks for free? The substance of the transaction is the transferral of \$10,000 of property from you to the stranger for free. The transfer of wealth is precisely how bankers obtain liens on the nation's homes, cars, farms, and businesses for free. If a robber were to use a gun to transfer

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your wealth, you would place him in prison. If a banker does the same thing by using "form," an attorney, a judge, and a sheriff, you think it is legal.

Does the attorney use the promissory note just like a witness to give false testimony in court, claiming that the lender lent money, cash, or cash equivalent to the alleged borrower? The attorney could be disbarred for bringing fraud into the court. The substance was an exchange of value for value. If the form and the substance disagree, one must rely on the substance over the form because substance always wins over form.

Example: You give Rich \$100 for five boxes of toys. Rich says, "Here are the five boxes. Sign this paper that says you received the boxes." You sign. Rich refuses to hand over the five boxes and claims that the form—the paper you just signed—says that you received the boxes. You would tell the judge that you acted in good faith by signing because you were told that you would receive the five boxes standing in front of you. After you had signed, Rich refused to let you have the boxes. The form—the paper—says that you received the boxes, but the substance—the true transaction—clearly shows you never received what you had bargained for. If the attorney uses the form (paper) in court to claim that you received the boxes when, in fact, he knew that you had never received them, the attorney brought fraud on the court to sue you. The form—the paper—would be a false witness against you.

Is the promissory note used as a false witness? The promissory note has the borrower's signature agreeing that the lender lent the borrower money.

Few people disagree that the one who provided the original funds to fund the bank loan check should be repaid the money. Few argue that we should have equal protection and full disclosure. The lender concealed the true substance in the agreement.

If a banker received \$10,000 of capital from Joe and deposits the funds into a checking account, should the bank return the \$10,000 to Joe? If all bankers agree that the answer is

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"yes," then all bank loans in America should be canceled tomorrow.

If the bank received \$10,000 from Joe and lent the same \$10,000 to Joe, should the bank return the \$10,000 to Joe? The foreclosure attorney must argue that the bank should not return the \$10,000 to Joe. Joe believed that the alleged borrower should repay the lender, and the lender should repay the one who funded the bank loan check. The foreclosure attorney must argue that the parties agreed to the terms and the one who funded the loan should never be repaid the money. How could the judge rule in favor of the bank, claiming that the one who funded the loan should never be repaid the money? Imagine faxing that ruling to everyone in the nation!

The attorney wants only the form—the promissory note with your signature—as a witness in court. You want the true substance—the true transaction—and the whole truth and nothing but the truth. Without the masses of the people joining, you will remain in debt. We need you to join in copying and in distributing the brochure. Keep in mind that the signature on the promissory note is always used as a witness against the borrower to create a situation in which the borrower automatically incriminates himself—self-incrimination!

Some attorneys object to allowing the bookkeeping entries entered into court as evidence. The attorney must rely on the form and stop the substance. Extortion occurs when the court does not allow information into court for one's defense.

How does one get the substance into court? One needs a CPA expert witness to bring the substance into court. There are ways to get past financial statements of banks that have gone out of business even up to ten years ago. The CPA expert witness needs to use notices and bank financial statements to prove substance over form. Obviously, bankers may read this book, so the secret for the expert witness cannot be revealed here.

However, you can expect the judge and bank attorney to attempt to stop the CPA expert witness from testifying. I believe that the CPA's testimony could disbar the attorney. If your CPA testifies, the bank needs to bring in an expert witness itself to counter your expert. Now you have 600 questions from

Volume II to ask the bank expert witness. I do not believe the bank expert will want to testify, knowing that you have 600 questions that he must answer.

What would happen if 200 people in every State were committed to copying and distributing three brochures every day as they went to the gas station and the grocery store? Just three brochures a day calculates to one million brochures distributed every month. How long would it take before attorneys decide to join us and stop foreclosing? If you were an attorney and believed that 5% to 10% of the population will learn the truth, would you continue to foreclose? What if you believed that it was just a matter of time before everyone would find out and would want justice, and you could be disbarred? Would you stop working for the bankers and join the people? Brochures are very important to winning the nation. Without the masses joining, you will remain in debt. We need you to join in copying and distributing brochures.

When the politicians believe that there are enough voters to vote them out of office, the politicians will vote in Tom Schauf's banking solution or be voted out of office. At that time, the politicians will listen to the people and turn against the bankers.

24. THE WITNESS STAND

This is a hypothetical illustration which represents a combination of real court cases, depositions, and interviews with bankers that I have witnessed.

The banker was placed on the witness stand and sworn in. The plaintiff's (borrower's) attorney asked the banker the routine questions concerning the banker's education and background. The attorney asked the banker, "What is court exhibit A?"

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The banker responded by saying, "This is a promissory note."

The attorney then asked, "Is there an agreement between Mr. Smith (borrower) and the defendant?"

The banker said, "Yes."

The attorney asked, "Do you believe the agreement includes a lender and a borrower?"

The banker responded by saying, "Yes, I am the lender and Mr. Smith is the borrower."

The attorney asked, "What do you believe the agreement is?"

The banker quickly responded, saying, " We have the borrower sign the note and we give the borrower a check."

The attorney asked, "Does this agreement show the words borrower, lender, loan, interest, credit, or money within the agreement?"

The banker responded by saying, "Sure it does."

The attorney asked, "According to your knowledge, who was to loan what to whom according to the written agreement?"

The banker responded by saying, "The lender loaned the borrower a \$50,000 check. The borrower got the money and the house and has not repaid the money."

The attorney noted that the banker never said that the bank received the promissory note as a loan from the borrower to the bank. He asked, "Do you believe an ordinary person can use ordinary terms and understand this written agreement?"

The banker said, "Yes."

The attorney asked, "Do you believe you or your company legally own the promissory note and have the right to enforce payment from the borrower?"

The banker said, "Absolutely we own it and legally have the right to collect the money."

The attorney asked, "Does the \$50,000 note have actual cash value of \$50,000? Actual cash value means the promissory note can be sold for \$50,000 cash in the ordinary course of business."

The banker said, "Yes."

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The attorney asked, "According to your understanding of the alleged agreement, how much actual cash value must the bank loan to the borrower in order for the bank to legally fulfill the agreement and legally own the promissory note?"

The banker said, "\$50,000."

The attorney asked, "According to your belief, if the borrower signs the promissory note and the bank refuses to loan the borrower \$50,000 actual cash value, would the bank or borrower own the promissory note?"

The banker said, "The borrower would own it if the bank did not loan the money. The bank gave the borrower a check and that is how the borrower financed the purchase of the house."

The attorney asked, "Do you believe that the borrower agreed to provide the bank with \$50,000 of actual cash value which was used to fund the \$50,000 bank loan check back to the same borrower, and then agreed to pay the bank back \$50,000 plus interest?"

The banker said, "No. If the borrower provided the \$50,000 to fund the check, there was no money loaned by the bank so the bank could not charge interest on money it never loaned."

The attorney asked, "If this happened, in your opinion would the bank legally own the promissory note and be able to force Mr. Smith to pay the bank interest and principal payments?"

The banker said, "I am not a lawyer so I cannot answer legal questions."

The attorney asked, "Is it bank policy that when a borrower receives a \$50,000 bank loan, the bank receives \$50,000 actual cash value from the borrower, that this gives value to a \$50,000 bank loan check, and this check is returned to the borrower as a bank loan which the borrower must repay?"

The banker said, "I do not know the bookkeeping entries."

The attorney said, "I am asking you if this is the policy."

The banker responded, "I do not recall."

The attorney again asked, "Do you believe the agreement between Mr. Smith and the bank is that Mr. Smith provides the bank with actual cash value of \$50,000 which is used to fund a

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\$50,000 bank loan check back to himself which he is then required to repay plus interest back to the same bank?"

The banker said, "I am not a lawyer."

The attorney said, "Did you not say earlier that an ordinary person can use ordinary terms and understand this written agreement?"

The banker said, "Yes."

The attorney handed the bank loan agreement marked "Exhibit B" to the banker. He said, "Is there anything in this agreement showing the borrower had knowledge or showing where the borrower gave the bank authorization or permission for the bank to receive \$50,000 actual cash value from him and to use this to fund the \$50,000 bank loan check which obligates him to give the bank back \$50,000 plus interest?"

The banker said, "No."

The lawyer asked, "If the borrower provided the bank with actual cash value of \$50,000 which the bank used to fund the \$50,000 check and returned the check back to the alleged borrower as a bank loan check, in your opinion, did the bank loan \$50,000 to the borrower?"

The banker said, "No."

The attorney asked, "If a bank customer provides actual cash value of \$50,000 to the bank and the bank returns \$50,000 actual cash value back to the same customer, is this a swap or exchange of \$50,000 for \$50,000."

The banker replied, "Yes."

The attorney asked, "Did the agreement call for an exchange of \$50,000 swapped for \$50,000, or did it call for a \$50,000 loan?"

The banker said, "A \$50,000 loan."

The attorney asked, "Is the bank to follow the Federal Reserve Bank policies and procedures when banks grant loans."

The banker said, "Yes."

The attorney asked, "What are the standard bank bookkeeping entries for granting loans according to the Federal Reserve Bank policies and procedures?" The attorney handed the banker FED publication *Modern Money Mechanics*, marked "Exhibit C".

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The banker said, "The promissory note is recorded as a bank asset and a new matching deposit (liability) is created. Then we issue a check from the new deposit back to the borrower."

The attorney asked, "Is this not a swap or exchange of \$50,000 for \$50,000?"

The banker said, "This is the standard way to do it."

The attorney said, "Answer the question. Is it a swap or exchange of \$50,000 actual cash value for \$50,000 actual cash value? If the note funded the check, must they not both have equal value?"

The banker then pleaded the Fifth Amendment.

The attorney asked, "If the bank's deposits (liabilities) increase, do the bank's assets increase by an asset that has actual cash value?"

The banker said, "Yes."

The attorney asked, "Is there any exception?"

The banker said, "Not that I know of."

The attorney asked, "If the bank records a new deposit and records an asset on the bank's books having actual cash value, would the actual cash value always come from a customer of the bank or an investor or a lender to the bank?"

The banker thought for a moment and said, "Yes."

The attorney asked, "Is it the bank policy to record the promissory note as a bank asset offset by a new liability?"

The banker said, "Yes."

The attorney said, "Does the promissory note have actual cash value equal to the amount of the bank loan check?"

The banker said "Yes."

The attorney asked, "Does this bookkeeping entry prove that the borrower provided actual cash value to fund the bank loan check?"

The banker said, "Yes, the bank president told us to do it this way." The attorney asked, "How much actual cash value did the bank loan to obtain the promissory note?"

The banker said, "Nothing."

The attorney asked, "How much actual cash value did the bank receive from the borrower?"

The banker said, "\$50,000."

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The attorney said, "Is it true you received \$50,000 actual cash value from the borrower, plus monthly payments and then you foreclosed and never invested one cent of legal tender or other depositors' money to obtain the promissory note in the first place? Is it true that the borrower financed the whole transaction?"

The banker said, "Yes."

The attorney asked, "Are you telling me the borrower agreed to give the bank \$50,000 actual cash value for free and that the banker returned the actual cash value back to the same person as a bank loan?"

The banker said, "I was not there when the borrower agreed to the loan."

The attorney asked, "Do the standard FED publications show the bank receives actual cash value from the borrower for free and that the bank returns it back to the borrower as a bank loan?"

The banker said, "Yes."

The attorney said, "Do you believe the bank does this without the borrower's knowledge or written permission or authorization?"

The banker said, "No."

The attorney asked, "To the best of your knowledge, is there written permission or authorization for the bank to transfer \$50,000 of actual cash value from the borrower to the bank and for the bank to keep it for free?"

The banker said, "No."

Does this allow the bank to use this \$50,000 actual cash value to fund the \$50,000 bank loan check back to the same borrower, forcing the borrower to pay the bank \$50,000 plus interest?"

The banker said, "Yes."

The attorney said, "If the bank transferred \$50,000 actual cash value from the borrower to the bank, in this part of the transaction, did the bank loan anything of value to the borrower?"

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The banker said, "No." He knew that one must first deposit something having actual cash value (cash, check, or promissory note) to fund a check.

The attorney asked, "Is it the bank policy to first transfer the actual cash value from the alleged borrower to the lender for the amount of the alleged loan?"

The banker said, "Yes."

The attorney asked, "Does the bank pay IRS tax on the actual cash value transferred from the alleged borrower to the bank?"

The banker answered, "No, because the actual cash value transferred shows up like a loan from the borrower to the bank, or a deposit which is the same thing, so it is not taxable."

The attorney asked, "If a loan is forgiven, is it taxable?"

The banker agreed by saying, "Yes."

The attorney asked, "Is it the bank policy to not return the actual cash value that they received from the alleged borrower unless it is returned as a loan from the bank to the alleged borrower?"

"Yes", the banker replied.

The attorney said, "You never pay taxes on the actual cash value you receive from the alleged borrower and keep as the bank's property?"

"No. No tax is paid.", said the crying banker.

The attorney asked, "When the lender receives the actual cash value from the alleged borrower, does the bank claim that it then owns it and that it is the property of the lender, without the bank loaning or risking one cent of legal tender or other depositors' money?"

The banker said, "Yes."

The attorney asked, "Are you telling me the bank policy is that the bank owns the promissory note (actual cash value) without loaning one cent of other depositors' money or legal tender, that the alleged borrower is the one who provided the funds deposited to fund the bank loan check, and that the bank gets funds from the alleged borrower for free? Is the money then returned back to the same person as a loan which the alleged borrower repays when the bank never gave up any money to

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obtain the promissory note? Am I hearing this right? I give you the equivalent of \$50,000, you return the funds back to me, and I have to repay you \$50,000 plus interest? Do you think I am stupid?"

In a shaking voice the banker cried, saying, "All the banks are doing this. Congress allows this."

The attorney quickly responded, "Does Congress allow the banks to breach written agreements, use false and misleading advertising, act without written permission, authorization, and without the alleged borrower's knowledge to transfer actual cash value from the alleged borrower to the bank and then return it back as a loan?"

The banker said, "But the borrower got a check and the house."

The attorney said, "Is it true that the actual cash value that was used to fund the bank loan check came directly from the borrower and that the bank received the funds from the alleged borrower for free?"

"It is true", said the banker.

The attorney asked, "Is it the bank's policy to transfer actual cash value from the alleged borrower to the bank and then to keep the funds as the bank's property, which they loan out as bank loans?"

The banker, showing tears of regret that he had been caught, confessed, "Yes."

The attorney asked, "Was it the bank's intent to receive actual cash value from the borrower and return the value of the funds back to the borrower as a loan?"

The banker said, "Yes." He knew he had to say yes because of the bank policy.

The attorney asked, "Do you believe that it was the borrower's intent to fund his own bank loan check?"

The banker answered, "I was not there at the time and I cannot know what went through the borrower's mind."

The attorney asked, "If a lender loaned a borrower \$10,000 and the borrower refused to repay the money, do you believe the lender is damaged?"

The banker thought. If he said no, it would imply that the borrower does not have to repay. If he said yes, it would imply that the borrower is damaged for the loan to the bank of which the bank never repaid. The banker answered, "If a loan is not repaid, the lender is damaged."

The attorney asked, "Is it the bank policy to take actual cash value from the borrower, use it to fund the bank loan check, and never return the actual cash value to the borrower?"

The banker said, "The bank returns the funds."

The attorney asked, "Was the actual cash value the bank received from the alleged borrower returned as a return of the money the bank took or was it returned as a bank loan to the borrower?"

The banker said, "As a loan."

The attorney asked, "How did the bank get the borrower's money for free?"

The banker said, "That is how it works."

Volume number two has hundreds and hundreds of questions with explanations about why these questions are asked. Each word is important and many people change the questions to their demise. There is an art to asking questions. Legal counsel will be able to take these questions and be sure they are worded in a manner that can be asked in court. These questions were worded for textbook purposes to illustrate a point.

25. HOW CREDIT CARD COMPANIES TRICK YOU

The front cover of *Readers Digest* (Jan. 1997) reads, "How Credit Card Companies Trick You." I think *Readers Digest* left out the trick that enslaved Americans. Many of the credit card companies, according to the research I found, create money and loan it out to you. Instead of recording a promissory note as a bank asset, they record the credit card purchase and your al-

leged agreement to repay it with interest, as a bank asset. Are they magicians that they have such power to trick us? If the agreement is good for America, why do they have to conceal the whole truth? Are they afraid that people will vote them out? Senator Bob Dole was one who advocated a Balanced Budget Amendment. However, he appeared in a commercial during the 1997 Super Bowl game pushing the cashless society. I wonder who is paying him. Whose side is he on and why does he not advocate full disclosure? When we question our U.S. Representative about our banking system and his best response is, "What would we put in its place?" Don't you wonder, if perhaps, you have spent more time studying the all-important banking system than he has? Not all credit/debit cards create money, but I believe most do.

Americans owe \$1.2 trillion in credit card debt. Nearly 60 million households owe an average of \$6,000 on their credit cards.

26. AMERICA'S NEWEST JOKES AND FAVORITE SAYINGS

What did Lincoln and Kennedy have in common? Bank profits skyrocketed when they were killed.

What is the difference between a license to manufacture money and a license to steal? Nothing.

Who has a license to manufacture money and loan it out? Banks.

What bank expense is never shown on the statement of income and is essential to keep the banking system operating? Owning the best politicians money can buy.

Local banks don't loan legal tender, they manufacture non-legal tender and loan it out.

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Do you know what bank robbery in reverse is? A bank loan.

Why do banks hate the U.S. Constitution? Constitutional money—gold and silver—prohibits the banks from getting your property for free and calling it a loan.

What is the difference between a banker and a politician? The banker gets your wealth for free and gives part of the spoils to the lawmaker to make it legal.

What is the proof that bad money drives out good money? You're broke, aren't you?

Do you know how the banks stole the government? The Federal Reserve Note created the government bankruptcy. The bank stole my government. The borrower is the slave to a counterfeit lender.

What historical figure wanted to hang bankers? Martin Luther. (Do not hang anyone unless they are tried in a lawful court, convicted, and sentenced.)

Guess what **REAL** Americans are calling banks? Moneychangers.

Do you know why the average American cannot get out of debt? You loan the bank the money for the check and they refuse to repay you.

Hitler and Stalin would be proud of our Congress.

The KGB and Gestapo would have loved the cashless society.

What is the difference between the KGB and Gestapo compared to police seizing citizens' property and receiving bonuses for seizures? I don't know.

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Will you accept unlawful money today?

Will you accept non-redeemable notes issued from a private bank? You just did!!!

REAL Americans only use cash.

Cash means freedom! Using credit cards is voting to be a slave in a cashless society.

Using a credit card is a vote for your future slavery.

If the banks paid their debt, I would be out of debt.

Do you know how Rockefeller got so rich? His family got Congress to pass a law so his bank could buy \$100 for 2.5 cents. Anyone doing that would be filthy rich. If I could create money like the banks, I would be filthy rich too.

What is the best-kept secret in America? Banks can create money like counterfeiters, except they are licensed to do it.

If one person stole all the property from the other 260 million Americans and returned the value of the stolen property back to the victims as a loan, who would be rich and who would be poor? What is the difference between doing this and counterfeiting to obtain liens on nearly every home, car, farm, business, etc.? It's the same thing. Do you know why bankers love Congress so much? They made it legal for a private organization to create money!

What government is bankrupt because they let a private bank create money and then loan this same money back to the same government at interest? The American government.

What country would do this: If you want a \$100,000 bank loan, you give the bank \$100,000, for free, the bank returns your \$100,000 back to you in the form of a bank loan check,

and then you have to repay the bank the loan? Would you agree to this? This is why bankers love Americans.

27. SHORT STORIES

(All true)

In December 1995 I attended a class for CPAs that I needed for continuing education requirements in order to keep my CPA license. There were about 100 students attending. I sat in the second row from the back. I turned around and talked to the auditor behind me. He said he was an employee for one of the big CPA firms. I asked him what he did there. He said he audited banks. I found him interesting. I asked him if he could teach me a few things. He said, "Sure, what can I teach you."

I replied, "On a \$100,000 bank loan, how much legal tender does the bank have to loan in order for the bank to legally own the bank promissory note?"

He responded, "That's easy, \$100,000."

"Does the bank record a loan from the borrower in the amount of \$100,000?" I asked.

He said no. "Why would you loan the bank \$100,000? You are the borrower. You are going to the bank for the loan, not the reverse."

I said, "I get it. I loan the bank the promissory note and they loan me something, am I right?"

He wanted to know where I graduated from. He said, "The bank loans you \$100,000 from other depositor's money."

I asked, "Is a check money, or merely an order pay money?"

He responded, "It doesn't matter, you can get cash for the check."

I responded back, "Legally, what is it, money or merely an order to pay money?"

He again replied, "We think of it as money."

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I said, "I do not care what you think. I want to know the law. Do you have the competence to know?" I knew he had to say he did because he did the audit.

He responded, "Legally it is not money."

I asked, "Does the bank record legal tender as a bank asset?"

He answered yes.

I asked, "Does a bank liability mean that the bank owes legal tender?"

He said yes. Then he asked, "Why are you asking all these questions?"

I said that several CPA bank auditors I knew had said that bank loans were a fraud, and I wanted to know more. He exploded and said that whoever was selling those manuals and tapes should be put in jail. I thought to myself, "I never mentioned a manual or tapes." I realized he knew about them from some other source. He demanded to know who I was. I gave him my CPA business card.

He looked at my name and said, "I have seen this name before."

I suggested we go on with our discussion. I asked, "Does the bank disclose all material facts?"

He said, "Yes, they have to or it is fraudulent concealment."

I asked, "Does the bank deny borrowers equal protection under the law?"

He said no.

I said, "On the \$100,000 bank loan, if the bank refused to loan \$100,000 of other depositors' money or legal tender, does the bank legally own the promissory note?"

He said no, because the bank never fulfilled the agreement to loan the money.

I asked, "Does the bank have to follow the Federal Reserve Bank policy and procedures when granting loans?"

He said, "Of course they do, it is the law. They have no choice"

I asked, "What are the bank bookkeeping entries for a loan?"

He said, "The bank replaces the other depositors' cash with the promissory note."

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I asked, "Is the promissory note recorded as an asset, and the bank gives the borrower cash?"

He said yes.

"Does the bank give the borrower a bag of cash?"

He said, "Get real, it is a check."

I said, "What happens with the check?"

He said, "If you are buying a house and the bank finances it, the seller of the house deposits the check in his checking account."

I asked, "What is the bank bookkeeping entry?"

He said the check was recorded as a bank asset and a Demand Deposit Account was recorded as a bank liability.

I asked, "Does the check cancel out because it was recorded as a liability and then as a bank asset?" He agreed it cancels out. I said, "What do you have remaining?"

He said, "A bank asset called a promissory note and a new bank liability." Then he got the most horrid look on his face and said, "I never realized it before, but every bank loan is a fraud." He asked me where I found this out. I told him I was an expert witness, it was my job to know.

He said, "No one is to find out, no one is to know this! Do you realize what will happen if people find out? The auditor will get sued and maybe put in jail. Now I have to reissue the audit opinions. If I do this, I will get sued for sure. If I do not, and someone finds out...oh, I don't know what to do." The key thing was, he knew that I knew the bank bookkeeping entries and he could not get away with lying. He knew that if he insisted that the loan money came from other depositors, the bank could never, under any circumstances, record the promissory note as a bank asset. If other depositors' money was loaned, the bank assets and liabilities would have to decrease. The opposite had happened, the bank assets and liabilities increased, showing that the borrower funded the loan. He knew as an auditor he had to perform tests to be sure the bank fulfilled the agreement. Everything he said earlier meant he agreed that the bank did not own the promissory note. Believe me he was not happy. He wanted me to return his business card. I said, "No, one of my clients may want to sue you some day." I told him,

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"Now that you have admitted to a fraud, will you revise the audit opinion and expose it?"

He would not respond and I thanked God that I had never audited a bank.

I was in my car, on the way to a meeting. I was going to be about a half an hour early when I saw signs in a strip mall claiming to be a financial institution making loans. I stopped, walked in, and asked to speak to a vice president. I told him I was a CPA and wanted to know how they could benefit me. I asked the vice president if I could call him back and tape record the telephone call, so I would not have to take up his time writing notes. He agreed. A few days later, I called him back and recorded the call with his permission. He explained that they acted as a broker for 30 different banks in the area. The broker invested none of their own money. You signed the loan agreement and they took the agreement to one of the banks and returned with a bank loan check.

I asked, "Where does the bank get the money to fund the check?"

He explained, "The money comes from other investors."

I asked if the bank had to follow the Federal Reserve Bank's policies and procedures? He said they had to or else the banker would be arrested for committing a criminal act. I asked, "What is your legal connection with the 30 banks?" He said he acted as their agent. I asked, "On a \$100,000 bank loan, how much money or paper do I loan the bank?"

He replied, "You do not loan to the bank, the bank loans you the money."

I repeated the question another way and said, "On a \$100,000 bank loan, does the bank receive \$100,000 value from me for free and use this to fund the \$100,000 bank loan check back to me?"

He said that it would be stupid for me to loan myself my own money and pay the bank the principal and interest as if the bank had loaned me their money.

I later talked to a CPA who audits these loan brokers and he tried to convince me that the broker loans their own money.

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When I asked the CPA my questions, he admitted that the broker and the bank who issued the bank loan check never loaned legal tender to obtain the promissory note. He admitted that the bank used the note to fund the check and, therefore, that the check could not pay for the note. He could not tell me whether the egg or the chicken came first.

A car dealer sold cars and financed the cars right there in his office. He privately explained that he has power of attorney from the bank to loan the bank's money. He said that the bank told him never to sign the loan papers. Is the car dealer a co-conspirator with the bank? You have to ask an attorney. Ask your lawyer about ambiguity of contracts or resolution of uncertainty. I understand that if the bank wrote the agreement and there is uncertainty (who provides the money for the loan check, you or the other bank depositors?), the court should rule in favor of the one who did not write the agreement.

The false statement that the banks constantly give me is that they loan other depositors' money and follow the Federal Reserve Bank's policies and procedures. This is an impossible statement. I went into my bank in a suburb of Chicago and asked the lending officer: If I were to get a \$10,000 car loan, would I have to give the bank \$10,000 or loan the bank something of value worth \$10,000 to fund the bank loan check. He said no, that would be a fraud. If he is correct that it is a fraud, then the Federal Reserve Bank and his own bank are involved in a felony.

One day, when I lived in Hanover Park, Illinois, I walked up to the teller to cash a check and asked her a simple loan question. Who provides the money to fund the check? She went to get her supervisor and asked me to repeat the question. I talked in a normal tone of voice and was very polite, repeating the question. She took me to the side and said, "We do not like you asking those kinds of questions in our lobby." The next day the bank called me and told me they were closing out my account. They explained that I was a troublemaker, asking too many questions. They did not want me in their lobby asking questions or telling people how the banks operate. They sent

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the check through the mail. I went to their bank, to the drive up teller, avoiding the lobby as they'd asked. I sent the check through the little tube. Ten minutes later, they refused to cash the check. No other customers were there to delay it being cashed. I asked them what the holdup was. They would not answer me. I asked them to either cash it or return it immediately. They returned it. I went directly to the police and told them that the bank had threatened me because, as a CPA, I'd uncovered a massive white collar crime at the bank. To my surprise, the bank called the police saying that I'd been told to not come onto the property of the bank and had driven onto their property anyhow. How else could I cash the check? To clear out my lockbox at the bank vault, I had the police escort me for fear of being arrested. All I did was ask a question about who funded the bank loan check. They made it very clear that they did not want anyone knowing the truth. What will they do when millions of people copy and distribute my brochure and affidavit?

One person walked into a bank and showed the banker my 40 most basic questions. The borrower said, I want to know the answers to these questions. The banker looked at the questions and said, "Who gave you these questions?" The borrower would not tell them it was me. The banker said, "You are not to know this." Then the banker threatened to call the FBI, claiming he should not be asking these questions. The borrower was upset and called me.

I said, "If the FBI claims we should not know what is in the agreement, it just proves my point that there is a fraudulent concealment and that they should arrest the banker." I said, "Tell the banker Tom Schauf will give the bank \$1,000 if he will answer all of my questions, explaining the whole truth and nothing but the truth about the bank loan agreement, under oath and under penalty of perjury. This banker was one scared puppy.

Once I started asking a bank vice president these same questions. I wish I'd had a video camera to show how his hands shook. If I didn't know any better, I'd have thought he had Parkinson's disease. If he'd had a glass of water, I bet it would have been all over the floor.

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I walked into a bank asking for the supervisor. A lady came over. I asked her, "Who funds the bank loan check? Is it from capital you directly receive from the borrower, or is it from other depositors, or do you create the money?"

She said, "From other depositors. This is why we pay interest to depositors, because we loan their money out to borrowers."

I kept quiet, knowing the Federal Reserve Bank says that the banks are limited in creating new bank liabilities called checking account balances in the alleged loan process. This limit is in relation to the other depositors at the bank. The other depositors' money is not loaned out. New bank liabilities are created and traded by check from one checking account to another. I showed her the bank bookkeeping entries and she admitted she'd lied to me earlier.

She pulled me over to the side and explained, "We are not supposed to tell people where the money comes from. Who in their right mind would agree to create \$100,000 of value by signing the promissory note, then use this newly created value like money to deposit into a checking account, then trade these bank liabilities or checkbook money from one checking account to another checking account, allowing the bank to place liens on nearly all the nation's assets for free, forcing you into debt." She explained, "No one is to know this secret. Even if creating checkbook money is legal, it makes no difference. People will figure out it's not fair. If people understood the truth, they would vote to end this banking system." She wanted to know who told me about this. I would not say.

I asked, "How can there be an agreement if the bank did the opposite?"

She said, "Who cares? You got a check."

One man was going through bankruptcy. The court ordered him to list his assets and liabilities. He listed the money that the bank's balance sheet showed it owed him and never paid him. At the bankruptcy trial, he showed that he was owed an asset from the bank in the amount of the original promissory

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note, plus the interest he had paid. He knew that the bank had recorded the promissory note as a loan from him, which makes it an asset in his bankruptcy. The judge did not know what to do. This man would call me, just laughing, because the judge and bank attorney were trying to figure out how the bank owed him more money than he owed the bank. He would call me saying that when his bankruptcy case would come up in court, the judge would say, "Next case" and skip his case until the next month. This went on for months and months. I understand he lived on his farm for a long time while they tried to figure out that mess.

When I moved from Illinois to Tucson, Arizona, my friend helped me move. He had his son join in helping me move my furniture. The man's son was on the board of directors at a bank. He was very nice. His father and I confronted him about the bank's standard operating policy. He could not deny anything we were saying. He continued working for the bank because he wanted the money and didn't believe enough people would find out. Americans hate being lied to and stolen from. It will be interesting to see what the future holds for this nice young man.

I have recently been in court depositions listening to the bankers absolutely lie under oath. I heard them say that they loan other depositors' money, that legal tender is the only money, etc. Because people believe these lies, this nation is being destroyed.

28. EQUAL PROTECTION UNDER THE LAW CANCELS YOUR BANK LOAN

Why is equal protection so important? What does equal protection mean? Equal protection is defined as a constitutional guarantee wherein no person or class of people shall be denied the same equal protections of the law enjoyed by other persons

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and the enforcement of contracts. Remember, under the law, a corporation is treated like a person. Concealing the economic effect of stealing and counterfeiting denies equal protection. Never forget that an agreement or contract is a mutual agreement, and you cannot have mutual agreement without full disclosure.

Pretend for a moment that nonbankers and bankers had equal protection under the law, and that the written bank loan agreement showed full disclosure so nonbankers could fully understand the agreement. If this were true, and the bank paid the debt it owed in obtaining the promissory note, your debt would be canceled. Under equal protection, if the bank used your first promissory note to fund the check, would they not then have to accept a second promissory note with no interest and no lien to discharge the first one? Under equal protection under the law, if the bank recorded the first promissory note as a loan from you to the bank, would not the bank then have to repay you the principal and interest you paid them to receive "its equivalent in kind?" Under equal protection under the law, if the bank can create non-legal tender money and spend it, why can't we do the same. If the bank accepted money we created to issue a bank loan check, would they not then have to accept more to discharge the first alleged bank loan?

Under full disclosure, what agreement did we sign and have mutual understanding of at the time of signing? What gave Congress the right to deny us equal protection under the law? Are there two classes of citizens, bankers with one set of rules and nonbankers with another, so that banks can prey upon the nonbanker's wealth? If there is a bank loan agreement, we want to know what the full agreement is, or we want out of the alleged loan. If the bank cannot answer all our questions, how can there be an agreement with full disclosure and mutual consent?

If we have equal protection under the law (and do not have two classes of citizens) plus full disclosure in the written agreement so nonbankers can understand who provided the funds to issue the bank loan check, we would be out of debt. No one would be so stupid as to vote in politicians forcing this system

on us if we understood the whole truth. No one would agree to an unconscionable contract, an unenforceable contract, or an ultra vires contract if we understood the whole truth.

I can just hear an attorney saying that the bank has a license and you do not. What if we answered the attorney by asking what the intent of the founding fathers of the Constitution was? The intent was for Congress to issue gold and silver or United States Notes, giving everyone equal protection. How can you redefine the intent and meaning, allowing the banks to create money and denying us equal protection, forcing us into debt just like a counterfeiter of United States Notes would?

29. THE BANKERS' WAR

Amongst the nations of the world, the United States of America was unique. Our Constitution and the Constitutional banking system was a threat to every monarch and government in the world. If our founding fathers were successful, every citizen in every country would overthrow the monarchs and bankers and join America in claiming their freedom. The kings in Europe knew they did not have to invade us to control us. All they had to do was get their banking system established in America and they could stay in power.

Europe's system depended on Titles of Nobility. One set of rules for Nobles and another set of rules for serfs. The Nobles owned nearly everything and the serfs paid the Nobles rent. The Nobles acted much like American bankers today. Our founding fathers hated this class system, wishing to give everyone equal protection under the law and, with gold and silver, to prevent a bank takeover. One of the biggest secrets in America today is the original Thirteenth Amendment, ratified and never repealed but simply replaced during the confusion of the wars. Researchers David Dodge, Tom Dunn, and Brian March exposed this secret. A few years ago I received their research showing 24 States and/or territories with 76 publications and an origi-

nal Constitution with the Original Thirteenth Amendment. Research shows it appears to have been ratified either once or twice — on December 10, 1812 and/or on March 12, 1819. In the War of 1812, the King of England ordered the records of Congress to be destroyed in a fire to destroy this Thirteenth Amendment, hoping it would be replaced by another. The Thirteenth Amendment would destroy the Monarchs of the world and the king was trying to keep his power. He knew if America was successful, his countrymen would follow America's example and demand the same, thereby forcing him out of power.

Titles of Nobility, by Gary Hunt, exposes even more details. I recommend you read his material.

30. THE ORIGINAL AND LAWFUL THIRTEENTH AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES OF AMERICA

"If any citizen of the United States shall accept, claim, receive, or retain any title of nobility or honor, or shall, without the consent of Congress, accept and retain any present, pension, office or emolument of any kind whatever, from any emperor, king, prince or foreign power, such person shall cease to be a citizen of the United States, and shall be incapable of holding any office of trust or profit under them, or either of them."

In the Constitution of the United States, Article 1, Section 9, clause (8):

"No title of nobility shall be granted by the United States: And no person holding any office of office of trust under them, shall, without the consent of the Congress, accept of any present, emolument, office, or title, of any kind whatever, from any King, Prince, or foreign State."

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Article 1, Section 10, clause (1):

"No State shall enter into any treaty, alliance, or confederation; grant letters of marque or reprisal; coin money; emit bills of credit; make anything but gold and silver coin a tender in payment of debts; pass any bill of attainder, ex post facto law, or law impairing the obligation of contracts, or grant any title of nobility."

When one receives a license, it comes from the executive branch...except for attorneys' licenses. In some states, the state Supreme Court licenses attorneys. I ask you, what authority under the Constitution and the three branches of government do the courts have to license anyone? How can a private organization govern themselves by giving a Bar Card to a member to practice in a court and prohibit the remaining population from practicing? This acts like a Title of Nobility. Can Congress delegate their authority and responsibility to a private organization? No. The court-licensed attorneys or Bar Card-carrying attorneys control all three branches of government. The attorneys now interpret the law and the Constitution for all other Americans. Three branches of government exist to prevent one organization from taking over the nation, yet the attorneys control all three branches.

It is believed, and research points to the fact, that attorneys' Titles of Nobility comes from England, as does the Bar Association (which appears to be controlled or owned by banks). Attorneys take an oath (contract with the people) to uphold the U. S. Constitution and the state Constitution. It is required that attorneys and judges be U.S. Citizens. If the original Thirteenth Amendment is upheld, the attorneys and judges are not U.S. Citizens and cannot put you in jail. Lawmakers with attorney licenses cannot pass laws. Even if they do, the nation is bankrupt and not sovereign, so it has no effect as law of a De jure government.

Titles of Nobility were used in Europe to designate a rank or dignity or privilege presented over others who otherwise would be of equal status. Our founding fathers hated this class

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system and brought it to an end. The powers in Europe thrived on this system, keeping their families in power. They simply tried to implement this class system in America in order to extend their wealth and control. Our founding fathers envisioned America to be different, giving everyone equal protection. Today, you need an attorney to represent you in court and are not allowed counsel of your choice as the Constitution guarantees. The Bar attorneys reinterpreted the Constitution to create a monopoly, forcing you to hire their members and to meet their agenda. If a Bar attorney will not cooperate with the Bar, the Bar disbars him or her so that they cannot practice, nor even have a law challenged. Judges insist you hire an attorney, not counsel, of your choice. One private organization controls court decisions affecting every citizen and the laws we live by. The Bar Association, the media, and the banks have far more control and a different agenda than most people realize.

Do you see why government law enforcement threatened to kill me or plant evidence on me so they could silence me in jail? They had to hide the truth about the banks' operations, the original Thirteenth Amendment, and the Emergency War Powers and Trading With the Enemy Acts to remain in power and take your wealth and rights. If people understood the whole truth, they would have been voted out a long time ago.

I need you to spread the word to make it happen and restore your freedoms. Join me in making America free again.

Here is a history lesson about the original Thirteenth Amendment and the War of 1812. In the mid-1700s, Mayer Rothschild, one of the most successful European bankers, was reported to have bragged: "Permit me to issue and control the money of a nation and I care not who makes its laws" (p. 198, see bibliography #12). He knew that if he controlled the banks, he controlled the lawmakers. Alexander Hamilton was appointed as Secretary of the Treasury in 1788 by George Washington. In 1790, Alexander Hamilton, a bank agent, submitted to Congress a proposal for the First Bank of the United States. Thomas Jefferson, then Secretary of State, attempted to stop it without success. The investors of the bank were never revealed. It is

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believed Rothschild was an owner. The newspapers called it "a great swindle." The bank was passed with a twenty-year charter to allow the people time to discuss the bank and its merits and decide if they wanted to allow it to recharter by 1811. President James Monroe let the charter lapse. On January 24, 1811, the bank was voted out of business. Within five months Britain was at war with America. In 1814, a British force arrived in Chesapeake Bay. Against all military logic, the British force first targeted the records of Congress and completely destroyed them instead of destroying the military fortifications. Why were these records so important? The King knew if the original Thirteenth Amendment, stored in the records of Congress, survived, his reign was over. The King could not control America without his bank, nor if the original Thirteenth Amendment succeeded.

Today's police, attorneys, lawmakers, and judges are in the same situation that the King was in. When the King destroyed the Thirteenth Amendment, he must have forgotten, or did not realize, that the State Capitals had copies. When the banks own or control the media and publishing companies, they simply delete our true history. The judges, police, and lawmakers have been told and shown the evidence of the original Thirteenth Amendment. If they allow it to exist, they would not only be removed from power, but how many people would want to try them for conspiracy or treason? There are many angry people. Why not give them amnesty if they come over to our side very quickly? Once they know the truth and we can document they were told, then it shows their intent and it is up to the voters to decide the outcome.

Money is a powerful means to persuade lawmakers to vote in the European banking system. Again it happened. In 1816. A second European bank was granted a 20-year charter. Just as President Jefferson predicted, the bank inflated the economy and contracted the money supply, creating a depression in 1819 with a large number of bankruptcies and a debtor population. The banks simply repossessed the property and owned it without loaning one cent of other depositors' money. Again the population woke up and Andrew Jackson ran for the Presidency with

the campaign to cancel the European banking system. Real Americans rallied behind Andrew Jackson and elected him to office. A second time history repeated itself and President Andrew Jackson ended the Bank's charter, setting America free again from the Nobles. All we need to do is repeat history again, first by education so that the people will know the truth and, secondly, vote correctly to set themselves free.

31. IS THE GOVERNMENT BANKRUPT?

The government is bankrupt, according to Rep. Traficant of Ohio. On March 17, 1993, he said, "Mr. Speaker, we are here now in chapter 11. Members of Congress are official trustees presiding over the greatest reorganization of any bankrupt entity in world history, the U.S. Government." To confirm this, look up HJR 192, Trading with the Enemy and Emergency War Powers. The bankruptcy took away the gold and silver. When you walk into a court, look for the gold fringe flag on a pole. It is a symbol of a military court, created through the bankruptcy. It would be impossible for the government to be bankrupt today if the government printed sovereign United States Notes, interest-free, and if this were the only money allowed in the nation.

Why did Rep. Traficant say that Congress was the official trustee of the government's bankruptcy?

I recommend you use Black's Law Dictionary and look up the words bankruptcy and bankruptcy trustee. You will find the bankruptcy trustee can collect assets, sue debtors, defend court actions, administer the estate, and "set aside preferences of liabilities owed." I believe foreclosure victims lost properties because judges are acting like trustees, "setting aside preferences" (setting aside the unauthorized loan to the bank). The judge is acting like the trustee of the national bankruptcy, forcing us into this bankruptcy and forcing us to lose our property

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to the bankers. The bankers never could have done this if politicians upheld their oath of office to defend the U.S. Constitution. Politicians have full knowledge of what they have done. This book is the proof that politicians and bankers knew and should have known all along. Can the judge set aside the debt the bank owes and force you to pay your debt to the bank by setting aside preferences? Examine the court foreclosure papers very carefully and I am convinced you will find the answers.

The government in bankruptcy is a corporation. By Congress refusing to print sovereign United States Notes interest-free, and instead printing Federal Reserve Notes and allowing local banks to create bank liabilities used like money, the government and its citizens are forced into debt and bankruptcy. However, there is never enough money to pay the debt. The creditors own the nation's assets. When people tell me they own their house free and clear, I explain that, under the bankruptcy, your house is collateral for the national debt. The banks control the country because they are the creditors. Congress is the trustee for the bank. The banks reversed the whole power structure by creating money.

The banks want you to think that you have rights under the U.S. Constitution. In bankruptcy, your rights, by an agreement that was not disclosed to the American public or understood by the people, are suspended under the Constitution. Your rights were exchanged for privileges, forcing you to have licenses. The police enforce the licenses. Do you see why the law claims that Congress cannot delegate responsibility to a private organization? If President Kennedy had lived and continued printing United States Notes interest-free, giving us equal protection under the law, the banks could not be the creditors, bankrupting the nation and controlling us. The first thing President Johnson did as President was to stop printing those United States Notes, replacing them with Federal Reserve Notes. Some coin dealers now have the Kennedy dollars. President Kennedy was not going to escalate the war in Vietnam. In his place, President Johnson created huge war debts, thereby creating more taxes

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for the people and income for the banks. You lost your government and your rights in bankruptcy because most Americans do not understand money. Without sovereign United States money, we are forced to use unpaid bank liabilities as if they were money. If you sue the bank to pay the debt they owe you, and if the banks are forced to pay in substance and not allowed to create more bank debt, then they will have a major problem that will result in cancelling your loans and the national debt.

The media makes you think that America is a democracy. In the pledge of allegiance, you say, "I pledge allegiance to the flag of the United States of America and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all." It says "Republic," meaning Constitutional, not a democracy, or mob rule. Government lawmakers, judges, and police take an oath, a contract with you, to uphold the U.S. Constitution. Article 4, section 4 of the Constitution says, "The United States shall guarantee to every state in this union a republican form of government, and shall protect each of them against invasion; and on application of the Legislature, or of the executive... against domestic violence." Ask yourself, do we have the Republican form of government our founding fathers intended for us? If I told you I wanted to buy your car, gave you a check with no money behind it, and took your car, is that theft? Yes. What is the difference between that and using your promissory note to fund the bank loan check with the bank receiving the lien for free. In both cases, the victim lost money and is in debt for the loss. What is the difference if it is done on a national level? Who should own the country, "We the People" or the bankers? Who obtained the nation's assets for free?

If you want to have your chickens stolen, hire a fox to guard the chicken house. You cannot blame him. That's what he's supposed to do. It's in his nature to be sly. I blame the one who hired him. The solution is simple: if Americans want out of their bank loans, all we have to do is expose the real bank agreement to enough Americans. If Americans want to double their wealth, all they have to do is educate enough other Americans about the truth behind banking policies. The threat of our vote

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and public pressure exposing the media blackout will force the change.

Rear Admiral Chester Ward, a former member of the Council on Foreign Relations (CFR) for 16 years, warned about the bankers' intentions. In the book *Why A Bankrupt America*, he is quoted as saying, "The most powerful clique in these elitist groups have one objective in common. They want to bring about the surrender of the sovereignty of the national independence of the United States. A second clique of international members in the CFR comprises the Wall Street international bankers and their key agents. Primarily, they want the world banking monopoly from whatever power ends up in control of global government" (p. 27, see bibliography #10). Many of our members of Congress belong to the CFR, along with members of media and other powerful positions.

In 1957, U.S. Senator George Malone said, "I believe that if the people of this nation fully understood what Congress has done to them over the past 49 years, they would move on Washington: they would not wait for an election... It adds up to a preconceived plan to destroy the economic and social independence of the United States" (Ibid. 9). They know the truth but must remain silent to remain in power. Recall the words of Thomas Jefferson, who warned us about the banks, "Single acts of tyranny may be ascribed to the accidental opinion of a day. But a series of oppressions; begun at a distinguished period, and pursued unalterably through every change of ministers (administrations), too plainly proves a deliberate systematic plan of reducing us to slavery" (Ibid. 13).

The U.S. Constitution separated government into three branches. In bankruptcy, the banks become the creditors to all three branches and controls all three. The borrower becomes the servant to the lender.

Founding Father James Madison said, "The accumulation of all powers, legislative, executive, and judiciary, in the same hands, whether in one, a few, or many, and whether hereditary, appointed, or elected, may justly be pronounced the very definition of tyranny" (p. 193, see bibliography #2).

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Congressman Lewis McFadden, former Chairman of the House Banking and Currency Committee, understood:

We have in this country one of the most corrupt institutions the world has ever known. I refer to the Federal Reserve Board and the Federal Reserve Bank, hereinafter called the FED. They are not government institutions. They are private monopolies which prey upon the People of the United States for the benefit of themselves and their foreign and domestic swindlers; rich and predatory moneylenders. (see bibliography #10, p. 9).

He continued,

Every effort has been made by the Federal Reserve Board to conceal its power but the truth is that the Federal Reserve Board has usurped the Government of the United States. It controls everything here and it controls all our foreign relations. It makes and breaks governments at will. No man and no body of men is more entrenched in power than the arrogant credit monopoly which operates the Federal Reserve Board and the Federal Reserve Bank. These evildoers have robbed this country of more than enough money to pay the national debt. What the Government has permitted the Federal Reserve Banks to steal from the people should now be restored to the people... The Federal Reserve Act should be repealed and the Federal Reserve Banks, having violated their charters, should be liquidated immediately. Faithless government officers who have violated their oaths should be impeached and brought to trial. (p. 170-4, see bibliography #12)

He was there when the bankruptcy occurred. If anyone should know, he should. The media blackout just kept you from learning the whole truth. They now think you will fall for the balanced budget propaganda. Anyone listening to the lies will come up with the wrong solution. Now you know better, and we also have a solution. The politicians have made it clear who they represent. Congressman McFadden wanted to correct the problem, along with other Congressmen, but they could not

because they were not able to inform enough Americans. The media made sure there was a media blackout. If enough Americans find out the whole truth and help our leaders uphold their oath of office, we will be debt-free and you would be doubling your wealth. Knowledge is power. If too many people find out the truth, the lies will end and everyone will want out of their debt.

As a plaintiff, if you expose the bankruptcy, the judge may throw out the case. The judge does not want the bankruptcy exposed. Is the court a bankruptcy court administrating the bankruptcy? If you sue, you have to decide what court to sue in and if the bankruptcy makes a difference. If you win, it may be because the judge does not want the truth exposed; the judge does not want the bright spotlight on the banker's activities. Wisely use this spotlight of truth to win.

32. INSOLVENCY

If the bank auditor knows that the bank did not fulfill the bank loan agreement or that the bank is insolvent, this must be disclosed in the audit opinion or a dirty opinion must be given. (A dirty opinion means the bank is insolvent or involved in a fraud, or that they never legally owned the promissory note.) The users of the bank financial statements need to know the truth so that they can make informed investment decisions.

Is the bank insolvent? To determine this, we need to know what insolvent means. The Dictionary of Banking Terms defines insolvency as, "the inability to pay debts as they mature." It further explains insolvency as not being able to pay debts. A bank is considered insolvent if the ratio of liabilities to assets is zero or near zero. If assets over liabilities is zero (more liabilities than quality assets available to pay the liabilities), the bank is considered insolvent. If the bank records the promissory note as a loan from the alleged borrower to the bank and if the bank repays the loan in "its equivalent in kind" (meaning

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the principal and interest), the bank never has the money to repay the loan, making the bank insolvent. If it is insolvent, the bank never has actual cash value to loan to the borrower to obtain the promissory note.

From this book you have learned one thing. If everyone went to the bank and closed out their checking accounts, cut up their credit cards, and only used cash, the banks would have to pay all the debt they owe borrowers. The government would have to print United States Notes—cash— interest-free, or it would be obvious to everyone that the leaders of this nation represent the banking interests. If the bank does not print new Federal Reserve Notes, can the bank convert its assets to pay all the bank debt? No. There is not enough cash to pay the bank debt. They would, by definition, be insolvent because they are unable to convert assets into cash to meet financial obligations. Are the banks insolvent? Did they loan you cash or give you a liability owing you cash? If they are insolvent, how can they have loaned you cash?

If you study the words insolvency and bankruptcy, you will find that the bank can never be insolvent because they never intend to pay the bank liabilities. They only trade the bank liabilities from one checking account to another by check. You can argue that if everyone demanded the bank pay the bank debt owed for the promissory notes by demanding cash, the bank is insolvent unless they create more debt by printing more Federal Reserve Notes. The only alternative is having the government print cash interest-free by printing United States Notes. If the bank is not insolvent because they never intended to pay the bank debt, it proves that the bank never loaned money and never intended to loan you actual cash value to obtain your promissory note. If they admit that they are insolvent, they could not make the loan. If they claim they are not insolvent, they must prove that they obtained the promissory note for free.

33. **WHAT** CREATES INFLATION?

Increasing the money supply beyond the goods and services available causes inflation. We've all heard stories of a loaf of bread costing 10¢ or a fancy house costing \$35,000 years ago. Why did the price go up? It is best illustrated in this example: If the nation had only \$100 and 100 loafs of bread, the obvious price of the bread is one dollar. If the money supply is increased to \$200 and only 100 loaves of bread are available, the price of a loaf is increased to two dollars. The breadmaker gets smart and produces an extra 100 loafs, creating a total of 200 loafs and the price of a loaf drops to one dollar. As long as you add production as you add dollars to the money supply, there may be little if any inflation.

34. **WHAT** CAUSES RECESSIONS AND DEPRESSIONS?

Decreasing the money supply causes recessions and depressions. There is no difference between a recession and a depression except for the amount of money in circulation. If the U.S. constitutional banking system our founding fathers created was followed, there would be no recessions nor depressions in America. Congress would be sure that there was an adequate supply of money and not allow one group to manipulate the money supply and profit from debauching it.

It is the bank's policy to create recessions in order to increase their profits. Federal Reserve Bank of Chicago publication *Modern Money Mechanics* (p. 6) gives the bankers instructions on how to create a bank-induced recession or depression.

Did the banks create the 1929 Great Depression? Congressman Louis McFadden, Chairman of the House Committee on Banking and Currency from 1920 to 1931, accused the Federal Bank for creating the crash. "It was not accidental. It was a carefully contrived occurrence.... The international bankers

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sought to bring about a condition of despair here so that they might emerge as rulers of us all" (see bibliography #8, p. 191).

Congressman Charles Lindbergh, the famous flyer's father, wrote this about the Federal Reserve Bank shortly after it was created: "depressions will be scientifically created" (see bibliography #2, p. 124).

Thomas Jefferson said, "If the American people ever allow private banks to control the issue of currency, first by inflation and 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" (see bibliography #12, p. 247).

These three famous people knew how the banks create depressions using the European banking system. They warned the nation to use only the U.S. constitutional banking system, yet we did not listen. Today, our plan is to warn the whole nation so the banks cannot crash the economy, creating another depression and forcing us into a cashless society.

How did the banks create the Great Depression? From 1923 to 1929, through alleged loans, the banks increased the money supply by 62%. Easy money created a business boom. Banks created money and loaned it to borrowers wishing to buy stock. You could buy \$1,000 in stock for \$100 down and finance the other \$900 with a 24-hour call loan from the bank. The stock prices went up and up, fueled by the money the banks created and loaned out to buy stock. The insiders sold their stock at a great profit and bought government bonds or held cash, waiting for the crash. In unison, the banks called the 24-hour broker call loans due. The nonbankers were forced to sell their stock to pay for the loans. Everyone sold and the crash began. Within a few weeks, \$3 billion of wealth vanished. The wealth of one of the insiders, Joseph P. Kennedy, grew from \$4 million in 1929 to \$100 million by 1935. It is no secret. Sell your stock on the high side and buy on the low side. After the crash, cash was scarce. Those who were on the inside, those who sold their stock before the crash and held cash, now bought companies for 10¢ on the dollar. Great fortunes were made at the misery of others. Between 1929 to 1933, the Federal Reserve Bank

reduced the money supply by 33%, thereby creating the Great Depression.

It is wicked enough that the bank never risks or invests one cent of legal tender or other depositors' money and loans you your own money at interest. It is even more sinister when the banks control the gambling odds and force you to lose at their whim, taking all your property for their added profit. The bank receives your promissory note and lien for free, receives your monthly loan payments for free, and then forecloses and receives the equity on your home or farm for free. The bank policy is to create recessions to force a percentage of people to default, putting you out on the street. All the European banking system does is shift the wealth from you to the bank. By buying foreclosed properties, judges, police, and lawmakers can make a fortune.

Today, the same situation exists as did just before the Great Depression. Will we learn our lesson and save the nation by exposing the bankers?

35. I FEAR BANKERS MORE THAN STANDING ARMIES

President Thomas Jefferson said, "I sincerely believe that banking institutions are more dangerous to our liberties than standing armies" (see bibliography #10, p. 20).

President Andrew Jackson said that the bank "would be more formidable and dangerous than the naval and military power of the enemy" (see bibliography #7, p. 308).

Founding Father James Madison said, "History records that the moneychangers have used every form of abuse, intrigue, deceit, and violent means possible to maintain their control over governments by controlling the money and its issuance" (see bibliography #8, p. 79).

If the government issued United States Notes interest-free and if the banks could not create money, then the banks could

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not create wars for profit, running up huge government debts in order to receive the interest. If banks could not create money, they could not create recessions nor depressions, nor obtain the liens on the nation's assets for free. Wealth buys favor with the media. It can be used as social engineering to change the way that people think. The media elects lawmakers. The lawmakers know that, if they wish to be re-elected, they must vote the way of those who financed them into office. In effect, the one with the most money wins. If the banks create the money, they win. They control the nation.

One day after I was done conducting seminars for certified public accountants, I talked to a man who identified himself as the head accountant of a very large bank. I said, "You know all the bank loans you grant are a fraud."

Without any hesitation, he said, "I know."

I said, "Are you afraid of going to jail?"

Again, without hesitation, he said, "No."

I asked him why not.

He said, "The banks control the judges. We have them elected. If they want a job, they have to cooperate with us. We control both the media and who is elected to office. The only thing we fear is the population learning what we have done to them. If they wake up, we will have to flee the country." He laughed.

I will never forget what he said. This is why courts have thrown out perfectly good cases against the banks. The banks can control the judges, but not the brochures. Brochures and small books were used to begin the Revolutionary War and fight the British. China used brochures to win a nation for communism. Brochures will now be used to set America free from the banks.

If a foreign army invaded America and won the war, they would control the country, create new laws, and we would pay taxes to them. What is the difference between a military army conquering us and the banks obtaining the nation's debt and property, forcing us to pay them interest on all the money they create? The banks received the spoils of war without firing one shot or spending one cent. The banks control the government,

the lawmakers, the judges, and the police. The fact is, they used judges and police to obtain forty percent of the nation's income tax as interest on the national debt and the liens they obtained. Either you give the conquerors your labor for free or they foreclose and take your assets. It is much easier to conquer and control a people who think they are free. The media has labeled those who object to this as anti-government so that other citizens will not join them in the fight for their freedom.

A nation is not sovereign if they do not have a treasury printing sovereign money, interest-free. The banks proved this by foreclosing on the national debt, making Congress trustees of the national bankruptcy. The creditor owns the nation in bankruptcy. This is the secret not disclosed in court. We will be set free if we make the banks repay our loans to them, or make the private banks pay the debt due us. All we have to do is spread the truth to enough Americans in order to compel them to correct the problem. We cannot be conquered if the truth is revealed. It is up to every American to get the truth out so we can correct the problem. If even half of all Americans understood this and agreed to help correct the problem, we would be free Americans, refusing to be conquered.

36. LED INTO THE TRAP WITHOUT KNOWING IT. DECEIVED AND BEING DECEIVED.

A little boy was petting his pet rattlesnake. After he was done petting it, he stood up and started to walk away, when the snake bit him, sending poison throughout his body. The little boy was shocked and said to the rattlesnake, "Why did you bite me?" The snake replied, "I'm a snake and that is what snakes do, they bite people."

People who deceive are masters at deception. They will lie with a straight face. What if you stopped listening to the lie and only looked at the fruit of their works? If the banks and those

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aiding and abetting the banks kept lying to you, should you believe them in the future? Only a fool would. Did the media tell you the whole truth when they said we needed to balance the budget? Did the banks tell you the whole truth about the alleged bank loan? How much of the lie did you believe before you learned the truth?

I have listened to a number of individuals working on the inside, creating computers and computer chips for a cashless society which they believe is coming in the near future. They have come to me, pleading with me to get the message out before it is too late. They explain that the banks and government will have absolute control over everyone. They have even shown me the national I.D. card and the small computer chip that is to be implanted under your skin, as they are doing with animals today.

I heard one of the top insiders who developed the chip explain it this way: First, they plan on implementing a national I.D. card. They must identify everyone so they can disarm America without objection. They need to mark every person with an identification system. We know people will object to surgery. To overcome this, we developed a small computer chip which is round and about the size of a grain of rice that can be injected by a needle. We figure people will accept it because it will be like getting a flu shot. The computer chip will be placed just under the skin of the forehead, just below the hairline, or the right hand. Those two places are chosen because that is where your body temperature changes the most. The change in temperature recharges the little battery in the chip. The chip will be used like a credit card, a medical file, criminal record, and a means to locate you at any time. By locating people and knowing where everyone is at anytime, we will know who committed what crime. No more drugs and everyone pays taxes and child support. After the chip was developed, I heard this man explain how he had come to read Revelations, Chapters 13 and 14 (the last book of the Bible). After he developed the chip, he learned he had fulfilled Biblical prophecy. Needless to say, he accepted Jesus Christ as Lord and Savior and is telling others how true the Bible really is.

The Federal Reserve Board is planning to establish a checkless, cashless society in the United States. The retailer will pay the bank 2 to 4 percent per transaction. The consumer pays interest to the bank if the balance is not paid within 25 days. The bank will require a fee for every transaction. Nothing will be bought or sold without the mark of the beast.

37. DO MONOPOLIES CONTROL AND FLEECE THE PEOPLE?

Government is the ultimate monopoly. Lawmakers set the controls, judges rule to uphold the laws, and the policeman's gun enforces them. If government gives license to one group to steal and counterfeit, people suffer. With the stroke of a pen, such counterfeiters can shift wealth from your pocket to their own. If oil companies conspire to fix oil prices, or prevent the production of a car getting 100 to 200 miles to the gallon, you've been fleeced. If the FDA refuses to allow you to use inexpensive medical alternatives that work, and forces you to use a high-priced drug, you've been fleeced. If an inexpensive cure to cancer or AIDS was discovered and not put on the market because it would put the American Cancer Society out of business, or stop very profitable AIDS research, you would have been fleeced. But what if the monopolies found ways to bribe lawmakers into passing laws benefiting such practices? Research will show that bankers have a direct interest in the oil and drug companies.

What about the war on crime and drugs? Police, judges, and attorneys would be laid off if crime declined significantly. If we fixed the banking problem, people would have higher-paying jobs and, theoretically, fewer people would commit crimes. As financial difficulty is one of the major factors in divorce, by fixing the banking problem, there could conceivably be less divorce, which could in turn cut crime by having more children raised in loving homes, nurtured by parents who

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love each other. High crime rates allow police, judges, and attorneys to create and benefit from a legal industry. Police receive bonuses from writing tickets and arresting people. They seize property under the pretense of a drug bust and keep the property without ever going to court. One deputy sheriff explained to me that the deputies kept such money for themselves, never reporting it to the IRS.

The television show *Dateline* had a story in January of 1997 which showed Louisiana police pulling over out-of-state drivers for improperly changing lanes. The people claimed they did not even make lane changes. The primary purpose of such a procedure was to seize property. If you had an expensive car, you were targeted. *Dateline* brought in their camera and was picked up without violating the law. The nation was outraged and many people wrote back to *Dateline*, saying that this was one of the clearest violations of human rights, as well as one of the clearest cases of the abuse of power, that they had seen in a while.

Asset forfeiture laws are aimed at drug traffickers. All they need is probable cause to seize your car and put you in jail. The police officers receive a bonus for seizing your assets. Louisiana police were making a business out of pulling over innocent victims and seizing their assets. It is more profitable than taxation, and quicker. A cop is paid less than \$200 a day, but can seize \$100,000 in a day without ever having to go to court. Why would the police or the judicial system want innocent people in jail? To pay off the elected public officials and their supporters. The courts have a gold-fringed flag, which symbolically upholds the national bankruptcy created by the banks. Bankruptcy takes away your Constitutional rights. Gun owners know this process through the controversy over the right to bear arms. Their rights were replaced by a privilege, a license to have a gun. Notice how the government is turning the jails into private institutions to make a profit. Cut the food and medical benefits to prisoners and the profits go up. Use slave labor and profits go up. The ones aiding and abetting the banking institutions are the ones behind the judicial system perpetuating such practices. I believe a large percentage of the prison population could

be classified as political prisoners. People exposing government activities have been thrown in jail and silenced.

These government-created monopolies illustrate the NEW WORLD ORDER (one-world government) that our banking system and government are pushing on us. A few wealthy people influence the judicial system to fleece citizens for a profit. The wealthy, in turn, reward the politicians who cooperate, giving them money and media backing to stay elected. The wealthy can decide who is and who is not elected. Uncooperative politicians receive media smears. He who owns the gold makes the rules. Control over the creation of money, the media, and the judicial system is the ultimate monopoly.

As long as citizens falsely believe that there is freedom and equal protection, no change will take place. The wealthy must maintain the illusion that this is the land of the free, home of the brave, with equal rights for all people. Freedom is costly to maintain. Diligence is required or it will be stolen from you. The wealthy fear the truth. They fear an educated populace. It is up to you to decide if such information will spread or be silenced. Think about it! The future of our nation hangs in the balance. Truth and justice, or bankruptcy and slavery. The decision is ours.

38. HOW CAN THE BANKS LOSE MONEY?

How can the bank lose money if it can create money? The loss is simply an accounting loss on paper. If people only used checks as money, no one would know the difference except the bank. First, the bank can create money in relation to savings accounts and certificates of deposit. The bank cannot just create trillions of dollars; that would lead to hyperinflation. The bank can only create small amounts of inflation at a time by creating relatively small amounts of money. For example, if the bank had \$1,000,000 in savings accounts and certificates of deposit, the bank could create \$900,000 of new checkbook

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money to loan out. The \$900,000 new bank liability must be redeemable in legal tender. The bank did not create legal tender to match the new \$900,000 liability they created. The bank must sell the promissory notes for government bonds that can later be sold for cash. Why government bonds? There is not enough new cash created to match the new \$900,000 of bank liabilities, but there are enough government bonds available. The alleged bank loans inflate the economy. The more money created, the more prices go up.

The people were loaned \$900,000 and must pay the bank back \$3,000,000 with interest. The people must pay back \$2,100,000 more than there is money in the economy. The banks must create and loan out more and more money, so you must work to earn money to repay the interest or the bank forecloses on your property. The more loans, the more debt and interest people pay. Suddenly, the men must ask their wives to work to pay the interest. Soon, both the husband and wife cannot earn enough to pay the interest. Either the children must start working, or the family runs out of money. The more interest they pay, the less groceries, shoes, dresses, and vacations they have money for. The less people spend, the less revenue businesses have. Businesses have to cut costs and lay people off. The bank forecloses on your house and car because you cannot pay the interest. House prices go down because people cannot afford to pay the high prices; house prices are only as high as people can afford to pay. When you bought the house it was worth \$250,000. The bank placed a lien for \$230,000 on the house to be sure that you pay and they get their money. Because families have less money due to enormous debt, they cannot afford to pay the high prices of homes and the prices drop. The appraiser lowers the appraised value from \$250,000 to \$200,000. You now owe \$30,000 more than it is worth. You decide to let the bank have it because it is cheaper to get a lower-priced house. The banking system loses \$30,000. They owe a \$230,000 liability created by loaning you the \$230,000 bank liability, backed by your promissory note and lien on the house. The lien is only worth \$200,000, not \$230,000. The bank forecloses, pays the attor-

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ney \$10,000, and has \$190,000 left to pay the bank liability of \$230,000. It is a paper loss of \$40,000.

The Federal Reserve Bank has control over the money supply, interest rates, and the economy. According to one bank auditor, the goal is to close out the small banks, to end up with one huge bank, and to force total control of the economy. Notice how big banks are buying out small banks that have paper losses.

The government passed the NAFTA and GATT agreements. The American worker making \$10.00 per hour must compete with a Chinese prison laborer who may be paid 10¢ or less an hour. American wages must go down to compete with China's labor, but you still owe the bank the same amount. You get squeezed and cannot pay the interest. Why would the banks want NAFTA and GATT? Anytime one can debauch the currency and know ahead of time where to invest, there are huge profits to be made.

Imagine Mexico selling beef cows for significantly lower prices than ranchers in the southwest United States. The ranchers would lose their ranches, not being able to sell their beef at high enough prices to pay their loan payments. How would the bank profit? If the ranch was worth \$2 million and owed the bank \$500,000, there is a quick \$1,500,000 profit. Is it true? I can tell you that I have received telephone calls saying this is happening. Whether it is true or not does not matter, because it could happen in almost any industry. The banks pushed Congress to pass NAFTA and GATT. The media supported Congress passing the agreements. It was done to increase the profits of certain banks and media corporations.

**39. IF BANKS ARE CREATING ALL THAT
MONEY, WHY IS THERE NOT MORE
INFLATION?**

Inflation is not only the price of bread going up; inflation is your standard of living declining. A few years ago, only one

spouse needed to work to pay for the family budget. Today, both spouses need to work. This is the result of inflation. Banks create money and loan it out, so why is there not more inflation? Who owns the \$5 trillion of national debt? Much of it is owned by foreign interests. When you pay taxes, the tax money is sent outside our borders, decreasing the money supply in the United States. The IRS takes your earnings and decreases the money supply further by using your taxes to pay interest to foreigners who hold the government bonds. Do you think that these people are interested in what is best for America?

40. IS THERE A MEDIA BLACKOUT?

John Swinton, former Chief of Staff for the New York Times, was one of America's best-loved newspapermen. His peers called him "The Dean of His Profession." John was asked to give a toast before the New York Press Club, and in so doing made a monumentally important and revealing statement. He is quoted as follows:

"There is no such thing, at this date of the world's history, in America, as an independent press. You know it and I know it. There is not one of you who dares to write your honest opinions, and if you did, you know beforehand that it would never appear in print. I am paid weekly for keeping my honest opinions out of the paper I am connected with. Others of you are paid weekly, similar salaries for similar things, and any of you who would be so foolish as to write honest opinions would be out on the streets looking for another job. If I allowed my honest opinions to appear in one issue of my paper, before twenty-four hours, my occupation would be gone. The business of the journalist is to destroy the truth; to lie outright; to pervert; to vilify; to fawn at the feet of mammon, and to sell his country and his race for his daily bread. You know it and I know it, and what folly is this toasting to an independent press? We are the

tools and vassals of rich men behind the scenes. We are the jumping jacks; they pull the strings and we dance. Our talents, our possibilities, and our lives are all the property of other men. We are intellectual prostitutes." (see bibliography #12)

Read *Enroute To Global Occupation* by Gary Kah to learn of one bank owning or controlling a significant portion of the media and publishing companies.

41. MEDIA AND THE INTERNET

If you found out there was a conspiracy involving the banks and media and you exposed it, what would you expect the banks to do? You guessed it—use the media to smear those exposing them; make them sound like conspiracy nuts. They know that no one wants to be associated with a nut.

A true story: A few years ago a local newspaper reporter called me asking for an interview. He claimed he wanted to expose the banks. I met with him. He asked me if I knew a man (John Doe). I said I'd heard his name, but I did not want to be associated or connected to him in any way. The article came out saying I was trying to expose the banks, then went on to say, "Mr. Schauf knows (John Doe) and he thinks the Russians control the weather." Only crackpots believe in such things. The article was there only to smear me.

A major radio station called, inviting me to be a guest and expose the banks. On prime time radio they started accusing me of being a Jew hater. They kept claiming that I believed the Jews were committing a conspiracy. I kept saying I'd never said such a thing, that I never researched this, and had no information about Jews. I only knew about banks. For about ten minutes this kept going on. Then I said, "Did you ask me here to discuss religion or banking?" They said banking, and we continued talking about banking.

Without my authorization, someone took my old manual and put it on computer disk. Information was subtracted and added. Can you imagine the problems this could create for me—someone receiving counterfeit and forged information? What if they put this on the Internet? Someone did put my information on the Internet without authorization. There was a typo. He claimed I had a wrong date. That was the excuse he used to try and discredit my information. This book may have typos, but can people prove me to be materially wrong?

Others have put my information on the Internet. They change the information and claim I said or agreed to something I never had. By leaving out a few key paragraphs or words, one can completely change the meaning of what it is I am saying. This is the reason I do not give others the right to speak for me.

All I am asking for is equal protection under the law, agreement between bankers and nonbankers, and full disclosure so that the average person signing an agreement can fully understand exactly who loans him what according to the bank book-keeping entries. Why would anyone want to fight me on this issue? If the media tells the whole truth, why do they discuss the balanced budget and create a media blackout concerning the Federal Reserve Bank? Stop allowing the banks to obtain \$100 in government bonds for 2.5¢ and we will balance the budget. If this banking system is good for America, we should tell everyone. Do they think we should hide the truth?

42. FOR THOSE WHO SAY THERE IS NO CONSPIRACY, EXPLAIN THE FOLLOWING

If one person or group of people could create money, would they own much of the nation's assets over time? If one had the power to create money, could one obtain the liens on most of the homes, cars, farms, ranches, planes, and businesses over a period of time without loaning one cent of legal tender or other

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depositors' money? Would the people be paying more interest under today's banking system than the one I propose? What is the difference, economically speaking, whether the banks stole from the borrower and returned the value of the stolen property as a loan to the victim, or if the bank legally created money and loaned it out to the same borrower? Does not the same result occur? Does not stealing and counterfeiting shift the wealth from the victim to the thief or counterfeiter? How can this happen without the lawmakers, judges, police, and other professionals behind the scenes? If we were under gold and silver or United States Notes issued interest-free by the Republic, and this being the only money used in the nation, could the banks obtain the liens on the nation's assets without loaning one cent of legal tender or other depositors' money? Would there be a national debt? Is it not true that, if you have wealth, you have power? If you can create money, is it not true you could practically own the entire world? If you do not call this a global conspiracy, do you call it good business? Are others being forced into involuntary servitude?

Anyone can say there is no conspiracy. I want proof that there is not one. I want those saying that there is no conspiracy to answer all my questions; I will happily provide a forum to prove they are right. My guess is that the ones involved in a conspiracy will say there is no conspiracy, and smear anyone who disagrees. The people who know the truth and who know what famous men have said, will expose the truth to others. If a conspiracy is exposed widely enough, it will end.

If there is no conspiracy, why did James Warburg, a member of the CFR say, "We shall have one world government whether or not you like it, by conquest or consent."

Concerning the New World Order, why did Richard Gardner state that it "will be built... but an end run around national sovereignty, eroding it piece by piece, will accomplish much more than the old fashioned frontal assault."

43. SECRET BANKER'S MANUAL REVEALS ALL

One of the heads of a major university read Tom's banking books. After reading the books the head of the university decided to expose the truth about banking. Later in 2001, this individual saw that the university taught a banking class. He went to the university book store to buy the books for the banking class and they would not sell him the books like all of the other university classes. To get the books for the banking class you had to get a bank president to give written authorization for you to attend the class and you only got the books in class. The head of the university insisted that he had authority to see the class materials as the bankers objected. After much resistance from the bankers, he obtained the books. He gave Tom the teacher's manual and student's books. Tom put this information into the Secret Banker's Manual. The class curriculum explained the banking laws and taught that if someone were to sue the bank in a certain way the bank wins and if one were to sue the bank in another way the bank loses. This information was tested resulting in people having their mortgages canceled. We cannot guarantee future results. The manual also reveals what bankers do to obtain huge returns on investments using computer generated leads telling you *when to* buy or sell in the market place. The university curriculum proves that the bankers know exactly what they are doing and how to profit from the banking system that they forced the nation into.

Several people have tried to copycat the information charging \$1,000s. The copycats run into trouble when things change and the copycats cannot copycat because the new strategy changes. This is why Tom printed the Secret Banker's Manual so that you can obtain the original for a fraction of the cost of the copycats. It shows you to laws, strategy and notices that the bankers fear you will learn about.

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This manual is so powerful and revolutionary that you must sign an agreement to keep the information confidential. You cannot lend the manual out - your friends must buy it for themselves. Learn how to use the secret banker's information and you could really profit from the information. If you do not learn how it works and use it to your advantage, you will live like a slave like your friends and neighbors. Be smart and use the system to your advantage. Ask your friend where to buy a copy or do a internet search on Tom Schauf to find a distributor. Better yet become a distributor and sell the manual. There are three ways to return the wealth back to Americans. we can use the vote, cancel loans or use high returns on investments using computers to generate buy or sell signals. High returns on investments is the way to go.

44. ECONOMIC SOLUTION

Before we can discuss the solution, one has to understand the problem. The problem is that private banks create money and loan it to the citizens at interest. If \$100 of money is created and loaned to you at 10%, by the end of the year you owe \$100 plus \$10 of interest and there has been only \$100 of currency created to pay the \$110 owed. There is never enough money to pay the banks. We must correct the problem without destroying the economy.

Illustrative Example:

Citizens owe banks principal and interest	\$1,500,000
Government owes banks principal and interest	\$1,000,000
Total money owed today through bank loans	\$2,500,000

The original money loaned was less than \$2 million, with interest it totals \$2,500,000. Citizens will owe \$250,000 in interest (\$2,500,000 at 10% interest) this year to pay the bank to stop foreclosures. The banks must loan out \$250,000 of new counterfeit money this year so there is a new \$250,000 that can be earned and returned to the banks as interest or homes will be foreclosed on. If \$250,000 of new money is not created, there will never be enough money to pay the banks because the principal cannot repay the principal plus interest. If the new \$250,000 is not created, the banks will cause a depression by contracting the money supply by \$250,000, and they end up owning all the property anyway.

Solution: The government prohibits the banks from creating counterfeit money. Banks can only loan other depositors' money. The government creates the money like Presidents Lincoln, Kennedy, and Jackson intended. Instead of the bank counterfeiting new money and loaning it to the government at interest, the government creates the money with no interest or debt to banks, thereby stopping an economic collapse. For every

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dollar the government creates, interest-free, there is one less dollar in taxes needed to fund the government. The government creates additional money above and beyond the \$250,000 hiring the unemployed and underemployed to repair and build roads and bridges and for other government projects. Tax money is saved by creating money, so people pay less in taxes and can use the money saved to buy more goods and services, which then creates more jobs. Money could be loaned at no interest from the Federal government to state, county, and city governments to cancel interest-bearing bank loans. Stopping interest helps states, counties, and cities balance their budgets and lower taxes. Without adding production to the money supply, there are too many dollars chasing too few goods, creating hyperinflation. Computers will watch for inflation so just the right amount of money is created. Tax incentives will be given to increase the number of factories. Interest-free or low interest loans will be granted from the federal government to build new factories. More factories must be created so there are more goods produced to match the new dollars created; thus, there is less inflation. The new factories will add new high-paying jobs. More jobs mean less crime and more taxpayers.

As people have more money, they will pay off loans. Not every bank loan can be canceled in the first day. It took over 80 years to create the problem; it will take a few years to correct it. As time goes on, there will be no bank-counterfeited money owing interest in circulation. Those benefiting from the change will have the opportunity to have their cars, homes, farms, and businesses free and clear of any debt. If one citizen loans out money to another, that citizen collects interest and the other pays it. The interest stays with the citizens. The wealth is not shifted from the citizens to the banks by bank theft or counterfeiting. The net debt is zero. No new money is created at interest. The total net debt can never exceed the total money the government created. For example, today, if the government needs \$1 million to operate and collects \$800,000 from 1,000 tax payers, banks counterfeit \$200,000 and loan it to the government at interest, creating another \$200,000 of government debt and \$20,000 more interest for taxpayers to pay annually.

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The solution is to create money with no interest and hire the unemployed and underemployed, creating more taxpayers. Instead of 1,000 taxpayers paying \$800,000 in taxes, you have 1,300 taxpayers paying \$800,000 in taxes, lowering the average taxpayer's taxes from \$800 to \$615.39. Once the government debt is paid and no more taxes are needed to pay the interest, personal income tax can be abolished forever. There are enough import, export, excise, sales, and business tax methods to stop the IRS from harassing you.

For every dollar the government creates interest-free, the people have one less dollar of debt and less taxes. No interest expense means taxes are cut significantly. Bank debt is canceled or paid off by interest-free United States Notes, created by the government and earned by the citizens to pay off bank loans. Bankers will learn new job skills, producing goods and services and not shifting wealth from nonbankers to bankers. Banks must loan lawful United States currency to obtain the promissory note. Bankers cannot obtain the liens on the nation for free and the citizens will no longer work 3 to 6 months every year to pay banks interest on money they counterfeited and returned as a loan. The 3 to 6 months of labor will belong to the citizens; they can use it to buy more land, cars, boats, airplanes, motor homes, and the big diamond ring they always wanted for their wives. You will have the money to take vacations you only dreamed about before. It will be better than winning the lottery.

President Lincoln's Greenbacks—United States Notes—saved the Union. A London Times editorial explained the central bankers' attitude toward Lincoln's Greenback: "If this mischievous financial policy, which has its origin in North America, shall become endured down to a fixture, then that government will furnish its own money without cost. It will pay off debts and be without debt. It will have all the money necessary to carry on its commerce. It will become prosperous without precedent in the history of the world. The brains and wealth of all countries will go to North America. That country must be destroyed or it will destroy every monarchy on the globe" (p. 104, see bibliography #8).

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You must expect the government, banks, and media to try to stop us. They cannot stop us from ending slavery, tyranny, and bringing back the U.S. Constitution if enough Americans want their bank debt canceled. It is up to you to make it happen. They cannot control people copying and distributing and faxing the brochures on a local level and exposing the truth. You will decide the future of America. America is in her most desperate hour and she needs you. If we do not fix it, you and your children will be enslaved forever in debt and a cashless society. If you fix it, you will be free at last and will significantly increase your standard of living. Exposing the truth to enough Americans will fix the problem. We all want out of debt and to be free; we just have to inform the people about the truth and stop believing the lies.

Allow Abraham Lincoln's money program to live on and to free us. Listen to the wise words of Lincoln:

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. The privilege of creating and issuing money is not only the supreme prerogative of government, but it is the government's greatest creative opportunity. By the adoption of these principles, the long-felt want for a uniform medium will be satisfied. The taxpayers will be saved immense sums of interest. The financing of all public enterprises, and the conduct of the Treasury will become matters of practical administration. Money will cease to be master and become the servant of humanity (Ibid, p. 103-4).

Who, but a banker or a politician, funded by the banking interests, or one receiving benefits from the banking money monopoly, can argue with the wise words of Lincoln? I believe if Lincoln knew that the privately owned Federal Reserve Bank had his picture on a Federal Reserve Note, he would turn over in his grave and spit at the bankers. The bankers had the most to gain by his death. As in the case of President Kennedy, Lincoln's assassination ended debt and interest-free money. Bankers will argue, that, if the government prints money, it will lead to inflation. Congressman Wright Patman, the former chair-

man of the House Banking Committee, says, "It is a fallacy to think, as many do, that the greenbacks were inflationary. In the only sense that matters, the relative or comparative sense, they are not. That is, \$450 million in greenbacks is no more or less inflationary than \$450 million in bank deposits, or any other bank money created to pay for \$450 million in interest-bearing bonds" (p. 24, see bibliography #6).

Do not be sucked in by more half-truths. The banks usually say government-issued currency creates hyperinflation. The truth is, Lincoln's Greenback created inflation like the Federal Reserve Note did in World War I. More production efficiency in factories creates less inflation. The banks quickly point out that Germany, after World War I, had hyperinflation. They conveniently leave out the fact that the Allies took the factories out of Germany and that it became an agrarian state. Adding money without increasing factory output does create inflation, which destroys any economy. Hitler proved that creating money free of debt and interest and increasing factory output creates a very prosperous economy.

45. STRATEGY TO GET AMERICANS OUT OF DEBT

No one can intelligently make a decision without the whole truth. If we receive false information and base our decision on misleading data, our output will be just as faulty. Garbage in means garbage out. To correct the problem, we must get the truth out so people can make proper decisions.

Before anyone is willing to change, they need to know why they should change and what the benefits might be to do so. They will wonder, "What do I have to gain or lose if I do or do not change?" If we correct the system, we will be out of debt and will significantly increase our real wealth.

No one joins a loser; everyone wants to join the winners. Have you ever noticed anyone say during the election season,

"I want so and so to win, but he does not have a chance, so I won't waste my vote?" They seem to think that it is important to support the winner and vote with the "majority." A candidate may be a moral, Christian man and well-qualified, and the voter may like everything he stands for, but he votes for the "winner." It should be known as supporting "the lesser of two evils." How can we make any justification for voting "wrong?" Wrong is wrong. To win, we have to show everyone the strategy and lead them to victory.

46. WHY WE SHOULD CARE WHERE THE MONEY CAME FROM

Abraham Lincoln's Greenbacks created no interest. If you receive a loan of other depositors' money, there is no new debt created. Labor is loaned and returned as labor, giving everyone equal protection. If the banks can steal or counterfeit, in a few years they will own the nation's loans, create inflation, and for every dollar created, they will raise one dollar of debt that the nation must repay. The people must forever pay interest on all the currency issued to the counterfeiter. All property will eventually be liened or foreclosed on to pay this debt. The counterfeiter receives all this wealth without contributing anything. If this does not strike you as fundamentally wrong, then you must think that our founding fathers were wrong to conduct the Revolutionary War that gave us our freedoms. What we have in today's banking system is the old feudal system, only worse. And if you think it doesn't matter who funded the check, then you probably think there is nothing wrong with the following:

1. You deposit money and the bank returns it as a loan.
2. The bank deposits your promissory note into your checking account and returns it to you as a loan.
3. A deposit means that you loaned the bank money. You loan the bank the promissory note, the bank loans the value

back to you, calling it a bank loan. You must repay the bank, but the bank never repays you.

4. You agree to the bank stealing from you and returning the value of the stolen property back to you as a loan.

5. You deposit your future payroll checks into a checking account and when you withdraw the money, it's in the form of a loan from the bank to you. You believe that you should repay the bank loan. The bank should never return the money to you, the depositor who provided the capital that funded the loan.

47. QUESTIONS PEOPLE ASK TOM SCHAUF

Q. Does the Federal Reserve Bank return profits to the government?

A. Yes. If you are an accountant, you know that you can adjust expenses to be sure there are little, if any, profits. In accounting, we call it smoke and mirrors. If the banks create money and loan it out at interest, you will be kept in debt paying interest.

Q. You say we need equal protection. Can anyone be a banker and still make sure there is equal protection?

A. You have to look at the intent of the founding fathers' Constitution. They intended gold and silver to give us equal protection. Counterfeiting ends your right to equal protection.

Q. Can you trust the government to create money when creating it causes inflation?

A. Americans know that they can vote Congress out if Congress overprints money. The banks are just using this ar-

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gument, like propaganda, to trick you again. Today, the banks can create a recession or depression to increase their wealth at will. If we create United States Notes, you can nearly double your wealth and end bank-created recessions and depressions. United States Notes ends the economic effect similar to stealing, counterfeiting, and swindling.

- Q. Should I feel right about getting my house for free?
- A. Under the Constitutional banking system, you are not getting it for free. You are repaying the loan to the bank, and the bank is repaying their loan to you. All debt is thereby canceled.
- Q. Why do you think that the FED published books exposing the truth?
- A. Before I came along, people had the FED publications but never understood what they meant. The FED tried to convince us that the banks were benefiting us. I took their publications and acted like an expert witness to expose it. One man needed my expert witness training to understand and expose these practices. The FED never dreamed that someone like me would come along and unravel it. As it was, it took me three years, living off my savings, to put it all together. Other expert witnesses would never spend three years living off their savings. This is what the FED counted on. They never expected me, or anyone, to do it.
- Q. Can we win?
- A. Everyone wants out of their loans. We will win if we can get enough Americans informed and organized. Andrew Jackson won the Presidency on this issue. We will simply repeat history.
- Q. What if the media smears Tom Schauf?

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- A. If they do this, we have contingency plans that will make it work to our advantage.
- Q. What happens if they jail or kill Tom Schauf?
- A. First of all, God called me to do this, so God protects me. To be prudent, plans have been made. If I do not contact certain people every few days, the plan is triggered, and Pandora's box will be opened.
- Q. What is the probability that the banks will crash the economy?
- A. If we get books and brochures out quickly enough, they would be foolish to crash it. If 1% of the population knows the truth, by word of mouth 10% of the nation will know in a few days. In weeks, every American will know who to blame and what to do about it. The banks' first choice is a cashless society to gain absolute control over you. They may use the computer problem in the year 2000 to create economic instability to further their plans.
- Q. What is your view on guns?
- A. At the writing of this book, I have never owned a gun. I do not want to accidentally shoot myself. Governments are trained to put down riots and armed rebellions. That is what governments do best. If 1% of the population went ballistic and started shooting, the police or Army could stop it. The media would be used to turn everyone against those rebelling and the rebel forces would be wiped out. The government does not fear this. They fear 1% of the population passing out brochures to the nation and 90% joining the 1% to vote out the government regime that has been keeping the people in slavery. The 90% do not need guns to become free.

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Q. What are our options if the police, judges, and attorneys violate their oaths and our rights?

A. Elect me president of the United States and I promise that if anyone commits a crime, a grand jury will review it. If they are guilty, they will stand trial. Tens of thousands of people all over the nation are recording names, places, times, and evidence of their rights being violated. Many faithful government agents have come to us asking for amnesty. We grant it provided that they join us now and do not straddle the fence, waiting to see who wins. Judges behind the scenes have joined us, giving us suggestions as to what to do in court. Honest law enforcement and military leaders have joined us to keep their oath of office. I am very proud of these Americans. We need to pray for our government leaders and help them keep their oath of office.

Q. Do you hate judges, police, and lawmakers?

A. No. Jesus said to love them and pray for them. If I love my neighbor, I will not allow him to continue to act sinfully. I will not be in partnership with wickedness, lies, or half-truths.

Q. Are the banks acting like moneychangers?

A. If they refuse to accept the same kind of currency that they used to fund the check, they know they are merely acting like moneychangers. The bank liability is without interest or a lien, just as is your second promissory note.

Q. Can we wait four more years?

A. Yes, if enough brochures and books get passed out quickly enough, and if enough Americans learn the truth and want out of their bank loans.

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- Q. What do you mean by history repeating itself?
- A. King George tried to take away guns from the Colonists. If he had, today we would be directly under British control. The conquerors must take away your guns before they go to their next agenda. History will show that, once the nonbankers wake up, the people will be set free. This is why the banks and government are so fearful of our brochures. Watch Australia. They will be the first nation to be indoctrinated into the cashless society and have their guns confiscated as an experiment. Soon, America will follow if we do not get our brochures out quickly enough.
- Q. Do you think that the government will try and correct all this before the next presidential election?
- A. Yes, if we get out enough brochures, they will have no choice. They will correct it if they wish to remain in power.
- Q. Do you trust them?
- A. Would you trust someone who deceived, lied, and misled you? They try to talk you into a balanced budget without telling you the source of the problem. They created the national debt, then instead of fixing the problem, they want a balanced budget. Behind the scenes, they tried to get a Constitutional Convention to rewrite the Constitution, ending all our rights and making the current banking system lawful. They create debt problems, thereby contributing to divorces. The wealth shifts from the married couples to attorneys. Then we have trouble collecting child support. The solution is to correct the banking problem and help the people have the money to stay married. Two spouses working to pay interest means less time for the family. If children do not get attention from their parents, they may seek attention from gangs or be involved in drugs. The bank's solution is a cashless society to stop drugs and crime. Force people to prepay at the gas pump because criminals

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might flee without paying. Their solution is the convenience of ATMs or credit cards. Every time you use an ATM or credit card, you just voted for a cashless society. Bank-induced recessions create crime and less taxes are collected. Wrong solution. If we just end the interest scam, we will not need personal income taxes to balance the budget. Create prosperity and crime is reduced. Less crime means less police, jailers, judges, and taxes. Fix the problem and you have less crime, divorce, taxes, and you do not have to be enslaved in a cashless society. We just need to end their banking system and institute the Constitutional banking system to fix the problems. Stop teaching people violence and sex on T.V. and promote honesty and righteousness, and you will have less crime, and V.D., and divorce. If we do not turn and go down the right road to freedom, they will want a national I.D. card to be sure the person using the credit card is really you. The I.D. card will be sold to stop crime by tracking every person's location. If a crime occurs, they will know who was there. Be honest, this sounds good until you realize that you gave up your freedoms to the ones who gave you the current banking system. The criminals will find a way to circumvent the system and the government will have more control over you than the KGB or the Gestapo. Clearly, government officials took us down the wrong road. I say vote them out of office and put in real Americans who will follow the U.S. Constitution as our founding fathers intended.

- Q. Why do you believe banks are in compliance with Federal Laws?
- A. Laws cannot be in conflict. What does Federal Law say about equal protection, the U.S. Constitution, oaths, a Republican government, fraudulent concealment, court procedure, etc. The bank or judge may say everyone knew the law when you signed the agreement, so there is no conflict. I say, "wrong again." Bank lending officers routinely say they loan other depositors' money. Federal Reserve

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Bank of Chicago publication *Public Debt: Private Assets* says, "The bank then uses our money to make loans" (p. 2). If it uses our money to make loans, then this statement is in direct conflict with the statement that the bank creates money and loans it out. Who creates the money, the government giving us equal protection or the banks creating it like a counterfeit? It changes the cost and risk. If we believed the lie, we could not ever vote intelligently. The agreement, bank literature, and advertising is full of so much confusion that even the banks and auditors have come to believe the lie. If it is a material fact that there is a loan, then all the material facts should be in the agreement.

Q. Are the courts fair?

A. You cannot answer this until you understand Emergency War Powers, Trading With the Enemy, the U.S. Constitution, and De jure versus De facto government. Use the law dictionary to understand De facto contract (oath), De facto court (see court), De facto government, and De facto judge. Then realize that the jury can judge the law as well as the facts. One person on the jury can say, "this is a bad law" and set the accused free. Judges only want the jury to think they can judge the facts only and often delete the part about judging the law. With this in mind, make your decision.

Q. Why does the risk of the loan change?

A. If a thief stole your property and returned it as a loan, you have now lost your property and have a debt in its place. If the people have debt, they must have income to service the debt. If the bank creates a recession by contracting the money supply, people lose their jobs. The bank either receives your labor (interest payment) or property, while never loaning or risking one cent of legal tender. Banks historically expand and contract the money supply to increase bank profits. They could not easily do this if the

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government issued United States Notes (cash) interest-free. The bank acts like a casino. They determine the odds of you winning or losing. With a bank loan, they risk nothing and you lose everything. They can change the odds at any time by creating a recession, forcing you to lose your property.

Q. It seems like the banks and government can do anything they want. What can we do about that?

A. They cannot do anything they want. Watch the media. They use the media to get us to endorse their agenda. They need us to approve. They know if the people wake up and reject their agenda, it is over for them. They are very vulnerable right now. Too many people are upset with the government. We have a window of opportunity to educate everyone. More and more people are listening. As an example, many people hate the IRS. If they thought there was a way to end it and balance the budget, they would jump on the "band wagon" with us. I just talked to two ladies who were mistreated by the police. They want to do anything they can to tell people the truth. The more the government upsets people, the more people are joining us. The more people that want out of their loans, the more they will join us. We have powerful government leaders behind the scenes joining us. CPAs and lawyers are beginning to see we are right and are becoming willing to help us. Some candidates are running on the platform to correct the banking problem. The media is trying to keep a lid on it, but the lid is about to explode right off. They cannot keep it quiet much longer and they don't want to be exposed when the people wake up. All we have to do is expose it and we win.

Q. What started you exposing the banks?

A. I feel God sent me to expose the banks and turn the nation around. I hate being lied to and stolen from. I hate that the banks never loaned one cent of legal tender to obtain my

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promissory note, and that they can change the odds, risking my money, by creating a bank-induced recession. As an expert witness, I expose these things. I decided to use my training to show others how to present the argument and win. I told the bankers to correct it, or I will expose it.

Q. Do you think all the government agents are involved in a sinister plot?

A. No. I think many are ignorant when it comes to money, or they are deliberately ignoring the truth. I do not think most of them have ever read the U.S. Constitution nor studied it. We must get the truth to them and let them know that more and more Americans are joining us. They are human. If someone gives you money to get elected and says "pass this bill," how many of you would take the money and pass the bill? The only way to stop this behavior is to turn everyone against the European banking system.

Q. Is the media too powerful?

A. No. If enough people found out that the media is the banker's propaganda arm—used to herd you like sheep to the slaughter—you would use alternative sources.

Q. Did the government ever threaten you?

A. Yes. They suggested that if I did not stay quiet, I might catch a stray bullet, or they may find drugs or a gun on me and send me to jail, or harm a family member. On December 10, 1996, at 9:30 A.M., in Atlanta, Georgia, an attempt was made on my life. Within ten minutes, the police were notified. They did nothing. We knew who it was, the weapon they used, and the police never did anything. The more brochures that are distributed, the harder it is to silence me. I am not afraid, for I believe God is protecting me.

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Q. What do you think of President Clinton?

A. I think if we get enough brochures copied and distributed, he will correct the banking system and be the next American hero. It is not safe for him to do so until the banking problem becomes common knowledge. I believe he is waiting for us to do our job and wake up America. There are definite indications that this is a very real possibility. We just have to make it happen. He knows Presidents Lincoln and Kennedy printed United States Notes and were assassinated. Someone tried and failed in an assassination attempt on President Jackson after he issued money from the Treasury interest-free. If you want President Clinton to help you, you need to help him get the job done. I do not think he is as powerful as people think. The Secret Service guards the President, and they report to the Federal Reserve Bank. That should scare any President wanting to change the system. The media could destroy him overnight. It is not easy being President. He needs our prayers and support to be the hero.

Q. The Bible says a cashless society is coming, so why fight it?

A. We are called to expose the deeds of the wicked. If we repent, God will give us extra time. We need to expose the truth so more will see the Bible is true and come with us.

Q. Why are you promoting Lincoln as a hero? Are you unaware that people in the know believe he was the one who got us into the mess we are in today?

A. I am a relative of Lincoln through my mother's mother. I have the right to tell you that he is not the hero people think he is. I hate to tell the truth about Lincoln and destroy everyone's illusion. Few people know the truth about Lincoln, so I decided to get as much mileage out of his name as I could to attract the general population to this

issue. More people join us because of Lincoln than know the truth as to what he did. The media would love to call us antisocial or use name calling. With Lincoln's name, it is harder for them to do it. Lincoln's name will bring in the average American to our side. Without Lincoln's name, the media would try to associate us with every hate group there is.

- Q. How is banking connected to religion?
- A. The European banking system - debt currency - goes back 3,000 - 4,000 years. This system was outlawed in the Bible. The coming of a cashless society is predicted in the Bible. There is a silent war of ideas and the Bible gets in the way of the bankers. The history is fascinating! So many people want this history because if they know history, they can figure out the future.
- I have put together two, ninety minute cassette tapes that people may copy and distribute. These tapes cover the history of banking and the Bible, and who is really behind the banking system. In three hours, I reveal secrets that few people know about. Moreover, I offer the evidence to prove what I say. If you think Volumes I and II reveal secrets, just wait until you hear these tapes. The information is so important for you to listen to and to internalize that I allow you to copy and distribute the cassettes to your friends and relatives who also need to hear what I have to tell them.

48. THE BANK BOOKKEEPING ENTRIES PROVE THE TRUTH

Bookkeeping is very simple. It is the story of the money trail. Once you know the money trail, the banker cannot lie to you. If you wish to argue with the bank and prove your point, you must understand the money trail.

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I flew from Chicago to Louisiana once to hear a trial. The bank accountant was on the witness stand. The accountant was being cross-examined and was asked, "According to the bank bookkeeping entries, what did you loan the borrower?"

He waited two or three minutes before answering as he squirmed in his seat. He looked at the judge as if to say "Help me." The silence grew so loud you could hear a pin drop across the room. The silence was so overwhelming, the whole jury focused on him, waiting for his answer. Finally he answered, "A bank liability."

The judge exploded and said we must stop any further questions about the money issue. The judge knew that the liability meant the bank owes the borrower money for the borrower's promissory note. The bank liability is the equivalent of a bank promissory note owing the borrower money. The judge had to know that it was mathematically impossible for the bank to loan the borrower the same bank promissory note, owing the borrower money that the bank refused to pay the borrower.

Other accountants have out and out lied on the witness stand, requiring more questions to expose their lies. I am convinced this accountant told the truth because he knew that we were familiar with the bank bookkeeping entries and he risked being exposed and going to jail for perjury. The truth is very powerful and overcomes lies, if you know how to expose it.

Bookkeeping entries have two columns of numbers, one on the left and one on the right. These tell us what the bank owns and what money the bank owes to customers. The left hand column is the asset column. The asset column records what the bank owns. Cash and promissory notes are assets and recorded in this left hand column. How do you know if something is an asset? It is easy to tell. If you can sell it, it is an asset. Assets have value. The right-hand column, generally speaking, is the liability and capital column. The liability means you owe money to someone. You cannot sell a liability. You cannot sell someone what you owe them. Some people call the left column a debit and the right column a credit. Just remember that it is a way to determine how much the bank owes you. The bank li-

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ability is merely a scorecard to record how much legal tender the bank owes each customer.

Think of the banks as one big bank working in cooperation, acting in unison. The following examples will show you the bank's bookkeeping entries for deposits and the alleged loans:

Example #1: If you deposit \$6,000 cash in the bank, these are the bank bookkeeping entries:

Cash	\$6,000	Debit (asset)
Demand Deposit Account (DDA)	\$6,000	Credit (liability)

This entry shows that the bank deposited the money into a checking account. The cash is recorded as a bank asset, showing that the bank owns the money. The bank creates a bank liability of \$6,000, showing the bank owes you \$6,000. This \$6,000 liability on the bank's books is a scorecard showing how much the bank owes you. It means you can get your \$6,000 cash back or write a check for \$6,000. The legal tender is recorded as a bank asset and owing money is a bank liability. The key thing to remember is, when you deposit \$6,000, the bank assets and the bank liabilities both increase by \$6,000. If money is withdrawn, the bank assets and liabilities both decrease by the amount of the funds withdrawn. If the bank records receiving a loan from you in the amount of \$6,000, the bank records the cash as a bank asset and records a new bank liability of \$6,000. That is exactly what the bank did when you deposited the cash. When the bank grants you a loan, replace the word cash with the word promissory note. If the bank grants a \$6,000 loan, you sign the \$6,000 promissory note and the bank records the promissory note as a loan from you to the bank when they record the promissory note as a bank asset and create a new bank liability. The \$6,000 liability means they owe you \$6,000 of legal tender. If they owe you for the \$6,000 cash, they also owe you for the \$6,000 promissory note because they altered the agreement and made you the lender and not just the borrower. A DDA, or Demand Deposit account, is the same thing as a checking account or transaction account.

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Example #2: If you withdraw \$2,000 from the checking account, these are the bank bookkeeping entries:

DDA	\$2,000 (debit)
Cash	\$2,000 (credit)

Earlier, we credited the bank liability by \$6,000, showing that the bank owes you \$6,000 for the \$6,000 cash you deposited. Now, the bank is giving us back \$2,000 cash, so we debit the liability account, subtracting \$2,000 from the earlier \$6,000 and leaving \$4,000 that the bank owes you. Earlier, you deposited \$6,000 cash, which the bank put in their bank vault and which was recorded as a bank asset, because the bank owns the \$6,000 cash you loaned them. Now the bank is giving you \$2,000 back. The credit to cash takes away \$2,000 from the \$6,000 cash earlier recorded as an asset and you get the \$2,000 cash back, leaving \$4,000 cash left in the bank vault. The remaining bank liability of \$4,000 means that the bank owes you the \$4,000 cash that is in the vault.

Simply stated, you loaned the bank \$6,000 cash. You received \$2,000 back. The net amount of the loan remaining is \$4,000. The bank now only shows it owes you \$4,000, as evidenced by the \$4,000 bank liability. If you deposit a check instead of cash, just replace the words. In bank accounting terms, some banks call checks "Reserve at the Federal Reserve Bank" or "RFRB" in their bookkeeping entries.

Example #3: If you deposit a \$5,000 check the bank bookkeeping entries are as follows.

"RFRB"	\$5,000 (Asset)
DDA	\$5,000 (liability)

You can get cash for the check, so checks act LIKE cash but are not cash. The bank owes you \$5,000, as proven by the \$5,000 liability. You can write a check or get cash on the \$5,000 the bank owes you. The deposit is like you loaning the bank the money, as proven by the \$5,000 new bank liability.

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Example #4: If you write a \$1,500 check, the bank no longer owes you the \$1,500, so the bank liability must be reduced by \$1,500. The bank bookkeeping entries record you receiving \$1,500 and reducing the bank liability of \$1,500. The entries are as follows:

DDA	\$1,500 (asset)
RFRB (check)	\$1,500 (liability)

We simply do the exact opposite of example #3 when we deposited a check. The check does not pay the liability the bank owes. The check merely transfers the liability to another checking account (DDA), so the bank owes the money to another bank depositor. The bank liability never decreases.

If the bank loaned you other depositors' money, the bank bookkeeping entry would be the same as in examples #2 and #4. If the bank withdrew the funds from a Certificate of Deposit or Savings Account, then replace the words Demand Deposit Account with the words Certificate of Deposit or Savings Account.

If the bank issuing the loan funded the check from other depositors' money, those bank depositors cannot spend the money loaned to you. If the bank granting the loan loaned other depositors' money, the bank assets and liabilities would decrease by the amount of the loan. If the bank obtained and claimed ownership of your promissory note without loaning one cent of other depositors' money and used the value of the promissory note to fund the check back to you, the bank assets and liabilities would both increase by the amount of the alleged loan. If the bank stole your promissory note and returned the value back to you as a loan, or if you loaned the promissory note to the bank and they returned the value back to you as a loan then, in both cases, the bank assets and liabilities increase by the amount of the promissory note.

Example #5: When banks claim that they grant loans, this is the bank bookkeeping entry. Please notice that the bank first records your promissory note as a loan from you to the bank, or

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steals it, and claims the bank owns it without loaning one cent of legal tender.

Promissory note	\$40,000 (asset)
DDA	\$40,000 (liability)

Where is the money that paid for the promissory note? There was no legal tender or other depositors' money loaned. Notice how the bank liabilities and assets increased by the amount of the alleged loan. The new liability means the bank owes \$40,000 for the promissory note. The new \$40,000 bank liability means the bank recorded the promissory note as a loan from you to the bank just as your deposit of cash is a loan from you to the bank. Now the bank trades this \$40,000 liability in the DDA from one checking account to another checking account (DDA) by check, making it appear that the bank paid money for the promissory note. Then the bank sells the promissory note for cash or government bonds that can quickly be sold for cash so that if you demand cash for the check the bank can give you cash, making you think there was a loan. This new \$40,000 bank liability, traded by check from one checking account to another, acts like \$40,000 of new counterfeit money.

There was an exchange of a loan from you to the bank for a loan from the bank back to you. If I give the bank \$100 cash and they give me back a \$100 check that I can spend, it is an exchange of \$100 value that I gave the bank for the \$100 value the bank gave back to me. The cash is money I earned in the past. The bank exchanged a promissory note having a fair market value of \$40,000 of legal tender that investors are willing to pay \$40,000 for. Why would investors pay \$40,000 for the \$40,000 promissory note? They pay it because I will pay them \$40,000 in cash that I will earn in the future, plus interest secured by a lien.

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Example #6: The bank issues a check to the seller of the house that the borrower is purchasing.

DDA	\$40,000 (asset)
Check (RFRB)	\$40,000 (liability)

In Example 5, the bank recorded the promissory note as a bank asset. It created a new bank liability in the borrower's transaction account, called a Demand Deposit Account. The check transfers this bank liability from one bank to the bank depositing the check. In this example, the Demand Deposit Account (DDA) that was earlier credited and recorded as a bank liability is reversed by taking the \$40,000 out of the liability column and recording \$40,000 as a bank asset, creating a zero balance. To balance the bank's books, we record a liability of \$40,000 to the check.

One of the presidents of a bank in Elgin, Illinois told me that their bank simply deposits the promissory note and exchanges it for a check, bypassing the first credit (liability) to DDA and then reverses that out by a debit (asset) to DDA. When he told me this, I asked him if we could pay the bank back with the same kind of money the bank used to issue the check. He said, "Of course."

I said, "Good. I will give you a second promissory note with no interest or lien." He got angry and hung up the telephone, saying he did not have time to talk to me. I found out the hard way that he denies you equal protection.

Example #7: The person who received the bank loan check deposits the money in his checking account.

Check (RFRB)	\$40,000 (asset)
DDA	\$40,000 (liability)

No cash was ever transferred, only the liability was transferred. The Demand Deposit Account, which is a checking account, shows that the bank owes you \$40,000 of legal tender. When the check is deposited, you will see a credit on your checking account statement showing you can spend the money.

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Example #8: The person receiving the \$40,000 check wants \$5,000 cash.

DDA	\$5,000 (asset)
Cash	\$5,000 (liability)

The cash that was in the bank vault and recorded as an asset must be taken out of the vault and given to you, so the bank must record the cash leaving the bank by decreasing the asset column, placing \$5,000 in the liability column. The bank no longer owes you the \$5,000, so the bank takes \$5,000 out of the amount they owed you. If anyone deposits the cash again, the bank liabilities will again increase by the cash deposited.

Example #9: When the bank sells the promissory note for legal tender or government bonds, this is the bank bookkeeping entry.

Cash or government bonds	\$40,000 (asset)
Promissory note	\$40,000 (liability)

The bank merely exchanged the promissory note for cash or government bonds that can later be sold for cash, which can be available to pay for a bank check. The bank must sell the promissory note to cover up the truth. If an accountant looked at the bank's balance sheet and saw promissory notes as a bank asset offset by bank liabilities, any accountant would know the bank recorded the promissory notes as a loan from the borrower to the bank and never loaned one cent of legal tender.

I asked a banker, "Where do you get the money to buy government bonds?"

He said, "We invest the depositors' cash for bonds so that the bank can get interest." The truth is that the bank exchanges promissory notes for checkbook money and uses the checkbook money to buy government bonds, so that the bank balance sheet does not give away the secret.

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Example #10: The bank buys government bonds just like promissory notes.

Government bonds	\$100,000 (asset)
DDA	\$100,000 (liability)

If you sign a promissory note and never make one payment, the bank receives your house for free, including your down payment, and they never loaned you one cent of legal tender. The bank did have expenses. They had to get the lawmakers, judges, and police elected to carry this operation out, and had to own the media to be sure that their secret was not revealed. Oh, I forgot, the banks had to hire the lawyers to sue you.

The certified public accountant who audited the bank had to conduct tests to be sure the bank performed under the alleged bank loan agreement and legally owned the promissory note. You be the judge and jury: did the CPA commit a fraud and did he aid and abet a crime? The CPA must know the bank bookkeeping entries. The CPA is there to police the bank and make sure things are on the up and up. The CPA audits the bank, giving the general public confidence in the bank's financial records and operations. Did the CPA commit a fraud? The CPA cannot plead ignorance. Once the CPA took on the audit assignment, he said he was competent to conduct the test. I will give you a hint. The promissory notes are the bank's inventory. In a similar case, if inventory is missing and the CPA did not test to find out, the CPA is guilty. If the company did not pay for the inventory, the CPA must know this. Did the bank pay the debt associated with the promissory note? The answer is no. Did this change the cost and the risk to you? Yes. The CPA had to know this if he was competent to conduct the audit. This is why the CPA does not want to testify. In the past, the judge and bank would do everything possible to stop the CPA from testifying. I suggest you look under the Journal of Accountancy for the latest CPA legal updates. One of the biggest fears the CPA has is that, if you bought stock in the bank you are about to sue, or if you claim you relied on his audit in making your decision, then he is accountable. That allows you to bring the

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CPA into the picture. You may have forgotten who the CPA was when you took out the loan, but if you say you relied on the CPA's audit, he is in big trouble. By the way, other CPAs see this as a good way to make big bucks, testifying against other CPAs and banks.

I have spoken to lawmakers, judges, police, attorneys, and CPAs. They continue to act in favor of the banking interests. Share this book with them to be sure they know the truth. I say it is time to make a clean sweep and vote them out. Vote in real Americans who will not represent the banking interests. We need people who cannot be bribed, people who have ethics. We do not need baby-kissing politicians who enslave the same baby in debt to get elected. The lying, stealing, and counterfeiting must stop.

49. QUOTES

As judge and jury, please listen to the following testimony before deciding for or against the banks.

United States President James Garfield stated: "Whoever controls the volume of money in any country is absolute master of all industry (legislation) 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" (p. 32, see bibliography #5).

Sir Josiah Stamp, president of the Bank of England during the 1920s and the second richest man in England: "Banking was conceived in iniquity and was born in sin. The bankers own the earth. Take it away from them, but leave them the power to create deposits (money), and with the flick of the pen they will create enough deposits to buy it back again. However, take it away from them, and all great fortunes like mine will disap-

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pear; and they ought to disappear, for this would be a happier and better world to live in. But, if you wish to remain the slaves of bankers and pay the cost of your own slavery, let them continue to create deposits" (p. 8, see bibliography #18, Feb. 3, 1986).

Mr. Rothschild, a famous London banker, is reputed to have said: "It gives the National Bank almost complete control of national finance. The few who understand the system will either be so interested in its profits, or so dependent on its favors that there will be no opposition from that class, while, on the other hand, the great body of people, mentally incapable of comprehending the tremendous advantages that capital derives from the system, will bear its burden without complaint, and perhaps without even suspecting that the system is inimical to their interests" (*Lightning Over the Treasury Building*, John Eldom, p. 41). He admitted to a concealment and collusion. The England bank operates just like the Federal Reserve Bank and our local banks.

Henry Ford, Sr., automaker: "It is well enough that the people of the nation do not understand our banking and monetary system, for if they did, I believe there would be a revolution before tomorrow morning" (p. 11, see bibliography #10).

U.S. President Andrew Jackson: "If the American people only understood the rank injustice of our money and banking system, there would be a revolution before morning..." (*Bulletin*, Nov. 1991. p. 4).

Founding Father John Adams wrote to Thomas Jefferson, stating: "All the perplexities, confusions, and distresses on America arise, not from defects in the Constitution or Confederation, not from want of honor or virtue, as much as from downright ignorance of the nature of coin, credit, and circulation" (p. 199, see bibliography #12).

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President Abraham Lincoln: "We the people are the rightful masters of both Congress and the Courts—not to overthrow the Constitution, but to overthrow the men who pervert the Constitution" (p. 2, see bibliography #10).

In 1913, Congress gave the private banks the right to print money. Federal Reserve Bank Chairman, Mr. Eccles, was asked by Congressman Patman, "Mr. Eccles, how did you get the money to buy these two billion dollars of government bonds?" Mr. Eccles said, "We create it." Mr. Patman said, "Out of what?" Mr. Eccles responded, "Out of the right to issue credit money" (p. 47, see bibliography #6).

Congressman Charles Lindbergh wrote: "In no case has government so singly neglected its function as in its failure to issue money and control the charges made for its use" (p. 152, see bibliography #2).

Representative Wright Patman, former chairman of a House Banking committee: "The Federal Reserve Banks create money out of thin air to buy Government bonds... The Federal Reserve Bank is a total money making machine" (p. 7, see bibliography #8).

Paterson was behind the Bank of England, which is like the American banks. The initial stock offering sales pitch instituting the bank read: "Paterson hath benefit of interest on all money which it, the Bank, creates out of nothing" (Ibid. p. 51).

President Andrew Jackson: "If Congress has a right under the Constitution to issue paper money, it was given them to be used by themselves, not to be delegated to individuals or corporations" (p. 35, see bibliography #22).

Governor Morris wrote a letter to our Founding Father James Madison describing banking motivations: "The rich will strive to establish their dominion and enslave the rest. They always did. They always will..." (p. 79, see bibliography #8)

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The third President of United States, Thomas Jefferson: "A private central bank issuing the public currency is a greater menace to the liberties of the people than a standing army" (Ibid. p. 81-2).

President Lincoln: "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. The privilege of creating and issuing money is not only the supreme prerogative of Government, but it is the Government's greatest creative opportunity. By the adoption of these principles, the long-felt want for a uniform medium will be satisfied. The taxpayer will be saved immense sums of interest. The financing of all public enterprises, and the conduct of the Treasury will become matters of practical administration. Money will cease to be master and become the servant of humanity" (Ibid. p.103-4).

Congressman Louis McFadden, former chairman of the House Committee on Banking and Currency from 1920 to 1931, remarked about the Federal Reserve Bank: "A super-state controlled by international bankers and international industrialists acting together to enslave the world for their own pleasure" (Ibid. p. 158).

Congressman Lindbergh's remark concerning the *Federal Reserve Bank*: "This Act establishes the most gigantic trust on Earth. When the President signs this bill, the invisible government by the Monetary Power will be legalized. The people may not know it immediately, but the day of reckoning is only a few years removed... The worst legislative crime of the ages is perpetrated by this banking bill" (Ibid. p.151).

A New Monetary System quotes Congressman Charles Lindbergh: "Take, for example, the Federal Reserve Act. That law gives the big bankers authority to rob the people." "Officeholders," Mr. Lindbergh said, "understand that, by joining with

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the interest to exploit the people, their reelection is more certain than if they serve the people who elect them. By joining the exploiters, their campaign expenses are paid, the support of the 'machines' and capital press is assured, and if by chance they should lose, they are appointed to some office that suits them equally well or better. On the other hand when they do support the people, as occasionally a few do, usually the voters, at the request of the profiteers, defeat such at a succeeding election and they scarcely ever land an appointive office" (p. 141).

Why a Bankrupt America? quotes Daniel Webster: "A disordered currency is one of the greatest political evils. It undermines the virtues necessary for the support of the social system, and encourages propensities destructive to its happiness. It wars against industry, frugality, and economy, and it fosters evil spirits of extravagance and speculation. Of all the contrivances for cheating the laboring classes of mankind, none has been more effectual than that which deludes them with paper money" (p. 8).

Why a Bankrupt America? quotes Ron Paul, former member of the U.S. Congress: "Strictly speaking, it probably is not necessary for the federal government to tax anyone directly; it could simply print the money it needs. However, that would be too bold a stroke, for it would then be obvious to all what kind of counterfeiting operation the government is running. The present system combining taxation and inflation is akin to watering the milk: too much water and the people catch on" (p. 8).

Why a Bankrupt America?: Congressman Wright Patman Congressional Record, May 5, 1975: "In its 60 year history, the Federal Reserve System has never been subject to a complete, independent audit, and it is the only important agency that refuses to consent to an audit by the Congress' agency, the General Accounting Office... GAO audits of the Federal Reserve will, moreover, fill the glaring gap that now exists in our information about the Fed's activities and programs. As things now

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stand, the only information that we get on programs of the Fed is what the Fed itself wants us to have" (p. 11).

Past law of the United States Code, at Title 12, Sec. 152: "Lawful money of the United States shall be construed to mean gold and silver coin" (Ibid. p. 12).

United States Constitution, Article 1:8, "The Congress shall have power to coin Money, regulate the Value thereof, and of foreign Coin, and fix the Standard of Weights and Measures" (Ibid. p. 12).

United States Constitution Article 1:10, "No State shall... coin Money; emit bills of Credit; make anything but gold and silver Coin a Tender in Payment of Debts" (Ibid. p. 12).

A New Monetary System (p. 137) explains: following Chairman Patman's order to investigate the banks, he was severely reprimanded by the committee members for such a requirement. Angrily, they demanded that he produce the specific evidence which they themselves had blocked his staff from obtaining. After charging the bank of raising an annual kitty of millions to pay lobbyists and bribe Congressmen, Mr. Patman went on to describe how the banking lobby had been snooping into the most intimate details of the private lives of the Congressmen, including family matters, drinking habits, and bank affiliations.

The Social Security and Pension Conspiracy by Howard Metz: The IRS and banking are part of the second and fifth planks of The Communist Manifesto. Metz explains how the Rockefellers have worked for five decades to control the American Government and dominate the U.S. economy. According to Metz, the Rockefellers plan to consolidate and control the world economy through money creation and loans, making governments dependent on the bankers.

Howard Metz explains that the Federal Reserve Bank is managed by foreigners and their names seldom are known and

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rarely appear. They profit through government control and creating money. (It is well known Rockefeller controls the New York Federal Reserve Bank. The income tax and Federal Reserve Bank both started in 1913. A new tax was needed to pay the interest on the new government debt the banks would receive for free through money creation)" (p. 108, see bibliography #2).

The Dan Smoots opinion of the CFR, expressed in their July 20, 1964 report, described the mutually similar aims of that organization and international communism. Both wanted to create a one-world Socialist system that would include the United States. That, of course, would destroy the U.S. as a free and independent nation. "The Council on Foreign Relations calls its grand design a 'new world order'—code words for a one-world government."

Tom Schauf: "They cannot go to a one world government, the United Nations, without their current banking system financing it and obtaining the assets of the nations for free."

In 1935, Frank A. Vanderlip said, "We have already tried borrowing and spending our way to recovery. We have had numberless hopeful and well-meant experiments, aimed to bring us out of the depression. Thus far, we have not emerged, nor will we, until the fatal defects of our money system are corrected. To those defects, more than anything else, I attribute the depression" (*Lightning over the Treasury Building*, R. Elson, p. 74).

In 1935, Marriner Eccles, Chairman of the Federal Reserve System said, "The banks can create and destroy money. Bank credit money. It is the money we do most of our business with, not that currency which we usually think of as money" (Ibid. 74).

Irving Fisher, Professor Emeritus of Economics at Yale, said, "When a bank lends or invests, it extends credit, i.e., creates

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check-book money. When it gets loans paid, or sells investments, it contracts credit, i.e., destroys check-book money. In normal times, such creation and destruction of money roughly balance. But when they do not balance, the Nation's money is inflated and deflated and causes a boom or a depression" (Ibid. 75).

Summer H. Slichter, Professor of Business and Economics at Harvard, said, "When banks grant credit by creating or adding to bank deposits, subject to check, new dollars are created. It is true that the new dollars are not stamped out of gold. They are credit dollars and are created by the stroke of a pen rather than by dies and stamping machines, but their purchasing power is not less than the dollars coined at the Government Mint. In other words, the principal way in which dollars are created is by borrowing. This means that the number of dollars in existence at any particular time depends upon the ability and willingness of the banks to lend. The volume of purchasing power fluctuates with the state of men's minds; the growth of pessimism may suddenly throw millions of men out of work, or the growth of confidence may create thousands of jobs overnight" (Ibid. 75-76).

Mikhail Gorbachev stated to the Politburo in November of 1987: "Gentlemen, Comrades, do not be concerned about all you hear about glasnost and perestroika and democracy in the coming years. These are primarily for outward consumption. There will be no significant internal changes within the Soviet Union, other than for cosmetic purposes. Our purpose is to disarm Americans and let them fall asleep" (p. 24, see bibliography #10).

Rep. Wright Patman (D-TX), former chairman of the House Banking and Currency Committee, warned 35 years ago: "The Federal Reserve Banks create money out of thin air to buy Government bonds... The Federal Reserve is a total moneymaking machine" (p. 7, see bibliography #8). In the same book, an author writing under the pen name Dr. R.E. Search explained that the practice of usury inevitably leads to the development of a

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powerful ring of money lenders who stop at nothing to perpetuate the charade. Corrupting public officials further enhances their power. The officials, in turn, protect the usurers. Wholesale murder isn't beyond them. The end of the process generally is to overthrow free governments and establish dictators or despots that they can control through the use of money (p. 28, see bibliography #8).

Bulletin, February 1989: The Rothschild family was a powerful European banking family with the power to create money. "Let me issue and control a nation's money and I care not who writes the laws," Rothschild is reputed to have said.

[The Rothschilds] conquered the world more thoroughly, more cunningly, and much more lastingly than all the Caesars before or all the Hitlers after them." writes Frederic Morton in *The Rothschilds, A Family Portrait* (p. 2).

The Rothschilds were heavily involved, as Gustavus Myers points out in his *History of the Great American Fortunes*: "Under the surface, the Rothschilds long had a powerful influence in dictating American financial laws" (p. 3).

Bulletin, February 1989 quotes Napoleon: "When a government is dependent for money upon bankers, they, and not the leaders of the government, control the situation, since the hand that gives is above the hand that takes....Money has no motherland; financiers are without patriotism and without decency; their sole object is gain"(p. 2).

As reported by Pastor Lindsey Williams in his book *To Seduce a Nation*, Kennedy gave a speech at Columbia University 10 days before his assassination in which he said: "The high office of the President has been used to create a plot to destroy the American's freedom, and before I leave office, I must inform the citizen of his plight" (p. 2, *Bulletin*, Nov. 1991). Columbia University claims he never spoke there. I personally talked to an individual who heard the President say these words

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and testified to me that the President made the speech at Columbia University. This individual was so shocked by what the President said that he listened to the news that evening. The news never reported anything and the speech was covered up and forgotten. The fact is, JFK took steps to eliminate the power of the bankers' control over the American currency and monetary system. On June 4th, 1963, Executive Order 11110 was signed by President Kennedy to issue \$4,292,893,815 in new currency called United States Notes. If this currency had continued to be created and issued, the Federal Reserve Bank would most likely have been ended, the budget balanced, and your personal income tax reduced or eliminated. If President Kennedy had lived, the banks would have lost over ten trillion dollars plus the interest. The trillions of dollars the banks have today would be in the hands of the people. I owned one of the \$2.00 Kennedy dollars issued in 1963. After Kennedy's assassination, these "Kennedy Bills" were quickly withdrawn from circulation, never to be issued again.

Bulletin, November 1991: From the autobiography of Ben Franklin, as reported in *Money Creators* by Gertrude Coogan: "...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." In Senate document number 23 from the Committee on Banking and Currency (p. 23)

Just before the Revolutionary War, Benjamin Franklin visited England. He was asked to account for the colonies great prosperity. His reply : "That is simple. It is only because in the Colonies we issue our own money. It is called Colonial Scrip and we issue it in the proper proportion to the demands of trade and industry." (Confirmed in *Lightning Over the Treasury Building*, John Elson, p. 28-31).

Soon the Rothschild's bank saw an opportunity to exploit the nation. The bankers had the English pass a bill taking away Colonial script, forcing the colonists to use debt money issued

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from England. Benjamin Franklin explained that this was the cause of the Revolutionary War. Within one year from that date, the streets were filled with the unemployed. When colonists were forced to exchange two units of script for one unit of borrowed money from the Rothschild's bank, England forced a depression in the Colonies. Rothschild explained, by controlling the money he controlled the colonists. Five years later the first armed clashes of the Revolutionary War took place in Lexington and Concord (p. 28-31, see bib #22 and p. 70-71, see bib #8). See Senate Document No. 23, page 98, by Robert L. Owen, former Chairman, Committee on Banking and Currency, United States Senate.

On Horns of the Beast quotes President Wilson, who voted in the Federal Reserve Bank: "Our system of credit is concentrated (in the Federal Reserve System). 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 governments in the civilized world - no longer a government of free opinion, no longer a government by...a vote of the majority, but a government by the opinion and duress of a small group of dominant men. 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" (p. 152).

Quoted in *Repeal the Federal Reserve Bank*, President Wilson said: "I have unwittingly ruined my country" (p. 31).

Bob Dole's *Trusting the People* clearly shows how much the IRS monster has grown. Their employees have doubled in a decade to more than 100,000. As a result of this new crew of marauders, more than 1,500,000 hard-working Americans face liens on their property, sometimes with no warning at all, every year. This pirating is also rewarded by the agency which gives

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"commissions" to the IRS agents for the property confiscated in the process. That perverted zealotry, in itself, may explain the ten-fold increase in "penalties imposed by the IRS... since 1980" (p. 25).

Shall we examine the police force that enforces the banking system?

U.S.A. Today, February 26, 1997: More than 60,000 police (10%) who have a criminal conviction could have their firearms taken away. Police groups are lobbying lawmakers so the police can be exempt from the new Federal gun control law, keeping their jobs and placing others in jail for having a gun with the same conviction the cop committed and was exempted. Advocates for victims' rights oppose changing the law or making special exemptions for police. "If we have identified (a police officer) as a violent individual, he shouldn't be in that job," says Rita Smith, of the National Coalition Against Domestic Violence. "They certainly would be a very bad representative to intervene in a domestic violence call."

U.S.A. Today, January 29, 1997 and February 26, 1997, printed an article regarding evidence that the FBI crime lab possibly slanted evidence in favor of prosecutors. It may result in overturning criminal convictions. Sen. Charles Grassley, (R-Iowa), expressed that FBI agent Fredric Whitehurst was suspended in retaliation for claiming FBI evidence is biased—contaminated in favor of prosecutors. Whitehurst expressed concern that the clothing Timothy McVeigh was wearing at the time of the Oklahoma bombing could be contaminated.

Dateline, January 1997, showed Louisiana police pulling over out-of-state cars, including *Dateline's* driver, who committed no traffic violations, claiming they had probable cause. The officers were merely seizing cars, money, and other items of value. It was obvious the police intend the seizures to be a profit-making business. Citizens were interrogated without cause. People wrote back to *Dateline*: "I was terrorized. The

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police acted like angry bullies. It was the most complete picture of power abuse and violation of human rights I have seen. The police acted no better than the drug dealers. How can we instruct our children not to rob when the cops are doing it? The law (drug seizures) should be changed to protect the citizens from abuse." Will *Dateline* show the police enforcing the current banking system, converting the nation's assets to the bank?

What would people think if they knew the cops enforced the bank's theft of your property and future labors for free and returned it as a loan? The only difference between a loan and a seizure is a seizure is obvious and a loan is a trick; economically it is the same. These seizures fulfill the fourth plank of the Communist Manifesto and violates our founding fathers' Constitution.

The American Bulletin (p. 1, Feb. 1997), quoting Founding Father Thomas Jefferson: "The strongest reason for the people to retain the right to keep and bear arms is, as a last resort, to protect themselves against tyranny in Government."

Freedom From War, the United States Program For General and Complete Disarmament in a Peaceful World, Department of State Publication 7277: This publication discusses taking away Americans' right to own a gun, disarming our military, and turning our sovereignty over to the United Nations, which the banks control.

Why A Bankrupt America (p. 11), quoting Congressman Wright Patman: "In the United States we have, in effect, two governments... We have the duly constituted Government... Then we have an independent, uncontrolled and uncoordinated government in the Federal Reserve System, operating the money powers which are reserved to Congress by the Constitution."

America's God and Country Encyclopedia of Quotations, by William J. Federer (p. 330): On September 6, 1819, Thomas Jefferson wrote:

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"The Constitution is a mere thing of wax in the hands of the judiciary, which they may twist and shape into any form they please."

On September 28, 1820, Jefferson wrote to William Jarvis:

"You seem... to consider the judges as the ultimate arbiters of all constitutional questions; a very dangerous doctrine indeed, and one which would place us under the despotism of an oligarchy. Our judges are as honest as other men, and not more so... and their power (is) the more dangerous, as they are in office for life and not responsible, as the other functionaries are, to the elective control. The Constitution has erected no such single tribunal, knowing that to whatever hands confided, with corruptions of time and party, its members would become despots."

On June 12, 1823, Justice William Johnson wrote a letter responding to Thomas Jefferson's letter:

"On every question of construction, carry ourselves back to the time when the Constitution was adopted, recollect the spirit manifested in the debates, and instead of trying what meaning may be squeezed out of the text, or invented against it, conform to the probable one in which it was passed."

Repeal the Federal Reserve Banks (pp. 162-70): In 1968, Judge Martin v. Mahoney ruled against the **bank, canceling a bank loan**. Two weeks later, he was assassinated. Just before his assassination, he wrote the following concerning the case:

"There is no lawful consideration for these Federal Reserve Notes to circulate as money. The banks actually obtained these notes for the cost of printing. A lawful consideration must exist for a Note. As a matter of fact, the 'Notes' are not Notes at all, as they contain no 'promise to pay' (See 17 American Jurist, Section 85, 215).

The activity of the Federal Reserve Banks of Minnesota, San Francisco, and the First National Bank of Montgomery, is contrary to public policy and contrary to the Constitution of the United States, and constitutes an unlawful creation of money, credit, and the obtaining of money and credit for no

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valuable consideration. Activity of said banks in creating money and credit is not warranted by the Constitution of the United States.

The Federal Reserve Banks and National Banks exercise an exclusive monopoly and privilege of creating credit and issuing Notes at the expense of the public, which does not receive a fair equivalent. This scheme is obliquely designed for the benefit of an idle monopoly to rob, blackmail, and oppress the producers of wealth.

The Federal Reserve Act and the National Bank Act are, in their operation and effect, contrary to the whole letter and spirit of the Constitution of the United States, for they confer an unlawful and unnecessary power on private parties; they hold all of our fellow citizens in dependence; they are subversive to the rights and liberation of the people.

These Acts have defied the lawfully constituted Government of the United States. The Federal Reserve Act and the National Banking Act are not necessary and proper for carrying into execution the legislative powers granted to Congress or any other powers vested in the government of the United States, but on the contrary, are subversive to the rights of the People in their rights to life, liberty, and property. (See U.S.C. Title 31, Section 462)

The meaning of the Constitutional provision, 'NO STATE SHALL make anything but Gold and Silver Coin a legal tender in payment of debts' is direct, clear, unambiguous, and without any qualification. This Court is without authority to interpolate any exception...

Title 31, U.S. Code, Section 432, is in direct conflict with the Constitution insofar, at least, that it attempts to make Federal Reserve Notes a legal tender. The Constitution is the Supreme Law of the Land. Section 462 of Title 31 is not a law which is made in pursuance of the Constitution. It is unconstitutional and void, and I so hold...

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No rights can be acquired by fraud. The Federal Reserve Notes are acquired through the use of unconstitutional statutes and fraud. The law leaves wrongdoers where it finds them. (See 1 Mer. Jur. 2nd on Actions Section 550). Slavery and all its incidents, including peonage, thralldom, and debt created by fraud is universally prohibited in the United States. This case represents but another refined form of Slavery by the Bankers. Their position is not supported by the Constitution of the United States."

Judge Martin v. Mahoney's additional writings will be in Tom Schauf's second book, along with a number of other court cases.

Case: First National Bank of Montgomery v. Jerome Daly, Dec. 7, 1968. You will not find this case in the law library, but we have the proof that it happened. Because of the bankruptcy of the United States, attorneys and judges have used case law to claim Federal Reserve Notes are legal tender, ignoring other case law stating Congress cannot delegate their responsibility to a private organization. It is believed that the banks control or own the Bar Association, which interprets the law and has its members pass the laws. Please remember that every policeman, attorney, judge, and public official took an oath of office to uphold the U.S. Constitution. This oath is a contract with you. There would be no bankruptcy of the United States if the oaths of office were upheld. As judge and jury in this case, you must consider Judge Martin v. Mahoney's testimony and decide if the police, judges, attorneys, and lawmakers violated their oaths of office.

Why a Bankrupt America?, last page: U.S. Supreme Court in *America, Communications Association v. Douds*, 339 U.S. 382, 442, "It is not the function of our Government to keep the citizen from falling into error; it is the function of the citizen to keep the Government from falling into error."

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Spotlight (p. 8, Feb. 3, 1986), Congressman Louis McFadden: "The Federal Reserve (Banks) are one of the most corrupt institutions the world has ever seen. There is not a man within the sound of my voice who does not know that this Nation is run by the International Bankers."

Spotlight (p. 8, Feb. 3, 1986), Horace Greeley: "While boasting of our noble deeds, we are careful to conceal the ugly fact that by an iniquitous money system we have nationalized a system of oppression which, though more refined, is not less cruel than the old system of chattel slavery."

Simply calling the bankers 'thieves', *U.S. News and World Report* writer Mortimer B. Zucherman told the public clearly that they were robbed with the savings and loan disaster, and were still being robbed. The public got conned, and is still being conned. Those responsible for this - the politicians, bankers, and businessmen - still exist. Zucherman called this fiasco the country's "biggest single financial scandal [and still] one of continuing deception and cowardice" (p.81, see bibliography #4).

Savings and Loan Unethical Bailout (p. 82), Congressman Jake Garn: "I'm not going to ask the taxpayer of this country to bailout fraud, mismanagement, and abuse of managerial power by savings and loans."

Congressman William G. Lipinski of Illinois, in his fall issue, 1990, newsletter to constituents:

Not one person who mismanaged and stole from the accounts of thousands of depositors has been sent to jail. The Justice Department has been dragging its feet on more than 2,300 frauds and embezzlement cases and it has left thousands of referrals and complaints untouched.

I voted against the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 for two reasons. There

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was no guarantee that those responsible for the savings and loan fraud would go to jail, and Illinois would bear an unfair proportion of the financial burden of the bailout.

The message this administration is sending is absurd and offensive; if you rob a bank by walking in the front door with a gun and a bag, you will go to jail, but if you walk into the corporation office of that bank with a suit and a pen and rob investors of their savings, you will not be prosecuted.

I am very disappointed with the Administration's unwillingness to prosecute those responsible for the problem.

I remain committed to seeing that the savings and loan board members and executives, regardless of their political connections, are prosecuted to the full extent of the law.

Repeal The Federal Reserve Banks (pp. 8-11): the following are excerpts from Congressman Francis H. Shoemaker of Pennsylvania during the 73rd Congress, 2nd Session, page 7813-15, May 1, 1934:

...the greatest steal ever permitted by a legislative body in American history. I refer to the passage of the law which extended the rights of the Federal Reserve Bank to borrow money on United States securities. The great unanswerable question is, why do we keep on in this camouflage and financial policy of issuing tax-exempt, interest-bearing securities when we know the law permits the colossal steal I wish to call attention to here?

This old law provides that upon tender of the Federal Reserve Bank, a private organization, to the Federal Reserve agent, a United States Government official, of certain collateral on the cost of printing the bills—which is now 0.7 cents each—the government shall coin and pay the Federal Reserve Bank currency equal to the collateral tendered.

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All the benefits, such as interest and premiums, go to the bank and not the Government. The collateral is stored in the safety-deposit vault of the bank itself.

President Franklin D. Roosevelt wishes to float nine billion in bonds.

Here is the possible workout:

The Government delivers the bonds to the bank.

The Government delivers the currency to the bank.

The bank returns the currency to the Government.

The bank keeps the bonds which will pay interest to the bankers.

You will notice that every dollar (\$1) invested by the banker draws a yearly interest of \$0.9583. You will also notice that the extra burden the President [Roosevelt] is putting on the people is about \$1,000,000 for every working day of the year for the interest on the \$9,000,000,000 of bonds. Furthermore, the only difference between giving these \$9 billion of "printing press" money directly to the people instead of selling it to the bankers and buying it back again is that the bankers are paid by the Government \$258,750,000 a year by the latter method. It is still "printing press" money. I want to call your attention here to the difference between "sound" and "unsound" money. "Sound money" pays interest to the bankers. "Unsound money" pays them no interest ... but the President bravely held down to only \$9 billion for the robbers, making a small daily dole for the impoverished bankers of \$708,904... are determined that the monetary policies of the government are a part and parcel of the manipulation ... to further this diabolical scheme by men who are misleading him ... we find that 5 Farmer-Labor members, including myself, who were aware of the dangers lurking in a bill of this kind, and could not bring ourselves to sell out the people of the United States in this subtle way.

In *Repeal the Federal Reserve Banks* (p. 40), Congressman Patman explains that the same banking system that America has today was like the goldsmiths in Amsterdam. When the col-

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lapse in the banking system came, as it will in fractional reserve banking, the people in Amsterdam hung the banker(s).

Thomas Jefferson: "If the American people ever allow the private banks to control the issue of currency, first by inflation and then deflation, the banks and corporations that will grow up around them will deprive the people of all property until their children wake up homeless on the continent their fathers conquered" (p. 32, see bibliography #10).

Congressman Louis McFadden, chairman of the House Committee on Banking and Currency from 1920-1931, knew exactly who to blame for the Great Depression: "It was not accidental. It was a carefully contrived occurrence... The international bankers sought to bring about a condition of despair here, so that they might emerge as rulers of us all" (p. 191, see bibliography #8). He described it as the greatest piece of thievery in history.

Congressman Charles Lindbergh: "Depressions will be scientifically created" (p. 124, see bibliography #2).

If you invested in stocks and knew the future, you would make a fortune. The FED has secret meetings to determine the future interest rates and money supply, thus affecting the stock market. FED chairman Burns states that a "killing can be made simply by knowing the next few months' newspapers ahead of time" (p. 123, see bibliography #2)

Bankers will argue that when the government prints money, it leads to inflation. Congressman Wright Patman, the former chairman of the House Banking Committee said: "It is a fallacy to think, as many do, that the `greenbacks' were inflationary. In the only sense that matters, the relative or comparative sense, they were not. That is, \$450 million in `greenbacks' is no more or less inflationary than \$450 million in bank deposits, or any other bank money created to pay for \$450 million in interest-bearing bonds" (p. 24, see bibliography #6).

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Founding Father James Madison: "History records that the moneychangers have used every form of abuse, intrigue, deceit, and violent means possible to maintain their control over governments by controlling the money and its issuance" (p. 79, see bibliography #8).

President Jackson described how the bank: "...would be more formidable and dangerous than a naval and military power of the enemy" (p. 308, see bibliography #7).

President Thomas Jefferson made a second statement: "I believe that banking institutions are more dangerous to our liberties than standing armies. Already they have raised up a money aristocracy that has set government at defiance. The issuing power should be taken from the banks and restored to the people to whom it properly belongs" (p.35, see bibliography #22).

Norburns' *A New Monetary System* talked about how Jefferson and Hamilton argued about the creation of a FED-type bank early in the nation's history. The authors impressed upon readers the propaganda campaign put together against those who opposed them. Jefferson exposed how Legislature members were bribed and profited from the scheme. Government control was established as the Hamilton group of clients were given a charter "to establish the bank." Abuse, intrigue and deceit were used. As a result, not only was the government controlled, but also the people, by issuing money as they saw fit (p.18).

Congressman Charles Lindbergh, Sr. (again): "Politics have been controlled by a trick. The decoy has been to hold up beautiful and true principles for honest action... the same ideals stated in different words are advanced by the other party. When the election is over, the capitalists control...a few of the leaders from inner circles controlling those of their own gang on the outside by bribes of patronage, committee favors and other favors" (p. 135, see bibliography #6).

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Sen. Elmer Thomas: "Any time Wall Street wants a bill passed, they send a suggestion down to Washington and we are kept here sometimes until midnight to pass the bill. But if Wall Street is opposed to legislation, it cannot be gotten out of Committee and it cannot be gotten before the Senate for consideration, and it has no chance of passing" (Ibid. p.136).

The following was taken from the *New York Herald*, "Anyone who wants any legislation buys it with cold cash." (Ibid. p. 137).

The Norburns also revealed the incestuous nature of the political banking system. The 1968 Federal Reserve listing of the top stockholders of each National Bank "contained the names of dozens of Congressmen and their relatives" (Norburn, p. 138). Coincidentally, at that time a dozen members of the House Banking Committee and nearly 100 of the full House body have proprietary interests in banks, savings and loans, or bank holding companies (p.138, see bibliography #6).

Congressman Usher Burdick: "We Republicans in the West want to know if Wall Street... and the international bankers control our party and can select our candidate? ...There is nothing to the Wilkie boom for President except the artificial public opinion being created by newspapers, magazines, and the radio. The reason behind this is money. Money is being spent by someone, and lots of it" (p. 205, see bibliography #8).

Tom Schauf: "Banks cannot create gold or silver coins, but they can create the opposite, a gold deposit slip or checkbook money. Real money is gold, the opposite of gold is owing gold. The bank will try to loan you the opposite of the real thing. What is the difference between one person counterfeiting money and the bank creating money and loaning it? In both cases, it creates inflation and forces the people into debt for the amount of the new money. For each dollar created and loaned at interest, whether nationally or by local banks, the people lose one

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dollar of equity and the bank gains one dollar of equity. The counterfeiter goes to jail if caught, while the banks use a portion of their profit to elect lawmakers, judges, and law enforcement officials. In one case, the police put you in jail, in the other case, the police benefit, but in both situations, the people lose their wealth to the one who created the money. The power of elections are shifted from the people to the bank, and if the bank controls who is elected, then they control our government. The people are deceived into thinking that their vote counts, while the bank controls the media and both parties of the election. Once enough Americans learn the truth and spread the word far and wide, it will catch like wildfire. All real Americans will rally to vote out every lawmaker, judge, and police official aiding and abetting the bankers. The wealth stolen from the people will be returned to them. The wealth of the wicked is stored up for the righteous and all we have to do is lawfully take back what is ours. By God's authority, we will take back what the devil stole and demand that he return it back to us seven-fold."

Savings and Loan Unethical Bailout (pp. 158-9): Congressman Stephen Neal received \$101,300 from a bank Political Action Committee (PAC) in 1989-90. Senator Phil Gramm received \$95,425 from a bank PAC. Congressman Frank Annunzio, Chairman of House Banking Subcommittee on Financial Institutions, received \$26,750 from a bank PAC. CitiCorp of New York spent nearly \$1.7 million in contributions in six years. The NCNB Corp., a Charlotte, North Carolina-based bank, doled out \$553,207 to candidates in the 1990 election, four times its donation in 1986. Over the same time frame, the bank's assets tripled to \$66 Billion and expanded to seven states, to become a super regional bank.

In *Rocky Mountain News*, Section B, February 9, 1997, U.S. Supreme Court Justice Clarence Thomas wrote: "When an individual donates money to a candidate or to a partisan organization, he enhances the donor's ability to communicate a message and thereby adds to political debate, just as when that in-

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dividual communicates the message himself." The article continues, discussing how the Democratic and Republican Parties received more than \$250 million in soft money contributions in 1996 - three times the amount collected in 1992.

U.S.A. Today, February 21, 1997, 9A: The Republican National Committee received a total of 17 million dollars from 50 individuals. Rep. Bob Livingston, R-La., who chairs the House Appropriations Committee, wasn't shy. "There's an absolute difference between soliciting under the law, as this outfit is doing... and what the Democratic National Committee was obviously doing in soliciting from foreign nationals, foreign agents, drug smugglers, Buddhist temples, and God knows what else."

The Arizona Daily Star (Feb. 16, 1997, A3) discussed how campaign donors sought to influence U.S. policy and how they attempted to capitalize on White House connections.

USA Today (p. A1, 1/29/97) quoted President Clinton, saying that it probably would have been better if Comptroller of the Currency, Eugene Ludwig, didn't attend a White House coffee sponsored by the Democratic National Committee in May, 1996. Clinton thought that it was improper for the nation's top bank regulator to mingle socially with some of the country's leading bankers. Banker's donations after the meeting amounted in some cases to over \$300,000.

Congressman Dan Burt (R-Ind.), believed Clinton had "misled the Congress and the American people" (*USA Today*, p. A1, 2/26/97). The fundraising scandal that Burton's panel also looked into showed how \$50,000 and \$100,000-plus supporters of his re-election campaign were ready "to start overnights right away," as the President put it in a 1995 note.

William Greider, author of *Who Will Tell The People*, admits that some federal legislators are for sale, especially members of the "money committees." Those on the Banking, Ap-

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propriations, Ways and Means, or Finance have an easy time raising "campaign funds from everyone." "If you're on Banking or the Finance Committee," said Senator Dale Bumpers, "you don't even have to open your mouth. They'll throw money at you over the transom." Campaign money undoubtedly drove many of those congressional votes and framed the attitudes of legislators. "We've had a lot of liberals who were good on housing and would take care of the banks on the other side," said Jake Lewis, a longtime committee staff aide. "As long as they took care of the banks, they could be as liberal as they wanted" (p. 65-67).

Savings and Loan Unethical Bailout by Rev. Casimir Frank Gierut (p. 160-2, 234-5) explains how thirteen banks made political contributions of over \$12 million within five years.

The Federal Reserve Bank (p. 219), Congressman Wright Patman of Texas: "The members of Congress have terrific pressure from the banking lobby that will profit so handsomely from this give-away. Our exposures are scandalous and shocking but they are only printed in the daily Congressional Record, which is read by few people..."

The Federal Reserve Bank (p. 210), Rep. Wright Patman (D-Tex.): "Many of the bills Congress passes are never mentioned in the public press, either before or after passage. And most are mentioned only in a capsuled way, characterized with slogans which frequently mislead more than they inform. There is usually someone around to supply the slogans which the press picks up." When Congressman Patman ordered an investigation of the banks, his committee stopped him cold turkey (p. 137, see bibliography #6).

Lightning over the Treasury Building by John R. Elson claims that the Federal Reserve banking system is unconstitutional and unscrupulous, maintaining a very expensive and powerful lobby in Washington which dominates our government.

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"Less than 1% of the people have been influencing our thinking and controlling our voting."

President Franklin D. Roosevelt said, "Sixty families in America control the wealth of the Nation" .

H.S. Kenan, author of *The Federal Reserve Bank*, describes the President's office very much like that of an elected monarch, since United States financial interests control the nominating process of both political parties. As a result of this hand-picking, whichever nominee wins, stays under the control of New York financiers, who then again control the Controller of the Currency, as well as the Department of Treasury, State, and Justice. National politicians who are successful, Kenan points out, are actually skilled actors who give the electorate the impression that they are exercising great power, but they actually are not. Lawmakers claim they are just following the crowd, following the system that the voters set up. They believe it is the voters' fault for allowing this to continue. Congress believes that there is little they can do because they must meet the demands of the powerful banking lobby to receive the campaign money needed to get re-elected (p. 210)

The Federal Reserve Bank (p. 9), quotes President Abraham Lincoln: " 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 destroyed." HIS PROPHECY HAS BEEN ALL BUT FULFILLED, BUT THE VOTE OF AN INFORMED POPULATION WILL RESTORE THE NATION AND THE WEALTH BACK TO THE PEOPLE WHEN ENOUGH AMERICANS WANT THEIR BANK LOANS CANCELED.

On February 24, 1997, an ABC news program "Freeloaders" featured John Stossel interviewing economist Walter Wil-

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liams. What Stossel suggested was that America's biggest freeloaders are not panhandlers, or even people on welfare, but rich, well-connected people able to use the power of the government—in the form of political lobbyists—to freeload in a more clever and insidious way. Economist Walter Williams called them corporate "welfare queens" and a lot less moral than panhandlers, who don't exert any strong-armed tactics as lobbyists do. Lobbyists ask Congress to take one person's money and give it to another and then they bore you with the details why you should be happy it was taken. "That is immoral." The well-connected do not steal like a thief; they are "more clever and insidious" than a panhandler. They lobby Congress to make it appear legal (February 24, 1997, ABC, *Freeloaders*, by John Stossel).

Lines of Credit: Ropes of Bondage, by Robert Henry Goldsborough (p. 1), cites that, in 1920, Winston Churchill wrote: "From the days of Spartacus-Weishaupt to those of Karl Marx, down to Trotsky (Russia), Bela Kun (Hungary), Rosa Luxemburg (Germany) and Emma Goldman (USA), this worldwide conspiracy for the overthrow of civilization and for the reconstruction of society on the basis of arrested development, of envious malevolence, and impossible equity, has been steadily growing. It played... a definitely recognizable part in the tragedy of the French Revolution. It has been the mainspring of every subversive movement during the Nineteenth Century, and now, at last, this band of extraordinary personalities from the underworld of the great cities of Europe and America have gripped the Russian people by the hair of their heads and have become practically the undisputed masters of that enormous empire." It also states (p. 8-10) that: "New York bankers financed the Russian Revolution for their profit." It states (p. 13): On November 6, 1986 U.S. Senator Howard Metzenbaum (D-Oh.) said: "We must see to it that we will not permit the religious right to take over this country... Do not let the forces of evil take over to make this a Christian America." He called Christians evil. The ultimate goal of the communist conspiracy

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is to destroy Christianity. No wonder, Senator Metzenbaum was believed to belong to several communist organizations.

Ex-FBI official Dan Smoot: "I am convinced the objective of this invisible government is to convert America into a socialist state and then make it a unit in a one world socialist system" (p. 19).

The late Dr. Bella V. Dobb, a former member of the Communist Party who later became a Christian, said: "Who is the hidden power, the real leader, behind the entire world wide communist conspiracy? If the final authority for the atheistic communist conspiracy could be unmasked, it would be Satan" (p. 38).

Sen. Robert M. LaFollette (R-Wis): "The Federal Reserve is a scheme backed by powerful financial and business interests to secure stronger control upon the capital and credit of our country. It will work a great loss and harm to the American people" (p. 8-9, see bibliography #8).

Rep. Louis T. McFadden (R-Pa), former chairman of the House Banking and Currency Committee (June 10, 1932): "We have in this country one of the most corrupt institutions the world has ever known. I refer to the Federal Reserve Board and the Federal Reserve Banks. This evil institution has impoverished and ruined the people of the United States...and has practically bankrupted our Government. It has done this through...the corrupt practices of the money vultures who control it. What king ever robbed his subjects to such an extent as the Federal Reserve Board and the Federal Reserve Banks have robbed us? I think it can hardly be disputed...that the control over our gold and our credit power through the Federal Reserve System has fallen into the hands of powerful international financiers."

"Some people think the Federal Reserve Banks are United States Government institutions. They are not Government institutions. They are private credit monopolies which prey upon

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the people of the United States for the benefit of themselves and their foreign customers, foreign and domestic speculators and swindlers. Those 12 private credit monopolies were deceitfully and disloyally foisted upon this country by bankers who came here from Europe."

"The danger that the country was warned against came upon us and is shown in the long train of horrors attendant upon the affairs of the traitorous and dishonest Federal Reserve Board and the Federal Reserve Banks. This is an era of economic misery, and, for the conditions that caused that misery, the Federal Reserve Board and the Federal Reserve Banks are fully liable. This is an era of financial crime."

"Through the Federal Reserve Board and the Federal Reserve Banks, the smugglers, bootleggers, speculators, and swindlers in every country of the world are operating on the public credit of the United States Government. Meanwhile, and on account of it, we ourselves are in the midst of the greatest depression we have known (1929). From the Atlantic to the Pacific, our country has been ravaged and laid waste by the evil practices of the Federal Reserve Board and the Federal Reserve Banks."

"According to the Rev. Charles Coughlin, who has lately testified before a committee of this House of Representatives, 71,000 homes and farms in Oakland, Michigan, have been sold and their owners dispossessed. Similar occurrences have taken place in every county in the United States. The people have been driven out as victims of the dishonest and unscrupulous Federal Reserve..."

"The Federal Reserve Banks are agents of the foreign central banks. They use our bank depositors' money for the benefit of their foreign principals. They barter public credit of the United States Government and hire it out to foreigners at a profit to themselves. All of this is done at the expense of the United States Government and at a loss to the American people.

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"The Federal Reserve Board invited the world to come in and to carry away cash, credit, goods, and everything of value that was movable. The United States has been ransacked and pillaged. They act for foreign principals and they accept fees from foreigners for acting against the best interests of the United States."

Rep. McFadden continues: "Billions upon billions of our money have been pumped into Germany by the Federal Reserve Board and the Federal Reserve Banks. Her worthless paper is being negotiated here and renewed on the public credit of the United States Government and at the expense of the American people. On April 27, 1932, the Federal Reserve outfit sent \$750,000 in gold, belonging to American depositors, to Germany. A week later, another \$300,000 in gold was shipped to Germany in the same way. About the middle of May, \$12,000,000 in gold was shipped to Germany by the Federal Reserve..."

"The magnitude of the bank acceptance racket, as it has been developed by the Federal Reserve Banks, their foreign correspondents, and the predatory European-born bankers, set up the Federal Reserve institutions here and taught our brand of pirates how to loot the people."

"They are putting the United States Government in debt to the extent of \$100,000 per week, and with this money they are buying up our Government securities for themselves and their foreign principals. The Federal Reserve Board is not producing a loaf of bread, a yard of cloth, a bushel of corn, by its check operations in the money market."

"The Government and the people of the United States have been swindled by swindlers deluxe, exchanging that Federal Reserve currency for gold. Such were the exploits of Ivan Kreuger. Every dollar of the billions Kreuger drew out of this country on bank acceptances was drawn from the Government

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of the United States and the people through the Federal Reserve Board and the Federal Reserve Banks. They have been peddling the credit of this Government and the signature of this Government to the swindlers and speculators of all nations.

"A few days ago, the President of the United States went before the Senate in behalf of the moneyed interest and asked the Senate to levy a tax on the people so that foreigners might know that the United States would pay its debts to them. Most Americans thought that it was the other way around. What does the United States owe to foreigners? When and by whom was debt incurred? It was incurred by the Federal Reserve Board and the Federal Reserve Banks when they peddled the signature of the United States for a price. It is what the United States Government has to pay to redeem the obligations of the Federal Reserve Board and the Federal Reserve Banks. Are you going to let those thieves get off scot-free?"

"We should investigate this treacherous and disloyal conduct of the Federal Reserve Board and the Federal Reserve Banks."

"The Federal Reserve Act should be repealed and the Federal Reserve 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. Unless this is done by us, I predict that the American people, outraged, robbed, pillaged, insulted, and betrayed as they are in their own land, will rise in their wrath and send a president here who will sweep out the moneychangers" (p. 9, see bibliography #8 & p. 14-17, bibliography #5).

Sen. Barry Goldwater (R-Ariz) in the 1960s: "Most Americans have no real understanding of the operation of the international moneylenders...The accounts of the Federal Reserve System have never been audited. It operates outside the control of Congress and through its board of governors, manipulates the credit of the United States" (p. 8-9, see bibliography #8).

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Rep. John R. Rarick (D-La): "Congress has abdicated its responsibility. In 1913 the power to coin and regulate money was conferred on the Federal Reserve—a private banking monopoly..." (Ibid. p. 8-9).

University of Nevada Economics Professor Murray N. Rothbard isn't fooled. The author of twenty-one books, he describes Greenspan and Company as THE problem. While they like to pawn themselves off as inflation hawks, the FED and the private commercial bankers aren't part of the inflation solution. Rothbard, more significantly, sees the boom and bust cycles as contrived by them. That destructive churning is the main reason for their existence. Stopping the legalized counterfeiting that the FED engages in stops the inflationary credit system. He recommends, then, abolishing the FED, and returning to a gold standard. In that way, the country would have a monetary system based on market-produced metal, serving as "the standard money, and not paper tickets printed by the Federal Reserve" (Ibid. 270-71).

Robert H. Hemphill (Credit Manager, Federal Reserve Bank in Atlanta): "We are completely dependent on the commercial banks. Someone has to borrow every dollar we have in circulation, cash, or credit. If the banks create ample synthetic money we are prosperous; if not, we starve. We are absolutely without, a permanent money system. When one gets a complete grasp of the picture, the tragic absurdity of our hopeless position is almost incredible, but there it is. It (the banking problem) is the most important subject intelligent persons can investigate and reflect upon. It is so important that our present civilization may collapse unless it becomes widely understood and the defects are remedied very soon" (p. 247, see bibliography #12).

Dr. Hans F. Sennholz, Chairman of the Department of Economics at Grove City (Pa) College stated: "The Federal Reserve System facilitates the government's own inflationary financing in `period of emergency'. It makes easy the inflation-

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ary financing of budget deficits and the inflationary refunding of government loans. It stabilizes the government bond market through inflationary methods and manipulates this market to the advantage of the government. It does all this by wrecking the purchasing power of the dollar; by subtly stealing from the people of this country what it thus provides for the government, through a process exactly on a par with the coin-clipping of ancient kings—but much more diabolical because so much less visible" (Ibid. p. 250-1).

In 1931, eight years before Hitler invaded Poland, Congressman Louis McFadden said: "After WW I, Germany fell into the hands of the German international bankers. Those bankers bought her and they now own her, lock, stock, and barrel. They have purchased her industries, they have mortgages on her soil, they control her production, they control all her public utilities. There is no country in the world today of which the inhabitants are so enslaved as are the Germans."

"The international German bankers have subsidized the present Government of Germany and they have also supplied every dollar of the money Adolph Hitler has used in his lavish campaign to build up a threat to the government of Bruening. When Bruening fails to obey the orders of the German international bankers, Hitler is brought forth to scare the Germans into submission...Through the Federal Reserve Board...over \$30 billion of American money over and above the German bonds that have been sold here has been pumped into Germany...You have all heard of the spending that has taken place in Germany...modernistic dwellings, her great planetariums, her gymnasiums, her swimming pools, her fine public highways, her perfect factories. All this was done on our money."

"All this was given to Germany through the Federal Reserve Board...and what is worse, Federal Reserve Notes were issued for it... Here you have a banking system which has financed Germany from start to finish with the Federal Reserve Notes and has unlawfully taken from the Government and the

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people of the United States. The Federal Reserve Board...has pumped so many billions of dollars into Germany that they dare not name the total" (p. 193, see bibliography #8).

Tom Schauf: "The simple way to explain the economic effect of American banking is to say that the government prints the cash. The government gives the cash to the bankers for free. The bankers return the cash back to the government as a bank loan. The government gives the bank government bonds to ensure that the taxpayers pay the bank interest. On a local bank loan, the alleged borrower signs a \$1,000 promissory note promising to repay the \$1,000 loan. The promissory note has actual cash value of \$1,000 because it can be sold for \$1,000 cash. The borrower hands the bank actual cash value of \$1,000 for free, the bank returns the actual cash value back to the borrower, calling it a bank loan. The borrower's intent in the promissory note was only to agree to repay the money. The banker's intent was to use the promissory note as actual cash value that they received for free to create new checkbook money. Receiving something of value for free and using this to create new money is similar to stealing and counterfeiting."

President Wilson, who voted in the Federal Reserve Bank, afterward said: "I have unwittingly ruined my country."

I place the U.S. Constitution into evidence, which is the oath of office of the President, Congress, judges, and law enforcement.

Evil People Rule When Good People Do Nothing.

One American asked: "Will America's tombstone read, "AMERICA DIED BECAUSE THE GOOD PEOPLE OF AMERICA DIDN'T WANT TO BE BOTHERED.?"

Why a Bankrupt America, last page, quoting Abraham Lincoln: "To sin by silence when they should protest makes cowards of men."

50. LAW OF THE LAND

The general misconception is that any statute passed by legislators bearing the appearance of law constitutes the law of the land. The U.S. Constitution is the supreme law of the land, and any statute, to be valid, must be in agreement. It is impossible for a law which violates the Constitution to be valid. This is succinctly stated as follows: "All laws which are repugnant to the Constitution are null and void." *Marbury v. Madison*, 5 US (2 Cranch) 137, 174, 176, (1803)

"Where rights secured by the Constitution are involved, there can be no rule making or legislation which would abrogate them." *Miranda v. Arizona*, 384 US 436, p. 491

"An unconstitutional act is not law; it confers no right; it imposes no duties; affords no protection; it creates no office; it is in legal contemplation, as inoperative as though it had never been passed." *Norton v. Shelby County*, 118 US 425, p. 442

The general rule is that an unconstitutional statute, though having the form and name of law, is in reality no law, but is wholly void, and ineffective for any purpose; since unconstitutionality dates from the time of its enactment, and not merely from the date of the decision so branding it.

"No one is bound to obey an unconstitutional law and no courts are bound to enforce it." 16 Am Jur 2d, Sec. 177, late 2d, Sec. 256

51. YOU BE THE JUDGE

Put yourself in the judge's situation: Tens of thousands of Americans are passing out Tom Schauf's brochures and reading his books. People are wanting out of their loans. The num-

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bens of people are growing daily. You fear that the whole country will soon know the truth. Your election campaign fund received money from the banking interests. You fear being smeared by the media if you go against the money interests. You wonder what will happen if too many people read those brochures, win the election, and take you to court. If you were a federal judge, you may not worry about elections, but you would worry that you received money from the Treasury. People are finding out that the Treasury, the International Monetary Fund (IMF), and the Federal Reserve Bank are all interconnected and paying your salary. Your court represents the bankruptcy, yet you swore an oath to uphold the U.S. Constitution. The people found out that they were lied to and they are mad! They want out of their loans and an end to the IRS tax.

As an expert witness in the court system, I have gone to fundraisers to get judges elected. The attorneys privately told me that they felt obligated to contribute money because they practice before the judge. The lawyers help get the judges elected. The lawyers know that if the European banking system is replaced with Constitutional Banking, that you will have twice the wealth. If the banking system is fixed, then lawyers will earn less money in divorces (lack of money is the number one cause of divorce). The unemployed will have good paying jobs so that they will no longer need to steal. This means less fees for attorneys. One CPA making a living filling out 1040 tax forms told me that he wants to keep the IRS. You cannot blame him. Nor can you blame the 100 million taxpayers for not wanting three to six months of their labor taken from them to finance a national debt the banks received for the cost of printing paper. Your city, county, and state debt was financed like the national debt. The politicians, judges, police, attorneys, and the CPA industry was built on the European banking system. They want your money to keep it going.

This is a true story. As an expert witness, I appraised businesses for property settlements in divorce. I would keep the fee as low as I could. Too many times I heard attorneys tell me to not let them settle out of court. The house has \$50,000 equity in it; if the divorce keeps going and the arguing continues, the

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attorneys will split the \$50,000 between both sides. "If you want work again as an expert witness, you know what to do", they said. As a Christian, I had to end this kind of work.

Let's say you are the judge and you know how the system works. You understand Trading with the Enemy, Emergency War Powers, who controls or owns the media, the bankruptcy, and that the banks are the creditors. It is not in your interest to rule against the banks. Deep down, you want out of your own loans—but if you rule against the banks, your career may end. You then decide to listen to the court case of someone suing the bank.

I will give you some strategy. The CPA expert witness is the one creating the strategy to sue the bank. I reviewed old court cases to see why people lost. I learned that you cannot sue and win if you say the bank never loaned you anything. Those arguing whether Federal Reserve Notes are legal or not, lost. If you say the bank created checkbook money, you lost. One attorney sued, claiming the bank loaned out the same dollar to five people at the same time. You guessed it—it got thrown out. Many people lose on procedure. Lawyers know procedure and they use it to win, even if you have the right arguments. If they lied to you in the past, what makes you think that they changed their nature and became saints? They may have hired someone who has the same nature they have. Do not presume everyone is as honest as you; that is what got you in trouble in the first place.

Part of the strategy the banks use is simple. If they foreclose on you, you have no money to hire an expert witness. You could not afford to hire me as an expert witness and they know it. I want money in advance. If you fly me in and the judge postpones the court until next week, you still have to pay the airline ticket plus my daily fee. The bank knows this, so if I show up, expect them to postpone the court date until you are out of money to pay me. Our strategy is to only have the bank's expert testify. You do not need an expert witness, although it can be to your advantage to have one. If your opponents know you have one, they know you mean business and that you know the answer to the riddle. They also know that you know how to

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question their expert and get to the truth. The banks do not know if you read this book and took notes, but they do know that they do not want these questions asked in court.

Your goal is to sue without the court throwing out the case, letting an honest jury hear your arguments and decide if you are right. Your goal is to have the bank's expert witness admit that the bank does not legally own the promissory note. You know as well as the bank that the bank's expert witness must answer all the questions and cannot say he does not know the answer. You know from past court cases that you cannot discuss the money issue, such as gold, silver, United States Notes versus Federal Reserve Notes, or the U.S. Constitution. It is also best in most situations not to discuss the bankruptcy.

As a judge, you want to help the bank. You and the bank attorney agree that the borrower went to the bank to buy a house and he got the house. He got a check that can be exchanged for cash. The check is not check kiting, so if the suit against the bank says check kiting, it can be thrown out. The bank has a promissory note with the borrower's signature, promising to repay the loan. The judge and bank attorney cannot understand what the problem is. The bank attorney knows you must prove that you were damaged to win. He and the judge are wondering how were you damaged. You made the loan payments for the last 10 years, so you obviously agreed and ratified the agreement.

If you tell the judge you were loaned a bank liability, he will laugh and say: "So what? You got the house. You need to repay the bank the money they loaned you." If you argue that the bank never loaned gold or silver, it is not news to the judge, he knows that. Remember, the court represents the bankruptcy. The judge and bank attorney will say, "You got a check, so pay us back the money we loaned you. We have your signature giving validity to the promissory note." If you successfully sue the bank, you have to break those two arguments in such a way that the court cannot throw out the case.

52. WARNING

Please do not file the following lawsuit. I fear even putting this in the book. We change strategy every six months—what worked before may not work today. If you file, please use the latest materials. This example is only for educational purposes.

For illustrative purposes, consider the following. Someone is suing the bank, alleging the following: The bank advertised that they loan money. I applied for a loan. They refused to loan me legal tender or other depositors' money to fund the alleged bank loan check. The bank misrepresented the elements of the alleged agreement to the alleged borrower. There is no bona fide signature on the alleged promissory note. The promissory note is a forgery. The promissory note—with my name on it—obligates me to pay \$100,000 plus interest, giving it value today of \$100,000 if it were sold to investors. The bank recorded the forged promissory note as a loan from me to the bank. The bank used this loan to fund the alleged bank loan check back to me. The bank refused to loan me legal tender or other depositors' money in the amount of \$100,000 or repay the unauthorized loan it recorded from me to the bank. The bank changed the cost and the risk of the alleged loan. At all times, the bank operated without my knowledge, permission, authorization, or agreement. The bank denied me equal protection under the law. The bank refused to disclose material facts of the alleged agreement and refused to tell me if the agreement was for me to fund the alleged bank loan check or if the bank is to use the bank's legal tender or other depositors' money to fund the bank loan check. They refused to disclose whether the check was the consideration loaned for the alleged promissory note.

Now the judge has a problem. You are claiming a forgery of a document and the bank refuses to disclose material facts as to who funded the bank loan check. The bank must answer the lawsuit or default. If the bank answers, they need to prove that there is no forgery. To do this, they must disclose if the promissory note is money or not money. They cannot say that the bank

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recorded the promissory as an unauthorized loan from you to the bank. If they say it is true, then you want your loan back. They do not want to claim they denied you equal protection. If they operated without your knowledge, permission, or authorization, then they have no agreement with full disclosure. As the suit was filed, the following interrogatories accompanied the lawsuit.

Mr. Banker, according to your understanding of the alleged agreement, was the borrower to provide the capital or money to fund the bank loan check to the same alleged borrower?

Mr. Banker, according to your understanding of the alleged agreement, was the bank to loan other depositors' money or legal tender to fund the bank loan check?

Mr. Banker, according to your understanding of the alleged agreement regarding the \$100,000 bank loan, how much legal tender must the bank loan the borrower in order for the bank to legally own the promissory note? If he says zero, he will look pretty stupid in court. If he says \$100,000, he lost. If he says he never loaned legal tender, then you do not have to pay legal tender back.

Mr. Banker, according to your understanding of the alleged agreement, was the bank to follow the Federal Reserve Bank policies and procedures regarding the alleged loan? If yes, you know the bank bookkeeping entries. If no, they are in trouble. If they do not know, then they do not understand what the agreement is any more than you supposedly do. If no one knows what the agreement is, how can they argue and claim an agreement?

Mr. Banker, according to your understanding of the alleged agreement, does the bank legally own the promissory note without loaning one cent of legal tender or other depositors' money to obtain the promissory note? If they say yes, they admit there was no loan. If they say no, they lost. You just need them to

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give you a yes or a no. If they do not know, how can they defend themselves. What is the agreement then?

Mr. Banker, does a bank liability such as a Demand Deposit Account mean that the bank owes the depositor legal tender? Is a bank liability a bank debt owing legal tender?

Mr. Banker, describe what the money looked like that you loaned the borrower. He can tell you what Federal Reserve Notes look like. They are about 2-5/8 inches by 6-1/8 inches, with green on one side and black on the other side, saying Federal Reserve Notes. If they loaned you the bank liability owing you the legal tender that they refused to pay you, I do not know what size or color that comes in. Imagine them saying they loaned you \$100,000 but they never saw the money and do not know what it looks like. You want them to look very silly for answering the lawsuit.

I do not think it is likely that they will answer these questions. They may say that they do not understand the questions or say you are harassing them. Truth is, they do not want to answer the questions. What can they say? Will they admit the bank created a new bank liability, agreeing they recorded the promissory note as a loan from you to the bank? Did they steal it?

The bank must come back and claim that the promissory note is not a forgery. Expect the bank to claim they lost it or it burned. I have yet to see them show an original. They do not want you to see the words, "pay to the order or without recourse" stamped on the back of it. You still do not know what the agreement is. Was it to change the promissory note into money? If yes, does the bank agree you gave it money to fund the bank loan check? If the promissory note is not money, did you agree the bank loans nothing, owns the note, sells it for money, and returns it back to you as a loan? They do not want to be trapped into answering these questions.

If the bank who granted the alleged loan is the one who still holds the promissory note, you want to see the bank book-

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keeping entries. If someone purchased the promissory note, he was not there, so how did he know what was agreed to or if the bank advertised to loan money. Most likely, he never saw the original promissory note until after it was forged. If you were smart, you sent the current holder of the promissory note a letter and notice and caveat explaining the situation and offering proof. Did he ignore it? Will you force him to answer it in court?

They may claim the bank auditors guaranteed the bank is not involved in a fraud and complied with the Federal Reserve Bank policies and procedures. Did you ever think of suing the CPA as a co-conspirator? That may stop their argument that everything is on the up and up.

At this time, as a judge, you may not want to make a decision. You may tell the bank to produce the original promissory note to prove there is no forgery. Let them know you will not accept a copy. They could have forged it after the copy was made. They have to bring in the original to prove these were the papers you agreed to and signed. You hope they do. You also want to see the bank bookkeeping entries to show who funded the check. You want to see their advertising to see if it is misleading. At this time, you want them to answer all your questions as to what the agreement was. Who was to provide the money to fund the check? This question is vitally important. You must know if the promissory note is or is not money per the bank policy. Do not ask according to the law. If you do, the judge will stop you and claim only he can make those decisions; he will never tell anyone what the decision is.

Expect the bank to put you in a deposition. They will swear you in—to tell the whole truth and nothing but the truth. They will ask you if this is your signature on the promissory note. Learn the difference between a name, a signature, and a forged document. If the notary claims it is your signature, ask him the following questions: To what is your signature giving validity? It may be your handwriting, but is it your signature giving validity to this document? Remember, if you wrote a check for \$200 and I changed the \$200 to \$20,000, is it still your bona fide signature? Is the document forged? Is the document valid? If someone did that to my check, I would call the sheriff and

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claim they forged the document and that it no longer contains my signature. What would happen if you reversed the deposition and claimed you do not have enough information to make the determination? What if you asked the bank attorney: Do you stipulate the document is an agreement? Do you stipulate that it is not money? Do you stipulate the bank is to loan me \$100,000 of legal tender in order for the bank to legally own the promissory note? Make the bank attorney explain what the agreement is. If you do not understand what the document or agreement is, how can you agree to it, claiming that your signature gives it validity? As an expert witness I learned that if I did not know whether something took place or not, the best thing to say was, "I do not recall agreeing to this or signing that." Someone asked me, one time, if I recognized my signature on a document. I responded, "Looks like a masterful forgery to me. I never agreed to this." They did not know what to say.

They may ask you, "Did the bank loan you the money?" You know that you never saw the money; the bank cannot even tell you what the money looks like, so how do you know they loaned you the money to fund the check? The seller of the house may know. As far as you know, he is satisfied. The bank attorney may ask you if you own the house. You know you live there, and there is a lien on the house. You are not a lawyer, and it looks like they want you to answer a legal question. If you owned it, I doubt if you would be there in court.

If the bank attorney asks me whether I agreed to the loan because I made bank payments for the last ten years, I may say something like, "I went to the police and they refused to arrest the banker. I never knowingly agreed to be stupid by loaning myself my own money and paying you back as if you loaned me your money. You illegally placed a lien on my property and used extortion to force me to pay you. Extortion payments do not ratify an alleged agreement. I believe you are involved in a fraudulent concealment because you refuse to answer all my questions as to what the agreement is."

Ask your legal counsel how to handle the deposition. I only gave you a sample of questions the bank is likely to ask you.

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Your legal counsel will give you ideas how to honestly answer the questions. You want to put the bank president, CPA bank auditor, bank controller (accountant), bank attorneys, and lending officers in a deposition or on the witness stand in court. Your goal is to get them to admit they knew or should have known they were involved in as many felonies as you can get them to admit to. Ask questions about Federal Reserve Bank policy or their bank policy in order to show they had intent. You need intent for criminal charges. Through the questions, you want them to admit they do not legally own the promissory note. People have called me, claiming the bankers pleaded the Fifth Amendment. The judge may not allow you to question them, but the legal eagles tell me the judge cannot do this. Believe me, funny things happen in court and you never know what to expect. If they do not answer, I do not know how they can defend the lawsuit.

You want the deposition to prove that the bank is still making false statements, just like they did before the alleged loan. The deposition is to prove the bank bookkeeping entries are the opposite of the alleged bank loan agreement. Do not allow the deposition to stop until you obtain your objective. You must find out what the real bank loan agreement is according to the bank or the entity who bought the promissory note.

At this time, the bank knows that they cannot answer any of the questions or lawsuits without exposing the truth. They know if they answer, the nonbankers will fax the bank's answers to the four corners of the nation. They know people are misled as to what the real agreement is. They know the bank bookkeeping entries are the opposite of what the agreement is and if there is equal protection and if there are material facts missing.

Imagine the banker going to the judge, saying that the bank complied with all federal laws. The bank was audited and received a clean bill of health. Imagine the borrower at this time claiming the bank did the opposite of what the alleged agreement said, which changed the cost and the risk, whereby no one in their right mind would loan themselves their own money and repay a complete stranger the principal and interest as if

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the stranger loaned his own money, when, in fact, they never worked one day to earn the legal tender to loan to you and never loaned you other depositors' money. They loaned no legal tender to obtain your promissory note, placed a lien on your property, and used the U.S. Mails to receive loan payments from you, yet they never risked nor invested one cent of legal tender. Is this the federal law they say they are in compliance with? Now you have an argument and need to go to court.

You just made the bank look silly. According to the bank bookkeeping entries, did the bank steal the promissory note, did they record it as a loan from you to the bank, or did the bank loan other depositors' money to obtain the promissory note? How can the judge rule the bank invests no legal tender? The borrower is the one who provided the legal tender to fund the check and then the borrower had to pay the banker the loan payments while the banker never risked nor loaned one cent of legal tender. Are you telling the borrower that he agreed to this? Would you agree to this Mr. Bank attorney? Does this federal law allow banks to be involved in fraudulent concealment? Does this federal law mean the banks obtained the liens on nearly every home, car, farm, ranch, factory, business, and aircraft without loaning one cent of legal tender or other depositors' money?

Are you telling me the borrower authorized and gave permission for the bank to open up a borrower's transaction account and exchange the promissory note for credit in the borrower's transaction account, allowing the bank to withdraw a check out of the transaction account without the borrower's signature on the check, and this same check is called the bank loan check?

Who would be stupid enough to deposit \$100,000 into a checking account, withdraw the \$100,000, and call it a bank loan, allowing the bank to obtain the \$100,000 of money deposited for free? Are you calling me stupid?

If the bank attorney said yes, ask him to show you where you gave this permission in writing. Was he personally there and did he witness you giving permission? Ask the bank attorney if, to qualify for a bank loan, one of the requirements is

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that you have to be completely stupid? Do you have to agree to leave out material facts in the alleged agreement? If I am loaning myself my own money, why would I have to qualify for a loan? Are you telling me that I agreed to waive my right of equal protection under the law? Where is this in the written agreement?

Mr. Bank Attorney, are you telling me you are defining the word loan and the word exchange as meaning the same thing? Are you telling me that when you say loan, you mean exchange? Was there an exchange that took place and the agreement omitted the word exchange and instead said loan? **YOU WANT TO PUT THE BANK ATTORNEY ON TRIAL FOR DEFENDING THE BANK. YOU WANT HIM TO SAY, "THESE QUESTIONS ARE RIDICULOUS. THE BANK NEVER DID THIS."** If he falls for this, you have him. If he says, "Of course this is how the bank operates," then you show the agreement never disclosed material facts. Thank the bank attorney for admitting the truth, so we can fax his response to everyone in America.

Mr. Bank attorney, how can you take an oath to uphold the U.S. Constitution and defend your client engaged in the European banking system, which is directly opposed to your oath? Your goal is to bring in this attorney as a co-defendant as you sue the bank. An attorney cannot bring fraud on the court. The judge and bank attorney may say, "We do not care what the agreement is, as long as you received a check, you must repay the bank the money." Now it is time to look up federal law prohibiting involuntary servitude. Involuntary servitude is prohibited in the Thirteenth Amendment. Every year, the bank receives about 3 to 6 months of your labor for free. If that is not slavery, I do not know what is. The bank monopoly gets your labor without loaning you their labor of equal value.

At this time, the judge and bank attorney may try and redefine words to force the law and agreement to match their agenda. Do not let them redefine words. I gave you definitions in this book so the banker cannot redefine words and have you fall for it. You need to look up the following definitions in the law dictionary so you are not tricked again: bank, deposit, liability, debt, check, interest, agreement, equal protection, material fact,

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fraudulent concealment, fraudulent conversion, false pretense, theft, fraud, fraud in the inducement, fraud by concealment, actual or constructive fraud, fraud in the execution, mail fraud, false statements, false representation, promissory fraud, fraud on the court, consideration, illegal consideration, extortion, RICO, frivolous, fiduciary (bank fiduciary responsibility in the borrower's transaction account), counterfeit, forgery, signature, bona fide, failure of consideration, white collar crime, unfair trade practices, larceny, larceny by deception, trick, legal fraud, good faith, bad faith, monopoly, moneychanger, loan, exchange, legal, and lawful.

CAN YOU HEAR THE BANK ATTORNEY AND JUDGE SAY, "WHAT DO YOU WANT?" YOU SIMPLY RESPOND, "I WANT EQUAL PROTECTION UNDER THE LAW AND FULL DISCLOSURE IN THE AGREEMENT. I WANT TO KNOW, ACCORDING TO THE BANK BOOKKEEPING ENTRIES, EXACTLY WHO LOANED WHAT TO WHOM. IF IT IS A MATERIAL FACT THAT THE BANK PUT IN THE AGREEMENT THAT THEY LOANED ME SOMETHING, IT IS EQUALLY MATERIAL TO PUT IN THE AGREEMENT THEY RECEIVED A LOAN FROM ME OR RECEIVED SOMETHING FREE FROM ME. I HAVE A RIGHT TO KNOW THE COSTS AND RISKS BEFORE ENTERING INTO AN AGREEMENT. I BELIEVE THE ONE WHO PROVIDED THE CAPITAL THAT WAS DEPOSITED AND LOANED SHOULD BE REPAYED THE MONEY."

THEY HAVE TO AGREE OR DISAGREE AT THIS TIME. IF THEY AGREE, YOU WON. IF THEY DISAGREE, THEY LOOK FOOLISH BECAUSE THEY JUST AGREED THAT THEY DENIED YOU EQUAL PROTECTION UNDER THE LAW AND ARE INVOLVED IN A FRAUDULENT CONCEALMENT.

There are many ways to approach suing the bank. I only showed you one method. If you were to file an actual court case, I suggest hiring legal counsel to reword the lawsuit, adding the proper legal requirements. This book only has limited questions. The second book will have more questions and reasons as to why we ask the questions. Expect the banker to lie.

Expect the banker to refuse to answer the questions. If you were a banker, would you answer the questions?

WARNING: THIS BOOK IS NOT MEANT TO BE USED TO SUE A BANK. IT IS ONLY MEANT TO TEACH YOU WHAT THE REAL BANK AGREEMENT IS. I WANT YOU TO BE THE JUDGE AND JURY AND DECIDE IF THERE IS OR IS NOT A FRAUD. YOU DECIDE WHETHER THE BANK TOLD YOU THE WHOLE TRUTH OR IF YOU FELL FOR A TRICK.

If you want this banking system changed, you must help. This involves distribution of this book and the materials accompanying it in order to educate the public. It also involves casting an educated vote and electing the politicians who will represent the people, not the banking interests. If we cannot get such politicians into office, vote for me and I will work to stop these practices myself.

53. THE FUTURE AND YOUR INVESTMENTS

No one can fully predict the future. If your financial adviser does not understand banking and the effects it has on the economy, I do not understand how they can predict the future economy. What is safe to invest in? During the Civil War, smart Confederates exchanged Confederate money for British Pounds. If the South lost, Confederate money would be worthless. Those who made the exchange saved huge fortunes. I believe our economy is very vulnerable to bank-induced recession or possibly even depression. If the people's income decreases for any reason, house prices and the stock market could plummet. Bankers make profits from unstable currency and stock markets. The stock market has skyrocketed, but I expect the market to go way down. No investment is safe when banks can create an unstable economy for their profit. Please note that the govern-

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ment can confiscate gold, as in 1933, for their own profit, but are less likely to confiscate rare coins.

One must watch the money supply and the amount of new loans. If the government balances the budget, there will be less money created. If not enough new money is created, the economy could collapse. If we remain under the European banking system, we must create new money to keep the economy from collapsing. I fear that the bankers may wish to create a depression. When bankers feel threatened, they tend to consider this option. If the majority of the nation's people are out of money and out on the street, the bankers usually feel they are no longer a threat. This is why it is so critical to get out the brochures and cassette tapes and have people read this book.

If we switched to a Constitutional banking system, we would be safe from these bank-instigated depressions and could work our way out of debt very quickly if the government cooperated. I feel that the only safe investment is to correct the banking problem. Having all the money in the world is meaningless if the banks can control the stock market and government leaders. If they continue to force the people into a cashless society, wealth will be meaningless. Without freedom, you have no real wealth.

Your best investment is in the time and money to correct the banking takeover so we can prevent a depression and a constitutional convention to end our rights. Today, when you play the stock market, you are gambling and the bankers control the odds. They will win. Even if you are personally out of debt, your house and investments are collateral for the national debt. You will go down with the others. It is only a matter of time. The best investment you can make is to get out the brochures and encourage others to distribute them in mass to save the country.

54. MORE DECEPTION AND GREED TO FOOL PEOPLE

There are deceivers in this nation. It does not matter if it is the media, banks, courts, government, religions, a trusted friend, or family member. It makes no difference. These deceivers are experts in their field. They have had many years to perfect their deception to the point where it is difficult to know that we are being deceived. You and I work on the presumption that they have told us the truth. They know that they tricked us. It is up to you to spread the truth.

A few years ago, I produced a written manual and 15 hours of cassette tapes explaining the alleged bank loan agreement. No one was to receive the material without signing an agreement to keep the material confidential. Agents of the bank received a copy of the material. The next thing I knew, people are receiving a computer disk with my copyrighted material, claiming to have my latest material on disk. People were selling it or giving it away, and others copied and distributed the disk so people would not buy from me. I had purposely left out vital information in case something like this happened. Someone altered the information to be sure that whoever used it would lose in court. All you need is a little false information mixed in with the truth to lose. You can guess what happened. The counterfeit information spread like wildfire because people wanted it free instead of buying the genuine article. I had people calling me; they were going to jail or losing a civil action case against banks because they decided to violate my copyright and buy a fake. Free counterfeit information is like counterfeit money. Do you know how much money this counterfeit information saved the banks in court costs? You have to admit, whoever it was that created the counterfeit information must be a brilliant strategist. Everyone knew I stopped working for over three years and lived off savings to research this banking issue. The bankers knew I needed to sell my manuals and tapes to

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survive. When the counterfeit information came out, people stopped buying the genuine manuals and tapes from me.

What is the other advantage in having counterfeit information circulate? The people I sold information to were told that if I died or were put in jail, everyone was to copy and distribute the information. Think about it, if something were to happen to me now, who would know if it was genuine or counterfeit? I will tell you this, plans have been made in case anything does happen to me. New information will be copied and distributed from hundreds of locations all across the nation on such a massive scale it will make history for generations to come. Any attempt to stop the information from spreading will trigger the distribution. I give the banks, government, and courts fair warning.

One person asked me to write a book with him. I said no. He stole my information, breached confidentiality, and wrote a book about the IRS and banking. He never really understood the issues; he only wanted to make money selling the book. He even claimed he won court cases. The strategy that he claims works is faulty. I had to help more people out of jams because of the greed of this man. You will not win in the regular courts on the premise that the Federal Reserve Notes are illegal or that they loaned a bank bookkeeping entry.

I received a telephone call from someone asking me if I knew a John Doe. I said no. The caller claimed this John Doe was telling people that he talked to me every week and that he was working as my agent, helping people sue banks. I said I'd never heard his name. The caller explained that this John Doe was charging people \$1,000 for information on how to get out of their bank loans and credit cards. I instructed him to tell people that I'd never heard of this John Doe. Please be aware of John Does in the future.

I have always told people, "If you feel the bank breached the agreement, hire competent legal counsel. I am not your legal counsel. I do not make guarantees and I give no proof. No one selling any of my information is to give proof or guarantees. No one, not even an attorney, can guarantee an outcome. The stakes are huge. The bank cannot afford to have it become

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public knowledge that they lost, and neither can you. We have a nation to save, not to destroy, and the banks know it."

Why is it that I refuse to give proof? If a bank settles out of court and you sign a settlement agreement agreeing never to discuss what happened, and information leaked out, you breached the agreement and you will have to pay the bank debt. All I can tell you is that if you are the first court case, so what? If you are not the first court case, so what? Someone can win today and another can lose tomorrow using the same argument. There may be new case laws after the book is published. I can assure you of one thing, this one book is not enough to win in court. As this book is being written, I am writing book number two. The second book has hundreds of questions to ask the bank, the reasons why we ask the questions, and why they do not wish to answer. All I can do is tell you what I know. At the end of 1996, as I am writing this book, I am not aware of a single jury trial where all these arguments were argued and the banks won and published the case. I can tell you from the best information I have at the end of 1996, that the bank attorneys have tried to do everything in their power to stop a jury trial. Even so, the bank attorneys have had cases thrown out so they cannot be argued. If the banks won and if it were public knowledge, I think the banks would show you the court case.

Where I have people teaching my information, they will receive a letter every three months from me, stating that I allow them to instruct. Hopefully this will slow false information from spreading. If someone is distributing my information, they are not my legal agents and they cannot speak on my behalf. I only train people to help others better understand this information. If you wish to have additional training and be in the know as to the latest information I have concerning the courts, I would love to work with you. I am looking for people to conduct seminars and sell information.

I do not want people who want to "bring down the banks." I do not want to destroy the economy. The nation must change the banking system. I want people who wish to bring the nation back to its former greatness and glory under our founding fathers' Constitution. I need people to teach others the money

issue and how to get our rights and liberties back. I need people who are willing to do this within the law and in a peaceful manner. I need you to help us make history.

55. YESTERYEAR AND THE FUTURE

To understand the future, one must know the past and remember how things have changed. Our founding fathers understood exactly what problems we have today because they had similar problems over 200 years ago. Our founding fathers gave us a Constitution granting us currency backed by gold and silver. Today the banks have redefined money and made money the opposite, forcing us into perpetual debt. Our founding fathers signed a Declaration of Independence; our Congress signed a Declaration of Interdependence, giving us the opposite of what our founding fathers gave us. Before, the people controlled Congress. Now, the money interests control Congress. The Constitution prevented banks from destroying our economy to gain a profit. Today Congress delegated their responsibility to the banks so they can own the nation's assets for the cost of printing money. They can also scientifically create depressions. The banks—Rockefeller—have quietly tried to push for a constitutional convention in order to rewrite the Constitution, taking away every right of freedom we have, including those of speech, religion, and, of course, gold and silver, to give today's banking system legitimacy.

Our founding fathers were tax protesters, trying to protect us from big government intrusion into our lives. Congress today wants a cashless society, claiming that, if you have nothing to hide, you will accept a cashless society. Total absolute control over every citizen is the power grab they want us to agree to. Our founding fathers gave us a sovereign nation. Congress has been passing treaties with the United Nations to turn our nation over to foreigners. They are even talking about a United Nations tax on Americans. Our founding fathers gave us guns

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to protect ourselves from domestic enemies within the government. Just like Hitler, Stalin, and King George, who took away the guns because they did not trust the citizens, State Department Publication 7277 calls for disarming Americans and turning our sovereignty over to foreigners. The media calls you a nut if you believe in your constitutional rights and is using emotions to disarm you.

Japan did not invade the mainland because American civilians were armed. They feared the armed civilians more than our military. Today, we have large numbers of foreign military troops within our borders. Can't we defend ourselves, or is there a hidden agenda? Congress wants a national I.D. card so they can identify and track every American and can take away the guns. With all the sophistication of electronics, we cannot stop drugs without taking away your rights. A simple old fashioned reward, large enough to encourage people to turn in drug dealers caught on video, would be more effective than current strategies. No rights would be violated nor freedoms taken away. No drug dealer would deal, simply out of fear of being caught. Before abortion was illegal. They changed the law and now it is legal. What was immoral two hundred years ago is now moral because some lawmaker changed the law. Before adultery and living together were socially unaccepted and outlawed. Today the media takes great pride in pushing adultery. Result: it is not popular in high school to be a virgin. V.D. is spreading like wild fire, killing our population. If you dare think like our founding fathers, they label you as anti-government in the new propaganda war. Instead of the whole news, they only give you the news they want you to have and silence the rest. Before, we fought the Revolutionary War to stop today's kind of banking system. In the past 85 years, the majority of the Presidents have been bankers or directly linked to the powerful banking families, enforcing what our founding fathers fought to prohibit. A few years ago, one husband without a college education could support a wife and family. Due to the debt that the banks force on us through money creation, it requires most families to have both the husband and wife work to pay all the bank loans and

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taxes and to pay interest on the national debt that was not there just a few decades before.

All this social engineering occurred and caused a flip-flop of power because the nation believed the big lie about who funded the bank loan check. We were ignorant of the nature of coins, money, and credit. Before, "We the People" had control over who was voted in. Today, the media and banks control both political parties. Whoever you vote for, you vote for the bankers' politicians. The deceivers knew what they were doing. Those who believe it is wrong to lie and deceive never dreamed that deceivers could lie to us and use social engineering to change a nation. Now it is obvious that bankers have a different agenda than non-bankers. Others want your wealth, freedom, and power transferred to themselves. The money interests are not satisfied with just running the banks; they want to control the nation. Only you can change it by distributing brochures and forming groups to expose the truth and outrage the nation. If you do, your children will have freedom from the banking influence. If not, you lose every freedom you enjoy today. America's future depends on what you do today. Have our soldiers fought in vain only to hand over the country to the bankers? Rally behind me and over 10,000,000 Americans who wish to save this great nation and return our freedoms. Our founding Fathers knew that freedom carries a heavy cost. Many died to create and preserve it. I ask you to distribute brochures to preserve what freedom we have left, to gain all our freedoms back, and to significantly increase your wealth. Bankers took your wealth. Now, if not stopped, bankers will have absolute control over you. Bankers want absolute control of the nation. The future depends on what you do today. Will it be freedom or slavery for you and your children?

The people did not change. Someone is trying to change the people. We must remember our history, roots, and what America is all about.

56. OUR MISTAKE - THEIR GAIN

Soon after the first printing of this book, I called individuals who purchased it. This is when I realized I'd made a mistake. People were buying the book with the intention of using the arguments in court, trying to prove to their friends that it works. They were hoping the court win would cause everyone to buy the book. I think the bankers were sitting behind their big desks laughing at us, knowing this strategy would not work. I have received a number of telephone calls from people claiming that these arguments work in court if the case is not thrown out. I have no proof that anyone won. Telephone calls telling me their loans were canceled is not proof. Some rumors were found to be false and other stories I believed.

Bankers know the courts are military courts, due to the bankruptcy of the United States. The bankers are the creditors. The gold fringed flag, the Federal Reserve Notes, and being denied Constitutional lawful money of gold and silver are the proof. The judge's job is to deny the Constitutional gold and silver and equal protection under the law and to uphold the bankruptcy. The judge understands the argument about the bank loan agreement. His job is to make sure the bank process appears to be legal. Judges are not stupid. They know that if you won and could fax the victory to every American, the economy could be destroyed. The only way to save the economy is to print United States Notes interest-free, giving all Americans equal protection. Judges will not rule on a political decision about whether we should use Federal Reserve Notes, United States Notes, or gold and silver. Their courts cannot even hear that argument. It is a political hot potato. And a case will not help a judge's career if he rules against the bank. He must look for an excuse to go to summary judgment in the bank's favor. The only other solution is to have an out-of-court settlement whereby the borrower must agree never to discuss the details of the settlement or he must repay all of the loan. I believe this has happened in a number of situations. I have been told how courts will issue

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gag orders due to national security if a plaintiff actually wins in court. The government and bankers cannot allow anyone to win and brag about it. If you do win, it will not be because they think you are right. It will be because they do not want the truth exposed.

If you want to win in court, you must get the support of hundreds of people in your area. To win the support of the people, put on seminars, challenge the judges, sheriff, and local bank presidents to prove you wrong. When they see hundreds of people showing up at the meetings to cancel bank loans, they will realize they have a problem, and that is when you can win in court. They know 200 angry people in a group, determined to distribute 1,000 brochures, tapes, and books each, will win a nation if it is done in every state.

We must get the message out to the people as a political solution, not as a solution for the courts. If you want your wife to have the option to stop working and maintain the same standard of living, then we need to get the word spread far and wide and educate the people to vote for the candidates that will follow Lincoln's example. Congress was given 1.7 million petitions to correct the banking problem. Congress and the media ignored Americans wishing to follow Lincoln and the Constitution. Now we need to make a clean sweep and vote out everyone who thinks we should give the money to the banks for free. The economic effect of stealing and counterfeiting must end. Congressmen accepting money from the bankers to get elected should be exposed. This will never happen without educating enough American voters. It is our job not only to wake them up but to organize and win the elections.

Rather than spend time fighting in court, I recommend that you learn how to double your money every 6-8 months the way the bankers do. Money is power. If you turn \$5,000 into \$5 million in five years, and if 20 of your friends join you, you would have the money to change the banking system and follow the Constitution. For details, see the back of this book.

Double your wealth by helping foreclosure victims and stopping the transfer of wealth from us to the banks.

57. MY RELATIONSHIP TO RESELLERS

Anyone can buy books in quantity at discount prices and resell them at retail. I have no legal control over what someone says or what information they might add to my book. Do not associate me with other groups. Please realize, if I do not say this, the media or government could plant a mole and claim I agreed to things I never dreamed of.

I have a real concern that others may use my name to advocate an agenda that is not mine. I am concerned that people may use the Internet to misquote me. Changing only a few words can change the meaning. If someone is using my name or program in an unethical manner, I need to know who it is and a telephone number and address to contact them in order to have it stopped. I cannot know if I am not told. I need your help. If you see something unethical, please tell me.

Resellers and seminar leaders do not speak for me. They are independent. These individuals are acting like our founding fathers, to restore the glory of this nation. The people must learn the truth so they can act in a manner that will help us keep our founding fathers' Constitution.

I need you and thousands of others to copy and distribute brochures. I need 500 seminar leaders to join us. The truth must get out and I depend on you to do it. There might be a bad apple in the thousands joining us, but let us not allow the "bad apples" to spoil the barrel. If you want to be a reseller or seminar leader, just write me with your address and telephone number. I am waiting to hear from you.

58. ANCIENT HISTORY

Many people believe that debt currency, an anti-Constitutional banking system, started in Babylon. If you study an ancient book written about 3,500 years ago, it is clear that it pro-

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hibits today's banking system. The name of the book is Leviticus. Chapter 6 clearly explains what happens when a person "deceives his companion in regard to a deposit or security entrusted to him, or through robbery or if he has extorted from his companion, or has found what was lost and lied about it and sworn falsely, so that he sins in regard to any one of the things a man may do: then it shall be, when he sins and becomes guilty, that he shall restore what he took by robbery, or what he got by extortion, or the deposit which was entrusted to him, or the lost thing which he found, or anything about which he swore falsely; and he shall make restitution for it in full, and add to it one-fifth more."

Judge Mahoney called today's bank loans robbery. Congressman Louis McFadden, former Chairman of the House Banking and Currency Committee, claimed bank loans are a swindle.

Is it deception to get a borrower to falsely swear that the bank loaned the bank's money when in fact the bank took the borrower's security, deposited the security (money) and returned your money to the same borrower as a loan?

It is interesting that the law of Israel made it a crime to charge interest to another citizen. The author of Leviticus also wrote Deuteronomy. The 19th chapter in Deuteronomy contains the following: "If the witness is a false witness and he has accused his brother falsely, then you shall do to him just as he had intended to do to his brother." If we had followed the ancient law of Israel, then today's banking system would be outlawed. Every time a banker takes an alleged debtor to court to collect using the false witness (the promissory note with your signature claiming there was a loan) you would have your debt canceled, and the banker would now have to pay your debt. If Moses, the author of these two books, were here today, judging and enforcing the law as he did 3,500 years ago, your debts would be canceled, and the banker would be forced to pay your debts.

Jesus kicked out the moneychangers, calling them robbers. Are we being swindled? To swindle means to cheat or to defraud a person of property or money. Did the bank conceal the

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true nature of the agreement and transaction to obtain your property for free? The early church condemned today's banking practice by refusing to give Christian burial and communion to moneychangers (today's bankers). If the church leader even received alms or offerings from a moneychanger, the church leader was suspended.

According to the New American Standard Holy Bible, 1 Corinthians 5: 9-13, if a person claims to be a Christian and is a swindler (banker), the swindler must be removed from the church. Congressman Louis McFadden, chairman of the House Committee on Banking and Currency called today's banking system a swindle. Judge Mahoney called today's banking system robbery.

If you are a banker, you know one thing about human nature: ethics can be purchased for a price. Many preachers would refuse to be involved in or to approve of a swindle. If a swindler put \$100 into the offering plate each week, would the preacher remain silent? Suppose the preacher is afraid that the members would quit the church and stop tithing if he were to say that swindlers must be removed from the church. History shows that nearly everything evolves around the love of money and who can get his hands on it. Who has the correct information? Who believes the lies?

Most preachers say that it is a sin to steal and to lie (breach agreements). When it comes to a swindle, and it affects the preachers salary, you will learn just how ethical and honest the preacher really is and whether he really believes what he says. Expect the preacher to wiggle, wanting his salary and not wanting to become involved. Expect him to say that he does not understand or that he does not want to know or that it does not pertain to his job.

What the preacher is really saying is that he loves the deception and that he will allow the swindle and the deception to continue; he is saying that he does not love the truth and does not want to preach the truth because he is more interested in his salary. I was in a church like that one, and I left it. How could I pay tithe to a religious organization supporting what I believe to be a wicked crime?

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One church I attended promoted a moneychanger by advertising for him in the Sunday Morning Bulletin. I confronted the preacher and gave him my book. He said that he did not want to know. I asked the preacher to have the moneychanger tell the truth in the written loan agreement so that there would be no lying and deception. I explained that if I go to church, I should be told the truth. I should not be told a lie or be subjected to deception through his advertising. He said that he would continue to support the moneychanger; then he asked me to leave the church. The preacher always spent about ten minutes before each offering pushing the people to give ten percent of their salary to the church. Later, I discovered that the church paid out about \$600,000 in salary to the church staff. I was able to count as staff, the preacher, three other men (and possibly their wives), a secretary, the preacher's two daughters, and possibly the preacher's wife and his mother. The preacher was protecting the family's profits.

I do not believe the preacher can remain silent on this issue. If he refuses to come clean and tell the congregation the truth, then we must question him on every other issue. When the congregation stops tithing to his religious organization, he will get the message.

What would happen if the churches followed the Bible and the congregations started passing out the brochures? In a short time, the banking system would be corrected. The wealth would return to the people and the church would have more than enough money to support the churches' activities. The church would tell its people about the banker's dream of a cashless society prophesied 1,900 years earlier in Revelation. The truth could save the nation.

The preacher is like the major media. Because of money, he remains silent on an issue he should be boldly speaking out on and informing the congregation. If a swindle is a swindle, we should expose it. If the bank loan agreement is good for America, we should expose the whole truth about the financial transaction and the economic effect that is similar to stealing and counterfeiting, and leaves Americans in perpetual debt with very little money.

Ancient history is about to repeat itself. When the membership of the church refuses to tithe to a church who will not kick out the moneychangers, the doors of the church will close for lack of money. Churches who are pure and kick out any swindler will be supported by the people and will grow stronger and stronger. All we have to do is spread the truth and support preachers who preach the truth. Just stop tithing to preachers who refuse to tell the truth.

59. SHOULD I SUE THE BANK

I am against suing the banks, but I am for a political settlement. Definitely, do not enter into a class action lawsuit. I expect the banks to bring a class action lawsuit against themselves to be sure the people lose and they win. There are trillions of dollars at stake. If a judge rules against the bank, it not only ruins his career, but the bank can create other problems. No matter how valid your argument is, it is the judge's responsibility to uphold the national bankruptcy. I have seen many strange things happen in court. Courts have railroaded and denied people rights and forced foreclosures even when the borrower correctly claimed the promissory note was a forgery and the bank never loaned one cent of legal tender as consideration to obtain it. One person sued the bank and the bank never answered the lawsuit and the court refused to sign off on the paperwork. Even though the bank refused to answer, the judge ruled in favor of the bank and then took the borrower's property.

Too many times, people tell me they want to win in court, prove my information works, and fax it to everyone in the nation. The government will try and stop you from faxing a win to others. They fear everyone will cancel their bank loan. Under European banking, if the bank paid its debt, which cancels your debt, there is no currency left. We need to print sovereign United States Notes, interest-free, to save the nation from eco-

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conomic ruin. We need a political solution, not a court decision. No judge will allow you to fax a win against banks to anyone. The court will seal the case and you will not be able to discuss it with anyone. It is possible that you may get out of your loan, but I predict you will not be allowed to discuss it with anyone. I make no guarantees and give no proof of wins.

If you sue, do not expect the banks to play fairly. The judge may receive a bribe. The judge knows if we follow the Constitutional banking system, there will be less crime, less divorce, fewer foreclosures, and many attorneys and judges will be out of business. You are asking the judge to commit financial suicide by ruling in your favor. The only way to win in court is to distribute my brochures to enough people that the judge and lawmakers know that everyone will be aware of the truth in a short time. The judge must rule in your favor or he will be in fear of being dethroned from his lofty office and labeled as a bank agent, and be dealt with accordingly as a conspirator against the people. When enough people remember history and how we fought the Revolutionary War to stop today's banking system, the voters will join us and want out of their loans. People will understand that the judge breached his oath to uphold the U.S. Constitution. Distributing my brochure, free cassette tape, and book is the key to winning and stopping foreclosures.

If too many people win in court, all the bankers have to do is change the rules and make it very difficult for us to continue to win. If enough people wake up and want out of their loans, the bankers cannot easily change the rules in favor of the bank. The politicians will have to vote in laws that favor the people or the people will vote them out of office. The safety of this nation rests in the people learning the whole truth about banking and following Abraham Lincoln.

60. HELP WANTED

Lawmakers, judges, police, and the media will not help the people until the voters wake up and are able to vote them out. We must begin a grassroots effort to get the voters informed and support the Statesmen who are campaigning for office to correct the problem.

Americans needed to return this country back to the sort our founding fathers intended.

We need seminar leaders full time and part time. The pay is excellent. Buy Mr. Schauf's books wholesale and sell them retail. Be instrumental in making history, changing the banking system, and returning the wealth back to the people where it belongs.

Distributors needed. Whether you purchase 10 books wholesale to distribute or become a major marketer, you are needed.

Leaders that can help organize groups to educate and get brochures distributed, you are needed in our country's most desperate hour.

Help is needed to get Mr. Schauf on radio and TV. We need you to contact your local stations and ask for Tom Schauf to be the guest and to spread the good word.

Writers are needed to write editorials in newspapers to get the word out.

People willing to learn how to become wealthy using the system instead of fighting it are needed. Money is power and money can be used to correct the system. People with millions can do more than people who are broke.

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Every American is needed to get the truth out so that America can be set free.

If we have 200 people in every state copy and distribute three brochures every day as they go to the gas station or grocery store, we will get out almost one million brochures every month. One million brochures equals one percent of voters wanting out of their loans. Soon, one percent — then five percent — then ten percent of voters will want out of their loans. Soon, the nation will join us and we will win. It is up to you to organize and make it happen.

Applicants, please write and include a self-addressed, stamped, business size envelope, your telephone number, and the best time to reach you. Tell us that you wish to save the country and be a leader, wholesaler, seminar leader, etc. Tom Schauf wants to talk to you and he thanks you in advance for your help.

If you wish to join and help save America, write to Tom Schauf, c/o P.O. Box 97015, Las Vegas, NV 89193-7015.

61. YOUR RIGHTS, THE LAW, AND STOPPING TYRANNY

I would never have written this book without including this chapter. This book must be taken as a whole and not divided into sentences nor taken out of context to change any meanings. We need a political change. All we ask for is a bank loan agreement with full disclosure as to who funded the bank loan check, the economic effects to nonbankers, and equal protection under the law between, bankers and nonbankers. Vote me in as President and I will correct the problem.

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Jury rights are critical to winning in both civil or criminal courts. If this information is ever on trial, I would inform the jury of jury rights. A juror has the right to not only judge the facts but the law as well. The judge will try to stop the jury from finding out that the jury can judge the law. What does that mean? If lawmakers pass bad laws, the jury can make that law null and void and find the accused person innocent. One juror can save a person from going to jail if he feels it is a bad law.

The following information is critical for this book. The information below is from a brochure by the Fully Informed Jury Association (FIJA).

TRUE OR FALSE? When you sit on a jury, you may vote on the verdict according to your own conscience. "True," you say — and you're right. But then...

(1) Why do most judges tell you that you may consider "only the facts," that you are not to let your conscience, opinion of the law, nor the motives of the defendant affect your decision?

In a trial by jury, the judge's job is to referee the trial and provide neutral legal advice to the jury, beginning with a full and truthful explanation of a juror's rights and responsibilities.

But judges rarely "fully inform" jurors of their rights, especially their power to judge the law itself and to vote on the verdict according to their conscience. Instead, they end up assisting the prosecution by dismissing any prospective juror who will admit to knowing about this right... starting with anyone who also admits to having qualms with the law.

We can only speculate on why: Distrust of the citizen jury? Disrespect for the idea of government "of, by, and for the people"? Unwillingness to part with power? Ignorance of all the rights and powers that trial jurors necessarily acquire upon assuming the responsibility of judging a case? Actual concern that trial jurors might "misuse" their power if told about it?

(2) How can people get fair trials if the jurors are told they can't use their consciences?

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Many people don't get fair trials. Too often, jurors actually end up apologizing to the person they've convicted — or to the community for acquitting when evidence of guilt seems perfectly clear. Something is definitely wrong when the juror feels ashamed of his or her verdict. They should never have to explain, "I wanted to use my conscience, but the judge made us take an oath to apply the law as given to us, like it or not."

Too often, jurors who try to vote their conscience are talked out of it by other jurors who don't know their rights, or who believe they are required to reach an unanimous verdict because the judge "said so."

If jurors were supposed to judge "only the facts," their job could be done by computer. It is precisely because people have feelings, opinions, wisdom, experience, and conscience that we depend upon jurors, not upon machines, to judge court cases.

WHEN IT'S YOUR TURN TO SERVE, REMEMBER:

- (1) You may, and should, vote your conscience;
- (2) You cannot be forced to obey a "juror's oath";
- (3) It is your responsibility to "hang" the jury with your vote if you disagree with the other jurors!

THE RIGHT DECISION WHEN THE LAW IS WRONG.

"FIJA" is a national jury-education organization which both educates juries and promotes laws to require that judges resume telling trial jurors "the whole truth" about their rights, or at least to allow lawyers to tell them. FIJA believes "liberty and justice for all" won't return to America until the citizens are again fully informed of their power as jurors and routinely put it to good use.

DID JUDGES FULLY INFORM JURORS IN THE PAST?

Yes, it was normal procedure in the early days of our country and in colonial times. If the judge didn't tell them, the defense attorney very often would. The nation's Founders understood that trials by juries of ordinary citizens, fully informed of their powers as jurors, would confine the government to its proper role as the servant, not the master, of the people.

John Adams, our second president, had this to say about the juror: "It is not only his right, but his duty ... to find the verdict according to his best understanding, judgment, and conscience, though in direct opposition to the direction of the court."

Our third president, Thomas Jefferson, put it like this: "I consider trial by jury as the only anchor yet imagined by man by which a government can be held to the principles of its Constitution."

These sound like voices of hard experience. Were they? Yes. Only four decades earlier, a jury had established freedom of the press in the colonies by finding John Peter Zenger not guilty of seditious libel. He had been arrested and charged for printing critical, but true, news stories about the Governor of New York Colony. "Truth is no defense," the court told the jury! But the jury decided to reject the law and acquitted him.

Why? Because defense attorney Andrew Hamilton informed the jury of its rights; he related the story of William Penn's trial, of the courageous London jury which refused to find him guilty of preaching Quaker religious doctrine (at that time an illegal religion). His jurors stood by their verdict, even though held without food, water, or toilet facilities for four days.

The jurors were fined and imprisoned for refusing to convict William Penn, until England's highest court acknowledged their right to reject both law and fact, and to find a verdict according to conscience. It was exercise of that right in Penn's trial which eventually led to recognition of free speech, freedom of religion, and of peaceable assembly as individual rights.

American colonial juries regularly thwarted bad laws sent over from mother England. Britain then retaliated by restricting both trial by jury and other rights which juries had won or

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protected. Result? The Declaration of Independence and the American Revolution!

Afterwards, to forever protect all the individual rights they had fought for from future attacks by government, the Founders of these United States included trial by jury, meaning tough, fully informed juries, in our Constitution and Bill of Rights in three separate places.

"Bad law", special interest legislation which tramples our rights, is no longer sent here from Britain, but our own legislatures keep us well-supplied. That is why today, more than ever, we need juries to protect us. The court represents some level of government, federal, state, county, or city, pressing charges against a defendant. Though the government has almost unlimited funding, it can be held in check by the appeal process and by our jury system.

In 1895, a divided Supreme Court held that there was no Constitutional requirement that juries be informed of their right to nullify. (Spars and Hanson, 156 US 64). Note that they did not deny the right! Most in the legal profession do not approve of jury rights because it puts the jury in power. They argue that it will create anarchy, but juries used to be informed of their rights and there was more justice then than now!

Did you ever stop to consider how demanding the jury system is on our common law? The jury must consist of peers (equals) of the defendant, there must be twelve jurors (unless the defendant were to waive this right), the evidence must prove guilt beyond a reasonable doubt, and the verdict must be unanimous. It is quite a system! How often have you heard the results of a criminal trial and wondered how a jury could have reached such a verdict? All too often it seems that it is the innocent who are unjustly punished.

Sometimes jury members tell you they had no choice because the judge said they must base their verdict only on the facts presented during the trial. The judge misled them! Prior to this century, juries were informed they had the duty to judge not only the facts, but whether the law was unjust or misapplied and what the motives of the defendant were.

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Today juries still have that duty. This power permits the people to administer not only the law, but justice, and to nullify unconstitutional or unjust laws. For example: there is a law that prohibits firing a gun into the air. It is a good law because the bullet may fall on someone and injure them. But... a man entered a woman's home, armed with a knife and demanded money. She brandished a revolver and the man backed toward the door. She fired over his head and he ran off. She was arrested for firing a gun into the air!

In this case, the jury must decide if the law was properly applied and examine the motives of the defendant. She clearly broke the law; however, they could find her innocent. Sometimes the law itself may be judged. For example, during the 1850s, juries refused to convict persons for the harboring of runaway slaves. They believed the law was wrong.

Many judges may disagree with informing jurors of their rights, but they cannot punish jurors who choose to vote their conscience or question why they reached such a decision!

References:

* 1771: "It is not only the juror's right, but his duty, in that case to find the verdict according to his own best understanding, judgment and convictions, though in direct opposition to the direction of the court." Second President of the United States, John Adams.

* 1789: "I consider trial by jury as the only anchor yet imagined by man, by which a government may be held to the principles of its Constitution." Third President of the United States, Thomas Jefferson.

* 1852: "For more than 600 years, that is since the Magna Carta, in 1215, there has been no clearer principle of English or American constitutional law, than that, in criminal cases, it is not only the right and duty of juries to judge what are the facts, what is the law, and what was the moral intent of the accused; but that it is also their right, and their primary and

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paramount duty, to judge of the justice of the law, and to hold all laws invalid, that are, in their opinion, unjust or oppressive, and all persons guiltless in violating, or resisting the execution of, such laws." From an essay on the Trial By Jury by Sander Spooner.

* 1969: "If the jury feels the law is unjust, we recognize the undisputed power of the jury to acquit, even if its verdict is contrary as given by the judge and contrary to the evidence.... If the jury feels that the law under which the defendant is accused is unjust, or that exigent circumstances justified the actions of the accused, or for any reason which appeals to their logic or passion, the jury has the power to acquit, and the courts must abide by that decision." 4th U.S. Circuit Court of Appeals.

* 1991: "It stands to reason that when popular discomfort rises to such a degree that juries regularly refuse to enforce a law, legislators are more, not less, likely to take notice." Justice W.C. Goodloe, Retired, Washington State Supreme Court.

* "No one is bound to obey an unconstitutional law and no courts are bound to enforce it." 16 AmJur 2d, Sec. 177, late 2d, Sec. 256.

In modern America, we still find ourselves appealing to our legislatures to "grant" various liberties, such as equal rights for women, for gays, for minorities, etc., having been mesmerized into believing the government has the power to make such grants. By doing so, we are permitting government to assume powers it has never been given by the people, especially not by our Constitution. Just by asking, we are saying that the government can also deny our rights and liberties when it chooses.

Hopefully, this doesn't mean we will have to write the Declaration of Independence all over again in order to remember the guidance, therein, that all rights are inherent, being "endowed by our Creator" ... as "unalienable." Human rights can neither be given nor denied by any human nor earthly power. It is only by false acceptance of the idea that authority can grant

them that we permit despotism to take them away (Godfrey Lehman).

Why haven't I heard about "jury rights" before now? In the late 1800s, powerful special interest groups inspired a series of judicial decisions which tried to limit jury rights. While no court has yet dared to deny that juries can "nullify" or "vote " a law or bring in a "general verdict," some hypocritically have held that jurors need not be told about these rights!

Today, it's a rare and courageous attorney who will risk being cited for contempt for telling jurors their powers without first obtaining the judge's approval.

However, jury veto power is still recognized. In 1972, the D.C. Circuit Court of Appeals held that the trial jury has an "...unreviewable and irreversible power ... to acquit in disregard of the instruction of the law given by the trial judge. The pages of history shine upon instances of the jury's exercise of its prerogative to disregard instructions of the judge; for example, acquittals under the fugitive slave law."

62. WHAT DOES TOM SCHAUF STAND FOR?

America first, with all rights and liberties envisioned under our founding fathers' U.S. Constitution. America, an
↓ sovereign nation. Restoring honest money, rejecting the cashless society.

Bringing back manufacturing jobs to America and giving people the higher paying jobs they deserve.

A strong military to defend our borders and national
Get out of the United Nations. Return State rights and State citizens.

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Ending personal IRS tax and balancing the budget by ending bank-created money, issuing United States Notes free of interest, and giving us equal protection under the law. The government can collect enough taxes through business income tax, sales tax, excise tax, and import and export taxes. A prosperous economy will give us more tax revenues.

Restoring family values by cutting taxes and bank debt, allowing wives and mothers to have the option to stay home and maintain the same standard of living today as with both spouses working today.

Stable, loving homes (part of the result of eliminating the stress of debt). Honest money will cut divorce rates and we will see more mothers with the time to stay home and help their children grow up.

Not denying students their religious freedom.

Keeping the church separate from government taxes. Allowing the church freedom of speech instead of IRS tax deductions denying churches their proper function and right to speak out on political issues.

Encouraging students to use the Golden Rule, teaching right and wrong as our founding fathers taught it. Giving babies the right to choose life, not death.

Restoring this nation to the glory that our founding fathers intended. They intended this to be a Christian nation.

Employing the unemployed and underemployed by correcting the banking system.

The right to have private retirement alternatives instead of Social Security. Protect Social Security for those who wish to continue by protecting the economy and making it prosperous.

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Protecting Medicare for those who wish to continue using it.

Seeking better, more cost-effective medical alternatives without the government hindering us from using vitamins, minerals, herbs, and other natural treatments.

Freeing all political prisoners in America and putting the real criminals in jail.

Allowing juries to judge the law as well as the facts, and to be properly informed of this right by the court. Allowing citizens to judge, convict, and sentence judges and police who violate their oaths of office.

Ending the Emergency War Powers and Trading With the Enemy Acts. Abolish any law that is in violation with the U.S. Constitution, making null and void any Amendment not lawfully passed and reinstating those passed and ignored.

Restoring education. Let parents choose the school or the home school that their children attend. Use a voucher system.

Promoting alternative energy sources.

Promoting jobs in America first. Trade with other countries in a responsible manner that benefits all Americans and not just the rich.

Fighting crime by creating prosperity. There will always be crime, but we can cut it significantly by creating an economy that is thriving, with good paying jobs available. Guns are not the issue. A person with no money or food is desperate enough to commit a crime. We need to help create a situation where less people are desperate by correcting the banking problem.

Citizens receiving compensation for losses due to current government agents' violations of their oaths of office to uphold the U.S. Constitution. If you lost property due to illegal gov-

ernment seizure, fraud on the court, bank loan fraud, taxes, law enforcement abuse, etc., you will be compensated for your loss provided you are upholding the intent of our founding fathers' Constitution.

The government passed laws to arrest people wanting to change the banking system, calling them financial terrorists, or lobbyists. These laws prove the current government regime is working for the banks. I'm merely running for president and this book describes my platform. I need your help to get elected, or help Charles Collins become president (912-994-4064). Either of us are capable of correcting the problem. This book was written like a court case so you can decide who is right and wrong. If you agree with Tom Schauf, help spread the word so we can fix the problem.

63. LEARN THE SECRETS OF MAKING MONEY

This book has shown you the secrets of banking and how it has harmed the citizen. If the banking system has upset you, you will most likely become more upset over what the drug companies, telephone companies, and major corporations have done to you. If people understand what these large companies have done, I believe we could turn this knowledge into wealth for the average family. Having a job is defined as only one paycheck away from ending your incoming cash flow and filing bankruptcy. One of my goals is to begin using my CPA and business brokerage background to show people how to own your own business and bring the wealth back into your pocket where it belongs. Most people have a dream to work for themselves, have extra money to take the vacations and have the extra car, vacation home, boat, and airplane. Today, the wealthy know how to make money. If we can show others how to honestly make extra money and not be dependent on a paycheck, fami-

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lies will be better off and marriages will improve by eliminating the financial pressures.

Colleges teach you how to be an employee. My goal is to show people how to stop being employees and own their own businesses. In the near future, I want to begin helping people become independent. If this interests you, send me a letter, your telephone number and the best time to reach you, and a self-addressed stamped business size envelope to Tom Schauf c/o P.O. 97015, Las Vegas, NV 89193-7015.

Imagine having the banks return all the money they recorded as a loan from you to them, plus owning your own business. It could easily happen if we get the truth out to enough people.

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If the bank is innocent and has nothing to hide, have them sign this:

AFFIDAVIT

The undersigned affiant, being duly sworn on oath, deposes and says: That he/she is an officer of the below named financial institution, a nationally chartered commercial bank or lending institution or organization purchasing promissory notes, hereinafter called bank. That, as an officer of the bank, he/she has the authority to execute this affidavit on behalf of the bank and to bind the bank to its provisions. It is understood that an exchange is not a loan. It is understood that the borrower's promissory note is not used to fund any check. It is understood that the bank does not record the promissory note as a bank asset offset by a bank liability. It is understood the bank complies with and follows the Federal Reserve Bank's policies and procedures. It is understood that the bank does not use the same or a similar bookkeeping entry to record the promissory note as a loan to the bank. It is understood that when banks participate in granting loans the economic effect is not the same or similar to stealing, counterfeiting, or a swindle. Banks who follow the Federal Reserve Bank's policies and procedures deny customers neither equal protection under the law, nor money, nor credit. The bank fully discloses to each and every borrower all material facts concerning if the borrower provides the funds to issue the bank loan check or if other depositors or investors fund the bank loan check. It is understood that the one who funded the loan should be repaid their money. It is understood that cash is the money and a bank liability indicates that the bank owes cash. I agree that if I have made a false statement regarding bank loans, then any and all loans or alleged loans issued or purchased at the bank are forgiven, without recourse, and shall immediately be considered null and void. Signed under penalty of perjury.

Signature of Bank Officer
Print name of Bank Officer

Name of Bank _____
Address of Bank _____
City/State/Zip _____

Sworn to and subscribed before me this ___day of _____, 20__.
Signature of Notary Public -----

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