

MODULE 11 WHAT IS A PONZI SCHEME?

“When plunder becomes a way of life for a group of men living together in society, they create for themselves in the course of time, a legal system that authorizes it and a moral code that glorifies it.” Frederic Bastiat, 1801 - 1850.

1. Carlo (Charles) Ponzi hatched the original Ponzi Scheme (**Ponzi**) in December 1919 when he convinced investors they could capitalize on the instability of most European currency prices by using postal reply coupons in a series of exchanges.

2. Mr. Ponzi did not make legitimate trades, instead, he paid off earlier investors with the money he raised from later investors. He was even able to persuade some investors to reinvest their funds which allowed Mr. Ponzi to postpone his financial obligations even longer. Today's true Ponzi Scheme is no different. A Ponzi is a fraudulent scam portrayed as great business “opportunity”. Investors do not receive payments from any real business profits, instead, the funds paid to investors are nothing more than a redistribution of the newly acquired funds from the latest investors.

3. A true Ponzi has no real business operation at all, therefore, it is incapable of earning a profit. A hybrid Ponzi is a real business that is a financial failure yet the operator is able to convince investors to invest. True or hybrid, a Ponzi is a fraudulent securities/investment scam.

4. The U.S. Treasury sell interest bearing debt obligations that are ultimately expected to be repaid. There are three basic types of Treasuries: (i) a Treasury Bill or T-Bill has a maturity of one year or less; (ii) a Treasury Note has a maturity of 2 - 10 years; and (iii) a Treasury Bond has a maturity of 10 - 30 years.

5. Selling Treasuries in one way our U.S. Federal Government (**USFG**) obtains funds to operate. The USFG also obtains funds by collecting a wide variety of taxes. Think about this, none of these two funding sources represents a for-profit business.

6. The USFG has been allowed and encouraged to accumulate Trillions of dollars of debt by selling its version of a security, and has done so while not operating any for-profit business.

The Take Away - The USFG offers the public an investment opportunity that is not supported by a for-profit business, therefore, by selling what is considered to be AAA rated investment grade bonds, the USFG is actually running the world's largest public Ponzi Scheme. Currently, We The People, are on the hook for more than \$28 Trillion of unpayable debt, that is also soon to be, unserviceable debt.

P.S. - From the great movie Top Gun, you may remember this line spoken by Stinger when he is dressing down Maverick - “Your ego is writing checks your body can't cash.” Somehow, this seem on point with our unpayable national debt.

MODULE 12 WHY THE FED MUST BE REPLACED?

“The Federal Reserve definitely caused the Great Depression by contracting the amount of currency in circulation by one-third from 1929 - 1933.” Milton Friedman, a Nobel Laureate.

1. The Federal Reserve Reform Act of 1977 establish statutory objectives for the FED’s monetary policy. The goals of these objectives were to have : (i) maximum employment or full employment of resources; (ii) stable prices; and (iii) moderate long-term interest rates. The objectives sound necessary and proper. Are they?

2. There will be no maximum employment of people or full employment of resources without moderate long-term interest rates. There will be no moderate long-term interest rates without stable prices, and there is no price stability in a monetary system with inflation.

3. The FED desires to achieve the end goal of creating a stable monetary system environment. To do this, the FED believes that keeping inflation at a low and steady 2% will lead to price stability and moderate long-term interests rates which the FED believes will promote maximum or full employment of people and resources.

4. Has the FED stabilized prices by keeping the inflation rate at 2% per year? The FED went operational in 1914 and in 1914, \$1 has the Purchasing Power of 100 1914 pennies. In 2021, \$1 has the Purchasing Power of 2 or maybe 3, 1914 pennies. Obviously, a 2% inflation rate does not lead to stable prices. The FED is a failure.

5. When there is inflation, there is Loss of Purchasing Power. A 2% inflation rate means, that compare to last year, your money lost 2% of its Purchasing Power. This means the dollar you spent last year will buy less today and even less in the future. Therefore, you must keep earning more money in every time period just to financially stay where you were during the previous time period.

6. The FED’s goal of achieving an annual inflation rate of 2% means, the FED is hopeful that your money will only lose 2% of its Purchasing Power every year. The FED’s idea of stable prices is not the prices remain relatively constant. No, the FED’s goal is to have prices consistently and continually increase over time, but not quickly.

7. The FED’s monetary system is broken by design. This monetary system can not be fixed, reformed or repaired. The Fed must be replaced.

The Take Away - One sure way for you to live life on the edge is to do nothing about your national, broken by design, monetary system. If you are going to live day to day, you know, just in the moment, then you might consider asking yourself this one very important question. To quote Dirty Harry, “Do you feel lucky , well do you punk?” Well - DO YOU?

MODULE 13 WHAT MONETARY SYSTEM CAN REPLACE THE FED?

“If you put the federal government in charge of the Sahara Desert, in 5 years there’d be a shortage of sand.” Milton Friedman, a Nobel Prize Winning Economist.

1. A proper monetary system serves the People’s best interests and not private bankers, central or local. Therefore, the People must create, control and own their new monetary system, through a National Bank. The People would control the National Bank with specially elected or appointed representatives. Each State would get the same number of representative and these people would answer directly to their State.

2. The National Bank would be the only Bank of Issue in the United States. This means only the National Bank would have the power to create and extinguish Money. The National Bank will also be the only funding source for the federal government. As a result, our federal government would receive all the funding it was legally allowed to have based on a Congress approved budget. This would allow the federal government to spend Money into circulation without any need to ever levy a tax or borrow again. Goodbye IRS and goodbye federal government debt.

3. Regular banks will still exist and provide all the same necessary services they currently provide, except that banks will no longer be allowed to create and extinguish Money. Also under the new monetary system, when a bank makes a loan, it will do so out of its own pockets and it will directly suffer the consequences for making a bad loan. If a bank needed more Money for loan making, the bank could borrow the additional funds from the National Bank at a reasonable low interest rate.

4. The National Bank would also lend Money to state and city governments at a low interest rate. This would greatly reduce the cost for these government entities to create and maintain infrastructure and provided needed services.

5. Should our country suffer a national disaster, the National Bank could provide all the funding approved by Congress, which would allow the federal government to help with the recovery. To keep this new Money from creating inflation, over time, the Money would be taxed out of the system by the National Bank, through the use of a sales tax. This sales tax would be implemented in order to decrease the money supply until the national money supply was in balance with, and sufficient for, the current national economic activity. Once this condition was achieved, the sales tax would be ended.

The Take Away - To have a stable national monetary supply that benefits the People, the People must control, direct and own the monetary system. Next, to have a stable monetary system, there must be more money in the money supply than the amount of debt owed in the system. Our current banking system, run by the FED, is unstable and has less money in the supply than the debt owed by people, businesses and governments. The FED’s monetary system is designed to ultimately fail.

MODULE 14
WHO WILL BENEFIT FROM THE NEW MONETARY SYSTEM?

“Whoever controls the volume of money in any country is absolute master of all industry and commerce.” James A. Garfield, President of the United States.

1. Who will benefit from the new U.S. monetary system? Ordinary Citizens, in place of those who currently enjoy the riches and benefits of the FED’s monetary system, the banking elite.

2. How will We The People benefit from our new monetary system?

a) Our federal government will receive all required funding and remain operational without the need to tax or borrow.

b) Our federal government will not default on its current obligations, funded or unfunded, including Social Security, Medicare and the national debt.

c) The volume of money in the money supply will be controlled for the benefit of the People and not the banking elite.

d) When banks make unwise loans and investment choices, the banks will directly suffer the consequences, instead of being allowed to pass the debt plate to U.S. Citizens.

e) The FED will be taken over, all of its assets will be sold to pay off some of the national debt the FED helped create, and all the national debt currently held by the FED will cease to exist.

f) Our national economy will no longer be plagued by constant, continuous and very destructive inflation, which means that what you earn today will have undiminished purchasing power tomorrow.

g) The United States will have an ideal tax system. A taxation system that is used only to bring the national money supply in balance with the national economic level, instead of what we have today, which is a terrible taxation system, a taxation system that is used, in part, to acquire funding to make payments on an unpayable debt.

h) We The People will be able to rename our national paper currency. For me, I would call our new national currency - Patriots, as a reminder to never ever forget the lessons our founders tried to teach us.

The Take Away - Our nation’s new monetary system will be run for the benefit of We The People. Our nation will once again be in the hands of We The People. And with a firm and steady hand on the Lamp of Liberty, We will bring about the great country our founders envisioned.

MODULE 15

WHAT IS THE PROCESS TO INSTALL A NEW MONETARY SYSTEM?

“The price of Freedom is eternal vigilance.” Thomas Jefferson.

1. The Federal Reserve Acts are laws, they are not Constitutional Amendments. Therefore, in order to rid ourselves of the disease that is the FED, the operational FED Acts and all their amendments must be REPEALED.

2. To accomplish the REPEAL, a sufficient number of elected employees, in the House must vote to REPEAL the Acts. After the House passes the REPEAL, the Senate must be made to do the same.

3. To get the House and the Senate to REPEAL, We The People must begin doing what Citizen Owners do when they take care of their own personal businesses, they tell their employees what to do. In this specific case, it is to REPEAL.

4. To get the Citizen Owners to act in their own best interests, all People need to begin their own process of Educate - Motivate - Activate and demand the REPEAL.

5. By reaching this point in the FED ED modules, you can state with pride that you have begun your personal educational process and maintained it with your own motivation. Your personal education and motivation process must continue to the point where you actually self activate. This means you will take the bull by the horns, you will tell your elected employees in DC what to do and the only answer you will accept is Yes Madam or Yes Sir.

6. At the same time that you demand the REPEAL, you will also demand to be informed as to the steps that are necessary and being taken in order to create a proper national monetary system. A national monetary system that returns the benefits that come with and from Money creation back to We The People where it Rightfully Belongs.

The Take Away - We The People can and must end our massive national problem which is the FED allowing banks to be the sole creators of our national Money Supply. We The People can make this happen. Everyday, you must send to your representatives, your elected employees in DC, emails and make phone calls that DEMAND THE REPEAL OF ALL THE FEDERAL RESERVE ACTS.