

December 1, 2009: Compliments of Richard Russell and The Dow Theory Letters...
"Few Americans know of the betrayal that was plotted on Jekyll Island, Georgia, which was destined to defraud Americans of their wealth and opportunity, and would eventually lead to the subjugation of our great democratic experiment to a centralized global dictatorship.

"In November of 1910, after having consulted with the Rothschild banks in England, France, and Germany, Senator Nelson Aldrich boarded a private train in Hoboken, N.J. His destination was a hunting club owned by JP Morgan.

"Aboard the train were six other men: Benjamin Strong, President of Morgan's Bankers Trust Co., Charles Norton, President of Morgan First National Bank of New York, Henry Davidson, senior partner of JP Morgan, Frank Vanderlip, President of Kuhn Loeb's National City Bank of New York, A. Platt Andrew, Assistant Secretary of the Treasury, and Paul Warburg. The secret meeting, as described by one of its architects, Frank Vanderlip, went as follows.

"There was an occasion near the close of 1910 when I was as secretive, indeed as furtive, as any conspirator. I do not feel it is any exaggeration to speak of our secret expedition to Jekyll Island as the occasion of the actual conception of what eventually became the Federal Reserve System.

"We were told to leave our last names behind us. We were told further that we should avoid dining together on the night of our departure. We were instructed one at a time....where Senator Aldrich's private car would be in readiness, attached to the rear end of the train for the South. Once aboard the private car, we began to observe the taboo that had been fixed on last names. Discovery, we knew, simply must not happen, or else all our time and effort would be wasted.

"The goal was to establish a private bank that would control the national currency. The challenge was to slip the scheme to the representatives of the American people. Earlier, it had been called the Aldrich Bill and received effective opposition.

"The planners of the revised bill titled it "The Federal Reserve Act" to mask its real

nature. It would create a system controlled by private individuals who would control the nation's issue of money. Furthermore, the Federal Reserve Board, composed of twelve districts and one director (the Federal Reserve Chairman) would control the nation's financial resources by controlling the money supply and available credit, all by mortgaging the government through borrowing.

"The plan worked. The Federal Reserve Bill was held until December 23 (two days before Christmas) before it was presented to the House and Senate. Only those senators and congressmen who had not gone home for the holidays -- those who owed favors to, or were on the payroll of, the bankers were present to sign the legislation.

"The name 'Federal Reserve Bank' was designed to deceive, and it still does. It is not federal, nor is it owned by the government. It is privately owned. It pays its own postage like any other corporation. Its employees are not civil service. Its physical property is held under private deeds and is subject to local taxation (government property is not)."

Through its ability to create any amount of currency that it wishes, the US has created a giant edifice of credit and debt. More recently, Fed Chairman Alan Greenspan, through low interest rates held at 1% for month after month, allowed an enormous real estate bubble to form. When the bubble finally burst, it was seen that the big banks had loaded up with toxic mortgages loaned out to people who had no way of financing them. As the air rushed out of the real estate balloon, many of the banks were shown to be insolvent -- they held billions of dollars in worthless mortgages.

Certain banks on Wall Street were deemed "too big to fail." The Fed rushed in to save its own, all the while creating trillions of dollars in its rescue program. The die was cast. The US was saddled with so much debt that its very credit rating was placed in question.

At this point, the US is saddled with so much debt that it defies comprehension. As I see it, the only way out of this debt disaster is to partially-renege on the debt and

then resort to devaluation or outright inflation.

The Obama administration will put off dealing with the debt as far into the future as possible. Future generations will have to address the debt now being created. Their answer will be that "We did not run up this outrageous debt, and we will not be responsible for it." Thus, I think it likely that the trillions that have been created in the hope of halting the world deflation will never be paid off.

Remember, -- in 1971 the US reneged on its agreement to settle international debts with gold. The US will renege on its "impossible" debt sometime in the future. Eventually, it will be seen that the only way the US could have run up these debts is through fiat money. As time goes by, suspicion will grow on the very worth and viability of fiat money. Eventually, the US public will see that they have been duped by the Fed and the creators of faith-based money. Whereas once our grandparents could turn in their dollars for gold, today, if you turn in your dollars, what do you get? You get other dollars. There's nothing behind the dollar except the government's edict that "your dollar is legal for the settlement of all debts."