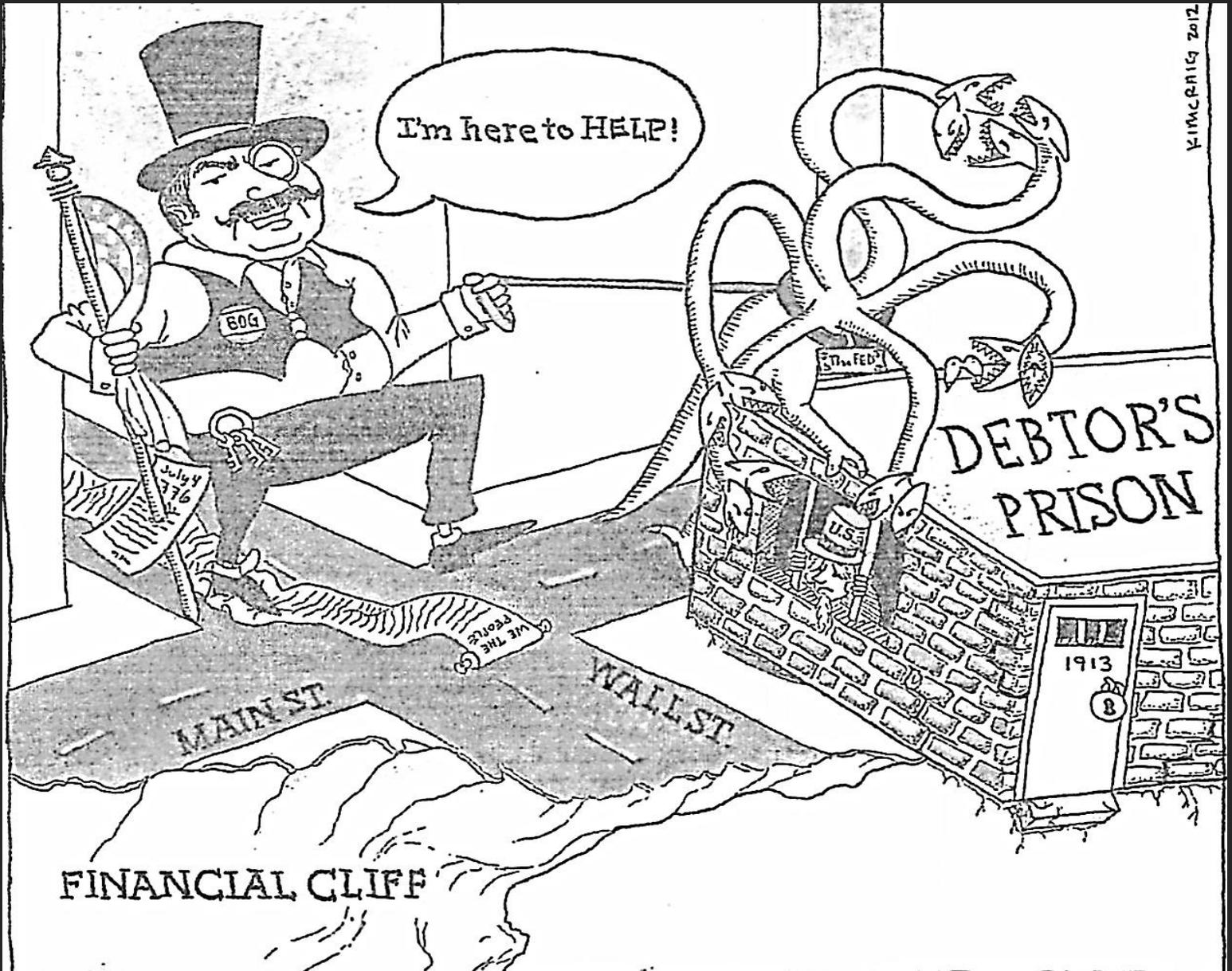


What the FED really doesn't want you to know or understand and what you can do to help cure the disease.

FED ED



THE MASTER OF OUR DEBT

By
Alan Myers, CPA

KEY TO THE COVER

Given the nature of this little pamphlet, I decided a Political Cartoon would be the appropriate style of art for the front cover. My artistic skills do not even include the ability to draw two stick figures having a stick fight, so the hunt was on to find an artist with talent and imagination. A very talented artist was referred to me and she drew what I could only see in my mind.

What I see is as follows:

The overly FED male walking down Wall Street wears a BOG button. BOG stands for Board of Governors. The BOG controls the Federal Reserve System (FED) and is The Master of Our Debt.

BOG is walking all over the Constitution (see "We The People" on the scroll), treats our national flag as a walking stick and in turn uses it to stab the Declaration of Independence (see July 4, 1776 on the page). Each act shows extreme bad intent and is totally without regard for this country.

BOG controls the 12 headed Hydra named The FED.

12 heads represents the 12 Banks in the Federal Reserve System.

- Andrew Jackson, 7th President of the United States, referred to the 2nd United States Bank as a Hydra. See Topic 17, for a more complete discussion.

KEY TO COVER PAGE 2

The FED is keeping a very sad Uncle Sam in Debtor's Prison. Note the one hydra head, lower right side. **Yes, it is coming after you.**

1913 is the year the Federal Reserve Act was signed into law. 1913 is the number on the prison door.

BOG has the only keys to the lock on the Debtor's Prison door; therefore, Uncle Sam is going to have to break out. In other words, the FED is the Keeper of the Keys.

The Debtor's Prison is hanging precariously over the edge of the Financial Cliff. The walls are beginning to crack, and crumble and the building is tilting over. Falling is not a matter of If, Falling is a matter of When.

And make no mistake, Main Street and Wall Street , they are both broken.

After reflecting on the above imagery, I believe you will see that BOG's statement, "I'm here to HELP", really means, "I here to HELP MYSELF," and not serve the interest of the people.

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MODULE 1

THE ORIGIN AND DEVELOPMENT OF MONEY

"It (money) is the most important subject intellectual persons can investigate and reflect upon. It is so important that our present civilization may collapse unless it is widely understood, and its defects remedied very soon."

Robert H. Hemphill, Credit Manager, Federal Reserve Bank of Atlanta, 1936

WHAT REALLY IS MONEY?

Is it a specific commodity that is valued for its beauty, supply strength and ability to resist corrosion (gold)?

Or, is Money defined more by how it enables people to complete an indirect transaction for goods or services?

For me, Money is nothing more than a *generally accepted item of barter.*

That is to say, Money is just a transaction facilitator.

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MODULE 1

THE ORIGIN AND DEVELOPMENT OF MONEY

To begin this discussion of Money, we must first go back 1000's of years, long before the existence of any bank or national government. Bartering began as direct transactions, trade an apple for an orange, an egg for a tomato.

Direct transactions worked only when two parties found each other, and they were both willing to trade for what the other had. This type of trading would not always be easy to arrange and could be very time consuming.

From the time-consuming process that was a direct bartered transaction developed the indirect transaction. It is the desire to have indirect transactions that led to the creation and development of Money. Money was created and developed by people. People interacting, bartering and trading with other people. Eventually, specific forms of Money filled the need for a generally accepted item of barter.

Instead of trying to trade with many different items of barter, the use of Money made it possible for people to trade over greater distances and acquire goods and services they would not have been able to acquire if they did not have a generally accepted item of barter, Money.

During this initial process, it was people, not banks or governments, that created and developed the concept of Money, used Money and controlled the supply of Money.

The end result, little or no inflation which allowed for vibrant and thriving trading societies to develop.

One of the beneficial end results that came from barter and the Money creation process was that it allowed people to become specialists. People eventually could provide for their needs and wants without having to make or grow all that they needed. The more that people could specialize, the more civilization could advance.



THE TAKEAWAY

Only People, not banks or governments, created and developed the idea of turning items of barter into Money and then use that Money to peacefully and successfully complete Indirect transactions for goods and services.

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MODULE 2

HISTORICAL CHARACTERISTICS OF MONEY

"Money is worth what it will help you to produce or buy and no more."

Henry Ford, My Life and Work

Over time, the use of generally accepted items of barter (Money) made it possible for people to easily complete indirect transactions.

From this process came useable forms of Money.

These forms of money became defined by specific characteristics that include the following:

- (1) **TRANSPORTABLE**- If you can't lug it you can't trade it;
- (2) **DIVIDABLE** - The more pieces you have the more you have in hand to trade;
- (3) **NON-PERISHABLE** - for the distance - Rotten doesn't improve the trade;
- (4) **WANTED** - If it isn't wanted no one will trade for it;
- (5) **SCARCE IN SUPPLY**- If everyone has one no one will trade for it;
- (6) **INTERCHANGEABLE** - One nickel or dime is as good as another nickel or dime;
- (7) **UNIT OF ACCOUNT**- Goods and services are priced in units of the item of barter;
- (8) **STORE OF VALUE** - The purchasing power of the item of barter is stable and lasting;
- (9) **NOT CONSUMED** - The item need not be consumed to provide the holder with value;
- (10) **LEGAL TENDER STATUS** - Recognized by law as the accepted form of Money;
- (11) **HAS A PHYSICAL COUNTERPART** - Lack of physical money is a great weakness;
- (12) **EASE OF USE** - Do I need specialized training to access and use my money?

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MODULE 2

HISTORICAL CHARACTERISTICS OF MONEY

WHAT IS THE FUNCTION OF MONEY?

Money *Facilitates Indirect Transactions*
which is the ultimate use and benefit of Money.

Successful traders, or mobile business entrepreneurs, became very familiar with all the characteristics that would eventually determine what items of barter would produce the best results as they engaged in their actual day-to-day trading activities.

The process that created and developed items of barter into Money was long, slow and driven by human interactions that had nothing to do with national governments or banks.

THE TAKEAWAY

The more of the above listed characteristics an item possesses, the more likely that item will last and be a successful form of Money.

A successful form of Money is defined by its characteristics and its' acceptance in an indirect transaction, and not by what it actually is, or what is its' perceived value.

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MODULE 3

EXAMPLES OF MONEY FROM THE PAST

"It is incumbent on every generation to pay its own debts as it goes. A principle which if acted on would save one-half the wars of the world."

Thomas Jefferson

ORDINARY TYPES OF MONEY

ANIMALS - All types and their Pelts or Furs

CONSUMABLES - Cacao Beans, Corn, Spices, Tobacco and Whiskey

COUTURE - Beads, Blankets, Clam Shells, Gemstones and Silk

METALS - Bronze, Copper, Iron, Gold and Silver

To the Incas, **Gold** was referred to as "Sweat of the Sun", **Silver** was referred to as 'Tears of the Moon", and for **Money**, the Incas transacted business with Cacao Beans.

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MODULE 3

EXAMPLES OF MONEY FROM THE PAST

UNUSUAL TYPES OF MONEY

RAI STONES - ISLAND OF YAP, MICRONESIA

TEA BRICKS - CHINA, MONGOLIA, TIBET, CENTRAL ASIA

CANADIAN TIRE MONEY – CANADA

PARMIGIANO CHEESE – ITALY

BOTILE CAPS – CAMEROON

SHELL MONEY - LANGA LANGA LAGOON, SOLOMON ISLANDS

SHIRE SILVER - NEW HAMPSHIRE

MOBILE PHONE MINUTES - VARIOUS COUNTRIES

NOTGELD – GERMANY

100 QUINTILLION PENGÓ - HUNGARY

THE TAKEAWAY

People have employed a great amount of creativity in turning everyday items of barter into indirect transaction facilitators, that is, into Money.

If an item can help peacefully facilitate a transfer of ownership of a good or the benefit of a service, from one person to another, then the item is Money.

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MODULE 4

WHAT IS M1 MONEY TODAY IN THE USA?

IT AIN'T NO WWII RIFLE

"The process by which banks create money is so simple that the mind is repelled."

John K. Galbraith, 1975 | Money: Whence it came, where it went

WHAT IS M1 MONEY?

M1 Money is Money that individuals and their businesses spend to get the goods and services they want or need right now. Basically, M1 Money is all the cash and coin we have in our pockets, purses and wallets and all the electronic digits in all of our checking accounts.

That's M1 Money and only people have M1 Money.

WHAT IS THE M1 MONEY SUPPLY?

The M1 Money Supply is the supply of Money that includes the most liquid components of our national money supply. That is to say that M1 Money is Money that can be accessed immediately and used on demand.

WHAT IS INCLUDED IN THE M1 MONEY SUPPLY?

According to the Federal Reserve System (Fed) and economists, the M1 Money supply includes all the cash (ca) and coin (co) in circulation, all traveler's checks (tc) issued by non-banks and all the "Money" that is represented by all the electronic digits (ed) in all the checking accounts and Negotiable Order of Withdrawal (NOW) accounts.

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MODULE 4

WHAT IS M1 MONEY TODAY IN THE USA?

OTHER NAMES USED TO DESCRIBE A CHECKING ACCOUNT

Demand Deposit Account

Transaction Account

&

Another name for **M1_{ed}** Money is checkbook money

Another name for **M1_{ca}** Money is pocketbook money

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MODULE 4

WHAT IS M1 MONEY TODAY IN THE USA?

THE NOW ACCOUNT

In the United States, a **NOW account** is an interest-bearing checking account that allows the account holder to write an unlimited number of checks on the NOW account. Though this is rarely done, the bank or credit union has the right to require at least **seven days written notice** prior to a withdrawal from a NOW account.

Another way to visualize what is included in the total M1 Money supply is:

$$\mathbf{M1\ TOTAL = M1ed + M1ca + M1co + M1tc}$$

M1ed, or all the electronic digit money in all the checking and NOW accounts;

M1ca, or all the paper money in circulation;

M1co, or all the metal coin money in circulation; and

M1tc, or all the traveler's checks issued by non-banks, a very small % of total.

THE TAKEAWAY

In our Fed controlled monetary system, the single most prevalent form of Money in the M1 Money Supply is **M1ed**.

The importance of this fact will become very clear in the next two modules.

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MODULE 4

WHAT IS NOT M1 MONEY TODAY IN THE USA?

"There are two ways to conquer and enslave a nation.

*One is by the sword,
the other is by debt."*

John Adams

WHAT IS NOT INCLUDED IN THE M1 MONEY SUPPLY?

The M1 Money supply does not include the electronic digits in savings accounts, retirement accounts and pension plans. These types of Money are included in the M2 Money supply. M2 Money is not considered to be on demand or immediately available to complete a financial transaction as is M1 Money.

WHO DOES NOT HOLD M1 MONEY?

According to the Fed, all the cash and coin held by the U.S. Treasury, the 12 Fed banks and all the commercial banks is not included in the M1 Money supply. This means, all the cash and coin held by these institutions IS NOT M1 MONEY, and therefore, is not Money.

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MODULE 4

WHAT IS NOT M1 MONEY TODAY IN THE USA?

ELECTRONIC DIGITS ARE NOT M1 MONEY!

All the electronic digits in all the checking accounts held by depository institutions, the U.S. government and foreign banks are also not included in the M1 Money supply.

This means that all the electronic digits held by these institutions **IS NOT M1 MONEY**, and therefore, is not Money.

In other words, all the commercial banks, all 12 Fed banks and the U.S. Treasury, literally, by definition, **have no Money of their own or in their own name.**

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MODULE 4

WHAT IS NOT M1 MONEY TODAY IN THE USA?

Below is Note 1 from Table 1 of the Federal Reserve Statistical Release, dated November 12, 2015, that supports this statement.

M1 consists of:

(1) currency outside the U.S. Treasury, Federal Reserve Banks, and the vaults of depository institutions;

(2) traveler's checks of nonbank issuers;

(3) demand deposits at commercial banks (excluding those amounts held by depository institutions, the U.S. government, and foreign banks and official institutions) less cash items in the process of collection and Federal Reserve float; and

(4) other checkable deposits (**OCDs**), consisting of negotiable order of withdrawal (**NOW**) and automatic transfer service (**ATS**) accounts at depository institutions, credit union share draft accounts, and demand deposits at thrift institutions. Seasonally adjusted M1 is constructed by summing currency, traveler's checks, demand deposits, and OCDs, each seasonally adjusted separately.

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*The one thing that
connects everybody is
the monetary system*

**Modules 6-18
coming soon!**