

WHAT IS MONEY'S FUNCTION?

"The function of money is not to make money but to move goods. Money is only one part of our transportation system. It moves goods from man to man. A dollar bill is like a postage stamp: it is no good unless it will move commodities between persons. If a postage stamp will not carry a letter, or money will not move goods, it is just the same as an engine that will not run. Someone will have to get out and fix it."

**Henry Ford
Ford Motor Co**

To answer the question regarding the function of money, we might begin by examining some of the problems associated with its usage and/or abuse. It would seem that much of society is convinced that the subject of money and the use of it – economics - is far too mysterious or mystifying for them to understand. Thus, they content themselves to leave its management to our self-appointed financial authorities and experts (*bankers, accountants, investment brokers, mortgage counsellors, economists, politicians, etc.*)

Terms such as "business cycles", "inflation", "depressions", "the deficit", might well originate only in some arcane metaphysical or occult doctrine, for all the public understands about them. We are told that such phenomena can be charged to consumer, producer and/or worker greed, or even uncontrolled congressional spending. The most remarkable thing about all being revealed here, is that Americans, who take such great pride in their technological achievements and superior standard of living, accept these fallacious deceptions almost entirely and so their lives are completely at the mercy of these crafty "experts". The "experts" expertise is derived simply by the fact that they learned how to analyze the

function of money correctly, while their "victims" have not. The truth is that the subject of money is really quite simple. The difficulty arises from not grasping the fundamentally correct approach to its study.

To begin with, we must acknowledge that as a society, we have a problem in our usage of money. The initial step in solving a problem is to study it. Every problem is a result, or an effect, which has, at its inception, a cause, either intended or not. The purpose of analyzing a problem, it follows, is to determine its cause. We can see that when the cause of a problem is understood, the solution can usually be found easily. This simple rule of procedure has either been sadly omitted or significantly de-emphasized in the public education of our citizens.

With no comprehension of the essential importance of the "Law of Cause and Effect" and how to apply it, our citizens are handicapped by a partial education at best and certainly lack the perceptual development to grasp the meaning behind the bearish and bullish flurries in our economy. This fact would serve an obvious purpose if it provided a distinct advantage to an elite few who were able to plan and control such fluctuations toward their own designed aims.

Let us digress once again for just a moment, and re-examine some previously mentioned indicators. In 1938, John Maynard Keynes read aloud to a dozen members of his Bloomsbury Set some lines from his autobiographical memoir, MY EARLY BELIEFS: "We were the forerunners of a new dispensation, we were not afraid of anything; a new dispensation, led by an elite of intellectually beautiful people to rescue the world from its ingrained harmful habits." (*His other book, THE GENERAL THEORY OF EMPLOYMENT, INTEREST AND MONEY, had been three years in public hands and its impact was enormous.*)

Starting in Harvard's economics department and with the American New Deal as a laboratory and soon, World War II, Keynes' economic doctrine soon conquered the world. Its message was comforting: By simply manipulating overall economic demand, a government could perform what became known in later years as fine-tuning the economy. No longer were politicians helpless before the inexorable twists of the business cycle, no longer were they limited by rigid natural laws in what they could

deliver to the voters. Economists - not inexorable forces - were in charge.
(See *Addendum*)

Do you sense any stirrings of suspicion as yet?

Not too many years following the revelation quoted above, we heard a statement made by Franklin Delano Roosevelt regarding the devastation of Pearl Harbor "forcing" us into World War II against Japan: "In politics, nothing happens by accident. If it happens, it was planned that way." There is no statement recorded in the annals of history that more explicitly and directly affirms the invisible forces that hold dominion over our lives.

Grasping this single most significant factor is the greatest and most difficult obstacle in developing a viable understanding of how money functions within our economy. Once this hurdle is past, we are then privy to the awareness of unseen forces, the motivations of invisible, but ambitious persons who have the influence to deliberately and scientifically create "business cycles"; "inflation and depression", and the "deficit" for their own benefit, because they control our money, and thus our very lives. Their identities and their aims are the subjects of other instalments. Here we shall simply analyze the process. The "problems" we have identified that plague our use of money are basically; "business cycles", "inflation and depression", and "the deficit", and these in themselves are symptoms, or effects of a cause deliberately set in motion.

The big question is: What is the cause? The cause of our economic problem is due to an "unreliable" supply of money relevant to the production of "real" wealth. (*The money supply is controlled by the Power Elite and is "loaned" into circulation, at interest, through the Federal Reserve System. A usurious debt system is intrinsically unstable.*)

The logical and appropriate solution, therefore, is for the "system" to provide sufficient money in circulation that is proportional to the society's capability of producing "real" wealth. Ideally, this should be a relatively simple undertaking. However, before it can be properly explained, several factors must be considered and certain terms must be

defined more in depth, as they are often misused and not fully understood.

We may begin with the popular definition of money as being: a medium of exchange and a measure of value, regardless of the form it is given. There are two basic categories or popular forms which are applied to the concept of money; one of which is defined as commodity money and is backed by a precious durable such as gold, silver, etc., and the other which is created money, or "fiat" currency backed by law or decree. A money system that is backed by a commodity is, in effect, a barter system, wherein it entails the trading of one commodity, which has an established market value, for another commodity or service that also has a certain market value.

It should here be pointed out that the idea of "intrinsic" value couldn't be applied to a commodity since such value can only be attributed to human beings. Commodity values can only be established in a free market under the rule of supply and demand. Interestingly, the value of gold, which is perhaps one of the least valuable metals, practically speaking, is artificially established on a daily basis by the Rothschild interests in London and Zurich and it is by this means that they control the economic climate of all the nations of the world.

Fiat money is precisely what the term implies and its value can only be "created" by man. It is created out of nothing but paper and ink, or computer bytes and digital read-outs. It is backed by nothing but a government word or authority in the form of a law or decree establishing said monetary value and is a claim on actual or produced wealth. Created money is NOT wealth. Let it be understood that wealth is actually that which men produce for the benefit and use of human society by intelligently applying their skills and energy to the best displacement of their natural resources.

The term "fiat" is of French origin and the power of its meaning is more implied than real. It means to come into existence, or to become. The inference is: Let it be done! or, So be it! In actual practice, as it applies to money, it refers to paper currency that is "assigned" value and made legal

tender simply by arbitrary order or decree by government authority. As such, ALL paper money is fiat money.

We must assume that we are expected to interpret the term in the context that the *Power Elite* intends, in their incessant subversion of society through "thought control", by using semantics. Fiat is used as a term of approbation or sanction, carrying with it the powerful suggestion that we must have faith in it simply because it was debt-free money issued by the government. Whenever we see the reverent slogan "In God We Trust" embellished on this currency, we would do well to remember whom it is that is playing God.

Money is actually the life-blood of our society and the circulatory system can be compared to our economy. As blood does in our body, carrying nutrients and oxygen to each and every cell, so does money perform the function of a "transportation system" in the economy of our society, just as Henry Ford pointed out in the short vignette at the start of this chapter. This "transportation system", the money and the economy by which goods are moved, was deliberately designed embodying a fatal defect that ensures its own self-destruction and resists all efforts to repair it. Several factors must be explained in order to understand how this was accomplished and why.

We must first establish in our minds the desirability of having an honest and stable money system as a datum from which to pursue our examination. It is from this criterion that we will be able to distinguish the rights from the wrongs in our existing system. We shall present several given postulates at the outset of this analogy with the view of substantiating them by analysis.

Firstly, the Federal Reserve System, which was un-Constitutionally, and therefore criminally instituted, must be completely abolished and its primary function, the creation of money, restored to Congress, who traditionally, logically and legally was assigned this responsibility. (*Art. I, Sec.8, U.S. Constitution.*)

Secondly, a new money system of proven design, which is truly debt-free, must be introduced that is similar to the previously mentioned "tally"

system in England, the "scrip" issued in the early American Colonies, and the U.S. Notes ("*Lincoln Greenbacks*") which empowered President Lincoln to preserve the Union of States and also saved the American taxpayers more than one-hundred-million dollars in usury that would have otherwise been legally plundered by the *Power Elite*.

Thirdly, it is imperative to establish a fixed and stable Standard of Value as a point of reference, so that in the event that any fluctuations occur, they may be rapidly detected and corrections made. I am not aware that there has ever been an attempt to fix a Standard of Value for money in the entire history of mankind. There may be some who will object to this as being untrue in the belief that the "Coinage Act of 1791" established a standard of value, or the "Gold Standard Act of 1900" created one.

This is not true. What these and some of the other Acts of Congress actually did was to simply provide a temporary standard of weight and purity of gold and silver coins and identify them as "dollars". Buyers and vendors who traded them for various other commodities decided the actual value of these in the marketplace. Such a money system functioned quite adequately in the comparatively languid agricultural economy of the time, until the *Power Elite* had monopolized the gold market and imposed it on society as the "money standard". They then, surreptitiously and as much as they were able to, began withdrawing gold from circulation.

It was by establishing gold as our monetary standard, a rare and precious commodity that they were able to control, that the *Power Elite* eventually gained absolute dominion over our financial lives. That gold, or a money system backed by gold, is the only viable means of providing a stable economy, is an outright deception. The absolute worst depressions and financial panics ever suffered by our nation occurred between the years of 1900 and 1934 during the period when the *Power Elite* had the country hopelessly victimized by their gold standard. The facts should reveal the truth as being self-evident. Anyone who continues to promote this fraudulent system today is either a crafty agent, or is yet ignorantly bedazzled by the glitter of gold and thus a dupe of the *Power Elite*.

It is interesting to note the Pavlovian habituation of the American psyche that became so apparent in 1933, when the people surrendered their gold to the government under the orders of the *Power Elite's* proxy, Franklin Delano Roosevelt. *(It will be even more interesting to see whether their grandchildren will surrender their firearms when ordered to do so under a future presidential administration.)*

It is very likely that a major factor as to why a fixed Standard of Value was never arrived at is because it may never have been seriously thought possible to do so. Each person values particular things quite differently from every other person. Further, values can vary immensely in different time periods and different geographical locations. Thus, in establishing a Standard of Value it would be a necessary prerequisite to determine just what the broad essentials for ALL standards might be.

Firstly, a standard must reflect similitude. In other words, it must be similar or comparable to that which it is the gauge of. A standard of weight must embody weight; a standard of length must exemplify length, etc.

Secondly, a standard would require stability. This is to say its value must persist, or retain constancy, in the face of all conditions encountered throughout the system it is subject to. For example, an ounce will always be precisely the same weight wherever and whenever reference is made to it.

Thirdly, a standard must provide commonality. That is, all persons who are engaged in the use of, or are subject to the system, must comprehend and have, or be able to easily access, the standard integer or unit. For example, almost everyone in America is aware of what the unit of measurement, an inch is, and has, or can easily obtain, a ruler (*standard*) by which they may accurately measure it.

Having thus created a fairly reliable paradigm with which to measure wealth against the criteria for a monetary standard... if we then compare any commodity, especially gold, against these criteria, we will be ruefully disappointed. With regard to similitude, which is our first criterion, we find there is no relationship at all. It is true that the value of gold is

determined by its weight, as are many commodities such as coal, fruit, vegetables, meat, wheat, etc... but the value of goods which are manufactured cannot be thusly established, as the primary factor in doing so is the consideration of labor costs. (*i.e. equipment, human time and energy.*)

Moving on to our second criterion, stability, we are equally as disappointed in so far as we find that gold is only chemically stable, which means it has certain durability. (*Interestingly Nebuchadnezzar, King of Babylon, on the Plain of Dura in the Fifth Century, B.C., first established the Gold Standard - *Author's note.*) In a free market, gold as a commodity, is subject to the price fluctuations accorded to the law of supply and demand. As a controlled commodity, gold prices have been on the whole less stable than the stock prices on Wall Street, and this is, of course, the result of the same causes.

It almost goes without saying that our third criterion of commonality cannot be met because even though quite a number of people have gold wedding rings and many others might have gold fillings in their teeth, probably only a small minority would have any gold coins which were intended for use as money.

Here at last, the final quietus to the Gold Standard advocacy - the vast preponderance or bulk of the world's gold is either already owned or controlled by the *Power Elite*. It does not require much thought to conclude that this fact alone would make gold the very least desirable means of backing our money system. Further, from this analysis it becomes clear that of these three essential criteria for ALL standards of measurement, neither gold nor silver meet any of them as a monetary standard. Furthermore, the Gold Standard advocates also suggest that money, in addition to fulfilling its necessity as "a medium of exchange and a measurement of value" must also be a repository or "store of value" which they would fallaciously have us believe is "intrinsic" value. If we will but examine these requirements a bit more closely, we will see that they are entirely contradictory.

To begin with, money has no inherent or "intrinsic" value of its own. It only has representative or symbolic value. Money, in order to fulfil its

mission as a medium of exchange, has the imperative of being kept in circulation and the more rapidly it circulates, the healthier and more dynamic the economy becomes. When money is saved or hoarded it is no longer able to fulfil its purpose as a medium of exchange and the economy becomes correspondingly sluggish and inert. If one is in the fortunate position of having extra money, that is, more cash flow than is required to meet ones needs, then it might be prudent to exchange some of it for a "store" of gold. A wiser "store of value" however, would be, in the order of priority: storable food; water; fuel; lead; non-hybrid seeds; tools; alcohol and silver coins, all of which are easily exchangeable for other goods in a barter economy because they represent real needs or desires which have been proven to be historically viable in grass-roots economic conditions.

There is another factor of major importance, and it is one of the most significant defects intentionally designed into our money system that we must consider. It is the cause of the problem that will lead to the inevitable collapse of our western free enterprise, property-ownership system. This planned "problem" is heinously and assuredly self-destructive and yet simply and deceptively unnoticeable by its masses of victims, except those few who, at any given time, find themselves in the "squeeze" this defect creates. The manner in which "new" money (*which is in fact, not "commodity" or "real" money, but is instead "credit" representing a debt*) is introduced into circulation in America, is when our government borrows it from the European Bankers and it is issued as loans at usury through the multitude of *private* member banks in the Federal Reserve System to the unwitting public. When the State and the people borrow huge sums of money, there is an influx of money and subsequent exchange of goods and services and thus a sudden surge of prosperity.

Up to this point the system functions well, as expected, and all seems fine. However, here is the glitch, or self-destruct mechanism, that is built into the system and which is not immediately apparent to the debt slaves. The bankers, cunning as they are, create and issue only the amount of the principal of each loan, and never create the extra amount required to pay the interest. Therefore, (*and pay attention to this because what you are now having revealed to you is the "deficit defined"*) the new money

borrowed into circulation is always less than the new debt that is imposed because of interest (*usury*). In other words, the amounts required to pay the interest on all of these loans is NOT created and therefore does not exist!

In a system such as this, with its built-in shortage of money, the new debt always exceeds the new money introduced, so regardless of how much or how little is borrowed, the over-all debt increasingly out-paces the amount of money available in circulation to pay the debt. The system is designed in such a way that it is impossible for those people caught in it to ever get out of debt. It provides for a continually growing number of mortgage foreclosures and bankruptcies that are sucked down the drain at the disadvantaged end of the economic whirlpool. There is no escape! It is a never-ending, ever-increasing story. The ultimate outcome, for however long the *Power Elite* chooses to prolong the agony, will be a planned economic crisis of unimaginable proportions, the disappearance of *private* enterprise and the end of *private* property ownership. Big Brother or the State will take charge and we shall be compliant slaves in bondage to the Utopian dream envisaged by Mr. Karl Marx. (*See Chapter Ten for a convincing statistical illustration of the facts presented here.*)

Having now examined the rather dubious philosophy governing our present money system, and also the mechanics by which it is steered in the direction desired by its helmsmen, we can see that the port for which we are destined would certainly not be the most desired choice of us, the crew, who keep the ship afloat and sailing in the direction (*we are told by our captain, his navigator and officers*), will lead us to the "land of milk and honey". It would seem instead, that we are sailing our ship, and ourselves, straight into the waiting shackles of an oppressive tyrant.

Welcome, my fellow Americans, to Debtors Prison. It is hoped you will enjoy your stay. Checkout time is at the end of the millennia. Sorry, no time off for good behavior. Please leave all your belongings with the warden at the gate. Don't worry; we'll take care of your children from now on. They are no longer your responsibility. Just keep a stiff upper lip and your nose to the grindstone... (*Pardon the clichés*) Oh, and if you need anything, just contact your representatives and they will forward any messages, along with your fair share of tax monies, to our R. and R.

Headquarters at the Riviera Holiday Inn! Tragic humor at best, but certainly the implications are not far off the mark.

You might wonder: Why such a scathing and fatalistic dissertation amidst our purview of the money system? My answer to those of you who might harbor such a question is: As essential as money is to the management and well being of our lives, we, the American people, must also recognize, understand and accept that money, as it is designed to function in our present system, is a weapon that is held to the head of an unwitting public by a few powerful entities whose aim is to completely subdue and enslave the entire nation. We can glean some inclination of this from a statement made in reference to this elite "club" by one of our few courageously honest Senators from Arizona. Now passed on, Barry Goldwater said: "The Trilateral Commission is international and is intended to be the vehicle for multinational consolidation of the commercial and banking interests by seizing control of the political government of the United States. The Trilateral Commission represents a skilful, coordinated effort to seize control and consolidate the four centers of power - political, monetary, intellectual and ecclesiastical!"

America Beware!! Senator Goldwater could not have stated it more clearly to anyone who understands our chosen language. He has served his people well by pointing out to us that agents of this ambitious *Power Elite* have already infiltrated and control our government bureaucracy, our economic system, our educational and press facilities and our religious institutions. Thank you, Mr. Goldwater. I do not begrudge one penny of my tax share that helped pay your salary, in view of this information you have bequeathed to me. I salute you for the service you have rendered to those of us who are able to recognize the gravity and importance of your message, for it has helped to awaken and empower us to face the responsibility of endeavoring to save our nation, and ourselves, from the avarice and treachery of foreign powers receiving domestic assistance. Perhaps we need to prick up our ears and listen to the echoing wisdom uttered by those individuals who shaped our history. George Washington, for instance, had this to say: "Against the insidious wiles of foreign influence, the jealousy of a free people ought to be constantly awake; since history and experience prove that foreign influence is one of the most baneful woes of Republican government."

Have we Americans been jealous enough of our freedoms to remain awake? Perhaps we shall soon see, for the statement which follows was made by Mikhail Gorbachev in November of 1987 before the Soviet Politburo: "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 change within the Soviet Union, other than for cosmetic purposes. Our purpose is to disarm the American people and let them fall asleep." Has America been a sleeping giant such as Gulliver was, while the tiny, small-minded Lilliputians have stealthily, methodically and effectively strapped us to the ground.... our own soil, mind you, and made us defenseless and impotent in our own land? From a historical point of view to our victors, it would be hysterical! The American people would not only be the joke of the century, but, without doubt, would be the joke of the millennia... quite a legacy to live down, to be sure.

Never in the history of mankind would such a potentially powerful nation have been so easily and ingloriously vanquished. It is not difficult to intuit the scholarly, but vicious, sniggering among future historians as they peruse the ignominious and cowardly fate of that hopelessly futile American experiment in freedom. How long did they last??? ... A couple of centuries... No more, to be sure. A mere flash in the pan, when you consider how long man has inhabited God's Earth. Obviously he was not meant to be free, but to be ruled by the fittest and strongest of his own kind, by whatever means they choose. "Fiat! ... C'est la vie!"

Are you, the reader, enraged as yet? If not, please dispose of this book in the nearest trash can immediately and turn on the TV to your favorite soap opera, for that will, no doubt, have more significance and impact you more powerfully than real life ever has. If, however you are feeling a faint stirring of rage, I share empathy with you and would agree that such rage is appropriate, considering the deception and profligacy to which our nation and we are subject at present. If such is the case, you may wish to read on, as rage can be healthy and also motivating if one is effectively self-disciplined and intelligently directed. It is only in a condition such as this that a necessary cause can be set in motion that will achieve a desired effect.

"Rage" - righteous indignation, is an adequately noble premise from which we might empower our cause, our purpose. It is essential at this point that we make a deliberate choice to think creatively rather than destructively. In other words, react in precisely the opposite manner to which the "powers that be" would desire us. (*"Resist not evil" - the system feeds on fight.*) Remember, rage is an emotional force (*a driving power*). Creativity is a constructive choice (*a result of intelligence*). Choice is a freedom (*a natural or divine right when intelligence and discernment prevail*). Should these qualities NOT be present, it is a historically proven fact that man himself (*by divine intervention???*) intercedes and polices his fellow men, and thus himself, for better or worse, though it is doubted he ever recognizes or understands the divine or natural forces influencing his actions. It has been said: "Life is God's gift to mankind; what man does with his life is his gift to God." In this same spirit, freedom also has the nature of a gift. Once received and experienced it is then our responsibility to maintain it. If we snooze, we lose!

Returning once again to the subject of this chapter, we are forced to face the fact, even while many would like to believe otherwise, that it requires more than money to make us free. More importantly, it requires responsibility, to ones self, to the world and to God. One cannot help but commiserate with poor Sophocles of Antigone, when in 450 B.C., he observed in anguish the condition of his people: "Money lays waste cities; it sets men to roaming from home; it seduces and corrupts honest men and it turns virtue into baseness; it teaches villainy and impiety."

It seems it never occurred to him that, in the hands of competent, responsible and just men, it is merely a means of exchange and measure of value, and that what he observed in men existed only in themselves. It is the same today as it was then. A popular American newspaper cartoon character, Pogo, summed it up best when he observed: "We have met the enemy and they is US!"

Addendum

The comments appearing here are quoted from an article distributed by Forbes Magazine entitled FREE-MARKET ECONOMICS: WAVE OF THE PAST, OR WAVE OF THE FUTURE? by Lawrence Minard. The article itself was the result of an interview sponsored by the editors of Forbes with Friedrich August Hayek, who was a student of the great Austrian School of Economics, and who, in 1931, taught at the London School of Economics. There he wrote his most famous work, THE ROAD TO SERFDOM, in which he explained that economics practiced in the name of Keynes is simply a face of socialism and socialism itself simply a face of totalitarianism. He also warned intellectuals that they were wrong to think of the hated Nazism as a last-ditch defense of privilege by a dying capitalist system. Nazism was, he said, quite simply a peculiar form of socialism - and socialism was the real enemy of free people.

*(*Authors note - We are once again deeply indebted and grateful to Mr. Carl Gorton, whose very discerning researches have influenced the text that appears in this installment.)*