

## **The Bankruptcy of the United States**

*All of the above was published in the Congressional Record March 17, 1993 Volume #33, Page H-1303 by Senator James A. Traficant Jr.*

United States Congressional Record March 17, 1993 Vol. #33, page H-1303 Speaker-Senator James Traficant, Jr. (Ohio) addressing the House: "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. We are setting forth hopefully, a blueprint for our future. There are some who say it is a coroner's report that will lead to our demise."

It is an established fact that the United States Federal Government has been dissolved by the Emergency Banking Act, March 9, 1933, 48 Stat. 1, Public Law 89-719; declared by President Roosevelt, being bankrupt and insolvent. H.J.R. 192, 73rd Congress in session June 5, 1933 - Joint Resolution to Suspend the Gold Standard and Abrogate The Gold Clause dissolved the Sovereign Authority of the United States and the official capacities of all United States Governmental Offices, Officers, and Departments and is further evidence that the United States Federal Government exists today in name only.

The receivers of the United States Bankruptcy are the International Bankers, via the United Nations, the World Bank and the International Monetary Fund. All United States Offices, Officials, and Departments are now operating within a de facto status in name only under Emergency War Powers. With the Constitutional Republican form of Government now dissolved, the receivers of the Bankruptcy have adopted a new form of government for the United States. This new form of government known as a Democracy, being an established Socialist/Communist order under a new governor for America. This act was instituted and established by transferring and/or placing the Office of the Secretary of Treasury to that of the Governor of the International Monetary Fund. Public Law 94-564, page 8, Section H.R. 13955 reads in part: "The U.S. Secretary of Treasury receives no compensation for representing the United States?"

United States Congressional Record May 4, 1992, page H 2891, Senator and Chairman of the House of Representatives Committee on Banking, Finance and Urban Affairs, Senator Henry Gonzalez (Texas) speaking on "NATIONAL AND INTERNATIONAL THIEVERY IN HIGH PLACES" "We are bankrupted. We are insolvent on every level of our national life, whether it is corporate, whether it is just plain you and I out there with the life of debt that we have all piled up, private debt credit cards and what not or whether it is the government. We an insolvent. How long will it take before that nasty Mega-truth is conveyed?"

United States Congressional Record January 19, 1976, page 240 Marjorie S. Holt (Maryland): "Mr. Speaker, many of us recently received a letter from the World Affairs Council of Philadelphia, inviting members of Congress to participate in a ceremonial signing of "A Declaration of Independence" on January 30 in Congress Hall, adjacent to Independence Hall in Philadelphia. A number of Members of Congress have been invited to sign this document, lending their prestige to its theme, but I want the record to show my strong opposition to this declaration. It calls for the surrender of our national sovereignty to international organizations. It declares that our economy should be regulated by international authorities. It proposes that we enter a "New World Order" that would redistribute the wealth created by the American people. Mr. Speaker, this is an obscenity that defiles our Declaration of Independence, signed 200 years ago in Philadelphia. We fought a great Revolution for independence an individual liberty, but now it is proposed that we participate in a world socialist order. Are we a proud and free people, or are we a carcass to be picked by the jackals of the world, who want to destroy us? When one cuts through the high-flown rhetoric of this "Declaration of INTERdependence," one finds key phrases that tell the story. For example, it states that 'The economy of all nations is a seamless web, and that no one nation can any longer effectively maintain its processes of production and monetary systems without recognizing the necessity for collaborative regulation by international authorities.' How do you like the

idea of "international authorities" controlling our production and our monetary system, Mr. Speaker? How could any American dedicated to our national independence and freedom tolerate such an idea? America should never subject her fate to decisions by such an assembly, unless we long for national suicide. Instead, let us have independence and freedom....If we surrender our independence to a "new world order....,we will be betraying our historic ideals of freedom and self-government. Freedom and self-government are not outdated. The fathers of our Republic fought a revolution for those ideals, which are as valid today as they ever were. Let us not betray freedom by embracing slave masters; let us not betray self-government with world government; let us celebrate Jefferson and Madison, not Marx and Lenin?

A dollar is a measure of weight defined by the Coinage Act of 1792 and 1900 which is still in force today. A "dollar" specifies a certain quantity, 24.8 grains of gold, or 371.25 grains of silver. In Black's Law Dictionary, sixth Edition, Dollar: "The money unit employed in the United States of the value of one hundred cents, or of any combination of coins totaling 100 cents?" Cent: "A coin of the United States, the least in value of those now minted. It is the hundredth part of a dollar?"

Gold and silver were such a powerful money during the founding of the united states of America, that the founding fathers declared that only gold or silver coins can be "money" in America. Since gold and silver coinage were heavy and inconvenient for a lot of transactions, they were stored in banks and a claim check was issued as a money substitute. People traded their coupons as money, or "currency." Currency is not money, but a money substitute. Redeemable currency must promise to pay a dollar equivalent in gold or silver money. Federal Reserve Notes (FRNs) make no such promises, and are not "money." A Federal Reserve Note is a debt obligation of the federal United States government, not "money?" The federal United States government and the U.S. Congress were not and have never been authorized

by the Constitution for the united states of America to issue currency of any kind, but only lawful money, -gold and silver coin.

It is essential that we comprehend the distinction between real money and paper money substitute. One cannot get rich by accumulating money substitutes; one can only get deeper into debt. We the People no longer have any "money." Most Americans have not been paid any "money" for a very long time, perhaps not in their entire life. Now do you comprehend why you feel broke? Now, do you understand why you are "bankrupt," along with the rest of the country?

Federal Reserve Notes (FRNs) are unsigned checks written on a closed account. FRNs are an inflatable paper system designed to create debt through inflation (devaluation of currency), when ever there is an increase of the supply of a money substitute in the economy without a corresponding increase in the gold and silver

The Federal Reserve System is a sovereign power structure separate and distinct from the federal United States government" The Federal Reserve is a maritime lender, and/or maritime insurance underwriter to the federal United States operating exclusively under Admiralty/Maritime law. The lender or underwriter bears the risks, and the Maritime law compelling specific performance in paying the interest, or premiums are the same. Assets of the debtor can also be hypothecated (to pledge something as a security without taking possession of it.) as security by the lender or underwriter. The Federal Reserve Act stipulated that the interest on the debt was to be paid in gold. There was no stipulation in the Federal Reserve Act for ever paying the principle.

Prior to 1913, most Americans owned clear, allodial title to property, free and clear of any liens or mortgages until the Federal Reserve Act (1913)

"Hypothecated" all property wither the federal United States to the Board of Governors of the Federal Reserve, -in which the Trustees (stockholders) held legal title. The U.S. citizen (tenant, franchisee) was registered as a

"beneficiary" of the trust via his/her birth certificate. In 1933, the federal United States hypothecated all of the present and future properties, assets and labor of their "subjects," the 14th Amendment U.S. citizen, to the Federal Reserve System.

In return, the Federal Reserve System agreed to extend the federal United States corporation all the credit "money substitute" it needed. Like any other debtor, the federal United States government had to assign collateral and security to their creditors as a condition of the loan. Since the federal United States didn't have any assets, they assigned the private proper" of their "economic slaves", the U.S. citizens as collateral against the unpayable federal debt. They also pledged the unincorporated federal territories, national parks forests, birth certificates, and nonprofit organizations, as collateral against the federal debt. All has already been transferred as payment to the international bankers.

Unwittingly, America has returned to its pre-American Revolution, feudal roots whereby all land is held by a sovereign and the common people had no rights to hold allodial title to property. Once again, We the People are the tenants and sharecroppers renting our own property from a Sovereign in the guise of the Federal Reserve Bank. We the people have exchanged one master for another.

This has been going on for over eighty years without the "informed knowledge" of the American people, without a voice protesting loud enough. Now it's easy to grasp why America is fundamentally bankrupt. Why don't more people own their properties outright? Why are 90% of Americans mortgaged to the hilt and have little or no assets after all debts and liabilities have been paid? Why does it feel like you are working harder and harder and getting less and less?

We are reaping what has been sown, and the results of our harvest is a painful bankruptcy, and a foreclosure on American property, precious

liberties, and a way of life. Few of our elected representatives in Washington, D.C. have dared to tell the truth. The federal United States is bankrupt. Our children will inherit this unpayable debt, and the tyranny to enforce paying it.

America has become completely bankrupt in world leadership, financial credit and its reputation for courage, vision and human rights. This is an undeclared economic war, bankruptcy, and economic slavery of the most corrupt order! Wake up America!

Take back your Country.

## **The Remedy: Abolish the Fed**

by Rep. Ron Paul, MD

In the House of Representatives, September 10, 2002

Mr. Speaker, I rise to introduce legislation to restore financial stability to America's economy by abolishing the Federal Reserve. I also ask unanimous consent to insert the attached article by Lew Rockwell, president of the Ludwig Von Mises Institute, which explains the benefits of abolishing the Fed and restoring the gold standard, into the record. Since the creation of the Federal Reserve, middle and working-class Americans have been victimized by a boom-and-bust monetary policy. In addition, most Americans have suffered a steadily eroding purchasing power because of the Federal Reserve's inflationary policies. This represents a real, if hidden, tax imposed on the American people. From the Great Depression, to the stagflation of the seventies, to the burst of the dotcom bubble last year, every economic downturn suffered by the country over the last 80 years can be traced to Federal Reserve policy. The Fed has followed a consistent policy of flooding the economy with easy money, leading to a misallocation of resources and an artificial "boom" followed by a recession or depression when the Fed-created bubble bursts.

With a stable currency, American exporters will no longer be held hostage to an erratic monetary policy. Stabilizing the currency will also give Americans new incentives to save as they will no longer have to fear inflation eroding their savings. Those members concerned about increasing America's exports or the low rate of savings should be enthusiastic supporters of this legislation.

Though the Federal Reserve policy harms the average American, it benefits those in a position to take advantage of the cycles in monetary policy. The main beneficiaries are those who receive access to artificially inflated money and/or credit before the inflationary effects of the policy impact the entire economy. Federal Reserve policies also benefit big spending politicians who use the inflated currency created by the Fed to hide the true costs of the welfare-warfare state. It is time for Congress to put the interests of the American people ahead of the special interests and their own appetite for big government.

Abolishing the Federal Reserve will allow Congress to reassert its constitutional authority over monetary policy. The United States Constitution grants to Congress the authority to coin money and regulate the value of the currency. The Constitution does not give Congress the authority to delegate control over monetary policy to a central bank. Furthermore, the Constitution certainly does not empower the federal government to erode the American standard of living via an inflationary monetary policy.

In fact, Congress' constitutional mandate regarding monetary policy should only permit currency backed by stable commodities such as silver and gold to be used as legal tender. Therefore, abolishing the Federal Reserve and returning to a constitutional system will enable America to return to the type of monetary system envisioned by our nation's founders: one where the value of money is consistent because it is tied to a commodity such as gold. Such a monetary system is the basis of a true free-market economy. In conclusion, Mr. Speaker, I urge my colleagues to stand up for working Americans by putting an end to the manipulation of the money supply which erodes Americans' standard of living, enlarges big government, and

enriches well-connected elites, by cosponsoring my legislation to abolish the Federal Reserve.

## WHY GOLD?

By Llewellyn H. Rockwell, Jr.

As with all matters of investment, everything is clear in hindsight. Had you bought gold mutual funds earlier this year, they might have appreciated more than 100 percent. Gold has risen \$60 since March 2001 to the latest spot price of \$326.

Why wasn't it obvious? The Fed has been inflating the dollar as never before, driving interest rates down to absurdly low levels, even as the federal government has been pushing a mercantile trade policy, and New York City, the hub of the world economy, continues to be threatened by terrorism. The government is failing to prevent more successful attacks by not backing down from foreign policy disasters and by not allowing planes to arm themselves. These are all conditions that make gold particularly attractive.

Or perhaps it is not so obvious why this is true. It's been three decades since the dollar's tie to gold was completely severed, to the hosannas of mainstream economists. There is no stash of gold held by the Fed or the Treasury that backs our currency system. The government owns gold but not as a monetary asset. It owns it the same way it owns national parks and fighter planes. It's just another asset the government keeps to itself. The dollar, and all our money, is nothing more and nothing less than what it looks like: a cut piece of linen paper with fancy printing on it. You can exchange it for other currency at a fixed rate and for any good or service at a flexible rate. But there is no established exchange rate between the dollar and gold, either at home or internationally.

The supply of money is not limited by the amount of gold. Gold is just another good for which the dollar can be exchanged, and in that sense is legally no different from a gallon of milk, a tank of gas, or an hour of babysitting services.

Why, then, do people turn to gold in times like these? What is gold used for? Yes, there are industrial uses and there are consumer uses in jewelry and the like. But recessions and inflations don't cause people to want to wear more jewelry or stock up on industrial metal. The investor demand ultimately reflects consumer demand for gold. But that still leaves us with the question of why the consumer demand exists in the first place. Why gold and not sugar or wheat or something else?

There is no getting away from it: investor markets have memories of the days when gold was money. In fact, in the whole history of civilization, gold has served as the basic money of all people wherever it's been available. Other precious metals have been valued and coined, but gold always emerged on top in the great competition for what constitutes the most valuable commodity of all.

There is nothing intrinsic about gold that makes it money. It has certain properties that lend itself to monetary use, like portability, divisibility, scarcity, durability, and uniformity. But these are just descriptors of certain qualities of the metal, not explanations as to why it became money. Gold became money for only one reason: because that's what the markets chose. Why isn't gold money now? Because governments destroyed the gold standard. Why? Because they regarded it as too inflexible. To be sure, monetary inflexibility is the friend of free markets. Without the ability to create money out of nothing, governments tend to run tight financial ships. Banks are more careful about the lending when they can't rely on a lender of last resort with access to a money-creation machine like the Fed. A fixed money stock means that overall prices are generally more stable. The problems of inflation and business cycles disappear entirely. Under the gold standard, in fact, increased market productivity causes prices to generally decline over time as the purchasing power of money increases. In 1967, Alan Greenspan once wrote an article called *Gold and Economic Freedom*. He wrote that: *"An almost hysterical antagonism toward the gold standard is one issue which unites statist of all persuasions. They seem to sense – perhaps more clearly and subtly than many consistent defenders of laissez-faire – that gold and economic freedom are inseparable, that the gold standard is an instrument of laissez-faire and that each implies and requires the other. . . . This is the shabby secret of the welfare statist's"*

*tirades against gold. Deficit spending is simply a scheme for the confiscation of wealth. Gold stands in the way of this insidious process. It stands as a protector of property rights."*

He was right. Gold and freedom go together. Gold money is both the result of freedom and its leading protector. When money is as good as gold, the government cannot manipulate the supply for its own purposes. Just as the rule of law puts limits on the despotic use of police power, a gold standard puts extreme limits on the government's ability to spend, borrow, and otherwise create crazy unworkable programs. It is forced to raise its revenue through taxation, not inflation, and generally keep its house in order.

Without the gold standard, government is free to work with the Fed to inflate the currency without limit. Even in our own times, we've seen governments do that and thereby spread mass misery.

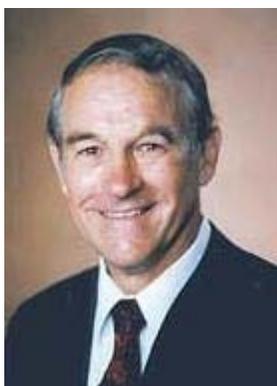
Now, all governments are stupid but not all are so stupid as to pull stunts like this. Most of the time, governments are pleased to inflate their currencies so long as they don't have to pay the price in the form of mass bankruptcies, falling exchange rates, and inflation.

In the real world, of course, there is a lag time between cause and effect. The Fed has been inflating the currency at very high levels for longer than a year. The consequences of this disastrous policy are showing up only recently in the form of a falling dollar and higher gold prices. And so what does the Fed do? It is pulling back now. For the first time in nearly ten years, some measures of money (M2 and MZM) are showing a falling money stock, which is likely to prompt a second dip in the continuing recession.

Greenspan now finds himself on the horns of a very serious dilemma. If he continues to pull back on money, the economy could tip into a serious recession. This is especially a danger given rising protectionism, which mirrors the events of the early 1930s. On the other hand, a continuation of the loose policy he has pursued for a year endangers the value of the dollar overseas.

How much easier matters were when we didn't have to rely on the wisdom of exalted monetary central planners like Greenspan. Under the gold standard, the supply of money regulated itself. The government kept within limits. Banks were more cautious. Savings were high because credit was tight and saving was rewarded. This approach to economics is the foundation of a sustainable prosperity.

We don't have that system now for the country or the world, but individuals are showing their preferences once again. By driving up the price of gold, prompting gold producers to become profitable again, the people are expressing their lack of confidence in their leaders. They have decided to protect themselves and not trust the state. That is the hidden message behind the new luster of gold.



Is a gold standard feasible again? Of course. The dollar could be redefined in terms of gold. Interest rates would reflect the real supply and demand for credit. We could shut down the Fed and we would never need to worry again what the chairman of the Fed wanted. There was a time when Greenspan was nostalgic for such a system. Investors of the world have come to embrace this view even as Greenspan has completely abandoned it.

What keeps the gold standard from becoming a reality again is the love of big government and war. If we ever fall in love with freedom again, the gold standard will once more become a hot issue in public debate. Dr. Ron Paul is a Republican member of Congress from Texas.

### The Federal Reserve: An Astounding Exposure 1934

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your information and enlightenment. Since the total national debt is larger than the total supply of money substitutes and the personal income tax is used solely to pay only the interest on the national debt, paying off the principle and interest of the national debt is a legal impossibility. **THE LAW DOES NOT PERMIT IMPOSSIBILITIES.** It is now possible to declare your personal independence by filing an affidavit with your state Secretary of State specially objecting to the forced use and benefit of receiving Federal Reserve Notes. This affidavit is a comprehensive removal of signature on all government applications that made you a statutory person and restores to you a pure common-law status where your worth is measured only in gold and silver coin and never in any negotiable instruments such as Federal Reserve Notes. You can get this affidavit for \$50.00. For more details click on **FIGHT PACKAGES - Do the law does not permit impossibilities declaration affidavit and your UCC-1** and become the holder in due course of your name in all capital letters.

**See Also:**

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