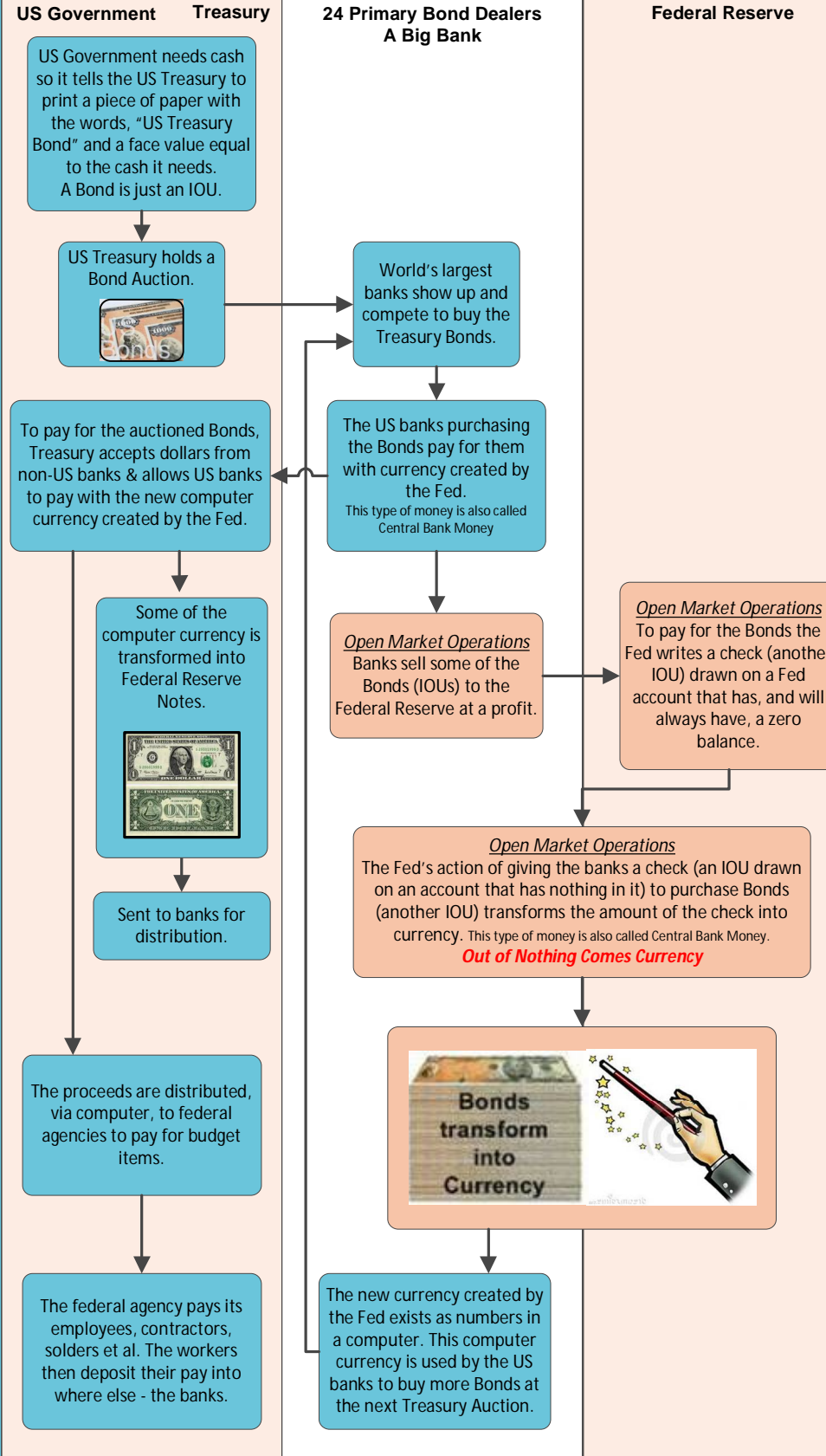


How Money is Created from Nothing #1a – Central Bank Money

Computer Currency Generated Through Treasury Bond Auctions

Sources: The Creature from Jekyll Island by G. Edward Griffin, 2010 & The Biggest Scam in the History of Mankind: Hidden Secrets of Money.com 2013
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Comments/Ramifications

Treasury Bonds are a promise to pay a specific amount at a certain time in the future. They are nothing but glorified IOUs. Treasury Bonds & Notes are the national debt.

24 bond dealers handle all sales of government securities. Government agencies cannot exchange with each other without going through the dealers who earn commissions on each transaction.

When big banks buy Treasury Bonds at the Auction, they're actually buying a portion of the national debt and profiting from the interest. **Big banks want the national debt to increase because they make a lot of money from its expansion.**

When the Fed writes a check it's creating money even though there is nothing backing up the check. For anyone else this would be FRAUD, but not the Fed. **The Fed creates money out of thin air by literally entering numbers into a computer screen.**

Look at the sequence of events closely.

- Doesn't there appear to be a lot of unnecessary steps? It's almost as if they're trying to convince an observer that a simple transaction is very complicated.
- Aren't the Treasury & Fed just swapping IOUs?
- If the Treasury & Fed are swapping IOUs, what function to the Primary Bond dealers (big banks) play? Their involvement adds no value so their sole purpose is to act as middlemen in order to receive a commission. Why are they included?
- If the point of the money creation process is to create something of value, why then is the Treasury printing Bonds (paper IOUs) & the Fed writing checks (paper IOUs) and then exchanging them. It looks like they are trading two intrinsically worthless things and pretending this justifies the creation of currency which is supposed to be worth something? How can two worthless things combine to form something of value?

The money creation process was purposely made complicated to hide these facts:

- > **The Fed & Banks create money out of nothing.**
- > **The Fed & Banks collect interest having done nothing to deserve it.**
- > **Big Bank involvement in Central Bank money creation is unnecessary but included so they can take a cut.**
- > **The US Government could create money out of nothing themselves without the Fed.**

Central Banking (the Fed) is one of the most socially paralyzing structures humanity has ever endured.

- Under the guise of purchasing government bonds, the Fed acts as a hidden money machine which can be activated any time the politicians want. Politicians no longer have to depend on taxes to raise money and since the process is not understood by the public, it is politically safe.
- Here is a tool for obtaining unlimited funding for politicians & endless profits for bankers. Best of all, the people who pay the bills for both groups have no idea what is being done to them.
- With nothing backing our currency, each new dollar decreases the value (i.e., purchasing power) of the dollars already created. This is the biggest tax we American's pay and it is completely hidden. This degrading of a current dollar by creating a new dollar is the real definition of inflation.
- Since the Fed can't bounce a check, they can create money whenever they want, e.g., Quantitative Easing.
- The Fed is a hybrid entity i.e., not a US government agency & not a private corporation. However, the Fed is independent of direct political control so the concerns of the people & country will always be secondary to the goal of increasing profit for itself & its 12 private regional big bank stockholders.



The end result is a build-up of:

- Currency at the Treasury
- Profits at the Banks
- Treasury Bonds at the Federal Reserve