



Written by [Wallis W. Wood](#) on September 3, 2010

The Conspiracy That Is the Federal Reserve

How much money do you have in your wallet? I'm not trying to be nosey. I want to make a very important point about what is wealth — and why what we call "dollars" have lost 80 percent of their purchasing power since I came kicking and screaming into the world.

Let's begin today's lesson by reading what a dollar bill says it is. On the front, under that heroic portrait of George Washington, you'll see that what you're holding is "one dollar." Above and to the left it declares, "This note is legal tender for all debts, public and private."



That seems pretty clear. It means that I can buy things with this smallish black-and-green piece of paper. And if I owe you any "money" for something, by law you must accept the equivalent amount of these "dollars" in payment.

But we still haven't determined what a "dollar" is or what gives it any value. There are a bunch of other numbers and symbols on the front and back that we can ignore for today's discussion. I'm not going to get into any Dan Brown mystical symbolism here. Not even to mention the Illuminati's all-seeing eye on the back. Nope, let's stick with the plain and simple words on the front. We'll quickly learn that they aren't so plain or simple after all.

Above the legal-tender phrase, in the largest type of all, it says "The United States of America." That helps. Now we know we're talking about a form of currency for this country, not Bratislava or Bangladesh.

Of all the words on our currency, however, the most important are the three at the very top: "Federal Reserve Note." And here, as the mystery writers like to say, is where the plot thickens. What is the Federal Reserve? Why are its "notes" the mandatory legal currency of the United States? And probably the most important question of all, when it comes to you and me providing for our families today and in the future — why has the value of this monetary unit fallen so far and so fast?

The reality is pretty horrifying. Since the formation of the Federal Reserve in 1913, the purchasing power of the monetary unit it creates and controls has fallen by more than 90 percent. To put it another way, most things you could buy for "a dollar" back then will cost you at least 10 times more today.

You would think that after nearly a century of managing our money the masters at the Federal Reserve would have learned some lessons, wouldn't you? But no, their record in the past decade isn't any better than it was 90 years ago. Consider: 10 years ago, a "dollar" was worth 1/265th of an ounce of gold. That is, if you had 265 of the things, you could buy one ounce of the Midas metal.

Today an ounce of gold will cost you around 1,240 "dollars." Has gold gone up 367 percent in value in the past 10 years? No. I would argue that its "value" hasn't changed at all; it's just the price that has skyrocketed.



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But no, that isn't true, either. Gold hasn't climbed 367 percent in price; rather, the U.S. dollar has dropped in value. When you think about it, it's easy to understand why: When you produce more of anything, the price of each individual unit usually goes down. Produce an extra 10 trillion "dollars" and what happens to the value of each one? Think of dropping a rock from the top of the Empire State Building.

So with all of that as background, let's now turn to the most important questions of all. What is the Federal Reserve and why has the value of its most important creation — the currency of the United States of America — fallen so much since it took over?

And here we come to an end to easy answers. I have less than 1,000 words left for today's column. A friend of mine spent more than 20 years researching this subject and then wrote a 500-page book explaining what he discovered. The book is called [The Creature from Jekyll Island](#) and the author is G. Edward Griffin. If you are not familiar with the book or the author, you should be.

In fact, I'll go further: I'll argue that understanding what has been done to our money, and what it will take to make it sound once again, could be the most important issue our country will face in the next 50 years. Your life may not depend on the answer; but your quality of life surely does.

What is the Federal Reserve? Ed Griffin says the bottom line is that the Federal Reserve is a banking cartel. It was formed in secret, at a private meeting of the nation's top bankers and financiers, far away from the glare of publicity such a meeting would receive in Washington, D.C., or New York City.

After the scheme was hatched it was then necessary to get it approved by Congress. The conspirators knew that if their role in the Fed's creation became public there was no chance it would be approved. So they simply denied they had anything to do with it. In fact, a couple of them were selected to appear to oppose it.

The measure was presented to Congress as a way to control Wall Street bankers who were blamed for all of the country's prior financial problems. The schemers told a gullible public they didn't need no stinkin' Federal Reserve. "Please don't create a new agency to control us," they begged. Talk about audacity!

Uncle Remus understood the ruse very well. "Please, Br'er Bear, puh-leeze don't throw me into that briar patch."

For more than 20 years the founders of the Federal Reserve lied about their participation in the plot. But once they knew they had gotten away with it, secrecy gave way to hubris. They started bragging about what they had done. They were actually proud of how they pulled the wool over the eyes of Congress and a trusting public. The details in Ed's book of this duplicity will shock you. At least I hope they will.

I wish Daniel Webster, the early American statesman and Senator, had been around when they pulled off this stunt. He would have understood the machinations very well. "Of all the contrivances for cheating the laboring classes of mankind," he wrote, "none has been more effective than that which deludes them with paper money."

Want more? Here's an exchange that hits a lot closer to home. It took place in 1941 when Representative Wright Patman (D-Texas) demanded that Marriner Eccles, the governor of the Federal Reserve System at the time, testify before the House Committee on Banking and Currency. Patman was the committee chairman and he wanted to know where the Federal Reserve got the money to purchase



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\$2 billion worth of government bonds. That led to the following exchange:

ECCLES: We created it.

?PATMAN: Out of what?

?ECCLES: Out of the right to issue credit money.

?PATMAN: And there is nothing behind it, is there, except our government's credit?

?ECCLES: That is what our money system is. If there were no debts in our money system, there wouldn't be any money.

Back in 1941, \$2 billion was a lot of money. But it's a drop in the bucket, literally, compared to what the Federal Reserve has done recently. To put it in plain language, the Fed has consciously and deliberately engaged in the most massive financial fraud in history. Through the creation of literally trillions of dollars of debt it has saddled our children and our children's children with astronomical financial obligations. I, for one, doubt if they will ever be paid.

For a while the money manipulators got away with it through the specious argument that "we owe it to ourselves." No, we don't. We owe it to every person and every government on earth that holds any form of U.S. debt, whether dollars or Treasury bills.

Through the creation of money and the resulting inflation of our currency the masters of the Federal Reserve have stolen trillions of dollars in wealth from us. The theft continues every hour of every day.

The next time you use a dollar for anything, from a package of gum to a loaf of bread, pause for a moment and reflect on what it really is — a symbol of a 100-year-old conspiracy to seize your wealth.

But what can we do about it? As every military vet knows, you can't fight what you don't understand. Before you can take effective action against the Fed you need to know the enemy. Begin by reading Ed Griffin's incredibly important book. You can get your own copy of *The Creature from Jekyll Island* by [clicking here](#).

Until next time, keep some powder dry.

Chip Wood was the first news editor of *The Review of the News* and also wrote for *American Opinion*, our two predecessor publications. He is now the geopolitical editor of *Personal Liberty Digest*, where his *Straight Talk* column appears twice a month. This article first appeared in [PersonalLiberty.com](#) and has been reprinted with permission.



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