



Written by [William S. Hahn](#) on April 9, 2024

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If We End the Fed, What Then?

The late John F. McManus — longtime president of The John Birch Society and publisher of *The New American* — once quipped that when people ask what should replace the Federal Reserve, we should ask if they prefer replacing cancer with pneumonia and two broken legs.

His point was that the Federal Reserve needed no replacement, and certainly not from the government. He made a distinction between commodity money (gold, silver, and other precious metals), fiduciary currency (“honest paper money” that is merely a receipt for commodity money), and fiat currency (pieces of paper backed by government fiat that have had their value hollowed out by inflation). We have fiat currency today. Since the Fed and Congress are responsible for devaluing the dollar by 98 percent since 1913, why would we want government in charge of money?



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Getting rid of the Federal Reserve will lead to long-term economic success. Removing the power to inflate will help keep the value of the dollar strong and stop Congress from having unlimited money for its unconstitutional spending. No efforts to balance the budget, including the terrible idea of amending the Constitution, will ever be successful unless the Federal Reserve is abolished.

Ending the Fed would also remove the safety net that has served to bail out domestic and foreign banks, as well as foreign countries, at American taxpayer expense. None of these bailouts are constitutional, and most are hidden from the public. Ceasing such bailouts would force entities to adopt more fiscal responsibility.

Abolishing the Fed would also help to safeguard against attempts to replace the dollar as the global reserve currency. The BRICS organization (Brazil, Russia, India, China, and South Africa) has begun trading petroleum in currency other than dollars, directly undermining the dollar’s reserve-currency status it has enjoyed since the early 1970s.

It’s time we restore sound money and take away the power of government to inflate, assuring buyers and sellers of goods everywhere that the dollar remains king.

As McManus explained in his *Dollars & Sense* booklet and accompanying video, commodity money needs no managing, as the free market will set its own value. He suggested seven steps to reaching fiscal soundness, which can be boiled down to two main strategies: Allow competition, and return to constitutional limitations on money and federal spending.



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In a free market, competition produces excellence, and the government monopoly of money needs to end.

We also suggest an added step: Take responsibility for personal finances. Statistics about Americans' average consumer debt, poor spending habits, and lack of retirement savings are frightening. Granted, government's involvement has made personal financial responsibility more difficult, but let's not give government additional reasons to unconstitutionally intervene in the economy. Stick to solid financial principles of paying cash for items you can afford, paying off debt, not borrowing money, and saving for future use.

Members of The John Birch Society have helped to bring clarity to a complex financial situation that government has largely created. Through one-on-one conversations and distribution of educational tools, they have helped to define the problem and offer viable solutions. This education among the voters generates pressure on elected officials to act according to the Constitution.

The *Dollars & Sense: Solutions to the Economic Meltdown* booklet and DVD are available for purchase at [ShopJBS.org](#). Distribute them to influencers in your network to help restore fiscal sanity. Many states have taken action to restore sound money through gold and silver legislation; you can see 12 examples of such legislation at the End the Fed Action Project page at [JBS.org/fed](#), under Learn More. Meet with your state legislators to get legislation passed. Even liberal Democrats are getting on board with this, as Wisconsin Governor Tony Evers just signed a law eliminating sales tax on gold and silver. Birchers were instrumental in getting that passed — visit [JBS.org](#) to get started in your state.



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