



Written by [Bob Adelman](#) on October 7, 2011

Ellen Brown and Matthew Yglesias Both Want Free Money

He explained:

My view is that the best demand of all ... is “free money for the rest of us.” There are a lot of different specific ways this can be implemented, but the ... Powers That Be ... have been willing to provide all manner of free money to players in the banking system. Debt cancellation is a form of free money for the indebted. But why give free money only to banks? And why give free money only to the indebted? Why not free money for everyone? “Everyone,” of course, includes the indebted. But it also includes ordinary people who didn’t happen to avail themselves of the credit binge. It’s an idea so good that it sounds almost silly.



“Everyone knows” that you can’t just hand out free money to everybody. Except actually you can ... in the short term, free money for everyone impacts prices ... [but] it would do so in a useful way. I don’t know what the best way to turn this into a slogan is, but the point is that if the different institutions that together constitute “the government” worked together, they could put more dollars into our hands. Creditors won’t like it because doing this will devalue their existing debt claims, but so what?

ThinkProgress is an offshoot of the [Center for American Progress](#), founded in 2003 as a “left-leaning alternative” to think tanks such as the Heritage Foundation and the American Enterprise Institute, and so it’s appropriate that Yglesias sports a BA in philosophy from Harvard with a concentration in foolishness. But that foolishness isn’t restricted to ramblings about the Wall Street demonstrations. He sounds very much like Ellen Brown, author of [Web of Debt](#), who has been embraced by many in the Tea Party who think her opposition to the Federal Reserve means she also has good ideas about how to abolish it. Last fall, Brown was engaged in the debate about the advantages of Quantitative Easing II (QE2) in stimulating the economy when [she wrote](#),

QE2 is not a “helicopter drop” of money on the banks or on Main Street. It is the Fed funding the government virtually interest-free, allowing the government to do what it needs to do without driving up the interest bill on the federal debt...The Fed failed to revive the economy with QE1, but it could redeem itself with QE2...

According to Gary North, who has been following Brown’s exploits [with great interest](#), having invested over 200 hours in examining and refuting her claims on his website, Brown is “a Keynesian, a mercantilist, and a left-wing Populist who promotes the construction of a Federal welfare state by means of fiat money [currency not backed by a precious commodity such as gold].” As proof, he offers this quote from page 458 of her *Web of Debt*. What she wants is



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the availability of funds for a whole range of government services that have always been needed but could not be afforded under the "fractional reserve" system, including improved education, environmental cleanup and preservation, universal healthcare, restoration of infrastructure, independent medical research, and development of alternative energy sources.

In other words, Brown wants free money to fund all the government projects that aren't being funded now for lack of money, but she doesn't want to do it through the Federal Reserve. Instead she wants to nationalize the Fed and let Congress determine just how much money would be needed to pay for the government's spending plans. Those spending plans would necessarily involve a huge expansion of federal government welfare programs using fiat printing press money to pay for it.

What makes her story so persuasive to uninformed Tea Partiers is [her position](#) that the power to create this fiat paper money has been "usurped by a private international banking cartel which issues our money as debt and lends it back to us at interest. The cartel makes it appear that governments are creating our money, and governments get blamed when things go wrong, but [the government is] just [a] pawn of the cartel."

She goes on to say,

We the people can get back our government and our republic only by reclaiming the power to create our own money. We can use the same credit system that private banks use, but administered as a public utility, monitored and overseen by public servants, on the model of libraries and courts.

Her love of the state to solve problems was revealed [in her interview](#) with Anthony Wile at The Daily Bell in January when he asked her, "Why do you believe that government is superior to the free market?"

Brown: I believe government is necessary to have a free market. Otherwise you have the law of the jungle, the exploitation of the weak by the strong.

Wile: Why not fight for freedom instead of government intervention?

Brown: I am fighting for freedom — freedom from a corrupt banking monopoly that collects tribute for letting us use our own public credit ... freedom from starvation and disease resulting from an artificial scarcity imposed by a private monopoly over the creation of money and credit.

At the end of the interview Wile expressed his exasperation at his inability to pin her down on the effects of such continued interference in the marketplace, all in the name of less interference. Exclaimed Wile, "If the state wishes to spend more than it has, those in charge of these banks can still be tasked to raise money by issuing more money than is actually needed. Thus the boom/bust business cycle ... would still hold sway. Brown ... wants the state to control money while libertarians want money to be controlled by individuals within the context of a free market.... Banks would not exist in such an arrangement except privately as clearinghouses without the color of government power."

It isn't surprising that the increasing understanding created in the Internet age about the dangers of central banking, and the destruction being wrought by it, is often being co-opted by statisticians such as Brown. Yglesias has his excuse: He's a Harvard grad with no boots-on-the-ground experience in the real



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world. Brown has no such excuse. She's too bright not to know that shifting the power to print money from one place to another wouldn't solve anything. Says Wile,

It is an alluring theory — that people ought to control the printing of money. But the printing of money divorced from an underlying asset ... is nothing but an invitation to ruin. Ellen Brown's ideas ... are tempting. Like poison fruit they must be set aside. There is no money but market money. Partake of any other and disasters will eventually occur.



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