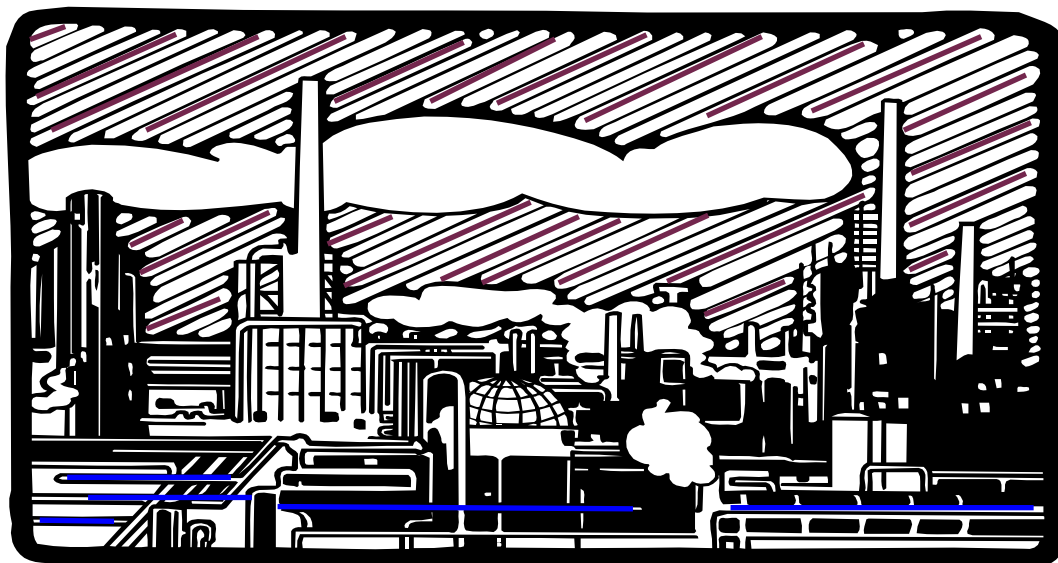


the Industrial Age and Debt-Money

1995



It is often stated, in support of the Banking System's fractional reserve method of creating money that, **"It would have been impossible to have the progress of the industrial age using gold for money."** Proponents of fractional reserve banking argue that the gold would not have allowed for the expansion of the money supply necessary to fund the Industrial Age.

Economists and others that support bank-created debt money love to argue that it's really the **'velocity of money'** that makes the money supply grow. But, they always forget or neglect to acknowledge that **if that statement were true, then increasing the velocity of the gold coinage would have also increased the money supply of gold coinage** thereby providing the money supply required to fund the Industrial Age. They never acknowledge the fact that in 1792, the dollar was a weight of silver, not gold and that the metal money supply could have been increased using palladium or any other metal as well as gold or silver. Today, no statutory definition of 'dollar' exists.

Yet, the issue is not whether the money supply was increased as a paper or metal medium of exchange but whether the money supply was increased as a wealth to the

people or as debts to the people. Most people do not truly understand this part of the Federal Reserve fractional banking money system. In addition, most people seem to be afraid to think about the fact that today, contrary to our past, **the money supply is only increased as debts upon the people!**

There is no argument that growth in the money supply was needed to have the economic growth that America has experienced. But, who got the financial benefit of the economic expansion? That's the question that needs to be asked. Did the people as a whole get the financial benefit or just the moneyed elite? For the answer, we need look no further than the growth of our national debt, both public and private and recognize the well-known fact that the rich are getting richer and the middle-class is getting poorer.



A debt-free bookkeeping entry medium of exchange could have been used to expand the money supply as a wealth to all the people just as easily as the money supply was expanded as interest-bearing loans for the benefit of the special interests.

A better understanding of how to increase the money supply as a wealth to the entire body of people rather than to just the special interests is needed. A knowledge of money begins by understanding that the **real economic benefit of gold or silver money is that it was debt-free!** Debt-free money benefits all the people unlike interest-bearing debt money that hurts most people and benefits only the special interests.

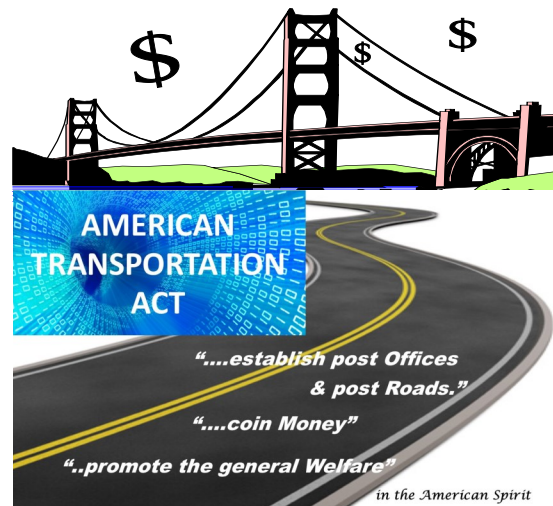
We could have and should have expanded our money supply as a debt-free representation of wealth using the **principles** that produced silver and gold coins. These were produced when the people did work first to extract the raw materials from the earth. The produced raw materials were then taken to the U.S. Mint which weighed, assayed and stamped them into coins. This **'monetized'** the people's production. The government **'coined the money' free-of-charge** thereby fulfilling its duty under Article I, Section 8 of the Constitution and did so in a manner that provided liberty, justice and

property rights to all the people. These benefits (rights) have been stripped from the people through the forced use of interest-bearing, bank-issued debt money.

When production is **'monetized'** as wealth, the number of dollars produced is directly tied to the amount of work performed. The worker (producer) gets paid. The money is **owned**, not **owed**. Americans are economically free to do commerce. The market is truly 'free'.

The principles of **'monetizing'** production could have been continued without the use of silver, gold or other metals by **'monetizing'** the production of something else that aided the development of commerce to the practical and financial benefit of all citizens.

A **Constitutional** way of implementing these principles would be to combine clauses **5 & 7 of Article I, Section 8** that state that Congress **"is to coin money"** and **"is to provide post roads"**. Simply **'monetize'** the **production of public roads and bridges!**



This **combination of labor and raw resources** creates new production in the formation and maintenance of public roads and bridges. The work is done. The producer is paid. Obviously, one cannot carry a piece of road around in a pocket or purse! But, Congress, via the Bureau of Printing and Engraving and the U.S. Mint could print the money necessary (in lieu of taxes) to pay the producers. The money would **represent** the new production just as 'silver certificates' **represented** the silver coins. The 'certificates' circulated as money NOT THE SILVER. The new money could even be created as bookkeeping entries as is done today. It would then flow into circulation hand to hand from a point nearest the production. No debt, no inflation nor loss of purchasing power would result. The money supply would increase to accommodate new production and a growing economy. This follows solid economic principles taught by economists that the money supply can be increased with no inflation as long as money supply does not increase faster than productivity gains. It's also common sense.

Implementing this **principle** would have provided all the money necessary for the Industrial Age growth with the greater benefits of: no loss of liberty, justice or property rights, no inflation, no forced indebtedness, no unpayable debt, no income tax to pay interest on government securities, no 'redistribution' schemes, less corruption, no loss of purchasing power, no gas taxes and other benefits!

When our money was changed from an evidence of wealth to an evidence of debt we took the wrong fork in the road. **Either we didn't understand how to increase the money supply as wealth without monetizing metals or special interests benefited from the change.** Regardless, we can still convert our money back to an evidence of wealth and put all newly created money into circulation with no debt to anyone.

Common sense and the recorded intentions of the Founding Fathers are clear evidence that the American people should not be forced to incur debt to have a medium of exchange to do commerce. Forcing Americans into debt to obtain a medium of exchange flies in the face of the spirit of the founding principles of liberty and justice. It enslaves a people intended to be Free. If you're tired of:

- *congested, outdated, potholed and patched roads*
- *excessive gas taxes and other taxes required to service public debt*
- *increasing prices required to pay the never-ending interest*
- *being in debt and short of money in spite of the fact that you work longer, harder, faster, smarter and produce wealth*

If you would like a Higher standard of living for yourself and your children then help dig out the problem at its roots. Demand that we create and put all new money into circulation debt-free.



ABOLISH the DEBT- PENALTY!

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AMERICAN TRANSPORTATION ACT

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DebtFreeMoney.org