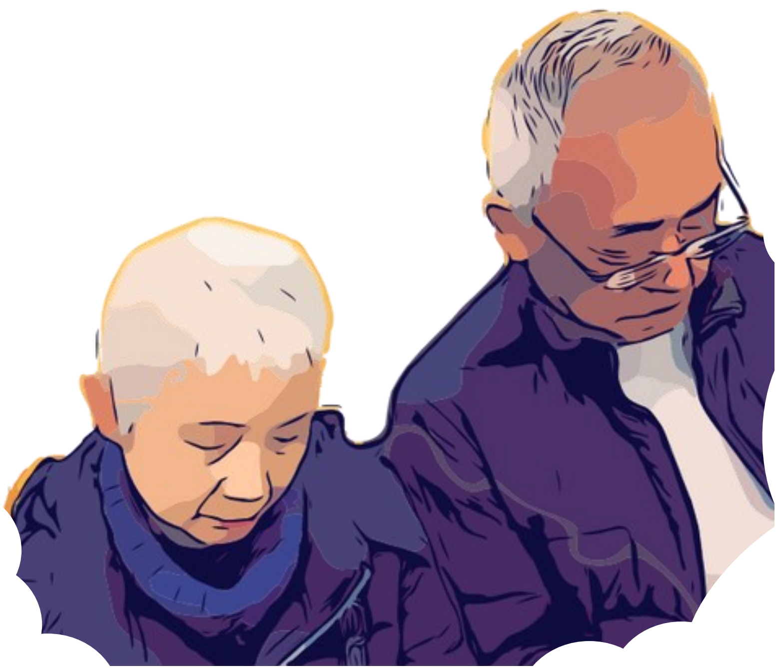
$ocial $ecurity,

the Stock Market, Privatization, Saving, Investing...



...good ideas??

Social Security was sold as a *'saving idea'* that would provide seniors income in retirement. How can it be that so many, after a lifetime of work, have little or no savings? What is it we are trying to save?

To 'improve' this income and savings problem it has even been proposed that through the magic of Compound Interest, we could earn much more than the historical **2.5%** on our Social Security *'investment'* if we put those payments into personal, *'privatized'* retirement accounts rather than the '*government pool.'*

Let's take a close look at

'Compound Interest'

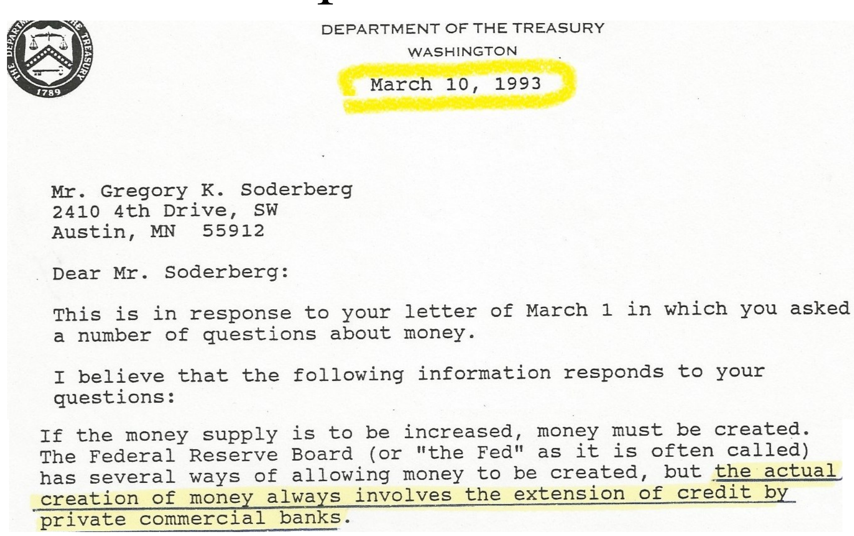
Often we are told of the wonderful power of compound interest *(earning interest on both principal and previous interest)* and how compound interest can make a modest investment grow into a great amount. For example: If you invested $10,000 in payments to your social security retirement account at 7% compound interest for 30 years; you'd expect your investment to grow to $76,122.52!

Sounds Great!

Compound Interest
must truly make money grow!

For a moment, let's step out of the dream world hype of banking, financial planning and Wall Street. Just HOW DOES MONEY GROW? Where does money and interest money come from?

When you put money into an interest-bearing account, does it turn into something like rabbits that mate and quickly reproduce? What happens? The increase of money in your account had to come from someplace. To understand financial planning, economics, growing public and private debts, ever increasing taxes, prices, social contention, etc. we must learn and always remember how we've been deceived, what we are now forced into using for money and how ALL new money is created and put into circulation.



DEPARTMENT OF THE TREASURY
WASHINGTON

March 10, 1993

Mr. Gregory K. Soderberg
2410 4th Drive, SW
Austin, MN 55912

Dear Mr. Soderberg:

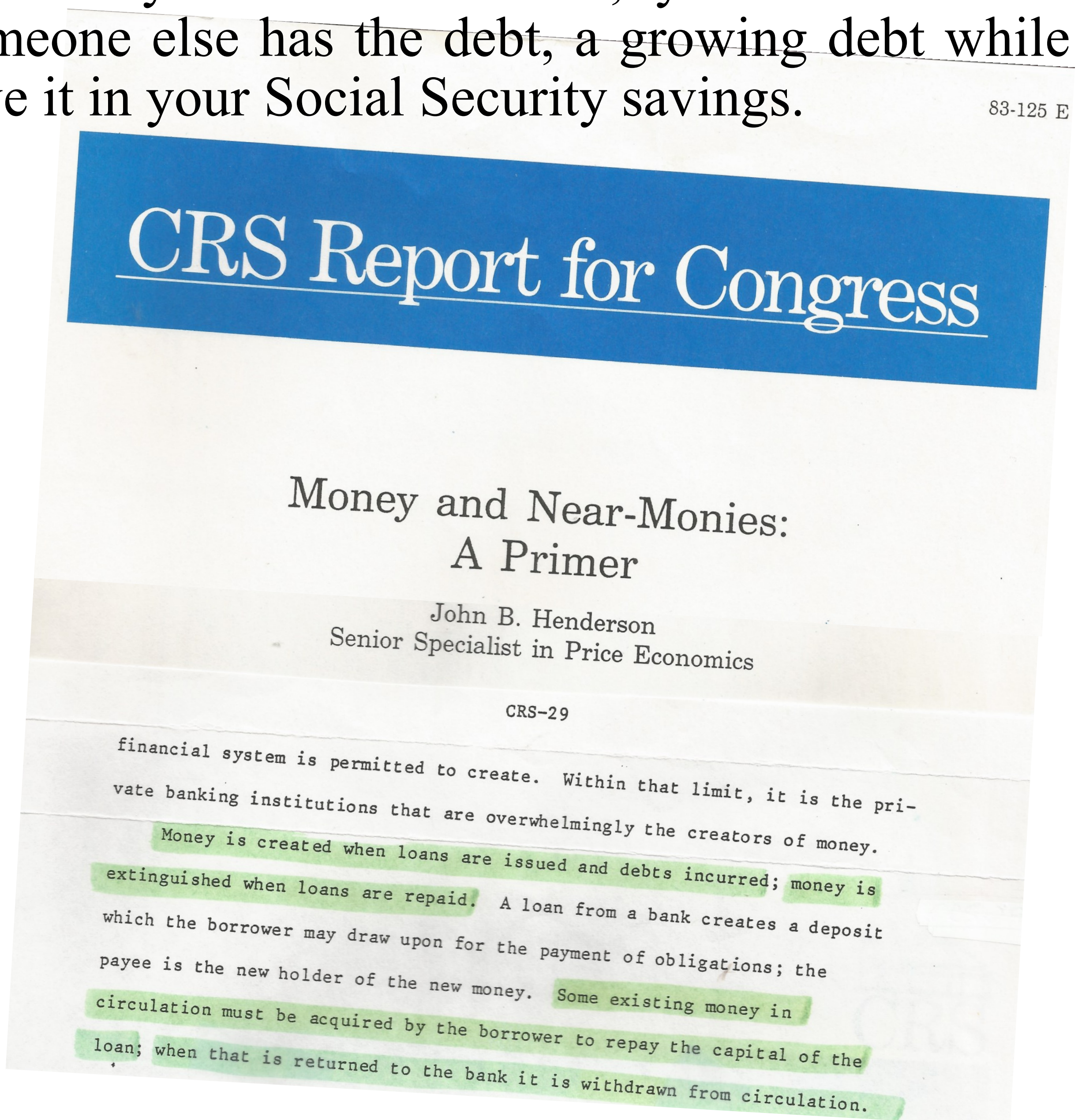
This is in response to your letter of March 1 in which you asked a number of questions about money.

I believe that the following information responds to your questions:

If the money supply is to be increased, money must be created. The Federal Reserve Board (or "the Fed" as it is often called) has several ways of allowing money to be created, but the actual creation of money always involves the extension of credit by private commercial banks.

If the private sector doesn't borrow it, the government must or the money cannot exist.

If you invest $10,000 in payments to your Social Security account and 30 years later get $76,122.56; somewhere, someone in the private sector or the government had to borrow $66,122.56 before it could get into your account! Now, you have the money. Someone else has the debt, a growing debt while you have it in your Social Security savings.



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CRS Report for Congress

Money and Near-Monies:
A Primer

John B. Henderson
Senior Specialist in Price Economics

CRS-29

financial system is permitted to create. Within that limit, it is the private banking institutions that are overwhelmingly the creators of money.

Money is created when loans are issued and debts incurred; money is extinguished when loans are repaid. A loan from a bank creates a deposit which the borrower may draw upon for the payment of obligations; the payee is the new holder of the new money. Some existing money in circulation must be acquired by the borrower to repay the capital of the loan; when that is returned to the bank it is withdrawn from circulation.

"Money is created when loans are issued and debts incurred. Money is extinguished when loans are repaid."
—John B. Henderson, CRS

They have the debt which can never be paid, only transferred because there is no way to create the interest money when money is created through the lending process.

DEPARTMENT OF THE TREASURY
WASHINGTON

June 4, 1993

Mr. G. K. Soderberg
2410 4th Drive, SW
Austin, MN 55912-2866

Dear Mr. Soderberg:

This is in response to your letter to me of May 30, 1993. In your letter, you raised several questions concerning the money of the United States.

United States notes are not being issued by the United States Government. I believe that, if and when the United States Government decides to issue United States notes, it will notify the public as to how they can be obtained.

The answer to your second question ("If all money is created as a loan or principal, where does the money come from to pay interest on the borrowed money?") is that such money comes from the same source that all other money comes from.

The statement "debts in the U.S. are normally measured in dollars" does not mean that if there were no debt there would be no dollars.

I hope that this information is useful to you.

Sincerely,

Russell L. Munk

Russell L. Munk
Assistant General Counsel
(International Affairs)

Money for paying interest on borrowed money

"comes from the same source as that all other money comes from." —*Russell L. Munk, U.S. Treasury*

It's borrowed too!

Therefore, the debt must constantly grow causing ever-increasing money shortages, taxes, costs of living, social contention, inequality, unsustainability, etc.

Some claim that the interest money comes from increased production *(worker productivity)*. But, when was the last time your personal production (goods and services) turned into money? Did you ever wave a magic wand over a shoe, shirt, bushel of corn, a new car, an hour of labor etc. and see it turn into money? Now, there are **only 2 ways** to get money from what we produce.

 # 1 *We can use what we produce as collateral for a bank loan which creates the new money.*

 # 2 *We can sell our production in exchange for money that was created as a loan to someone else.*

Production NEVER turns into money.

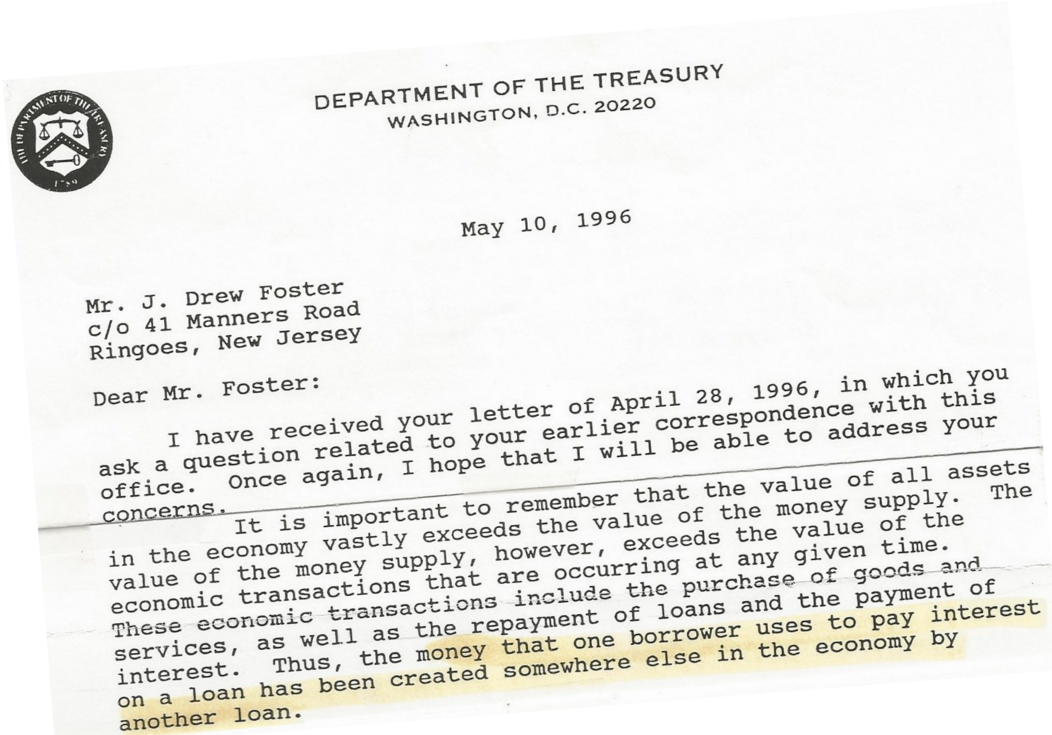
Forcing people into debt to obtain money is ***Involuntary Economic Servitude.***

Creating money as interest-bearing loans
ONLY CREATES THE PRINCIPAL, NEVER THE INTEREST!

The interest must be borrowed too!

"Money that one borrower uses to pay interest on a loan has been created somewhere else in the economy by another loan."

— John M.Yetter, Attorney-Advisor, U. S. Treasury.



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

May 10, 1996

Mr. J. Drew Foster
c/o 41 Manners Road
Ringoes, New Jersey

Dear Mr. Foster:

I have received your letter of April 28, 1996, in which you ask a question related to your earlier correspondence with this office. Once again, I hope that I will be able to address your concerns.

It is important to remember that the value of all assets in the economy vastly exceeds the value of the money supply. The value of the money supply, however, exceeds the value of the economic transactions that are occurring at any given time. These economic transactions include the purchase of goods and services, as well as the repayment of loans and the payment of interest. Thus, the money that one borrower uses to pay interest on a loan has been created somewhere else in the economy by another loan.

Interest is never created with the principal money. Interest is simply a charge that is constantly added into prices that must be paid in money. This causes a growing spread between the total debt and the money supply.

This makes it increasingly difficult to meet the rising costs of living. It causes most to work longer and harder as they get older to have less purchasing power while experiencing a constantly lowering standard of living.

For every Social Security *'investor'* to get a greater return there must be a constant rise in the total indebtedness, a constantly growing spread between the costs-of-living and the money supply. A bigger return for <u>everyone</u> on Social Security contributions means the money will have even less purchasing power than it did for past recipients!

America's money was intended to be, and did, at one time, represent someone's production that was 'monetized' *(declared money)* and exchanged or spent into circulation debt-free for other goods or services. This totally debt-free medium of exchange provided a foundation of economic freedom.

Under the monetary **<u>PRINCIPLE</u>** of the **1792 Coinage Act**, a person could labor to get gold and silver metal. They could take it to the U.S. mint which would 'monetize' it by assaying, weighing and stamping the raw resource into coins **free of charge.** The producer left the mint with the metal now *'monetized'* in the form of coins. The coins would pass from hand to hand as our medium of exchange when traded for other production. The coins represented the wealth, Liberty and Justice of Americans with no debt to anyone.

Over ***141*** years, ***1792-1933,*** Congress passed bad laws, wrongfully relinquishing it's money-creating authority to the banking industry which switched our money from an evidence of wealth we **OWNED** to an evidence of debt we **OWE** them.

The **PRINCIPLE** by which all new money was put into circulation was switched. Now, our money represents our production monetized as unpayable debts, putting us in **Involuntary Servitude**. Every penny, including Social Security payments is borrowed, a debt to someone, or it would not exist. Now, all money only exists while it is owed. The loan only creates the principal. More borrowing is required to pay the interest. To have Social Security, we must *'save'* borrowed interest-bearing debt. Time only increases the indebtedness *(compounding interest on the borrowed money.)* Time does not increase the money supply. Social Security was invented *(1935)* to disguise this and other consequences of a debt money system.

We must once again start spending all new money into circulation debt-free or; we'll have nothing but debt, increasing taxes, growing money shortages, a constantly lowering standard of living, political tyranny and finally lose what's left of our Nation and the life God intended for us.

The quickest, most effective way for Americans to restore the **PRINCIPLE** of debt free money, Economic Liberty and Justice is to make Congress exercise its Constitutional authority to create money by *'monetizing'* America's Public Roads and Bridges debt-free.

How? Clearly, you cannot stamp a picture on a piece of road and carry it around in your pocket! But, numbers can be created *'representing'* the bid value of the road work. Think of them like *'silver certificates'* that *'represented'* the silver coins. The certificates circulated as money--NOT THE SILVER.

Social Security and all *'dollars'* would have greater purchasing power if the unpayable compounding interest debt, which **IS NOT** money, was not added to the costs of living. We'd be Free.

Social Security would not be needed with a debt free medium of exchange as there would be no debt and no unpayable compounding interest debt reducing the purchasing power of a *'dollar.'* Americans would have true savings with no detriment to another.

A large Lobby stands to gain much in sales commissions from privatization of Social Security funds. Private industry which now creates all money continues to gain much in profits. Debt money, Private Social Security Accounts and Involuntary Servitude are not a good idea and will not solve the growing *'money shortage.'* Do you remember your investment portfolio after 9-11-2001, 9-15 -2008 and in 2022?

Money Does Not Grow!

Now, the money supply only increases with more borrowing. When the loan principal is repaid it is uncreated and withdrawn from circulation. Creating money as loans violates our 13th Amendment protection from Involuntary Servitude, is destructive, unjust and mathematically impossible as the money to pay the interest is never created.

The total American public and private debt late in 2022 was near $100 Trillion. The total money supply *(included in the debt total)* was near $30 trillion; a *'spread'* of $70 Trillion. What is the $70 trillion?

With a debt free medium of exchange, Social Security would not be needed. The costs of living would remain stable over long periods of time. Americans could work, produce, make ends meet, have true savings over a lifetime and be independent.

To restore American Freedom, prosperity, justice, a sustainable future and an example others can follow, we should once again create money and spend it into circulation as a final, debt-free, earned payment in lieu of borrowing or taxation for producing that which everyone needs and benefits from equally; public roads and bridges.

Call your Congresspeople! Tell them to introduce and pass the <u>ORIGINAL</u> **American Transportation Act** online at www.debtfreemoney.org

" Thank You for Your Service."

U.S. Constitution

"...promote the general Welfare.."

Preamble - *Intent*

-create money

-establish post-roads.

Art.1.Sec. 8 - *Congressional Authority*