

# The Federal Reserve is a Ponzi Scheme and Needs to Go!



By Alan R. Adaschik | [Wake Up World](#)

[Most Americans are proud to be American](#) and consider the United States to be the greatest nation in all of history, and there are many things we can point to which substantiates this belief. However, everything in life is transitory and when all is said and done, history will judge that instead of America being something special to be admired, Americans were suckers who fell hook line and sinker for the worst Ponzi Scheme the world has ever seen: [the Federal Reserve Bank, more commonly known as the Fed.](#)

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The original Ponzi scheme was a swindle which was conceived and run by an Italian immigrant named Charles Ponzi, who defrauded his investors out of millions of dollars during the

1920's. The con, like most cons, is deceptively simple. Its perpetrator convinces his clients that he is a skillful investor or entrepreneur who will make them more money than they could possibly make investing elsewhere. Once people (suckers) are hooked and give their money to the perpetrator, instead of earning a return on their investment, they are paid what they believe are earnings from money that is conned from newer investors in the same scheme. The scheme functions smoothly for a while, but an increasing number of new investors are required to pay off the older investors and keep them at bay. Of course, in the long run, this is an impossible situation and eventually, the scheme collapses with those still in the game losing everything they invested.

Understanding the above, upon examination it becomes clear that the Federal Reserve Bank has many of the same characteristics as a Ponzi scheme.

**First of all**, like a Ponzi scheme, [it began with a lie concocted solely to suck in its intended victims](#) – the promise to regulate the US economy such that economic booms and busts would be eliminated. In truth the opposite has been the case since the passage of the Federal Reserve Act in 1913. In fact, the Fed actually played a role in bringing about the Depression of 1929 and the deep recession which presently grips the nation.

**Secondly**, similar to a Ponzi scheme, the Fed takes our money and gives us nothing in return. The money we give to the Fed is not earned for any service it provides, nor is there any reasonable justification for us to give it them. This is how the scheme came about:

*“The goldsmiths were our first bankers. Goldsmiths worked with precious metals and... it was only natural for people to take their excess coins to the goldsmith for safe keeping. Upon so doing, the goldsmith would give them a written receipt for the amount of coins being stored. Soon people realized that*

*instead of trading coins for the things they needed, they could trade the receipts instead. Thus **paper currency was born...***

*“This rudimentary monetary system worked well in small agrarian economies, but as villages turned into towns and towns into cities, **a need to borrow money developed** and who was better positioned to loan money than the goldsmith. Not only did he have his own money, but he also held other people’s money which was sitting in his coffers doing nothing...*

*“It was a rare occurrence when someone retrieved all the coins they deposited... Therefore, if [the goldsmith] issued demand notes for more coins than he had, the chances are that he would always have sufficient money on hand to cover the notes which were redeemed by one or even several depositors... So our enterprising goldsmith went out on the limb and adopted this practice. Upon so doing, **fractional banking was born.**” [\[source\]](#)*

**Finally**, similar to a Ponzi scheme, the eventual collapse of our economy is inevitable and when it does, the people of this nation will lose, not just their investments, but everything. Presently, we are experiencing the beginnings of this collapse and despite what Washington and the media tell us about a recovery, none will ever come unless we get out from under [the Fed and its whirlpool of debt and inflation](#).

**This is a promissory note.** It is a promise to pay at some time in the future. When you use one of these to purchase goods, all you are doing is **exchanging debt with more debt.**

The banks that issue these promissory notes charge your government interest for doing so, which you pay for with your income tax. In effect, **your labor is used as collateral** on the debt the government owes the banks for lending them their paper notes. And, as money is constantly pumped into the economy, it creates inflation which **devalues your spending power**, and an **ever-increasing debt** to the private Federal Reserve corporation -- a debt that can never be repaid.



ARE YOU PISSED OFF YET?



LET'S END THE FED.

While the similarities between a Ponzi scheme and the Fed are such that it falls into the same category of crime, the truth of the matter is that the Fed is far more criminal and diabolical than a simple Ponzi scheme could ever be.

**First of all**, the victims of a Ponzi scheme are motivated by greed and make a deliberate choice to be a part of the scam. Instead, the Fed has victimized *all citizens* of this nation (and other Federal Reserve nations) and no one has been given any choice in the matter, because a gullible Congress decided the matter for us.

**Furthermore**, in a Ponzi scheme, victims lose their investments but are left with the money they did not invest, and this still has value. The Fed, however, keeps the money we give it, but because fiat money is a key element of the scam, it is continually being printed. As a result, the money we keep and save for ourselves loses value (to inflation) over time and will eventually be worth nothing. Thus, under the Fed, not only do we lose the money we give it, we eventually lose all the money we have. *For example*, the Federal Reserve Notes we have in our pocket today are worth 96% less in real value than those we had in 1913 when the Fed first came to power. If you had one-million dollars then, it is only worth forty-thousand

dollars now. If, our government managed our economy instead of the Fed, not only would we be able to avoid the curse of inflation, but the income taxes we pay would be unnecessary.

The Federal Reserve Bank truly is a den of thieves and con artists who have stolen the wealth and prosperity of an entire nation. Our problem today is that their nefarious and diabolical scheme was legitimized by Congress in 1913 by passage of the Federal Reserve Act. This abominable act was a product of subterfuge and deception and every Congressman who voted for it did so in clear and flagrant violation of their oath of office.

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The time has come for Congress to make amends for the crime it committed against the people of America, and [this can only be accomplished by repealing the Federal Reserve Act](#) and returning the power to create money to Congress, where it rightfully belongs. Furthermore, those presently participating in this diabolical scheme should be brought to justice and all debts (stolen money) owed these criminals should be declared null and void. Finally, the assets they obtained with our money should be confiscated. Only by taking these actions will America be able to avoid the horrible fate the Fed and their stooges in Congress have bestowed upon the American people.



But don't hold your breath while waiting for any of the above to happen on its own. The huge amount of money the Fed has stolen has made these criminals rich beyond anyone's ability to comprehend, and they use this money to corrupt whatever they

touch. These ill gotten gains have enabled them to keep those

we elect to office squarely under their thumbs.

An exception to this state of affairs was President John F. Kennedy who worked to reign in the Fed while he was in office. In June of 1963, President Kennedy signed [Executive Order 11110](#), which authorized the United States Treasury to print Treasury notes in lieu of Federal Reserve notes thus returning the power to create to Congress as required by the United States Constitution. Unfortunately for America and its people, President Kennedy was murdered in November 1963. Immediately after the President's assassination, the money issued in keeping with his still-standing Executive Order, was removed from circulation never to be seen again. (For more on this, please see: [The Who, How and Why of the JFK Assassination – and Why It Still Matters.](#))

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There is another aspect to our present situation which also costs Americans dearly; The Fed has created an atmosphere of corruption throughout the nation which pervades all our most powerful institutions. The result of this is that men of integrity, who will not compromise themselves, never advance in the hierarchy of our governing institutions. The primary attribute looked for in those being considered for advancement is loyalty to the boss beyond all other considerations, including legalities and the public's best interest. The higher one goes up the ladder in the public service, the truer this becomes. Our government is led by a criminal enterprise and [because of this, it has become a criminal enterprise](#). Far too many government officials obtain wealth and position through illegal and dishonorable means. Those who are honest and aware of what is going on, look the other way because they know that doing otherwise will be the kiss of death to their careers. The inevitable result of this dismal organizational environment is that our government does almost nothing right anymore, no matter what resources are available. We only have

to look to our [war on terror](#), our [war on drugs](#), how we protect our borders, [military procurement](#), and how government contracts are issued and managed to understand the truth in this.

The Fed has turned our government into an ineffectual criminal nightmare and the cost we pay for this is huge. It's time to [repeal the Federal Reserve Act](#).

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