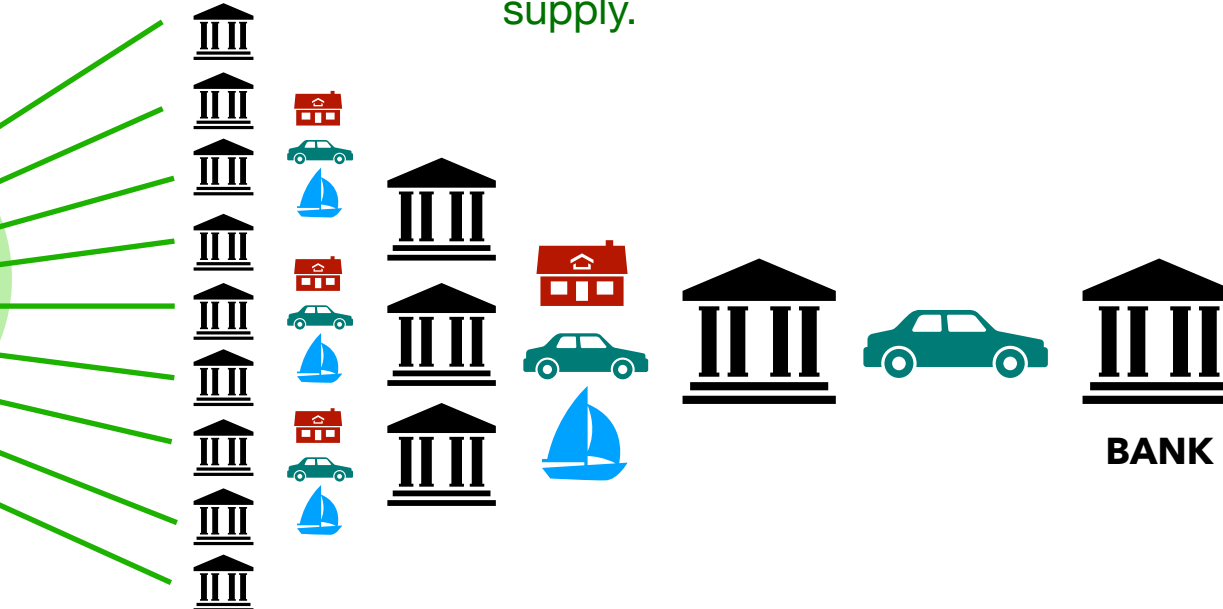
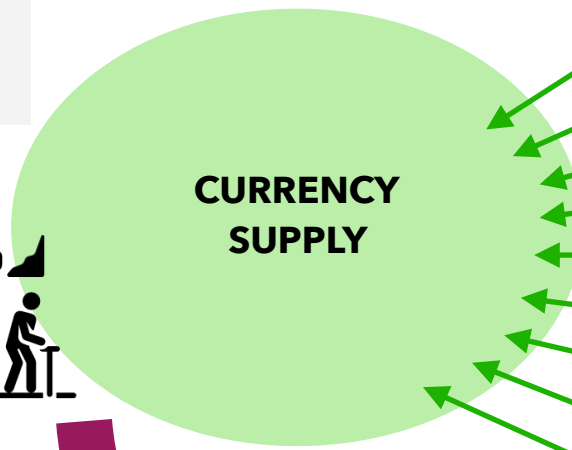


STEP 4: Banks Create More Currency Via Fractional Reserve Lending

4.1 Banks loan out deposits (your money) at a 9:1 ratio - for every \$100 you deposit up to \$900 in new currency can be created - exponentially increasing the currency supply.

STEP 5: Earned Currency Is Taxed



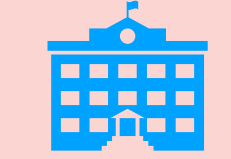
BANK

3.1 Gov't agencies pay employees, contractors, soldiers etc. who deposit their pay with a bank.

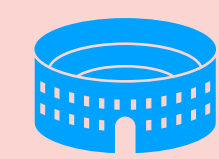
Gov't Spending



WAR



SOCIAL PROGAMS



PUBLIC WORKS



GOVERNMENT

STEP 3: Gov't spends numbers

STEP 1: Gov't creates bonds (glorified IOUs)

5.1 Individuals trade their time and freedom - a.k.a. "life energy" for income in the form of currency.



INTERNAL REVENUE SERVICE

5.2 The IRS confiscates individual income and turns it over to the Treasury.



STEP 6: The Fed's Owners Take Their Cuts

6.1 The Federal Reserve is NOT a Federal Agency - it is a private bank, with private owners who own stock. The Fed's owners (big banks/primary lenders) profit when 1) banks sell national debt to the fed, 2) when the Fed pays interest on the reserves (i.e. debt) held at the Fed, and 3) in the form of an annual 6% stock dividend for owners of Federal Reserve stock.

STEP 2: Banks swap IOUs to create currency



2.1 Banks sell IOUs (bonds/national debt) to the Federal Reserve - at a profit. The Fed pays the banks with a check (another IOU) drawn from an account with a *zero balance*.



FEDERAL RESERVE



Banks

1.1 Banks purchase government IOUs (bonds) with newly minted currency - a.k.a. "money out of thin air" they receive from the Federal Reserve - basically just numbers in a computer.



TREASURY

Money out of thin air / currency / U.S. Dollars / numbers

US National Debt

Public on the hook to pay this back - with interest - via future taxation.

5.3 Treasury pays the Fed **principal + interest** on the bonds it holds with confiscated income / "life energy".



Banks



7TH GENERATION DESIGN