

Understanding the U.S. Federal Reserve System

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Who Really Owns our Banks?

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"I am a most unhappy man. I have unwittingly ruined my country. A great industrial nation is controlled by its system of credit. **Our system of credit is concentrated. The growth of the nation, therefore, and all our activities are in the hands of a few men. We have come to be one of the worst ruled, one of the most completely controlled and dominated Governments in the civilized world...no longer a Government by free opinion, no longer a Government by conviction and the vote of the majority, but a Government by the opinion and duress of a small group of dominant men.**" – President Woodrow Wilson, shortly after signing the Federal Reserve Act

I've regularly heard educated Americans say..."What's the worry with all this money our government owes? We just owe it to ourselves!" WRONG! This common misconception is rooted in the mistaken idea that the United States Federal Reserve Bank (commonly known as "the Fed"), and its twelve regional subsidiary banks, are part of the U.S. Government. They are not! *The money in your pocket is not an American government issued currency backed by an asset, but rather a Fed created fiat currency backed by nothing.* The U.S. media, complicit with the government, willingly promotes this deception. Our news media and our elected representatives are keeping up the false impression that the Federal Reserve is part of our government! The Fed was formed on December 23, 1913, by Congressional Act, and signed into law by then President Woodrow Wilson. **It is a private, for profit, bank that controls our national economy through congressionally "non-recourse delegated authority (not accountable since Congress relinquished their authority)."** They control the money supply, and create inflation, depression, recessions, etc. They are NOT accountable to Congress, the President or anyone in government, nor to the voters, taxpayers, and citizens of this country.

Yes, I know that most people think that since **the President of the United States appoints the Chairman of the Federal Reserve that it has to be a government entity. Wrong again! The President merely chooses his/her selection from a list of candidates given to him/her by the Federal Reserve and presents this person to the Congress for approval. It's a show, people!** The Fed has agreed to have the President "appoint" it's Chairman from a list of candidates given to him by the Fed, itself, in order to cause the people to believe it's a government agency appointment. You've been deceived.

Who owns the Fed then? Mr. Agata Zhang, a “Business Support Analyst” at the Federal Reserve, had this to say: “The [twelve] regional Federal Reserve Banks, which were established by Congress as the operating arms of the nation’s central banking system, are organized much like private corporations – possibly leading to some confusion about ‘ownership’.” The Regional Reserve Banks issue shares of stock to ordinary commercial member banks, ownership of which, by law, is a condition of membership in the System. “The stock, [unlike a normal for-profit company, however], may not be sold, traded, or pledged as security for a loan; dividends are, by law, six percent per year. Again, the holding of stock in a Regional Federal Reserve Bank does not carry with it the control and financial interest conveyed to holders of common stock in for-profit organizations.” In other words, the Federal Reserve Bank is a lawful “banking cartel” which would normally be illegal under U.S. Anti-Trust laws. The Regional Federal Reserve Banks own all the shares in the U.S. Federal Reserve Bank. **But some of the larger New York commercial bank shareholders in the Regional Reserve Banks have foreign ownership that are European investment banks such as Rothschild & Co. And, the New York-based commercial banks carry a lot of sway!**

So, have the Courts decided whether the Federal Reserve Banks are privately owned or not? Yes, in several cases. Here is one of them which went up to the 9th Circuit Court of Appeals:

LEWIS v. UNITED STATES

John L. LEWIS, Plaintiff/Appellant v. United States of America, Defendant/Appellee. No. 80-5905. United States Court of Appeals, Ninth Circuit. Submitted March 2, 1982; Decided April 19, 1982; As Amended June 24, 1982;

“Plaintiff, who was injured by vehicle owned and operated by a federal reserve bank, brought action alleging jurisdiction under the **Federal Tort Claims Act**. The United States District Court for the Central District of California, David W. Williams, Jr., dismissed holding that federal reserve bank was not a federal agency within meaning of Act and that the court therefore lacked subject-matter jurisdiction. Appeal was taken. **The Court of Appeals, Poole, Circuit Judge, held that federal reserve banks are not federal instrumentalities for purposes of the Act, but are independent, privately owned and locally controlled corporations. Affirmed.**”

“Each [Regional] Federal Reserve Bank is a separate corporation owned by commercial banks in its region. The stock holding commercial banks elect two-thirds of each Bank’s nine member board of directors. The remaining three directors are appointed by the U.S. Federal Reserve Board. **The Federal Reserve Board regulates the Reserve Banks, but direct supervision and control of each Bank is exercised by its board of directors. 12 U.S.C. § 301.** The directors enact by-laws regulating the manner of conducting general Bank business, 12 U.S.C. § 341, and appoint officers to implement and supervise daily Bank activities. **These activities include collecting and clearing checks, making advances to private and commercial entities, holding reserves for member’s banks, discounting the notes of member’s banks, and buying and selling securities on the open market. See 12 U.S.C. §§ 341-361. . . [Furthermore,] the twelve regional Fed Banks are listed as neither “wholly owned” government corporations under**

31 U.S.C. § 846 nor as 'mixed ownership' corporations under 31 U.S.C. § 856 . . ." In other words, all of our major banks have voting foreign shareholders.

How does the Fed work then? This will stun you. The United States Department of the Treasury, which is headed up by the Secretary of the Treasury Tim Geithner, a presidential cabinet appointment who is not elected, calls up Ben Bernanke at the Fed (Chairman, who is not elected) and says, "Ben, thanks to Congressional approval, I need, oh say...\$500 billion...so, I'll have \$500b in Treasury notes printed up and I'll give 'em to you (the Fed) in exchange for a credit to the Treasury's account at one of your regional banks (the Federal Reserve Bank of New York)." Ben says, "Thanks Timmy, I'll create the bucks for you on our books as a 'receivable' due to us (the Fed) and you create a 'payable' for yourself (the U.S. Treasury in behalf of U.S. taxpayers) when I credit your account with us showing the government's deposit of our money in your account at our bank. Remember, though, Timmy, this is just a loan to you...I mean the government (keeping in mind that the U.S. Government Treasury is just a custodian for your money as a taxpayer), so you have to pay it back with interest. Got it? My shareholders gotta get their interest, you know! See ya!" **Factually, those Treasury notes are just promissory notes obligating the Treasury, and therefore you, as a taxpayer, to pay back the borrowed sum to the privately owned, for-profit, central bank known as "the Fed."**

Lou Dobbs put it this way..."Let me ask you a simple question: What country in its right mind would create a system that would force it to lend itself money and have to repay the money with interest? What sane country would charge itself interest? What nation would put itself out of business by making it bankrupt because of interest? The answer is none! America is not charging itself interest on its debt, the privately owned central bankers are doing this and they are hiding in plain sight! Congress (with the exception of Ron Paul), every US president, and every single member of the corporate media are either part of the conspiracy or just plain stupid!"

My dear readers, people who aren't even elected and have no accountability to you whatsoever, have the power to run the U.S. economy and, by now, you all can clearly see what they've done to it in the last quarter century... and to each of you! **The U.S. Federal Reserve poses a calamitous risk to each of you and does not operate in your behalf. It works for private bankers, and indirectly, for powerful foreign investment banks as well! Never forget, the U.S. Government has no control over it whatsoever nor are its operations transparent to the U.S. Congress, nor the U.S. President, much less we voters! If you want proof that neither Congress, nor the people have any control over the Fed, see this:**

The list of institutions that received the most (of your) money from the Federal Reserve can be found on page 131 of the recent Congressionally ordered GAO Audit and are as follows..

- Citigroup: \$2.5 trillion (\$2,500,000,000,000)
- Morgan Stanley: \$2.04 trillion (\$2,040,000,000,000)
- Merrill Lynch: \$1.949 trillion (\$1,949,000,000,000)
- Bank of America: \$1.344 trillion (\$1,344,000,000,000)

- Barclays PLC (United Kingdom): \$868 billion (\$868,000,000,000)
- Bear Sterns: \$853 billion (\$853,000,000,000)
- Goldman Sachs: \$814 billion (\$814,000,000,000)
- Royal Bank of Scotland (UK): \$541 billion (\$541,000,000,000)
- JP Morgan Chase: \$391 billion (\$391,000,000,000)
- Deutsche Bank (Germany): \$354 billion (\$354,000,000,000)
- UBS (Switzerland): \$287 billion (\$287,000,000,000)
- Credit Suisse (Switzerland): \$262 billion (\$262,000,000,000)
- Lehman Brothers: \$183 billion (\$183,000,000,000)
- Bank of Scotland (United Kingdom): \$181 billion (\$181,000,000,000)
- BNP Paribas (France): \$175 billion (\$175,000,000,000)



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and many, many more including banks in Belgium of all places!