# **Transactional Musings**

## Volume 2, Issue 9 September 16, 2011

#### Special points of Interest:

"A comparative print of the Federal Reserve Act of 1913 as passed by the House of Representatives and amended by the Senate shows the following strike change. ...."

"The market for interbank funding in U.S. dollars is global, and many foreign banks hold U.S. dollar denominated assets and fund these assets by borrowing in U.S. dollars ...."

#### **Prescriptions for Getting Well**



<u>The Encounterer</u> was a publication of the Golden Gate Foundation for Group Treatment, Inc.

"The Encounterer"
was a newsletter about
people, edited (written)
by F.H. Ernst Jr., MD.
Dad prescribed many

Dad prescribed many simple remedies to take care of many of today's ailments. Here are many of those prescriptions.

**Rx** for Getting Well of Depression: Touch the molar teeth (upper and lower jaws together).

**Rx** for Getting Well of Pre-occupation: "Get a move on."

**Rx** for Getting Well of Anxiety: Get a level head and come on straight.

**Rx** for Getting Well of Paranoid: Raise, wrinkle the lower eyelids and cheeks just below the eyes.

**Rx** for Get-On-With: Listen 1/3 to 2/3 of the time.

**Rx** for Get (to be) Winners: Give up some "rights" to get some more of what is wanted.



**Rx** for Getting Well of "I Don't Know What to Say": "Talk to Me."

**Rx** for Getting Well of the fear of flying.

**Rx** for Getting Well of "A SOBA-Hunting-Crusade-At-Work"

**Rx** for Getting OK strokes from another person.

**Rx** for Getting Well of Apathy: with level head look at oneself in a mirror and say "you are OK (your name)."

**Rx** for Getting Well of "Scared of Getting Married."

**Rx** for Getting Well of Snoring: brush touch.

**Rx** for Getting Well of Obesity: Be moved by the other persons words.

**Rx** for Getting Well of Obesity given to a 14 year old: Say "Hello" to 20 other students a day at school using their first names.

**Rx** for Getting Well of Not Trusting: Make and establish indexes of reliability. **Rx** for Getting Well of Stammering: "Duet Talk" with the stammerer.

Rx for Getting Well of Not Trusting: "Calculate and Use Reliability Indices with the other person."

Rx for Getting Well of "I-never-seem-to-havewanted-my-son": Tell him "(Robert)-I-love-you (at least) once-a-month."

**Rx** for Getting Well of "I've-Had-A-Headache-All-Day-Long"

**Rx** for Getting Well of Sad Departures: Give with a "Tee-Hee" to the other person at parting time. (have a laugh together)

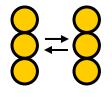
Rx for Getting Well of the Alcoholic Game: Say "Hello (with name)" to twelve or more other people each day.

Rx for better control of your own destiny and Getting Well of Personal Deflation and Inflation: Selectively give 25 individuals a named hello each day.

Other writings on Getting Well can be found at www.ListeningActivity.com and

#### www.ErnstOKCorral.com

Dr. Ernst was a Medical Doctor; Certified in Psychiatry by the American Board of Psychiatry and Neurology.



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the early presidents. War hero, champion of the common man, his brand of "Jacksonian democracy" would be practiced for 80 years after he left office. This form of government was pure populism. He single-handedly took on the moneyed interests and won by smashing the Bank of the **United States,** the central bank of the time and the forerunner of today's Federal Reserve. He stated his view of government succinctly: "There are no necessary evils in government. Its evils exist only in its abuses. If it would confine itself to equal protection, and, as Heaven does it rains, shower its favors alike on the high and the low, the rich and the poor, it

would be an

unqualified

blessing."

**Andrew** 

Jackson, "Old

Hickory, "was

"American" of

the most

**Ephesians 6:** ¹Children, obey your parents in the Lord, for this is right, <sup>2</sup>"Honor your father and mother," which is the first commandment with promise: 3"that it may be well with you and you may live long on the earth." <sup>4</sup>And you, fathers, do not provoke your children to wrath, but bring them up in the training and admonition of the Lord. <sup>5</sup>Bondservants, be obedient to those who are your masters according to the flesh, with fear and trembling, in sincerity of heart, as to Christ; 6not with eyeservice, as menpleasers, but as bondservants of Christ, doing the will of God from the heart, 7with goodwill doing service, as to the Lord, and not to men, 8knowing that whatever good anyone does, he will receive the same from the Lord, whether he is a slave or free. 9And you, masters, do the same things to them, giving up threatening, knowing that your own Master also is in heaven, and there is no partiality with Him. <sup>10</sup>Finally, my brethren, be strong in the Lord and in the power of His might. <sup>11</sup>Put on the whole armor of God, that you may be able to stand against the wiles of the devil. 12 For we do not wrestle against flesh and blood, but against principalities, against powers, against the rulers of £the darkness of this age, against spiritual hosts of

#### **Rx for America**

It is generally accepted today "something" is wrong with (in) America. America is not doing as well as it has done in earlier times. And yet, America is the land of the free, and we intend to keep it that way. So with that said, let's figure out how to get 100% of our capability going.

**Rx** Audit the FED. Dissect and expose the history of deceptive, fraudulent monetary/money/ financial schemes of the Federal Reserve.

**Rx** Congress should figure out a way to unload the secretive Federal Reserve Board, repeal the Federal Reserve Act, untangle the private banks stranglehold on the currency of the USA.

**Rx** End the reign of predatory foreign policy: "defense," "state," and "trade."

Rx Re-build the national de-

fense (Army, Navy, Marines, Air Force, Coast Guard) and build S.D.I. And give the men and women a rest, bring them home.
Thank you.

**Rx** End (phase out) the dependency policies of entitlements which have become addictive and take care of those in need of help.

Rx Phase out the addictive policies and practice of depending on "foreign energy sources," and "foreign industry," and "foreign slaves."
Rx Return to freedom of

**Rx** Return to freedom of choice for medical care; no legislative mandates.

**Rx** "Unions" and their formation should become optional with "Right To Work Laws."

The nation of States was created by the Declaration of Independence and is now governed by a Constitution

of the United States of America. We ought to be abiding by the words in those documents. Many policies of current governing are not following the words written into the Constitution. The Constitution is the contract of the States among States that binds us as one. Not following the Constitution is a breach of a promise.

God Bless America.

Ron Paul, M.D. is a candidate for the Presidency. He is a doctor and knows the significance of prescribing.



#### "Secrets of the Federal Reserve"

In "Secrets of the Federal Reserve" Eustace Mullins writes about the intrigues, deception, lies, and conspiracy of men instigated 100 years ago. We live with the consequences of their actions and decisions. Go to any page in this story and the conspiracy becomes evident. On page 30 he writes:

H.W. Loucks denounced the Federal Reserve Act in "The Great Conspiracy of the House of Morgan"

"In the Federal Reserve Law, they have wrested from the people and secured for themselves the constitutional power to issue money and regulate the value thereof." On page 31, Louck writes, "The House of Morgan is now in supreme control of our industry, commerce and political affairs. They are in

complete control of the policy making of the Democratic, Republican and Progressive parties. The present extraordinary propaganda for 'preparedness' is planned more for home coercion than for defense against foreign aggression."

The signing of the Federal Reserve Act by Woodrow Wilson represented the culmination of years of collusion with his intimate friend, Col. House, and Paul Warburg. One of the men with whom House became acquainted in the Wilson Administration was Franklin D. Roosevelt, Assistant Secretary of Navy. As soon as he obtained the Democratic nomination for President, in 1932, Franklin D. Roosevelt made a "pilgrimage" to Col. House's home in Magno-

lia, Mass. Roosevelt, after the Republican hiatus of the 1920s, filled in the goals of *Philip Dru, Administtrator*, which Wilson had not been able to carry out. The late Roosevelt achievements included the enactment of the social security program, excess profits tax, and the expansion of the graduated income tax to 90% of earned income. House's biographer, Charles Seymour, wrote:

"He was wearied by the details of party politics and appointments. Even the share he had taken in the constructive domestic legislation (the Federal Reserve Act), tariff revision, and the Income Tax amendment) did not satisfy him. From the beginning of 1914 he gave more and more of his time to what he regarded as the

highest form of politics and that for which he was particularly suited - international affairs."

In 1938, shortly before he died, House told Charles Seymour, "During the last fifteen years I have been close to the center of things, although few people suspect it. No important foreigner has come to the United States without talking to me. I was close to the movement that nominated Roosevelt. He has given me a free hand in advising him. All the ambassadors have reported to me frequently."

A comparative print of the Federal Reserve Act of 1913 as passed by the House of Representatives and amended by the Senate shows the following strike change. The Senate struck out:

"To suspend the officials of Federal Reserve banks for cause, stated in writing with opportunity of hearing, require the removal of said officials for incompetency, dereliction of duty, fraud or deceit, such removal to be subject to approval by the President of the United States."

This was changed by the Senate to read:

"To suspend or remove any officer or director of any Federal Reserve Bank, the cause of such removal to be forthwith communicated in writing by the Federal Reserve Board to the removed officer or director and to said bank."

This completely altered the conditions under which an officer or director might be removed. We no longer know what the conditions for removal are, or the cause. Apparently incompetency, dereliction of duty, fraud, or deceit do not matter to the Federal Reserve Board. Also, the removed officer does not have the opportunity of appeal to the President. In answer to written inquiry, the

Assistant Secretary of the Federal Reserve Board replied that only one officer has been removed "for cause" in the thirtysix years, the name and details of this matter being a "private concern" between the individual, the Reserve Bank concerned, and the Federal Reserve Board.

Mullins goes on writing in "Secrets of the Federal Reserve"

The Federal Reserve System began its operations in 1914 with the activity of the Organization Committee, appointed by Woodrow Wilson, and composed of Secretary of the Treasury William McAdoo, who was his son-in-law, Secretary of Agriculture Houston and Comptroller of the Currency John Skelton Williams.

On January 6, 1914, The New York Times reported that the Organizing Committee of the Federal Reserve System had met in New York, and had conferred with Paul Warburg. "Mr. Warburg is regarded as the leading authority among local bankers on the problems involved in the new banking system and currency system. He agreed with the tentative ideas of the committee."

On January 7, 1914, J.P. Morgan met with the Organizing Committee in New York. He informed them that there should not be more than seven regional districts in the new system.

This committee was to select the locations of the "decentralized" reserve banks. They were empowered to select from eight to twelve reserve banks, although J.P. Morgan had testified he thought that not more than four should be selected. Much politicking went into the selection of these sites, as the twelve cities thus favored would become enormously important centers of finance. New York, of course, was a forgone conclusion. Richmond was the next selection, as a payoff to Carter Glass and Woodrow Wilson, the two Virginians who had

been given political credit for the Federal Reserve Act. The other selections of the Committee were Boston, Philadelphia, Cleveland, Chicago, St. Louis, Atlanta, Dallas, Minneapolis, Kansas City, and San Francisco. All of these cities luster developed important "financial districts" as the result of this selection.

These local battles, however, paled in view of the complete dominance of the Federal Reserve bank of New York in the system. Ferdinand Lunberg pointed out, in "America's Sixty Families." that.

"In practice, the Federal Reserve Bank of New York became the fountainhead of the system of twelve banks, for New York was the money market of the nation. The other eleven banks were so many expensive mausoleums erected to salve the local pride and quell the Jacksonian fears of the hinterland. Benjamin Strong, president of the Banker Trust (J.P. Morgan) was selected as the first Governor of the New York Federal Reserve Bank. Adept in high finance, Strong for many years manipulated the country's monetary system at the discretion of directors representing the leading New York banks. Under Strong, the Reserve System was brought into interlocking relations with the Bank of England and the Bank of France. Benjamin Strong held his position as Governor of the Federal Reserve Bank of New York until his sudden death in 1928, during a Congressional investigation of the secret meetings between Reserve Governors and heads of European central banks which brought on the Great Depression of 1929-31."

.... ....



wickedness in the heavenly places. <sup>13</sup>Therefore take up the whole armor of God, that you may be able to withstand in the evil day, and having done all, to stand. 14Stand therefore, having girded your waist with truth, having put on the breastplate of righteousness, 15 and having shod your feet with the preparation of the gospel of peace; 16 above all, taking the shield of faith with which you will be able to quench all the fiery darts of the wicked one. 17And take the helmet of salvation, and the sword of the Spirit, which is the word of God; 18 praying always with all prayer and supplication in the Spirit, being watchful to this end with all perseverance and supplication for all the saints—19 and for me, that utterance may be given to me, that I may open my mouth boldly to make known the mystery of the gospel, <sup>20</sup>for which I am an ambassador in chains; that in it I may speak boldly, as I ought to speak. <sup>21</sup>But that you also may know my affairs and how I am doing, Tychicus, a beloved brother and faithful minister in the Lord, will make all things known to you; 22whom I have sent to you for this very purpose, that you may know our affairs, and that he may comfort your hearts. <sup>23</sup>Peace to the brethren, and love with faith, from God the **Father and the Lord Jesus** Christ. <sup>24</sup>Grace be with

all those who love our

Lord Jesus Christ in sincerity. Amen.

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"Mastery of the universe is proportional to the symbols man has by which to represent his universe."

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### **Government Accountability Office Report** GAO-11-696

I continue looking at a copy of U.S. Government Accountability Office Report GAO-11-696. "Report to Congressional Addressees - Federal Reserve System, Opportunities Exist to Strengthen Policies and Processes for Managing Emergency Assistance", July 2011.

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#### **Dollar Swap Lines**

Concurrent with the announcement of TAF (Term Auction Facility), the FOMC (Federal Open Market Committee) announced the establishment of dollar swap arrangements with two foreign central banks ... . The market for interbank funding in U.S. dollars is global, and many foreign banks hold U.S. dollar denominated assets and fund these assets by borrowing in U.S. dollars. In contrast to U.S. Commercial banks, foreign banks did not hold significant U.S.-dollar deposits, and as a result, dollar funding disruptions were particularly acute for many banks during the recent crisis. ... . On December 6, 2007, the FOMC approved requests from the European Central Bank and Swiss National Bank and authorized FRBNY to establish temporary swap lines under section 14 of the Federal Reserve Act.22 During

2008, the FOMC ap-

proved temporary swap

central banks.23

Footnote 22 says: "The Federal Reserve Board has interpreted section 14 of the Federal Reserve Act to permit the Federal Reserve Banks to conduct open market operations in foreign exchange markets and to open and maintain accounts in foreign currency with foreign central banks. Section 14 states that "[a]ny Federal reserve bank may ... purchase and sell in the open market, at home or abroad, either from or to domestic or foreign banks, firms, corporations, or individuals, cable transfers ..." The Federal

The market for interbank funding in U.S. dollars is global, and many foreign banks hold U.S. dollar denominated assets and fund these assets by borrowing in U.S. dollars.

> Reserve Board has interpreted "cable transfers" to mean foreign exchange. Section 14(e) authorizes Reserve Banks to "open and maintain accounts in foreign countries, appoint

correspondents, and establish agencies in such countries..." and "to open and maintain banking accounts for ... foreign banks or bankers...." The use of swap lines under section 14 of the Federal Reserve Act is not new. For example, FRBNY instituted temporary swap arrangements following September 11, 2001, with the European Central Bank and the Bank of England."

Footnote 23 states: "These foreign central banks were the Reserve Bank of Australia, the Banco Central do Brasil,

the Bank of Canada, Danmarks Nationalbank (Denmark), the Bank of England (United Kingdom), the Bank of Japan. the Bank of Korea (South Korea), the Banco de Mexico, the Reserve Bank of New Zealand, Norges Bank (Norway). The

Monetary Authority of Singapore, and Sveriges Riksbank (Sweden).

