

HOW BANKS SECRETLY PLUNDER YOUR MONEY

by

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The current monetary meltdown is a result of a system which is *designed* for plunder. Before we can *fix* the problems we must *understand* them. We have a debt-money system in which all money is loaned into circulation by the banks, but since only the principal is loaned and not the interest, there is always more debt than money to pay it back, a mathematically impossible situation which guarantees the eventual bankruptcy and asset seizure of all nations who borrow their money supply from private banks.

Many people understand the debt-money problem, but the plunder goes much deeper. At its core, the problem is very simple: *People make money with money, without producing anything for it.* When a bank makes a loan and gets paid interest, or when *you* put money into the bank and earn interest, the main problems are: Nothing has been produced, and the interest grows at a very rapid compound interest rate (i.e. exponentially). This practice, called *usury*, is a subset of the broader category of *something-for-nothing* (derivatives, market manipulation, etc.), and was once forbidden by the Church [\(1\)](#). While it is the basis of most of the world's banking systems, this doesn't make the practice moral or right, it only makes struggle, poverty, and bankruptcy more widespread and severe.

Since it is reasonable for a nation to have savings, let's consider the consequences if 50 million Americans decided to save \$10,000 in the bank, a total of \$500 billion at interest. After the first year they will be paid 6% after-tax interest of \$30 billion (assuming an interest rate in "normal" times). In the 40th year they will get \$309 billion in interest. In the 80th year, they will receive \$3.2 trillion, a large portion of the nation's output. In any given year, each person will get paid his interest. No year is any different from any other, so if the people get paid \$30 billion interest in the first year, they will get paid \$3.2 trillion interest in the 80th, guaranteed by the FDIC and government. To allow Americans to save \$10,000 at compound interest, would within a few decades bankrupt the nation. This is why immense system pressures work to prevent Americans from saving their money.

These pressures include: Rising prices (interest earnings loses most of its value); Bankruptcies (savings are taken from you); Unemployment (forces you to spend your savings); Business cycle and recession (forces bankruptcies and unemployment); Welfare (pays the unemployed; can't let you starve); Inheritance tax (takes away a lifetime of interest earnings); End-of-life medical bills (to bankrupt you); Heavy property, income, and sales taxes (takes your money so you can't save); etc. That Americans cannot save is confirmed by statistics. The average American, if he cashed out all his assets and paid off his liabilities, would either own nothing, or be in debt to the system [\(2\)](#).

While Americans on the average cannot save, this does not mean that individuals cannot save. If a small number such as 10,000 people deposit \$10 million into a bank at 6% interest, in 80 years their money will multiply by 100 times to \$10 trillion. Interest paid on \$10 trillion is \$600 billion, roughly equivalent to federal income taxes. This is how the wealthy class produces nothing and lives off of the producers. Usury is a large hidden tax. How do you pay this hidden tax? Interest costs to businesses are passed on to consumers in the form of rising prices. In 1962, interest was only 4% of corporate operating revenue; by 1984 it exceeded 40% [\(3\)](#).

Isn't it the American dream to deposit \$10,000 in the bank when we are 25, and retire at age 65 when our money grows to \$100,000? Did you not consider that if you worked for the first \$10,000, nine other

people had to work to give you the other \$90,000? Isn't this theft? While money is superior to barter, it has limitations that must be understood. The purpose of money is to exchange wealth, not create it without productivity.

The prohibition of usury would, until recently, have been considered outlandish, but now that we are in the grip of global depression and bankruptcies, true solutions are needed. The Arabs do not practice usury, but invest money instead. Investment means you are a part owner. You share in the risk and the profits, and you are paid on the basis of *productivity*. Interest means you get paid on the basis of *time*, whether or not anything is produced, and there is no risk (guaranteed by the FDIC). Alternate systems do exist and do work.

This article is only a summary. Learn the detailed mechanics of our monetary system and proper design, by reading my 27-page paper *Rich Country - Poor Country*, a free download from www.hiddencures.com/Articles/natural-law-papers.htm.

ENDNOTES

(1) Biblical Anti-Usury Statutes: Exodus 22:25; Leviticus 25:13-16, 25:23, 25:29-31, and 25:36-37; Deuteronomy 23:19-20; Proverbs 28:8.

(2) A study by the Federal Reserve Board of all financial assets held by individuals (excluding what was held by institutions), and calculating their net financial worth (assets minus debts) reported the following:

. . . 54 percent of the total net financial assets were held by the 2 percent of families with the greatest amount of such assets and 86 percent by the top 10 percent; 55 percent of the families in the sample had zero or negative net worth. [*Secrets of the Temple*, William Greider, Simon and Schuster, 1987, p. 39]

(3) According to *The Spotlight*, Nov. 9, 1987 issue, in the article *Market Collapse Inevitable* (p.1):

Even so-called conventional debt turned into a stranglehold on productive enterprises, which set aside four cents out of every dollar in operating revenue for debt service in 1962. By 1984, Wall Street analysts note, debt obligation jumped more than 10-fold; debt service for the average industrial firm ate up more than 40 cents of every dollar earned.