

JFK vs. The Federal Reserve

On June 4, 1963, a virtually unknown Presidential decree, Executive Order 11110, was signed with the authority to basically strip the Federal Reserve Bank of its power to loan money to the United States Federal Government at interest. With the stroke of a pen, President Kennedy declared that the *privately owned* Federal Reserve Bank would soon be out of business. The Christian Law Fellowship has exhaustively researched this matter through the Federal Register and Library of Congress. We can now safely conclude that this Executive Order has never been repealed, amended, or superseded by any subsequent Executive Order. In simple terms, it is still valid.

When President John Fitzgerald Kennedy - the author of *Profiles in Courage* - signed this Order, it returned to the federal government, specifically the Treasury Department, the Constitutional power to create and issue currency - money - without going through the privately owned Federal Reserve Bank. President Kennedy's Executive Order 11110 [the full text is displayed further below] gave the Treasury Department the explicit authority:

"to issue silver certificates against any silver bullion, silver, or standard silver dollars in the Treasury."

This means that for every ounce of silver in the U.S. Treasury's vault, the government could introduce new money into circulation based on the silver bullion physically held there. As a result, more than \$4 billion in United States Notes were brought into circulation in \$2 and \$5 denominations. \$10 and \$20 United States Notes were never circulated but were being printed by the Treasury Department when Kennedy was assassinated. It appears obvious that President Kennedy knew the Federal Reserve Notes being used as the *purported* legal currency were contrary to the Constitution of the United States of America. "United States Notes" were issued as an interest-free and debt-free currency backed by silver reserves in the U.S. Treasury.

In the illustrations below, we compare a "Federal Reserve Note" issued from the *private* central bank of the United States (the Federal Reserve Bank a/k/a Federal Reserve System), with a "United States Note" from the U.S. Treasury issued by President Kennedy's Executive Order. They almost look alike, except one says "Federal Reserve Note" on the top while the other says "United States Note". Also, the Federal Reserve Note has a green seal and serial number while the United States Note has a red seal and serial number.



FEDERAL RESERVE NOTE



UNITED STATES NOTE

President Kennedy was assassinated on November 22, 1963 and the United States Notes he had issued were immediately taken out of circulation. Federal Reserve Notes continued to serve as the legal currency of the nation. According to the United States Secret Service, 99% of all U.S. paper "currency" circulating in 1999 are Federal Reserve Notes.

Kennedy knew that if the silver-backed United States Notes were widely circulated, they would have eliminated the demand for Federal Reserve Notes. This is a very simple matter of economics. The USN was backed by silver and the FRN was not backed by anything of intrinsic value. Executive Order 11110 should have prevented the national debt from reaching its current level (virtually all of the nearly \$9 trillion in federal debt has been created since 1963) if LBJ or any subsequent President were to enforce it. It would have almost immediately given the U.S. Government the ability to repay its debt without going to the *private* Federal Reserve Banks and being charged interest to create new "money". Executive Order 11110 gave the U.S.A. the ability to, once again, create its own money backed by silver and real value worth something.

Again, according to our own research, just five months after Kennedy was assassinated, no more of the Series 1958 "Silver Certificates" were issued either, and they were subsequently removed from circulation. Perhaps the assassination of JFK was a warning to all future presidents not to interfere with the *private* Federal Reserve's control over the creation of money. It seems very apparent that President Kennedy challenged the "powers that exist behind U.S. and world finance". With true patriotic courage, JFK boldly faced the two most successful vehicles that have ever been used to drive up debt: 1) war (Viet Nam); and, 2) the creation of money by a privately owned central bank. His efforts to have all U.S. troops out of Vietnam by 1965 combined with Executive Order 11110 would have destroyed the profits and control of the *private* Federal Reserve Bank.

Executive Order 11110

AMENDMENT OF EXECUTIVE ORDER NO. 10289

AS AMENDED, RELATING TO THE PERFORMANCE OF

CERTAIN FUNCTIONS AFFECTING THE DEPARTMENT OF THE TREASURY

By virtue of the authority vested in me by section 301 of title 3 of the United States Code, it is ordered as follows:

SECTION 1. Executive Order No. 10289 of September 19, 1951, as amended, is hereby further amended -

(a) By adding at the end of paragraph 1 thereof the following subparagraph (j):

"(j) The authority vested in the President by paragraph (b) of section 43 of the Act of May 12, 1933, as amended (31 U.S.C. 821 (b)), to issue silver certificates against any silver bullion, silver, or standard silver dollars in the Treasury not then held for redemption of any outstanding silver certificates, to prescribe the denominations of such silver certificates, and to coin standard silver dollars and subsidiary silver currency for their redemption," and

(b) By revoking subparagraphs (b) and (c) of paragraph 2 thereof.

SECTION 2. The amendment made by this Order shall not affect any act done, or any right accruing or accrued or any suit or proceeding had or commenced in any civil or criminal cause prior to the date of this Order but all such liabilities shall continue and may be enforced as if said amendments had not been made.

JOHN F. KENNEDY

THE WHITE HOUSE,

June 4, 1963

Once again, Executive Order 11110 is still valid. According to *Title 3, United States Code, Section 301* dated January 26, 1998:

Executive Order (EO) 10289 dated Sept. 17, 1951, 16 F.R. 9499, was as amended by:

EO 10583, dated December 18, 1954, 19 F.R. 8725;

EO 10882 dated July 18, 1960, 25 F.R. 6869;

EO 11110 dated June 4, 1963, 28 F.R. 5605;

EO 11825 dated December 31, 1974, 40 F.R. 1003;

EO 12608 dated September 9, 1987, 52 F.R. 34617

The 1974 and 1987 amendments, added after Kennedy's 1963 amendment, did not change or alter any part of Kennedy's EO 11110. A search of Clinton's 1998 and 1999 EO's and Presidential Directives has also shown no reference to any alterations, suspensions, or changes to EO 11110.

The Federal Reserve Bank, a/k/a Federal Reserve System, is a Private Corporation

Black's Law Dictionary defines the "Federal Reserve System" as:

"Network of twelve central banks to which most national banks belong and to which state chartered banks may belong. Membership rules require investment of stock and minimum reserves."

Privately-owned banks own the stock of the FED. This was explained in more detail in the case of Lewis v. United States, *Federal Reporter, 2nd Series, Vol. 680, Pages 1239, 1241 (1982)*, where the court said:

"Each 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 Federal Reserve Banks are locally controlled by their member banks. Once again, according to *Black's Law Dictionary*, we find that these privately owned banks actually issue money:

"Federal Reserve Act. Law which created Federal Reserve banks which act as agents in maintaining money reserves, issuing money in the form of bank notes, lending money to banks, and supervising banks. Administered by Federal Reserve Board (q.v.)".

The privately owned Federal Reserve (FED) banks actually issue (create) the "money" we use. In 1964, the House Committee on Banking and Currency, Subcommittee on Domestic Finance, at the second session of the 88th Congress, put out a study entitled *Money Facts* which contains a good description of what the FED is:

"The Federal Reserve is a total money-making machine. It can issue money or checks. And it never has a problem of making its checks good because it can obtain the \$5 and \$10 bills necessary to cover its check simply by asking the Treasury Department's Bureau of Engraving to print them".

Any one person or any closely knit group who has a lot of money has a lot of power. Now imagine a group of people who have the power to create money. Imagine the power these people would have. This is exactly what the privately owned FED is!

No man did more to expose the power of the FED than Louis T. McFadden, who was the Chairman of the House Banking Committee back in the 1930s. In describing the FED, he remarked in the *Congressional Record*, House pages 1295 and 1296 on June 10, 1932:

"Mr. Chairman, we have in this country one of the most corrupt institutions the world has ever known. I refer to the Federal Reserve Board and the Federal reserve banks. The Federal Reserve Board, a Government Board, has cheated the Government of the United States and the people of the United States out of enough money to pay the national debt. The depredations and the iniquities of the Federal Reserve Board and the Federal reserve banks acting together have cost this country

enough money to pay the national debt several times over. This evil institution has impoverished and ruined the people of the United States; has bankrupted itself, and has practically bankrupted our Government. It has done this through the maladministration of that law by which the Federal Reserve Board, and through the corrupt practices of the moneyed vultures who control it".

Some people think the Federal Reserve Banks are United States Government institutions. They are not Government institutions, departments, or agencies. They are *private* credit monopolies which prey upon the people of the United States for the benefit of themselves and their foreign customers. Those 12 private credit monopolies were deceitfully placed upon this country by bankers who came here from Europe and who repaid us for our hospitality by undermining our American institutions.

The FED basically works like this: The government granted its power to create money to the FED banks. They create money, then loan it back to the government charging interest. The government levies income taxes to pay the interest on the debt. On this point, it's interesting to note that the Federal Reserve Act and the sixteenth amendment, which gave congress the power to collect income taxes, were both passed in 1913. The incredible power of the FED over the economy is universally admitted. Some people, especially in the banking and academic communities, even support it. On the other hand, there are those, such as President John Fitzgerald Kennedy, that have spoken out against it. His efforts were spoken about in Jim Marrs' 1990 book *Crossfire*:

"Another overlooked aspect of Kennedy's attempt to reform American society involves money. Kennedy apparently reasoned that by returning to the constitution, which states that only Congress shall coin and regulate money, the soaring national debt could be reduced by not paying interest to the bankers of the Federal Reserve System, who print paper money then loan it to the government at interest. He moved in this area on June 4, 1963, by signing Executive Order 11110 which called for the issuance of \$4,292,893,815 in United States Notes through the U.S. Treasury rather than the traditional Federal Reserve System. That same day, Kennedy signed a bill changing the backing of one and two dollar bills from silver to gold, adding strength to the weakened U.S. currency.

Kennedy's comptroller of the currency, James J. Saxon, had been at odds with the powerful Federal Reserve Board for some time, encouraging broader investment and lending powers for banks that were not part of the Federal Reserve system. Saxon also had decided that non-Reserve banks could underwrite state and local general obligation bonds, again weakening the dominant Federal Reserve banks".

In an unconfirmed comment made at Columbia University on Nov. 12, 1963, ten days before his assassination, President John Fitzgerald Kennedy allegedly said:

"The high office of the President has been used to foment a plot to destroy the American's freedom and before I leave office, I must inform the citizen of this plight."

If this comment is accurate, then John Fitzgerald Kennedy appears to be the subject of his own book... a true Profile of Courage.