EXHIBIT 43

Documents regarding improving healthcare while spending less money, to prevent taking advantage of the sick by killing or concealing illness to serve business greed. More money is the problem not the solution. Just decrees, and justice in the courts are the solution.

1. Coastal Point, Guest Column, Representative candidate says health is wealth, By Meghan Kelly, Esq., Candidate Delaware House of Representatives, 38th District

2. Document, "Your Health is your Wealth You are Priceless. Not a price tag! Kelly seeks Federal Consideration of Health Care Proposal

3. Meghan Kelly's teaching certificate, credibility

4. Meghan Kelly's redacted law school transcript to show she took a course Health Care Finance and the course Law and Medicine while attending Duquesne School of Law

5. Meghan Kelly's redacted undergraduate college transcript to show she took relevant courses related to

a. History of Western Medicine

b. Economics

c. Medieval Philosophy

d. Psychology courses

6. Evidence of the surgery that inspired me to study healthcare issues. Due to the surgery referred to therein, I am (self) required to drink water, rest, exercise and eat. So, I do not faint or die due to dehydration when I have my period. I lose five pounds of water weight every month. This is still a challenge. I must assert my right to live because many people serve Satan by hardness of heart. Many do not want to be inconvenienced to care, to adapt to safeguard the lives and health of others, including my own. I am a child of God. My body is not my own. I am commanded to be holy because God is holy, to care for and treasure my body, and the lives and health of others too. "I am not my own." Other people are loved by God too.

Coastal Point
Guest Column
July 20, 2018

Representative candidate says health is wealth

By Meghan Kelly, Esq.
Candidate, Delaware House of Representatives, 38th District

My name is Meghan Kelly, Esq. I am a candidate for the House of Representatives in the Nov. 6 race in the 38th District. I am running, in part, because I have a desire to draft laws to create better health care for Delawareans, and I want to persuade the federal legislators to draft specific legislation to reduce the price of care instead of eliminating care to those who need it most by rendering it unaffordable.

I am uniquely qualified to propose solutions in this area as an attorney who studied the history of medicine at University of Delaware, and health care finance and health care law at Duquesne School of Law School. I even received a small scholarship for healthcare law.

So, I thank you for your kind consideration, as I truly care about serving the people in the community I grew up in, and love and protecting their life and health.

This week, I will write about improving health care concerning the state of Delaware. Next week, I will submit a suggestion to our federal legislators regarding making health care more affordable. Instead of reducing the amount of care, I respectfully urge our federal legislators to reduce the price of care. Only they have the power to do so, I will not.

In Delaware, I specifically want to draft legislation to improve the quality of health care, instead of merely getting massive bad care. Funding is more easily received when health care entities and professionals are researching cutting-edge techniques, which is dangerous for patients since they are still working out the kinks.

Think of the National Institute of the Health (NIH), charities who accept funding from the army and NIH, and private research or health care entities who make money on analysis. So they can use patient's records to sell alleged health care miracles in bulk, based on data. Part of the HIPPA waiver we sign at each doctor's visit allows our information to be used in this scientific research. So, patients may be lawfully used as lab rats.

I want to draft legislation to prevent the abuses we have seen by doctors like Dr. Earl Bradley, who allegedly molested hundreds of children; repeal the involuntary sterilization statute; and make it easier to prevent doctor and health care abuse of patients for a buck...

I want to prevent doctors from prescribing addictive drugs under the facade of benefiting the patient, but in truth to benefit their own pockets, to keep patients coming back for prescriptions for their addiction, not for good health.

I want to stop doctors like the local Delaware doctor who used cutting-edge treatments, hip replacements, on people, including my father. He said everything was fine for years, despite readily available information to the contrary, to cover his own back, instead of serving the patients like my father, the legendary retired teacher, lifeguard and coach Pat Kelly of Indian River High School.

No care is better than bad care. Thus, I desire to create legislation to ensure our health care providers are taking care of the patients, not taking advantage of the patients for profit. Our laws serve money — not people, not patients.

I want to create laws that penalize health care professionals for drugging the elderly at the elderly homes to make them easier to tend, like vegetables. We need to value and respect our elderly, (not keep them in an institution for our convenience). These institutions should

See KELLY page A15

Kelly

Continued from page A14

be developed to serve and respectthe elderly, not take advantage of then for a profit.

Now is the time to value human life and health more than money. Nov is the time to hold health care professionals accountable for their bad choies to harm instead of heal patients.

I desire to repeal the involuntary Sterilization statute in Delaware under Title 16, Chapter 57 of the Delavare Code. There is too much incentive to sterilize people to use their stemcells for profit and research, instead of alleged need. Besides, the fact is sterilization is barbaric and arguably viohtes Delawareans' right to life, libertyand pursuit of happiness, despite theUnited States Supreme Court decision n Buck v Bell, 274 US 200 (1927).

I desire to amend the medical malpractice act. It is very difficult to correct doctors under this act. In Delaware, a patient has two years from the date of the medical provider's misconduct, if a patient is younger than 6, until the patient's sixth birthday. The time may be extended in limited circumstances — for instance, if a doctor left a foreign object in a patient's body.

In addition to the short statute of limitations, in Delaware, you also need to get another health care professional to give an expert opinion concerning the malpractice of the medical provider. This is very tough to get because doctors do not want to give an opinion against a peer when they know they are capable of mistakes or a sloppy job, too.

The requirements of the expert opinion are also hard to meet. So, a lot of lawsuits are kicked out for failure to adhere to the requirements. For instance, if an expert says the doctor's act was a substantial factor in causing the harm, the opinion will get kicked out. In Delaware, the expert must state the "but for" the doctor's conduct the harm would not have occurred.

Overall, if a doctor messes up on you, you most likely will be out of luck. The longer you wait to pursue legal relief, the tougher it will be for the attorney to find an expert required to have a case.

It is important to correct doctors, as the treatment they provide may harm other people for life or kill them. Since it's so difficult to sue, it's hard to prevent further harm by showing how certain treatments make people worse off. That's why we must amend the medical malpractice act in Delaware. We must prevent further patient harm and deaths.

By electing me you will be electing a candidate that will fight for your life and health. You are priceless — more valuable than all the money in the world. By electing me, you will be electing someone who serves people, not greed.

Your Health is Your Wealth
You are Priceless. Not a price Tag!
Kelly seeks Federal Consideration of Health Care Proposal

My name is Meghan Kelly. I am an attorney running in the November 6, 2018 race for the House of Representatives seat in the 38th District, which includes Bethany Beach, Fenwick, Millville, Frankford, Ocean View, Selbyville and parts of Dagsboro.

I am running, in part, because I discovered I had a deep passion to change the laws to better serve people. I have had the opportunity to review proposed laws for more than ten years, starting at Richards, Layton and Finger, PA. I have proposed comments on legislation to other attorneys in different bar sections, such as Corporate Law, E-Discovery, Personal and Real Property. Each section votes by majority. Unfortunately, I always get voted out since I tend to seek what serves Delawareans better, instead of what is convenient and profitable to our own practice. So, I continued to look at alternative ways to improve the laws.

I made calls to legislators, met with people, sent emails and letters in an attempt to amend the laws. Unfortunately, I was not successful. Yet, every time I observed corruption, abuse or misuse of power, my desire to improve the laws grew stronger. So, I found myself paying the filing fee to run for office. So, here I am.

I am running for a state legislative position. Nevertheless, the point of this letter is to discuss a suggestion relating to affordable health care that I submitted to our **federal legislators** and **President Trump's Delaware liaison, Councilman Rob Arlett**, in an attempt to gain their kind consideration at the federal level. Only the federal legislators will be able to address this issue, I will not. I am printing parts of some emails I sent to Rob Arlett in hopes the **federal officials** will reduce the price of health care instead of eliminating care to those who need it the most by rendering it unaffordable.

"...President Trump's initial idea was brilliant. Focus on reducing the cost of care instead of indirectly eliminating care, due to the astronomical cost. I understand your concern about appealing to emotion, but I believe people will die if they cannot afford care, just like many did prior to 1986.

Prior to 1986, Emergency Rooms ("ERs"), were turning away pregnant ladies and people in need of immediate care, due to their lack of insurance and inability to pay. Babies had complications, lots of pregnant moms died. It created public outrage.

So, Congress enacted Emergency Medical Treatment & Labor Act (EMTALA) in 1986, by using its power under Article 1 Section 8 of the Constitution, (the spending power), to require all hospitals with Emergency Rooms accept all patients regardless of their lack of insurance and inability to pay. Congress attached strings to such entities, by requiring the ERs accept all patients if they receive any Medicare or Medicaid, or be penalized financially.

Similarly, Congress can create price ceilings for drugs or health care for any entity receiving Medicare and Medicaid. This will extend to uninsured people as well.

The National Institute of the Health (NIH), is another vehicle the federal government may use to implement President Trump's initial plan. This entity provides grants and subsidies for drug research. The Federal Government through basic contract law may condition the acceptance of such money upon the drug company's agreement to price ceilings. Should the drug company not honor such ceiling, they may draft a provision requiring the company to pay all such money back in addition to a penalty." (citation to email omitted). Medical providers may still choose to reduce the price of care to stay competitive. The price ceilings prevent entities from rendering people worthless or too expensive to care for.

"Instead of indirectly taking away care from people who cannot afford it, let's make it more affordable for people. So, like you said, Americans can assume more responsibility and autonomy in their own care.

Artificial entities without hearts care more about the bottom line than those they serve, unless caring will affect the bottom line. Congress has the ability to affect the bottom line to reduce the cost of healthcare instead of eliminating care indirectly by making it unaffordable.

Healthcare is an inelastic good, a necessity, meaning no matter how rich or poor you are, you would probably give all you had, including your home, to pay for care to save the life of your child, a loved one, or even your own life. The demand does not change with price. This is an exception to normal market theories of supply and demand dictating prices. Artificial entities will get as much money as they can, at the expense of lives.

The board members are far removed from those they serve. They most likely are thinking about how they can afford to pay for their kid's schooling instead of the individuals they serve. Since they are focused on the bottom line," please use your power federal legislators to affect the bottom. (citations to email omitted). Only you have the power to do so, I will not.

The federal legislators have Medicare, Medicaid, NIH and other mechanisms of federal funding to use as bargaining chips. They should use the bargaining chips to reduce the price of healthcare (and improve care), instead of threatening to reduce Medicare, Medicaid, or take those chips away. What will they have left to bargain with if they take everything away.

Thank you for your kind consideration.

License No. 18929

Official Verification of Licensure Available at https://deeds.doe.k12.de.us

Issue Date: September 25, 2006
Effective Date:
Expiration Date:

State of Delaware

Department of Education

Initial License

Know all persons by these Present, that

Meghan Marie Kelly, Esq.

has fulfilled the Licensure and Certification requirements of the Professional Standards Board and is certified in the following area(s):

STANDARD: Teacher of Elementary Grades K-6 **
STANDARD: Teacher of Exceptional Children Grades K-12
STANDARD: Teacher of Health Education Grades 5-12
STANDARD: Teacher of Middle Level Mathematics Grades 6-8 **
STANDARD: Teacher of Physical Education Grades K-12
STANDARD: Teacher of Social Studies Grades 9-12 (Valid 5-8 in a Middle School)

This is a valid license. This license will be activated upon employment with a Delaware Public School District/Charter School.

STATE BOARD OF EDUCATION • DELAWARE •

** Indicates Highly Qualified in content areas covered by this certificate

Each License Holder is Responsible for Knowing and Satisfying License Renewal Requirements or Any Provisions Required to Reinstate His or Her License/Certificate

Secretary of Education

LAW Transcript

DUQUESNE UNIVERSITY

600 FORBES AVENUE PITTSBURGH, PA 15282-0299

Record as of: 07/01/05

MS. MEGHAN M. KELLY

Student ID:

DEGREE JURIS DOCTOR

MAJOR Juris Doctor - Day

MINOR

SEM	COURSE DESCRIPTION	DEPT	CAT	GRD	ATT	COMPL	G.PTS
	LEGAL PROCESS AND PROCEDURE	LAW	[illegible]		3.00	3.00	7.5000
[illegible] FAL	SEMESTER GPA = 2.5000 CUMULATIVE GPA = 2.50				3.00	3.00	7.5000
	CONTRACTS	LAW	C13		6.00	6.00	15.0000
	PROPERTY	LAW	C11		6.00	6.00	19.5000
	TORTS	LAW	[illegible]		6.00	6.00	18.0000
	CIVIL PROCEDURE I	LAW	[illegible]		3.00	3.00	9.7500
	CRIMINAL LAW & PROCEDURE	LAW	C87		4.00	4.00	11.0000
	LEGAL RESEARCH AND WRITING	LAW	[illegible]		[illegible]	3.00	11.2500
[illegible]-SPL	SEMESTER GPA = 3.1250 CUMULATIVE GPA = [illegible]				[illegible]	28.00	87.5000
	[illegible] CAUSE WRONGF CRIM.CONV	LAW	[illegible]		[illegible]	2.00	7.5000
[illegible]-SUL	SEMESTER GPA = 3.7500 CUMULATIVE GPA = 3.1061				[illegible]	2.00	7.5000
	LABOR LAW	LAW	C78			3.00	9.0000
--7	HEALTH CARE FINANCE	LAW	[illegible]			2.00	7.5000
	EVIDENCE SECT B	LAW	C135			3.00	10.5000
[illegible] FAL	SEMESTER GPA = 3.3750 CUMULATIVE GPA = [illegible]					8.00	27.0000
—7	LAW AND MEDICINE	LAW	C32			2.00	7.0000
	CONSTITUTIONAL LAW - SECT B	LAW	C25			3.00	15.0000
	TAXATION	LAW	[illegible]			3.00	12.0000
	CORPORATIONS-SECT B	LAW	C136			4.00	11.0000
	FAMILY LAW	LAW	[illegible]			2.00	7.0000
[illegible]-SPL	SEMESTER GPA = [illegible] CUMULATIVE GPA = [illegible]					17.00	53.0000
	TRIAL COURT CLERKSHIP	LAW	C242			1.00	0.0000
[illegible]-SUL	SEMESTER GPA = 0.0000 CUMULATIVE GPA = [illegible]					1.00	0.0000
	PROFESSIONAL RESPONSIBILIT	LAW	[illegible]			3.00	0.0000
	ESTATES AND TRUSTS	LAW	[illegible]			3.00	9.7500
	TRIAL ADVOCACY	LAW	[illegible]			3.00	10.5000

SEM	COURSE DESCRIPTION	DEPT	CAT	T	COMPL	G.PTS
	COMMERCIAL TRANSACTIONS I	LAW	[illegible]	00	3.00	[illegible]
	APPELLATE PRACTICE & PROCE	LAW	[illegible]	00	0.00	0.0000
[illegible]-FAL	SEMESTER GPA 3.1667 CUMULATIVE GPA = [illegible]			00	12.00	38.0000
	CONFLICTS OF LAW	LAW	C22	00	3.00	10.5000
	BANKRUPTCY	LAW	C46	00	2.00	7.0000
	FED COURTS & THE FED SYS	LAW	[illegible]	00	3.00	9.7500
	ROMAN LAW	LAW	[illegible]	00	2.00	7.0000
	COMMERCIAL TRANSACTIONS II	LAW	[illegible]	00	3.00	9.7500
05-SPL	SEMESTER GPA = 3.4231 CUMULATIVE GPA = [illegible]			[illegible]	[illegible]	[illegible]

TOTALS CRED CPT = [illegible]

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**************************************************************************
* JURIS DOCTOR Degree Awarded on 06/05                                   *
* Majors                     Minors                  Specializations     *
* ---------------------------------------------------------------------- *
* Juris Doctor - Day                                                     *
*                                                                        *
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RAISED SEAL NOT REQUIRED

The official University transcript is printed on Secured paper and does not require a raised seal

Patricia E. Jakub

Patricia E. Jakub

University Registrar

ISSUED TO STUDENT

MEGHAN M. KELLY

NAME Meghan Marie Kelly

SEX FEMALE

06/11/02

Current Academic Program:
College of Arts and Science
Bachelor of Arts
Major: History Education

UNIVERSITY OF DELAWARE Degrees Conferred:
Bachelor of Arts — May 26, 2001
College of Arts and Science
Major: History
Rank: 1213 of 3174 in class, 13 of 73 in History
Graduation GPA: 3.159

Completed NCATE/State Approved Teacher Education Program in Social Studies Education
University of Delaware — Confirmed May 2002

---Fall 1996---

Admitted Program:
College of Education
Bachelor of Science in Education
Major: Elementary Teacher Education

EDST-247	PROF ISSUES:HIST PERSPECTIVES	3	10.000
ENGL-110	CRITICAL READING & WRITING	(3)	
HPER-120	EXERCISE AND CONDITIONING	1	4.000
MATH-251	MATH FOR ELEMENTARY SCHOOL I	3	11.000
POSC-240	INTRO TO INTERNATIONAL RELATIONS	3	6.000
THEA-104	INTRO TO THEATRE AND DRAMA	3	8.000

Term	16	13.00	13	39.000	
Cumulative	16	13.00	13	39.000	1164/4709

---Winter 1997---

BISC-207	INTRODUCTORY BIOLOGY I	(4)	
HIST-206	UNITED STATES HISTORY	3	12.000
HPER-120	BEGINNING BALLROOM DANCE	1	

Term	8	4.00	3	12.000
Cumulative	24	17.00	16	51.000

---Spring 1997---

BISC-207	INTRODUCTORY BIOLOGY I	4	12.000
ENGL-110	CRITICAL READING & WRITING	3	7.000
GEOL-113	EARTH SCIENCE	4	12.000
HPER-120	WALK FOR FITNESS	1	4.000
MATH-252	MATH FOR ELEMENTARY SCHOOL II	3	9.000

Term	15	15.00	15	44.000	
Cumulative	39	32.00	31	95.000	787/3538

******* NO ENTRIES BELOW THIS LINE *******

---Fall 1997---

Transferred To:
College of Arts and Science
Bachelor of Arts
Major: History Education

EDDV-210	INTRO TO LIF AND LIF LEARNING	3	11.000
EDST-203	HUMAN DEVELOPMENT II:GR/DES 5-8	3	9.000
HIST-101	WESTERN CIV TO 1648	3	12.000
MATH-253	MATH FOR ELEMENTARY SCHOOL III	3	7.000
SCEN-101	PHYSICAL SCIENCE	4	14.667

Term	16	16.00	16	54.667	
Cumulative	55	48.00	47	149.667	882/3902

Academic Status: Dean's List.

---Winter 1998---

HIST-102	WESTERN CIV:1648-PRESENT	B-	3	8.000

Term	3	3.00	3	8.000
Cumulative	58	51.00	50	157.667

---Spring 1998---

ECON-152	INTRO MACROECON: MATHE [illegible]	3	10.000
GEOG-102	HUMAN GEOGRAPHY	3	8.000
HIST-103	WORLD HISTORY TO 1648	3	11.000
NTDT-200	NUTRITION CONCEPTS	3	10.000
POSC-313	AMERICAN FOREIGN POLICY	3	9.000

Term	15	15.00	15	48.000	
Cumulative	73	66.00	65	204.667	900/3656

---Fall 1998---

ECON-151	INTRO MICROECON: PRICES & MARKET	3	10.000
GEOG-120	WORLD REGIONAL GEOGRAPHY	3	7.000
HIST-104	WORLD HISTORY:1648 TO PRESENT	3	11.000
POSC-105	AMERICAN POLITICAL SYSTEM	3	9.000
SPAN-106	SPANISH II - ELEM/INTER	4	9.333

Term	16	16.00	16	46.333	
Cumulative	89	82.00	81	251.000	1035/3257

---Winter 1999---

SPAN-107	SPANISH III - INTERMEDIATE	4	10.667
SPAN-207	CONTEMPORARY LATIN AMERICA I	3	11.001

Term	7	7.00	7	21.667
Cumulative	96	89.00	88	272.667

******* NO ENTRIES BELOW THIS LINE *******

Meghan Marie Kelly

2

UNIVERSITY OF DELAWARE NEWARK, DELAWARE 19716-6320

TRANSCRIPT LEGEND

ACADEMIC YEAR

The University utilizes a semester plan, in addition to two semesters, a 5-week Winter session and summer sessions offering 5-week and 7 1/2 week classes are held. The unit of credit is the semester credit hour which is generally based on one period (50 minutes) of lecture, laboratory or lab, recitation per week per semester. For shorter sessions the length of the period and/or number of sessions per week is increased to afford instructional time comparable to that in a regular semester.

University of Delaware adopted a +/- grading system effective Fall 1981.

FINAL GRADES

		Quality points
A	Excellent	4.00 per credit
A-		3.67 per credit
B+		3.33 per credit
B	Good	3.00 per credit
B-		2.67 per credit
C+		2.33 per credit
C	Fair	2.00 per credit
C-		1.67 per credit
D+		1.33 per credit
D	Poor	1.00 per credit
D-		0.67 per credit
F	Failure	0.00 per credit
X	Failure - Academic Dishonesty	0.00 per credit
Z	Failure - Unofficial Withdrawal	0.00 per credit
P	Passing (Not calculated in index. Quality point value not applicable)	
L	Listener - Registered without credit or grade	
LW	Listener Withdrawal	
NR	No Grade Reported	
W	Official Withdrawal - Passing at time of withdrawal	
WF	Official Withdrawal - Failing at time of withdrawal	

TEMPORARY GRADES

I	Incomplete
S	Satisfactory Progress
U	Unsatisfactory Progress
N	No Grade Reported by Instructor

COURSE NUMBERS

001-099	Non degree courses
100-199	Introductory level courses
200-299	Introductory/intermediate courses
300-499	Advanced courses
500-899	Graduate level courses
900-999	Ph.D. level courses

Graduate credit is granted at the University of Delaware only to those students who are properly registered and formally admitted students in a Graduate program.

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The word COPY appears when photocopied. A black and white document is not official.

Name Meghan Marie Kelly

FEMALE

06/11/02 B

---Spring 1999---

ECON 300	INTERMED MICROECONOMIC THEORY	3 9.000
EDUC 201	DIVERSITY IN THE CLASSROOM	3 10.000
GEOG 101	PHYSICAL GEOGRAPHY	3 9.000
HIST 205	UNITED STATES HISTORY	3 11.000

Term 12 12.00 12 39.000
Cumulative 108 101.00 100 311.667 998/3294

---Fall 1999---

EDUC-304	ED PSYCHOLOGY:SOCIAL ASPECTS	3 11.000
EDUC-305	ED PSYCHOLOGY:COGNITIVE ASPECTS	3 12.000
GEOG-203	INTRO TO CULTURAL GEOGRAPHY	3 10.000
MATH-114	COLLEGE MATHEMATICS & STATISTICS	3 10.000

Term 12 12.00 12 43.000
Cumulative 120 113.00 112 354.667 1363/4003
Academic Status: Dean's List.

---Winter 2000---

HIST-367	REEL HIST:HOLLYWOOD & AMER PAST	3 10.000
THEA-102	INTRODUCTION TO PERFORMANCE	3 11.000

Term 6 6.00 6 21.000
Cumulative 126 119.00 118 375.667

---Spring 2000---

CSCC-382	HISTORY OF WESTERN MEDICINE	3 7.000
HIST-268	SEM:IRELAND 1916-PRESENT	3 10.000
HIST-343	MEDIEVAL EUROPE:1050-1350	3 11.000
PHIL-302	MEDIEVAL PHILOSOPHY	3 6.000
POSC-387	AMERICAN POLITICAL THOUGHT	(3)
THEA-200	INTRO TO THEATRE PRODUCTION	3 10.000

Term 18 15.00 15 41.000
Cumulative 144 134.00 133 416.667 1714/4569

---Fall 2000---

EDUC-420	READING IN THE CONTENT AREAS	1 4.000
HESC-168	COACHING TRACK & FIELD	(1)
HIST-368	MODERN CHINA: 1600-1920'S	3 11.000
HIST-440	SEM:AFRICA UNDER COLONIAL RULE	3 9.000
HIST-491	PLANNING A COURSE OF INSTRUCTION	3 11.000
POSC-380	INTRODUCTION TO LAW	(3)

Term 14 10.00 10 35.000
Cumulative 158 144.00 143 451.667 1449/3931
****** NO ENTRIES BELOW THIS LINE ******

---Spring 2001---

Program Changed To:
Major: History

EDUC-400	STUDENT TEACHING:SOCIAL STUDIES	1 (9)
HIST 493	PROB IN TCHG HIST & SOC SCI	1 (3)

Term 12 0.00 0 0.000
Cumulative 170 144.00 143 451.667

Requirements completed for Bachelor of Arts.

---Spring 2002---

Program Changed To:
Major: History Education

EDUC-400	STUDENT TEACHING:SOCIAL STUDIES	9
HIST-493	PROB IN TCHG HIST & SOC SCI	3 7.000

Term 12 12.00 3 7.000
Cumulative 182 156.00 146 458.667
Academic Status: Readmit.
****** NO ENTRIES BELOW THIS LINE ******

Meghan Marie Kelly

2 2

UNIVERSITY OF DELAWARE NEWARK DELAWARE 19716-0275

TRANSCRIPT LEGEND

ACADEMIC YEAR

The University follows a semester plan. In addition to two semesters, a 5-week winter session and summer sessions offering 5-week and 7 1/2 week classes are held. The unit of credit is the semester credit hour which is generally based on one period (50 minutes) of lecture, laboratory or quiz recitation per week per semester. For shorter sessions the length of the period and/or number of sessions per week is increased to afford instructional time comparable to that of a regular semester.

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C	Fair	2.00 per credit
C-		1.67 per credit
D+		1.33 per credit
D	Poor	1.00 per credit
D-		0.67 per credit
F	Failure	0.00 per credit
X	Failure - Academic Dishonesty	0.00 per credit
Z	Failure - Unofficial Withdrawal	0.00 per credit
P	Passing - (this grade has no quality point value)	
L	Listener - Registration without credit or grade	
LW	Listener Withdrawal	
NR	No Grade Required	
W	Official Withdrawal - Passing at time of withdrawal	
WF	Official Withdrawal - Failing at time of withdrawal	

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I - Incomplete
S - Satisfactory Progress
U - Unsatisfactory Progress
N - No Grade Reported by Instructor

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900-999 Ph.D level courses

Graduate credit is granted at the University of Delaware only to those students who are properly registered as formally admitted students in a Graduate program.

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BEEBE MEDICAL CENTER
424 SAVANNAH ROAD
LEWES, DELAWARE 19958
(302) 645-3300

DATE OF ADMISSION: 11-1-95
DATE OF DISCHARGE: 11-4-95

DISCHARGE SUMMARY

FINAL DIAGNOSIS: Serous cyst of the left ovary with torsion.

HISTORY: She is a year old white female, Gravida 0, Para 0-0-0-0, whose last menstrual period was early October 1995. She was admitted for an exploratory laparotomy because of a large cyst in her left pelvic adnexa. She had abrupt onset of left lower quadrant abdominal pain on the morning of admission. She also had some nausea and vomiting.

PHYSICAL EXAM: She is a healthy white female in some distress. Blood pressure was 110/64. On the abdominal exam, the abdomen was flat, soft with hypoactive bowel sounds. Pelvic exam - The vagina showed normal mucosa. Cervix showed no inflammation. The uterus was midline and felt small. Adnexa on the right side was negative. The left side showed a large, irregular cyst. Rectal exam was confirmatory.

LAB DATA: Admitting CBC shows a hemoglobin of 15.2 gm/dl, hematocrit 43.3%. Serum pregnancy test was negative.

HOSPITAL COURSE: The patient had an exploratory laparotomy on 11-1-95 with excision of a large cystic left ovary plus the fallopian tube, both of which had torsion at their base. Postoperatively, the patient's hemoglobin was 12.9 gm/dl, hematocrit 35.5%. She had a normal postop course and was discharged on 11-4-95 to return to the office in two weeks.

Newell Washburn

Newell Washburn, M.D.

NW/nas
dictated: 11-14-95
transcribed: 11-15-95
cc: Dr. Washburn

DISCHARGE SUMMARY

Appendix FF

Meg Kelly

900 friends

Add to story   Edit profile

Meg Kelly

...

Intro

Edit bio

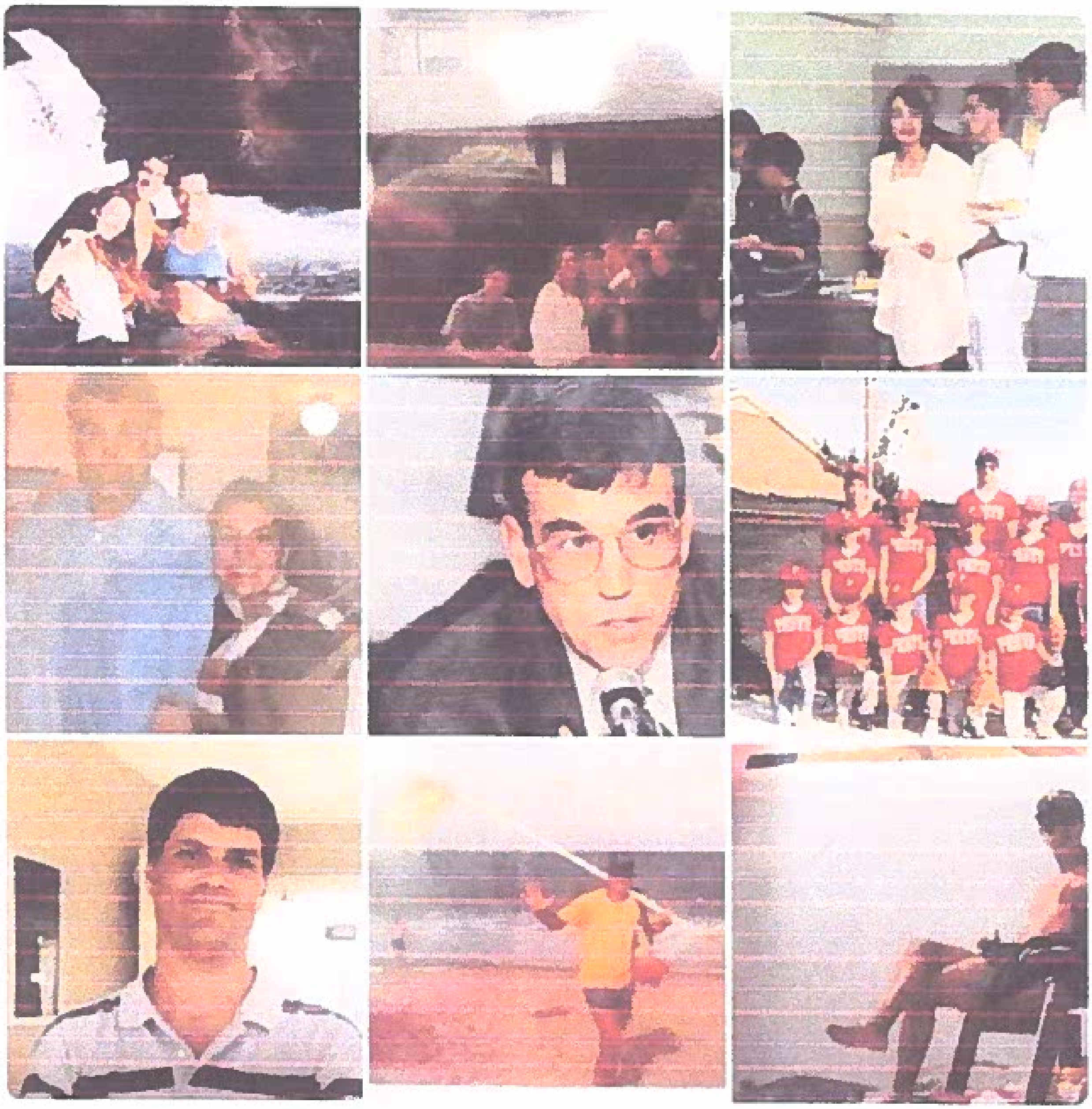
Followed by 202 people

Edit details

Add hobbies

Photos

See all photos



Friends

See all friends

900 friends

Kevin Daughaday

Ginger Turssline

Lori Cashman Funari

Josie Gay

Bethany Frick

Lisa Mathena

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What's on your mind?

Live video

Photo/video

Life event

Posts

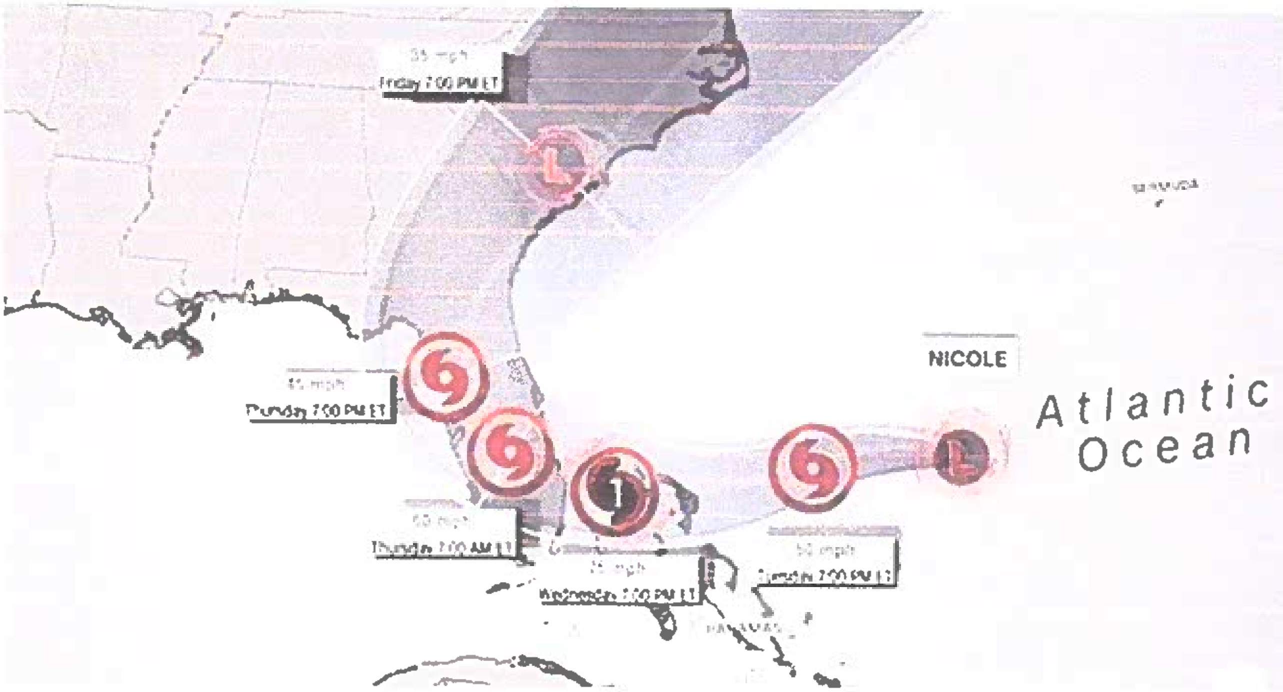
Filters

Manage posts

Other posts

Meg Kelly
22m ·

My pretty mom is a little scared about Hurricane Nicole. I do not like these cute human names for storms. Call it what it is. Please no more cute people names.



CNN.COM

Subtropical Storm Nicole is on track to strengthen into a Category 1 hurricane as it approaches Florida | CNN

Like Comment Share

Write a comment...

Meg Kelly
58m ·

It is not patriotic but evil to make the people pay and sacrifice to serve business greed under the lie of helping Ukraine or others. Shepherds tend the flock. Wolves eat the sheep they pretend to shepherd.

Just so you don't forget

Meg Kelly

WE are taught to not use our brains, which allows those who purport to know best to mislead us to harm and hell. Ignorance is not innocence. Please do not blindly seek answers from other people, experts and professionals or leaders or even me. Use your own brain and analyze information. It is naughty to tell you not to do your own research. You must use your own brain or you may be misled by others to harm or damnation in the fires of hell guys. Not my brain, but your own ... See more

Lori Cashman Funari

Like Comment Share

Meg Kelly shared a memory.
2h

So this was the day.

3 Years Ago
See your memories

Meg Kelly
November 8, 2019

I am having the worst day ever!!!

On the ride to Georgetown this morning, a cute old lady with white hair grimaced at me and gave me the middle finger.

Two people yesterday talked about me getting shot for my impeachment stickers. Do me a favor. STOP talking about shooting me please because someone may actually shoot me. I do not want to die. I want to live and speak life.... See more

Like Comment

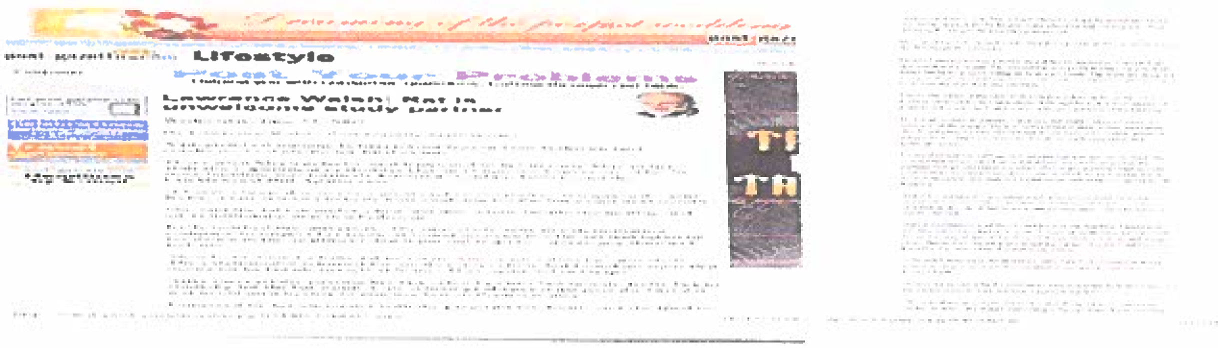
Write a comment...

Meg Kelly shared a memory.
2h

3 Years Ago
See your memories

Meg Kelly
November 8, 2019

During law school, the press were the only heroes that attempted to save me. Did I get saved, no. But they are still heroes.
We must safeguard the freedom of the press. They give a voice to the voiceless, a defense to the defenseless. They are heroes shedding light on the darkness, the darkness is giving into the temptation to ignore evil by covering it up with more darkness (ignorance) instead of driving it out with light, truth....



Meg Kelly shared a memory.
2h

3 Years Ago
See your memories

Meg Kelly
November 8, 2019

Delaware screwed us in the past with the dedications of land (gifts of land to delaware) on the condition that the land never be sold. The intent of the gifts to the government was to preserve nature and wet lands.
Those dancing dollar signs tempted delaware leaders to misbehave.
They created 99 year leases. They allowed the destruction of trees and mortgaged homes on leased lands defeating the purpose preserving wetlands, trees and nature.

Write a comment

Meg Kelly shared a memory.

2h

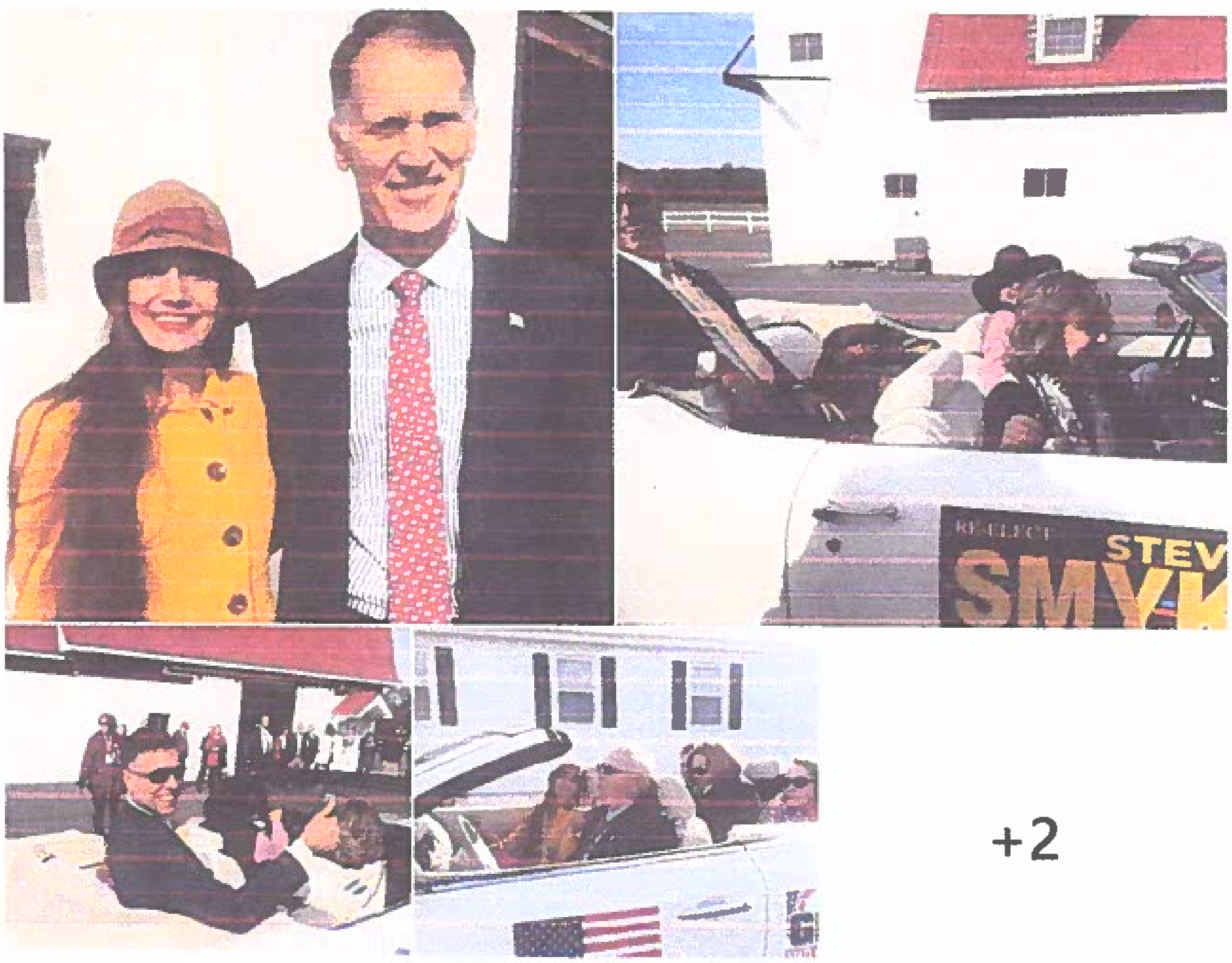
Vote Steve Smyk. He was my hero reflecting true leadership 4 years from today. Love you guys. He is not a mere republican. He helps all people regardless of diverse party affiliation or beliefs. Steve Smyk is special. So are you guys. Love you

4 Years Ago
See your memories

Meg Kelly is with **Stephen Smyk**.

November 8, 2018

I am grateful for the kindness Steve Smyk bestowed on me today by allowing me the honor to ride with him. He represents burying the hatchet. He represents the hope we have with our new leaders including Colleen Daves and Kathy Mcguiness. He's respectful and kind to all and honest. Years ago he reached out to me when he respectfully disagreed on my position relating to the death penalty. I appreciated it. I was really impressed. Did either of us change our mind, no. But he is ... **See more**



+2

Like

Comment

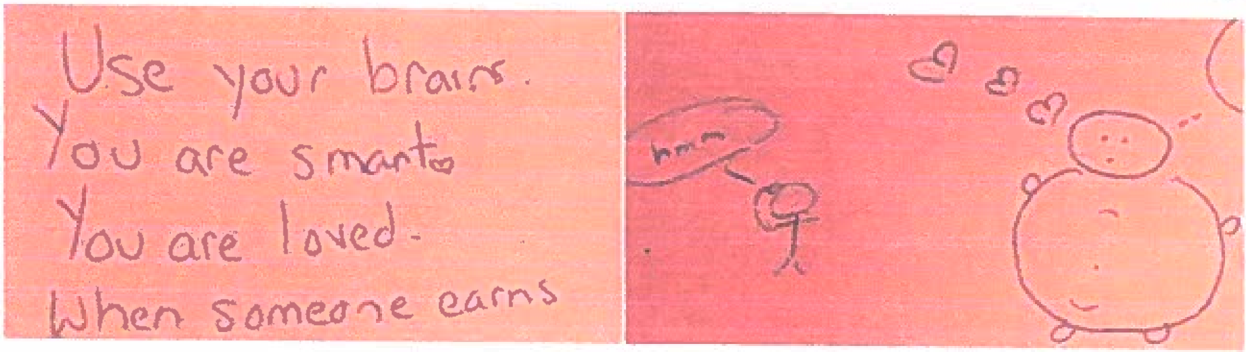
Write a comment...

Meg Kelly shared a memory.
2h ·

3 Years Ago
See your memories

Meg Kelly
November 8, 2019 ·

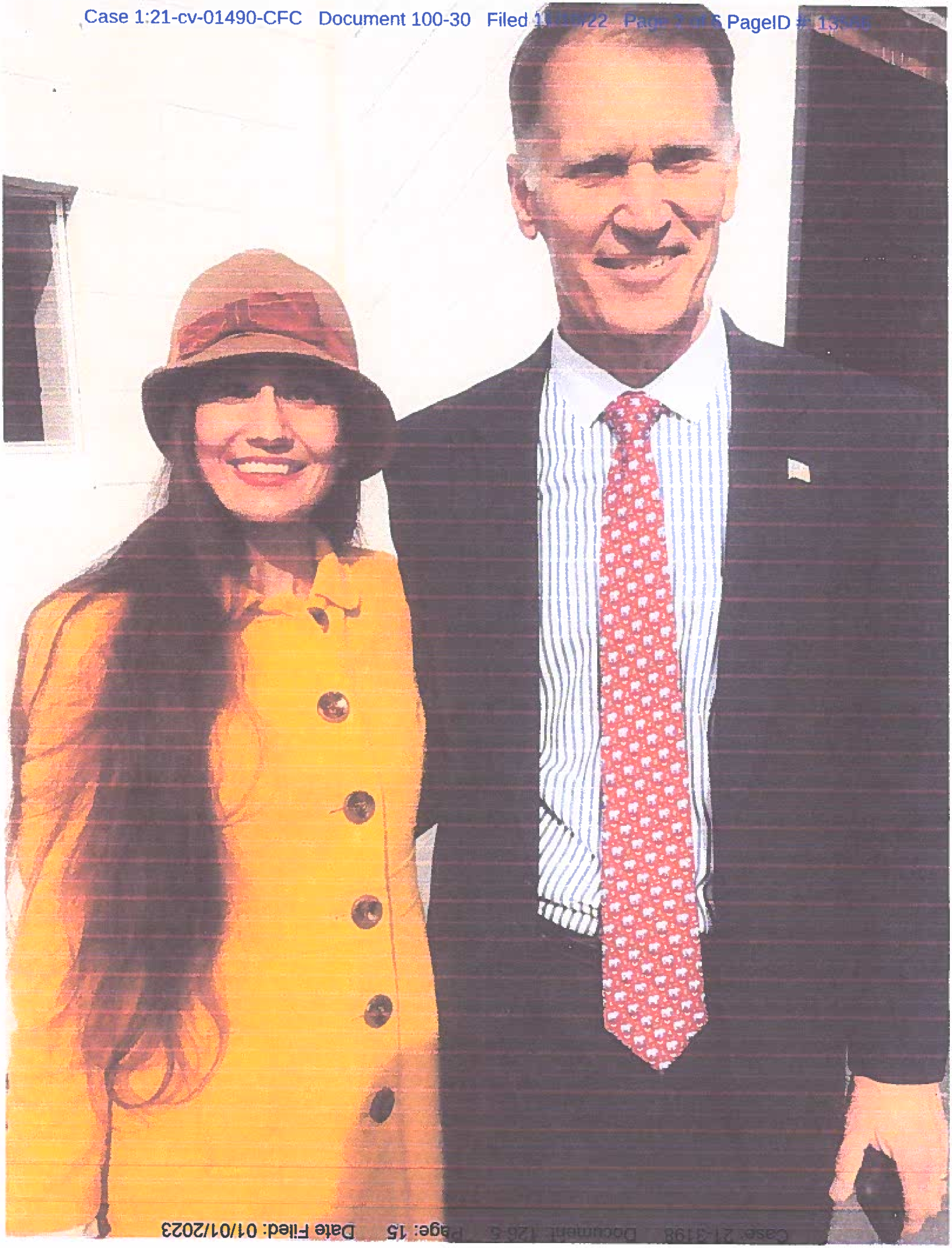
I am crying because people keep pimping out beloved Jesus to fill their pockets, not hearts with love When I get really sad, I draft fat bellied cartoons. You are precious guys. You are not for sale. You are free. You are priceless not a price tag. I love you. You are loved as is. Accept it. Reflect it.



Meg Kelly
2h ·

Vote Colleen Davies. I grew up with our state treasurer, albeit I am older. We both played soccer on the boys soccer team in high school. I went to church with her family and dated her handsome brother, Charles Carroll, when I was a child. He is probably so embarrassed now. Colleen is an olive branch that extends to all, regardless of party. Guys her dad used to be the head of the Republican party in Sussex. She is heavily supported by Democrats and is a democrat that truly ... See more

Exhibit J




Ron
GRAY
STATE REPRESENTATIVE


Ron
GRAY
STATE REPRESENTATIVE


RE-ELECT
STE
SMY
STATE REPRESENTA
WINSTO

Appendix GG

What evidence supports this and what does it tell us about what lies ahead? The early signs point to a wave of labour-substitutive innovation across multiple industries and job categories which will likely happen in the coming decades.

Labour substitution

Many different categories of work, particularly those that involve mechanically repetitive and precise manual labour, have already been automated. Many others will follow, as computing power continues to grow exponentially. Sooner than most anticipate, the work of professions as different as lawyers, financial analysts, doctors, journalists, accountants, insurance underwriters or librarians may be partly or completely automated.

So far, the evidence is this: The fourth industrial revolution seems to be creating fewer jobs in new industries than previous revolutions. According to an estimate from the Oxford Martin Programme on Technology and Employment, only 0.5% of the US workforce is employed in industries that did not exist at the turn of the century, a far lower percentage than the approximately 8% of new jobs created in new industries during the 1980s and the 4.5% of new jobs created during the 1990s. This is corroborated by a recent US Economic Census, which sheds some interesting light on the relationship between technology and unemployment. It shows that innovations in information and other disruptive technologies tend to raise productivity by replacing existing workers, rather than creating new products needing more labour to produce them.

Two researchers from the Oxford Martin School, economist Carl Benedikt Frey and machine learning expert Michael Osborne, have quantified the potential effect of technological innovation on unemployment by ranking 702 different professions according to their probability of being automated, from the least susceptible to the risk of automation ("0" corresponding to no risk at all) to those that are the most susceptible to the risk ("1" corresponding to a certain risk of the job being replaced by a computer of some sort).[23] In Table 2 below, I highlight certain professions that are most likely to be automated, and those least likely.

This research concludes that about 47% of total employment in the US is at risk, perhaps over the next decade or two, characterized by a much broader scope of job destruction at a much faster pace than labour market shifts experienced in previous industrial revolutions. In addition, the trend is towards greater polarization in the labour market. Employment will grow in high-income cognitive and creative jobs and low-income manual occupations, but it will greatly diminish for middle-income routine and repetitive jobs.

Appendix HH

6

(4) The strong and rapid emergence of cryptocurrencies, and more broadly fintech, entangles economics with technological innovation in such a complex way that it makes it hard to identify how the causality runs and what some of the potential applications and policy implications might be. Analysts and media reports give the impression that national currencies already compete with cryptocurrencies since individuals and institutions can hold digital wallets with whichever crypto asset they chose. As Parag Khanna states:

> We are about to enter an age of global monetary competition, where national currencies must earn their place in someone's wallet portfolio every hour of every day, even among citizens of their own countries. The digital version of the Japanese yen will be plunged into head-to-head global competition with the Swiss franc, the Brazilian real, and any other asset with an open capital account, including Bitcoin. Everyone becomes a foreign-exchange trader, all the time, and only the best national currencies – or cryptocurrencies – are ever held by anyone.[34]

Elimination of fiat $ to trackable money controlled at the pleasure of banks

It might be that government-supported cryptocurrencies compete with each other, as hinted at by Khanna. If they do so, they'd blur the line with fiat money and would change the financial system in terms of financial stability and traditional monetary policy in a way that nobody can yet predict.

Currently, both monetary authorities and private institutions issue cryptocurrencies as viable, mainstream payment vehicles. Central banks and governments experiment with "govcoins", or Central Bank Digital Currencies, while private "sponsors" develop "stablecoins" – cryptocurrencies whose value is pegged to the value of an underlying asset. The trajectory and endgame for govcoins and stablecoins remain unknown, but their respective fates may ultimately be decided by adoption and above all regulation (the power of the state). The only certainty: their economic, societal and possibly geopolitical impacts will be considerable. Will physical cash still be accepted? Will cryptocurrencies pervade our privacy? How will they redefine the role of technology in our daily lives? What will their impact be on the effectiveness of monetary policy? Could they foster greater financial inclusion? Could cryptocurrencies advance environmental objectives and the policies that support them? Could they be used to accelerate <u>the demise of the US dollar</u>? Will

They predict it, they plan it in their agenda.

The elimination of the dollar is discussed in other WEF documents ☹

future. Their original ideas translate into narratives that produce models which in turn influence behaviour and help construct the future. Ultimately, they become instruments of policy and project market power. By way of demonstration, four innovative projects, or sets of projects, are described, all different from each other but all pertaining to the environmental sector (this macro category was chosen arbitrarily because it is where the stakes are the highest). Just a few years ago, all these ventures were unknown or in their infancy. Now, they are a collective testimony to the power of imagination of those who conceived them.

(1) Network for Greening the Financial System and beyond: Imagining new policies

The Network for Greening the Financial System (NGFS) is a group of 91 central banks and supervisors committed to mobilizing mainstream finance to support the transition towards a sustainable economy. It is investigating many bold financial innovations[117] that could (and most likely will) one day revolutionize the way in which climate-related risks are accounted for in central banking and banking supervision. In short, alongside governments (which have a much broader and more effective range of tools and policies available to prevent and mitigate climate-related risks), central banks will adapt their monetary policy operational frameworks to reflect climate-related risks. This will involve the mitigation of balance sheet risks that stem from climate change and environmental degradation, but also the active support of the transition to a non-carbon, green economy. Imagining what form this might take and devising policy tools and instruments to get there is the task of the NGFS, and largely depends on how climate risks will affect the economy and financial system through a range of different transmission channels.[118] The menu of options available is extensive and encompasses changes in all three most important policy fields of a central bank: credit operations, collateral policies and asset purchases. It is not the purpose of this book to delve into the technicalities of what this involves[119] but, suffice to say, some of the options represent a radical departure from standard central bank operational policies. They are, in short, the product of central bankers' imagination.

Some ideas go into uncharted territory, well beyond the scope of what the NGFS is devising in terms of possible policies. Creating "carbon quantitative easing" policies is one of them. It's a novel, untested and somewhat outlier

The rule of law is the "product of the bankers' imagination" when bankers gain more & the worse off we are. This is terribly horrifying.

Appendix II

Judges are in danger Please give me time to gather evidence to show you.

Meaning Banks will govern and control governments until their designed elimination

these circumstances, help in the form of grants and debt relief, and possibly an outright moratorium,[46] will not only be needed but will be critical.

These are unprecedented programmes for an unprecedented situation, something so new that the economist Carmen Reinhart has called it a "whatever-it-takes moment for large-scale, outside-the-box fiscal and monetary policies".[47] Measures that would have seemed inconceivable prior to the pandemic may well become standard around the world as governments try to prevent the economic recession from turning into a catastrophic depression. Increasingly, there will be calls for government to act as a "payer of last resort"[48] to prevent or stem the spate of mass layoffs and business destruction ~~triggered by the pandemic~~.

I pulled videos from the world government summit & WEF and sent them to opposing counsel

All these changes are altering the rules of the economic and monetary policy "game". The artificial barrier that makes monetary and fiscal authorities independent from each other has now been dismantled, with central bankers ~~becoming (to a relative degree)~~ subservient to elected politicians. It is now conceivable that, in the future, government will try to wield its influence over central banks to finance major public projects, such as an infrastructure or green investment fund. Similarly, the precept that government can intervene to preserve workers' jobs or incomes and protect companies from bankruptcy may endure after these policies come to an end. It is likely that public and political pressure to maintain such schemes will persist, even when the situation improves. One of the greatest concerns is that this implicit cooperation between fiscal and monetary policies leads to uncontrollable inflation. It originates in the idea that policy-makers will deploy massive fiscal stimulus that will be fully monetized, i.e. not financed through standard government debt. This is where Modern Monetary Theory (MMT) and helicopter money come in: with interest rates hovering around zero, central banks cannot stimulate the economy by classic monetary tools; i.e. a reduction in interest rates – unless they decided to go for deeply negative interest rates, a problematic move resisted by most central banks.[49] The stimulus must therefore come from an increase in fiscal deficits

The plan is to eliminate the courts who protect freedom from being sacrificed to the mob's lusts through the majority vote.

allows the transition to eliminate fiat currency but judges down the line too

The effect of elimination of courts is individual liberty will be eliminated. The masses will be displeased with elected officials and beg for a new system. My Grandpa's brother was head of the FBI before he died. The Patriots Act [illegible]

Politicians are not for sale and should not be bought

Government, are not for sale or they are slaves not free

angry. It is crucial to remember that anger, joy, boredom and love are biological phenomena just like fever and a cough. The same technology that identifies coughs could also identify laughs. If corporations and governments start harvesting our biometric data en masse, they can get to know us far better than we know ourselves, and they can then not just predict our feelings but also manipulate our feelings and sell us anything they want — be it a product or a politician. Biometric monitoring would make Cambridge Analytica's data hacking tactics look like something from the Stone Age. Imagine North Korea in 2030, when every citizen has to wear a biometric bracelet 24 hours a day. If you listen to a speech by the Great Leader and the bracelet picks up the tell-tale signs of anger, you are done for.[128]

schemers, schemes may be unraveled by courts.

We will have been warned! Some social commentators like Evgeny Morozov go even further, convinced that the pandemic heralds a dark future of techno-totalitarian state surveillance. His argument, premised upon the concept of "technological solutionism" put forward in a book written in 2012, posits that the tech "solutions" offered to contain the pandemic will necessarily take the surveillance state to the next level. He sees evidence of this in two distinct strands of "solutionism" in government responses to the pandemic that he has identified. On the one hand, there are "progressive solutionists" who believe that the appropriate exposure through an app to the right information about infection could make people behave in the public interest. On the other hand, there are "punitive solutionists" determined to use the vast digital surveillance infrastructure to curb our daily activities and punish any transgressions. What Morozov perceives as the greatest and ultimate danger to our political systems and liberties is that the "successful" example of tech in monitoring and containing the pandemic will then "entrench the solutionist toolkit as the default option for addressing all other existential problems – from inequality to climate change. After all, it is much easier to deploy solutionist tech to influence individual behaviour than it is to ask difficult political questions about the root causes of these crises".[129]

Through temptations controlling other followers of Jesus use their brain to think things out filtered by the word of God to lay down their desires to love to overcome lusts

Feelings do not control people if they use their brain to choose to overcome desires a.k.a temptation

This is deceit Technology can be programmed to detect smiles or grimaces but they can not know the minds of man.

We have free will no matter the forced [illegible] (meaning that public expenditure will go up at a time when tax revenues decline). Put in the simplest possible (and, in this case, simplistic) terms, MMT runs like this: governments will issue some debt that the central bank will buy. If it never sells it back, it equates to monetary finance: the deficit is monetized (by the central bank purchasing the bonds that the government issues) and the government can use the money as it sees fit. It can, for example, metaphorically drop it from helicopters to those people in need. The idea is appealing and realizable, but it contains a major issue of social expectations and political control: once citizens realize that money can be found on a "magic money tree", elected politicians will be under fierce and relentless public pressure to create more and more, which is when the issue of inflation kicks in.

No limits on Banks mean no law. We need the courts to tame the banks from sacrificing freedom by compelling Congress to coin instead of being controlled $ by those who make it

1.2.3.1. Deflation or inflation?

Two technical elements embedded in the issue of monetary finance are associated with the risk of inflation. First, the decision to engage in perpetual quantitative easing (i.e. in monetary finance) doesn't have to be taken when the central bank buys the debt issued by the government; it can be left to the contingent future to hide or circumvent the idea that money "grows on trees". Second, the inflationary impact of helicopter money is not related to whether the deficit is funded or unfunded, but is directly proportional to the amount of money involved. There are no nominal limits to how much money a central bank can create, but there are sensible limits to how much they would want to create to achieve reflation without risking too much inflation. The resultant increase in nominal GDP will be split between a real output effect and an increase in price level effect – this balance and its inflationary nature will depend on how tight the supply constraints are, so ultimately on the amount of money created. Central bankers may decide that there is nothing to worry about with inflation at 2% or 3%, and that 4% to 5% is also fine, but they will have to define an upper limit at which inflation becomes disruptive and a real concern. The challenge will be to determine at what

$ ☆

out of thin air who gain more debt control and profit on interest the more worse off we are

My understanding, the elimination of Act 81 is just a transition for worse plans in decades to come. We need the courts. The elimination of courts is [illegible]

Sacrificing freedom to be controlled by those who entice our desires by reward, threat of harm or more survival.

slavery to sin are death in hell

Another important and far-reaching consequence of velocity is that decision-makers have more information and more analysis than ever before, but less time to decide. For politicians and business leaders, the need to gain a strategic perspective collides ever-more frequently with the day-to-day pressures of immediate decisions, particularly obvious in the context of the pandemic, and reinforced by complexity, as we see in the next section.

1.1.3. Complexity

No doing this is elimination of freedom to be enslaved and controlled by those who entice our collective strategic conniving selfish desires, not free by laying down our desire to use our brains to do what is right

In its simplest possible form, complexity can be defined as what we don't understand or find difficult to understand. As for a complex system, the psychologist Herbert Simon defined it as "one made up of a large number of parts that interact in a nonsimple way".[11] Complex systems are often characterized by an absence of visible causal links between their elements, which makes them virtually impossible to predict. Deep in ourselves, we sense that the more complex a system is, the greater the likelihood that something might go wrong and that an accident or an aberration might occur and propagate.

Complexity can roughly be measured by three factors: "1) the amount of information content or the number of components in a system; 2) the interconnectedness – defined as the dynamic of reciprocal responsiveness – between these pieces of information or components; and 3) the effect of non-linearity (non-linear elements are often called 'tipping points'). Non-linearity is a key feature of complexity because it means that a change in just one component of a system can lead to a surprising and disproportionate effect elsewhere."[12] It is for this reason that pandemic models so often yield wide ranges of outcomes: a difference of assumption regarding just one component of the model can dramatically affect the end result. When one hears about "black swans", "known unknowns" or "butterfly effects", non-linearity is at work; it thus comes as no surprise that we often associate world complexity with "surprises", "turbulence" and "uncertainty". For example, in 2008, how many "experts" anticipated that mortgage-backed securities originating in the United States would cripple banks around the world and ultimately

not giving into temptation, free by using our brains,

Appendix JJ

policy.[50] The probability of each individually is already low, so the probability of the three occurring in conjunction with each other is extremely low (but not nil). Bond investors think alike. This could change, of course, but at the moment the low rate differential between nominal and inflation-indexed bonds paints a picture of ongoing very low inflation at best.

In the coming years, high-income countries may well face a situation similar to that of Japan over the past few decades: structurally weak demand, very low inflation and ultra-low interest rates. The possible "Japanification" of the (rich) world is often depicted as a hopeless combination of no growth, no inflation and insufferable debt levels. This is misleading. When the data is adjusted for demographics, Japan does better than most. Its GDP per capita is high and growing and, since 2007, its real GDP per member of the working age population has risen faster than in any other G7 country. Naturally, there are many idiosyncratic reasons for this (a very high level of social capital and trust, but also labour productivity growth that surpasses the average, and a successful absorption of elderly workers into the labour force), but it shows that a shrinking population doesn't have to lead to economic oblivion. Japan's high living standards and well-being indicators offer a salutary lesson that there is hope in the face of economic hardship.

1.2.3.2. The fate of the US dollar

For decades, the US has enjoyed the "exorbitant privilege" of retaining the global currency reserve, a status that has long been "a perk of imperial might and an economic elixir".[51] To a considerable extent, American power and prosperity have been built and reinforced by the global trust in the dollar and the willingness of customers abroad to hold it, most often in the form of US government bonds. The fact that so many countries and foreign institutions want to hold dollars as a store of value and as an instrument of exchange (for trade) has anchored its status as the global reserve currency. This has enabled the US to borrow cheaply abroad and benefit from low interest rates at home, which in turn has allowed Americans to consume beyond their means. It has also made large recent US government deficits possible, permitted the US to run substantial trade deficits, reduced the exchange-rate risk and made the US financial markets more liquid. At the core of the US dollar status as a reserve currency lies a critical issue of trust: non-Americans who hold dollars trust that the United States will protect both its own interests (by managing sensibly its economy) and the rest of the world as far as the US dollar is concerned (by managing sensibly its currency, like providing dollar liquidity to the global financial system efficiently and rapidly).

For quite some time, some analysts and policy-makers have been considering a possible and progressive end to the dominance of the dollar. They now think that the pandemic might be the catalyst that proves them right. Their argument is twofold and relates to both sides of the trust issue.

On the one hand (managing the economy sensibly), doubters of US dollar dominance point to the inevitable and sharp deterioration of the US fiscal position. In their mind, unsustainable levels of debt will eventually erode confidence in the US dollar. Just prior to the pandemic, US defence spending, plus interest on the federal debt, plus annual entitlement payments – Medicare, Medicaid and social security – represented 112% of federal tax receipts (versus 95% in 2017). This unsustainable path will worsen in the post-pandemic, post-bailout era. This argument suggests that something major will therefore have to change, either through a much reduced geopolitical role or higher taxation, or both, otherwise the rising deficit will reach a threshold beyond which non-US investors are unwilling to fund it. After all, the status of reserve currency cannot last longer than foreign confidence in the ability of the holder to honour its payments.

On the other hand (managing the US dollar sensibly for the rest of the world), doubters of the dollar's dominance point to the incompatibility of its status as a global reserve currency with rising economic nationalism at home. Even though the Fed and the US Treasury manage the dollar and its influential network worldwide with efficacy, sceptics emphasize that the willingness of the US

They exacerbate the problem [illegible]
the solution they sell cryptocurrency

administration to weaponize the US dollar for geopolitical purposes (like punishing countries and companies that trade with Iran or North Korea) will inevitably incentivize dollar holders to look for alternatives.

Are there any viable alternatives? The US remains a formidable global financial hegemon (the role of the dollar in international financial transactions is far greater, albeit less visible, than in international trade), but it is also true than many countries would like to challenge the dollar's global dominance. In the short term, there are no alternatives. The Chinese renminbi (RMB) could be an option, but not until strict capital controls are eliminated and the RMB turns into a market-determined currency, which is unlikely to happen in the foreseeable future. The same goes for the euro; it could be an option, but not until doubts about a possible implosion of the eurozone dissipate for good, which again is an unlikely prospect in the next few years. As for a global virtual currency, there is none in sight yet, but there are attempts to launch national digital currencies that may eventually dethrone the US dollar supremacy. The most significant one took place in China at the end of April 2020 with a test of a national digital currency in four large cities.[52] The country is years ahead of the rest of the world in developing a digital currency combined with powerful electronic payment platforms; this experiment clearly shows that there are monetary systems that are trying to become independent from US intermediaries while moving towards greater digitization.

Ultimately, the possible end of the US dollar's primacy will depend on what happens in the US. As Henry Paulson, a former US Treasury Secretary, says: "US dollar prominence begins at home (...). The United States must maintain an economy that inspires global credibility and confidence. Failure to do so will, over time, put the US dollar's position in peril".[53] To a large extent, US global credibility also depends on geopolitics and the appeal of its social model. The "exorbitant privilege" is intricately intertwined with global power, the perception of the US as a reliable partner and its role in the working of multilateral institutions. "If that role were seen as less sure and that security guarantee as less iron clad, because the US was disengaging from global geopolitics in favour of more stand-alone, inward-looking policies, the security premium enjoyed by the US dollar could diminish," warns Barry Eichengreen and European Central Bank representatives.[54]

Questions and doubts about the future status of the dollar as a global currency reserve are an apt reminder that economics does not exist in isolation. This reality is particularly harsh in over-indebted emerging and poor countries now unable to repay their debt often denominated in dollars. For them, this crisis will take on huge proportions and years to sort out, with considerable economic damage translating fast into social and humanitarian pain. In all these countries, the COVID crisis may well end the gradual process of convergence that was supposed to bring highly developed and emerging or developing countries into closer alignment. This will lead to an increase in societal and geopolitical risks – a stark reminder of the extent to which economic risks intersect with societal issues and geopolitics.

Appendix KK

Robot justice: China's use of Internet courts

By Tara Vasdani

This article was originally published by The Lawyer's Daily (https://www.thelawyersdaily.ca/), part of LexisNexis Canada Inc.

Would it scare you if I said that China has been doing this since 2017?

In December 2019, China has announced that millions of legal cases are now being decided by "Internet courts" that do not require citizens to appear in court. The "smart court" includes non-human judges, powered by artificial intelligence (AI) and allows participants to register their cases online and resolve their matters via a digital court hearing.

The Chinese Internet courts handle a variety of disputes, which include intellectual property, e-commerce, financial disputes related to online conduct, loans acquired or performed online, domain name issues, property and civil rights cases involving the Internet, product liability arising from online purchases and certain administrative disputes. In Beijing, the average duration of a case is 40 days; the average dispositive hearing lasts 37 minutes; almost 80 per cent of the litigants before the Chinese Internet courts are individuals, and 20 per cent corporate entities; and 98 per cent of the rulings have been accepted without appeal.

It is 2020. Your Canadian commercial dispute is paperless. A document management platform sifts through all parties' documents to flag relevant vs. non-relevant documents. A subsequent platform reviews the relevant documents, and tells you that your case has the stronger evidentiary background.

A legal research tool in the meantime is determining whether a shareholder may attract wages for services performed, or simply be paid dividends. It's time to move to summary judgment. An Online Dispute Resolution (ODR) tool reviews your motion materials, your Affidavit (e-signed) and the Responding Record. An AI judge flags a case from 1970 that still applies today and — you win your dispute. The decision can be appealed to a human judge.

Cost savings? Astronomical. A preliminary decision? Within one month. The AI judge's eye for 1970 case law? Well, he's not hungry or tired like your articling student.

China's first Internet court was established in the eastern city of Hangzhou in 2017 and in 2019, it was reported that users completed more than 3.1 million legal activities using the court system from March through to October. More than one million citizens were registered with the system, along with approximately 73,000 lawyers.

Judicial officials recently invited reporters to the Hangzhou Internet court to see how it operates. In a demonstration, citizens were seen using video messaging to communicate with the AI judges, and the following was observed:

"Does the defendant have any objection to the nature of the judicial blockchain evidence submitted by the plaintiff?" a virtual judge asked during a pretrial meeting. The non-human judge was represented in the system by an image of a man wearing a black robe.

"No objection," the human plaintiff answered.

The judges "appeared" by hologram and are artificial creations — there is no real judge present. The holographic judge looks like a real person but is a synthesized, 3D image of different judges, and sets schedules, asks litigants questions, takes evidence and issues dispositive rulings.

A Hangzhou court official told China's state-run CGTN television network that the Internet court system operates 24 hours a day, seven days a week.

In today's marketplace where almost everything is purchased or transacted online, the potential for this type of court system is significant.

In a previous article (https://www.thelawyersdaily.ca/articles/11582/estonia-set-to-introduce-ai-judge-in-small-claims-court-to-clear-court-backlog-), I commented on Estonia's adoption of an AI judge to settle small claims disputes. Prior to that, I commented on the Ontario Superior Court of Justice's pilot project launched on Feb. 11, 2019, the Digital Hearing Workspace (https://www.thelawyersdaily.ca/articles/10192/digital-hearing-workspace-pilot-project-one-step-closer-to-court-modernization-) (DHW). The program is currently used to deliver, store, organize and retrieve all documents relevant to a file, electronically. It applies to all Commercial List proceedings, and failure to upload documents to the platform is addressed by a presiding court official.

Combined with an ODR system or AI-powered judges, and considering the backlog of civil and commercial disputes experienced by litigants in Canada, the idea of an AI judge seems to resolve many current issues. And it is not too far from our midst.

The U.S. recently forecasted a time when AI-driven legal assistants might be presenting judges with case law, precedents and the background needed to make a decision. Hear that? Legal assistants.

In 2019, I reviewed a very helpful, and very vanguard legal research AI tool championed by the Toronto-based company, Alexsei.

Tools such as Alexsei use machine learning to identify relevant and up-to-date case law across the web and scan the Internet to discern lawyers' opinions on cases as identified in their legal blogs. The software then generates a legal memorandum within 24 hours of being asked a legal research question.

China, or Estonia as I reported in 2019, are not the first to mix AI and the law. In the United States, algorithms assist in recommending criminal sentences. The widely popular U.K.-based app DoNotPay, an AI-driven chatbot, overturned 160,000 parking tickets in London and New York a few years ago.

The international deployment of Internet courts is just another step in the saga of the eventual automation of certain legal tasks and processes.

Taken in harmony, the last year in Canada alone saw the adoption of directives within the federal government regarding AI's replacement of mundane administrative tasks; judges' reprisal for the failure to use legal research AI tools to assist in conducting research and saving client legal fees; the DHW, requiring counsel and parties to upload their documents to an electronic filing system; and my personal favourite, Google's Duplex which I hope will arrive into our industry soon.

All in all, I repeat, adopt and reiterate that the legal industry's resistance to the above changes will create great hurdles to lawyers and their staff alike. Modern judiciaries have already begun to expect the employ of legal tech tools by counsel, students and the courts. Should lawyers choose not to live up to the challenge, they could end up with a very disappointed client, potentially large and assessment-worthy client cost consequences and since 2017, an algorithm's reprisal.

Tara Vasdani is the principal lawyer and founder of Remote Law Canada (https://www.remotelawcanada.com/). *Her practice centres on employment law, civil litigation and remote work. She has been featured in* Forbes. *She was the first Canadian lawyer to serve a statement of claim via Instagram, and you can reach her directly at* tara@remotelawcanada.com (mailto:tara@remotelawcanada.com).

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Appendix LL

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Dollar debt in FX swaps and forwards: huge, missing and growing[1]

FX swaps, forwards and currency swaps create forward dollar payment obligations that do not appear on balance sheets and are missing in standard debt statistics. Non-banks outside the United States owe as much as $25 trillion in such missing debt, up from $17 trillion in 2016. Non-US banks owe upwards of $35 trillion. Much of this debt is very short-term and the resulting rollover needs make for dollar funding squeezes. Policy responses to such squeezes include central bank swap lines that are set in a fog, with little information about the geographic distribution of the missing debt.

JEL F31, F34, F41.

Banks write $1 they don't have ... it makes sense ... isn't traceable ... is not there to pay

Embedded in the foreign exchange (FX) market is huge, unseen dollar borrowing. In an FX swap, for instance, a Dutch pension fund or Japanese insurer borrows dollars and lends euro or yen in the "spot leg", and later repays the dollars and receives euro or yen in the "forward leg". Thus, an FX swap, along with its close cousin, a currency swap, resembles a repurchase agreement, or repo, with a currency rather than a security as "collateral".[2] Unlike repo, the payment obligations from these instruments are recorded off-balance sheet, in a blind spot. The $80 trillion-plus in outstanding obligations to pay US dollars in FX swaps/forwards and currency swaps, mostly very short-term, exceeds the stocks of dollar Treasury bills, repo and commercial paper combined. The churn of deals approached $5 trillion per day in April 2022, two thirds of daily global FX turnover.

$80 trillion – tied to government pensions, possibly every 1 of America's ...

BIS Money Global Chaos

FX swap markets are vulnerable to funding squeezes. This was evident during the Great Financial Crisis (GFC) and again in March 2020 when the Covid-19 pandemic wrought havoc. For all the differences between 2008 and 2020, swaps emerged in

[1] We thank Stefan Avdjiev, Stijn Claessens, Mathias Drehmann, Hyun Song Shin, Nikola Tarashev and Goetz von Peter for useful comments. Branimir Gruić provided excellent research assistance. All errors are our own. The views expressed in this article are those of the authors and not necessarily those of the Bank for International Settlements.

[2] FX swaps and outright forwards cannot be distinguished in stocks data. Currency swaps are FX swaps with a maturity longer than one year in which coupons are also exchanged. Ideally, we would exclude from our analysis non-deliverable forwards (NDFs), which entail just a fractional payment, but they are not identified individually in the stocks data. This is unlikely to weaken our conclusions, as turnover data show that NDFs account for less than 10% of the average daily turnover of FX swaps, forwards and currency swaps.

Key takeaways

- FX swaps, forwards and currency swaps give rise to dollar obligations that were backstopped in 2008 and 2020 by central banks acting on little information about who owed the debt.
- For non-banks outside the United States, dollar obligations from FX swaps, forwards and currency swaps have grown fast, reaching $26 trillion or double their on-balance sheet dollar debt.
- In mid-2022, non-US banks with direct access to Federal Reserve credit only in their US operations owed an estimated $39 trillion in dollars from FX swaps, forwards and currency swaps.

both episodes as flash points, with dollar borrowers forced to pay high rates if they could borrow at all. To restore market functioning, central bank swap lines funnelled dollars to non-US banks offshore, which on-lent to those scrambling for dollars.

This off-balance sheet dollar debt poses particular policy challenges because standard debt statistics miss it. The lack of direct information makes it harder for policymakers to anticipate the scale and geography of dollar rollover needs. Thus, in times of crisis, policies to restore the smooth flow of short-term dollars in the financial system (eg central bank swap lines) are set in a fog.

It is not the debt to pay.

The missing dollar debt from FX swaps/forwards and currency swaps is huge, adding to the vulnerabilities created by on-balance sheet dollar debts of non-US borrowers. It has reached $26 trillion for non-banks outside the United States, double their on-balance sheet debt. Moreover, it has grown smartly since 2016, despite the often significant premium demanded on dollar swap funding (Borio et al (2016)). For banks headquartered outside the United States, dollar debt from these instruments is estimated at $39 trillion, more than double their on-balance sheet dollar debt and more than 10 times their capital.

This feature revisits Borio et al (2017), drawing on the comprehensive data in the 2022 BIS Triennial Survey. First, it updates the stylised facts concerning FX swaps/forwards and currency swaps. Second, it measures the missing dollar debt for non-banks resident outside the United States, and for banks headquartered outside the United States. Third, it highlights policy challenges.

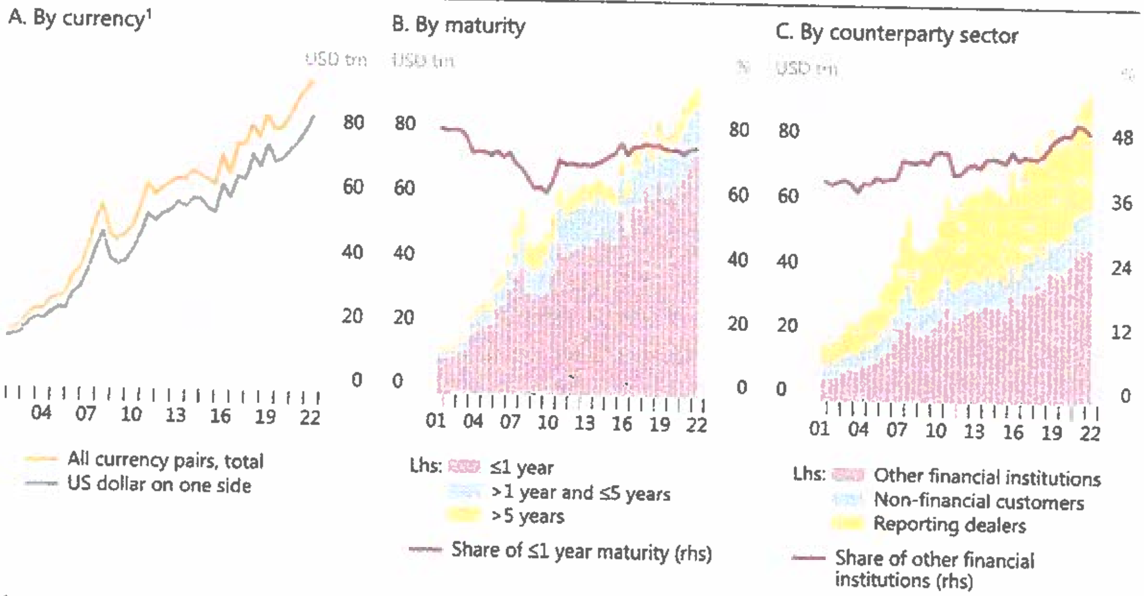
FX swaps/forwards and currency swaps: some stylised facts

Payment obligations arising from FX swaps/forwards and currency swaps are staggering. Considering *all* currencies, outstanding amounts at end-June 2022 reached $97 trillion, up from $67 trillion in 2016 (Graph 1.A). This matched global GDP in 2021 ($96 trillion) and was three times global trade ($29 trillion). And it exceeded both global external portfolio investment ($81 trillion) and international bank claims ($40 trillion) at end-2021.

Dollar dominance is striking in this FX market segment, greater than in any other aspect of dollar use. As a vehicle currency, the US dollar is on one side of 88% of outstanding positions – or $85 trillion (Graph 1.A). An investor or bank wanting to do an FX swap from, say, Swiss francs into Polish zloty would swap francs for dollars and then dollars for zloty.

FX swaps, FX forwards and currency swaps outstanding

Graph 1



[1] The gold line is the aggregate of FX swaps, FX forwards and currency swaps. The green line is contracts in which US dollars are exchanged.

Source: BIS OTC derivatives statistics.

The very short maturity of the typical FX swap/forward creates potential for liquidity squeezes. Almost four fifths of outstanding amounts at end-June 2022 in Graph 1.B matured in less than one year. Data from the April 2022 Triennial Survey show not only that instruments maturing within a week accounted for some 70% of FX swaps turnover, but also that those maturing overnight accounted for more than 30%. When dollar lenders step back from the FX swap market, the squeeze follows immediately (Correa et al (2020))

Financial customers dominate non-financial firms in the use of FX swaps/forwards. Non-bank financial institutions (NBFIs), proxied by "other financial institutions"[3] in Graph 1.C, are the biggest users of FX swaps, deploying them to fund and hedge portfolios as well as take positions. Despite their long-term foreign currency assets, the likes of Dutch pension funds or Japanese life insurers roll over swaps every month or quarter, running a maturity mismatch. For their part, dealers' non-financial customers such as exporters and importers use FX forwards to hedge trade-related payments and receipts, half of which are dollar-invoiced (Boz et al (2020)). And corporations of all types use longer-term currency swaps to hedge their own foreign currency bond liabilities (McBrady et al (2010), Munro and Wooldridge (2010)).

Missing dollar debt: mostly outside the United States

Just how large is the missing *dollar* debt from FX swaps/forwards and currency swaps? At end-June 2022, dealer banks had $52 trillion in outstanding dollar positions with

[3] The counterparty group "other financial institutions" comprises mainly non-bank financial institutions such as pension funds, insurance companies and hedge funds, but also includes non-reporting banks.

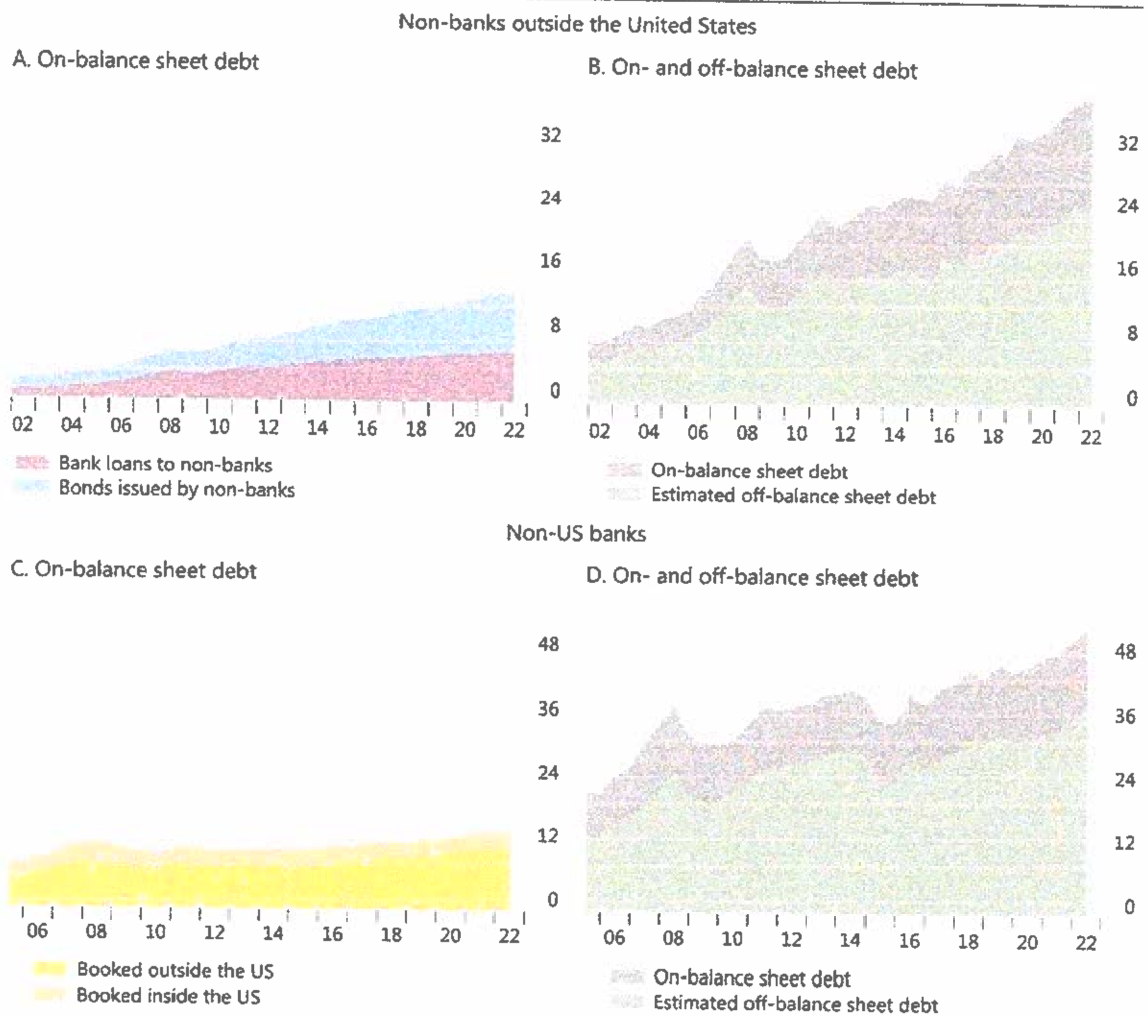
customers. Non-banks had dollar obligations of half of this amount, $26 trillion.[4] This sum has been growing strongly, from $17 trillion in 2016 (Graph 2.B).

This $26 trillion dollar debt is likely owed by entities *outside* the United States, for which the dollar is a foreign currency.[5] They borrow dollars largely to hedge their dollar receivables and investments in a world in which the dollar is the dominant international currency. By contrast, NBFIs in the United States hedge their modest foreign currency assets by *lending* – not borrowing – dollars via FX swaps.

US dollar-denominated debt[1]

In trillions of US dollars

Graph 2



[1] See technical annex for details.

Sources: US Office of the Comptroller of the Currency (OCC); Dealogic; Euroclear; Thomson Reuters; Xtrakter; national data; BIS consolidated banking statistics (CBS); BIS locational banking statistics (LBS); BIS OTC derivatives statistics (OTCD).

[4] We follow Borio et al (2017, 2020). Aldasoro et al (2020) shows that, at the global level, the banking sector is nearly balanced in FX swaps with a dollar leg. Since dealer banks and customers make up the entire market, a balanced banking sector implies that non-bank customers are balanced in dollars.

[5] BIS derivatives statistics do not have a counterparty country breakdown, and thus do not reveal the location of the non-bank users of FX swaps/forwards. See McGuire (2022).

And businesses in the United States have scant foreign currency payables to hedge by borrowing dollars off-balance sheet.[6]

The off-balance sheet US dollar debt of non-banks outside the United States substantially exceeds their on-balance sheet debt and has been growing faster. At end-June 2022, the missing debt amounted to as much as double the *on-balance sheet* component (Graph 2.B), which was estimated at "only" $13 trillion (Graph 2.A). Moreover, the missing debt was "only" 1.6 times larger in 2016.

For their part, banks headquartered outside the United States, including some dealers in FX swaps, have even larger missing dollar obligations.[7] These banks deserve focus because of their limited access to the Federal Reserve's discount window for dollars. Their estimated off-balance sheet dollar obligations of $39 trillion at end-June 2022 were much higher than the $15 trillion in on-balance sheet dollar debt (Graph 2.C) and almost half as big as their combined total liabilities.[8]

Policy challenges

The market turmoil during the GFC and in March 2020 highlighted the central role of the US dollar in the financial system. In each episode, disruptions in dollar funding markets led to an extraordinary policy response in the form of central bank swap lines, whereby the Federal Reserve channelled US dollars to key central banks.

These episodes point to a need for statistics that track the geography of outstanding short-term dollar payment obligations. Currently, in order to assess the level and maturity structure of foreign currency gross and net debt, analysts tend to rely on benchmark international statistical collections,[9] which generally cover only the on-balance sheet positions (McGuire (2022)). It is not even clear how many analysts are aware of the existence of the large off-balance sheet obligations. This makes it difficult to anticipate the scale and geography of dollar rollover needs.

Off-balance sheet dollar debt may remain out of sight and out of mind, but only until the next ~~time~~ dollar funding liquidity is squeezed. Then, the hidden leverage[10] and maturity mismatch in pension funds' and insurance companies' portfolios – generally supposed to be long-only – could pose a policy challenge. And policies to restore the flow of dollars would still be set in a fog.

[6] Non-banks in the United States had $866 billion in foreign currency debt in 2021 (US Treasury et al (2022)). About 5% of the $3.4 trillion in US imports were foreign currency-invoiced (Boz (2020)). Compared with $26 trillion in dollar debt, any borrowing of dollars in swaps/forwards to hedge these payables may be considered as a rounding error.

[7] Positions are corrected for inter-dealer double-counting. However, the figure does not factor in any bilateral netting of payment obligations allowable under supervisory and/or accounting methodologies, which could more than halve *net* interdealer payment obligations.

[8] Total liabilities were $92 trillion as reported by internationally active banks from 26 (of 31) jurisdictions that report the BIS consolidated banking statistics.

[9] These include the *International Investment Positions* (IIP) statistics, the *IMF Coordinated Portfolio Investment Survey* (CPIS), the *BIS locational banking statistics* (LBS) and the *BIS OTC derivatives* (OTCD) statistics, each of which has at least a partial currency breakdown.

[10] Dafermos et al (2022) argue that repos allow more leverage than swaps. Even so, the larger stock of swaps/forwards entails more dollar obligations than dollar repos.

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Technical annex

Graph 2.A: Figures from the BIS Global Liquidity Indicators (GLI). Non-banks comprise non-bank financials, non-financial corporations, governments, households and international organisations.

Graph 2.B: Off-balance sheet liabilities estimated as one half of outstanding dollar FX swaps with non-banks; assumes that non-banks inside the United States are not dollar borrowers via these instruments.

Graph 2.C: The estimate of US dollar-denominated debt of banks headquartered outside the United States excludes intragroup positions but includes liabilities to other (unaffiliated) banks. From end-2015, it includes liabilities of banks in China and Russia; local positions of banks in China are estimated as 80% of local foreign currency deposits (national data).

Graph 2.D: Off-balance sheet debt estimated as (a) one half of global outstanding FX swaps with all counterparties (BIS OTCD statistics) less (b) one half of US banks' outstanding FX swaps (OCC data) plus (c) US banks' estimated net provision of US dollars via FX swaps (derived from the LBS and CBS; see Aldasoro et al (2020)).

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There's an $80 trillion 'blind spot' in the financial system that could spell trouble for markets as debts held off-balance sheet grow at a rapid pace

Matthew Fox Dec 7, 2022, 2:48 PM

John W Banagan / Investing

There's a growing pile of hidden debts that could shock markets, according to the Bank for International Settlements.

BIS said there's more than $65 trillion in currency related debts that has little transparency and is growing quickly.

A lack of supply of US dollars could create a systemic financial event that roils markets, BIS said.

tied to pensions

There is more than $80 trillion in hidden debts held by shadow banks and non-US banks that could ultimately spell trouble for markets.

That's because the debt is held off of balance sheets, and therefore a lack of transparency makes it all the more difficult for central bank officials to fully grasp just how big and impactful this lurking debt could be in the event of a stressful market event.

According to the Bank for International Settlements, the massive debt pile is tied to foreign currency swaps and represents repayment obligations between different financial institutions that have yet to be settled. For example, a foreign investment firm that wants to buy US assets, like a US-listed stock, would first have to convert their foreign currency to US dollars, often via a foreign-currency swap, and then buy the asset.

But for as long as the foreign investment firm holds onto the US-based asset, there's an ongoing currency obligation it owes until the trade is closed out. And that obligation is recorded off the balance sheets of financial institutions. This makes it difficult for central bank policymakers to fully grasp the potential demand for US dollars amid a volatile market event.

While the obligations are relatively safe, short-term, and backed by hard currencies, it could still be vulnerable during periods of high stress in the market.

"FX Swap markets are vulnerable to funding squeezes. This was evident during the Great Financial Crisis and again in March 2020 when the COVID-19 pandemic wrought havoc. For all the differences between 2008 and 2020, swaps emerged in both episodes as flash points, with dollar borrowers forced to pay high rates if they could borrow at all," BIS explained in a Monday note.

The BIS calls it a "blind spot" for the financial system, and the hidden debt is growing quickly, having more than doubled since 2008.

What's most concerning to the BIS is the lack of data and transparency around to these ballooning debts. That lack of visibility could make it all the more difficult for the Fed to alleviate market stresses in the event that supplies of the US dollar suddenly dried up.

"It is not even clear how many analysts are aware of the existence of the large off-balance sheet obligations. In times of crises, policies to restore the smooth flow of short-term dollars in the financial system — for instance, central bank swap lines — are set in a fog," BIS said.

That's why the BIS is trying to get a handle on just how big the off-balance sheet debt is, though it admits its recently updated data is likely not a full representation of the currency obligations.

"Off-balance sheet dollar debt may remain out of sight and out of mind, but only until the next time dollar funding liquidity is squeezed. Then, the hidden leverage and maturity mismatch in pension funds' and insurance companies' portfolios – generally supposed to be long-only – could pose a policy challenge. And policies to restore the flow of dollars would still be set in a fog," BIS concluded.

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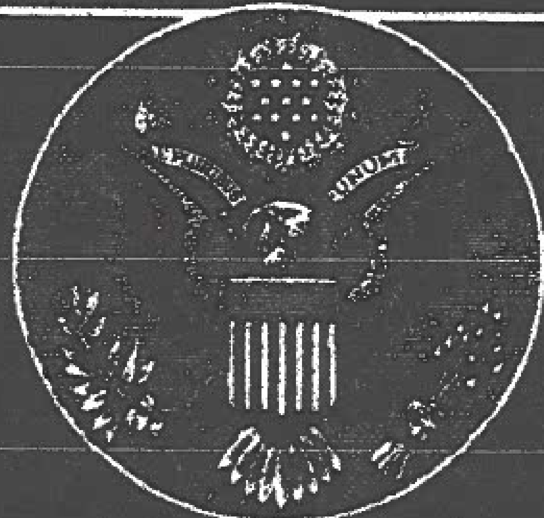
Appendix MM

The Creature from Jekyll Island

by G. Edward Griffin

A Second Look at the Federal Reserve



times the amount of the bank's capital actually held in the vault. Furthermore, this could not be in the form of paper money, bonds, securities, or other debt instruments; it had to be strictly gold or silver coin. Also, the banks were limited in the number of small-denomination bank notes they could issue and, in this, Massachusetts served as the model for Jackson's attempted reform at the federal level. By previous standards, and certainly by the standards that prevail today, this was an exceptionally conservative policy. In fact, even during the previous stress of the War of 1812, when banks were failing by the hundreds across the country, the Massachusetts banks, and most of the other New England banks as well, were able to maintain full payment in specie.

With the passage of time, however, the limit on bank notes became less important, because the banks now were using *checkbook* money instead. Their paper notes may have been limited to two-hundred per cent of their capital, but there was no effective limit to the numbers they could ink into people's deposit books. So the "fraction" in fractional-reserve banking began to shrink again. Consequently, the monetary contraction of 1837 "was like a scythe over the crop," says Groseclose, and thirty-two Massachusetts banks collapsed between that year and 1844.[1]

The state attempted to patch the system by instituting a network of bank examiners and by increasing the liability of bank stockholders for the lost funds of their depositors, but the underlying problem was *still* ignored. A new crop of banks then sprang into existence and a new wave of speculative mania swept through the economy. By 1862, even though the law still limited bank notes to two times capital, the banks had created $73,685,000 in total money, including checkbook money. This was supported by a base of only $9,595,000 of specie, a reserve of only thirteen per cent. Massachusetts had not solved the problem.

PROPOSAL TO PROTECT DEPOSITS WITH A SAFETY FUND

The second theory about how to have stable banking *and* allow the banks to create money out of nothing was to create a "safety fund." This fund, supported by all the banks, would come to the aid of any member which needed an emergency loan to cover a

1. Groseclose, *Money and Man*, pp. 188-89.

Federally insured to protect the banks by enslaving the people to pay for the $ ther created out of Nothing should banks fail

Not socialism Feudalism

Thus, the saga continues. After pouring billions of dollars into underdeveloped countries around the globe, no development has taken place. In fact, we have seen just the opposite. Most countries are worse off than before the Saviors of the World got to them.

SUMMARY

The IMF and the World Bank, were created at a meeting of global financiers and politicians held at Bretton Woods, New Hampshire, in 1944. Their announced goals were to facilitate international trade and to stabilize the exchange rates of national currencies. The unannounced goals were quite different. They were the elimination of the gold-exchange standard as the basis of currency valuation and the establishment of world socialism.

World currency UN JUST GAIN out of Nothing to enslave not cure for the people

The method by which gold was to be eliminated in international trade was to replace it with a world currency which the IMF, acting as a world central bank, would create out of nothing. The method by which world socialism ~~was to be established was~~ to use the World Bank to transfer money—disguised as loans—to the governments of the underdeveloped countries and to do so in such a way as to insure the demise of free enterprise. The money was to be delivered from the ~~hands of politicians~~ and bureaucrats into the hands of other politicians and bureaucrats. When the money comes from government, goes to government, and is administered by government, the result will be the expansion of government.

The theoreticians who dominated the conference at Bretton Woods were the well-known Fabian Socialist from England, John Maynard Keynes, and the Assistant Secretary of the U.S. Treasury, Harry Dexter White. White became the first Executive Director for the United States at the IMF.

The Fabians were an elite group of intellectuals who agreed with Communists as to the goal of socialism but disagreed over tactics. Whereas Communists advocated revolution by force and violence, Fabians advocated gradualism and the transformation of society through legislation.

It was learned in later years that Harry Dexter White was a Member of a Communist espionage ring. Thus, hidden from view, there was a complex drama taking place in which the two intellectual founders of the Bretton-Woods accords were a Fabian Socialist and a Communist, working together to bring about their mutual goal; world socialism.

Keynes Biggest

Disguised as loans

They created money by stealing it requires you pay it back with interest. You are robbed as a slave to artificial debt

pay back on an instant's notice. Instead, bankers put on great airs of respectability, stability, and accountability; dressed and acted serious if not stern; erected great edifices resembling government buildings and temples, all to bolster the false image of being able to honor their contracts to pay *on demand.*

It was John Maynard Keynes who observed:

> A "sound" banker, alas! is not one who foresees danger, and avoids it, but one who, when he is ruined, is ruined in a conventional and orthodox way along with his fellows, so that no one can readily blame him. It is necessarily part of the business of a banker to maintain appearances, and to confess a conventional respectability, which is more than human. Life-long practices of this kind make them the most romantic and the least realistic of men.

CREATING MONEY OUT OF DEBT

Let us step back for a moment and analyze. In the beginning, banks served as warehouses for the safe keeping of their customers' coins. When they issued paper receipts for those coins, they converted commodity money into receipt money. This was a great convenience, but it did not alter the money supply. People had a choice of using either coin or paper but they could not use both. If they used coin, the receipt was never issued. If they used the receipt, the coin remained in the vault and did not circulate.

When the banks abandoned this practice and began to issue receipts to *borrowers,* they became magicians. Some have said they created money out of nothing, but that is not quite true. What they did was even more amazing. They created money out of *debt.*

They did create it sell it by enslaving you to enrich them in something they never had.

Obviously, it is easier for people to go into debt than to mine gold. Consequently, money no longer was limited by the natural forces of supply and demand. From that point in history forward, it was to be limited only by the degree to which bankers have been able to push down the gold-reserve fraction of their deposits.

From this perspective, we can now look back on fractional money and recognize that it really is a transitional form between receipt money and fiat money. It has some of the characteristics of both. As the fraction becomes smaller, the less it resembles receipt money and the more closely it comes to fiat money. When the fraction finally reaches zero, then it has made the complete

1. As quoted by Lever and Huhne, *Debt and Danger: The World Financial Crisis* (New York: The Atlantic Monthly, 1986), p. 42.

I disagree and distinguish my thoughts from the authors value in enslaving others, sort of like indentured servants.

That's what the Fed R. did. The Fed creates money out of nothing selling for a profit of usury?

The formula for honest banking had been found. The bank prospered and soon became the center of Venetian commerce. Its paper receipts were widely accepted far beyond the country's borders and, in fact, instead of being discounted in exchange for gold coin as was the usual practice, they actually carried a *premium* over coins. This was because there were so many kinds of coin in circulation and such a wide variance of quality within the same type of coin that one had to be an expert to evaluate their worth. The bank performed this service automatically when it took the coins into its vault. Each was evaluated, and the receipt given for it was an accurate reflection of its intrinsic worth. The public, therefore, was far more certain of the value of the paper receipts than of many of the coins and, consequently, was willing to exchange a little bit more for them.

Unfortunately, with the passage of time and the fading from memory of previous banking abuses, the Venetian Senate eventually succumbed to the temptation of credit. Strapped for funds and not willing to face the voters with a tax increase, the politicians decided they would authorize a new bank without restrictions against loans, have the bank create the money they needed, and then "borrow" it. So, in 1619, the *Banco del Giro* was formed, which, like its bankrupt predecessor, began immediately to create money out of nothing for the purpose of lending it to the government. Eighteen years later, the *Banco della Piazza del Rialto* was absorbed into the new bank, and history's first tiny flame of sound banking sputtered and died.

Money out of nothing

Throughout the fifteenth and sixteenth centuries, banks had been springing up all over Europe. Almost without exception, however, they followed the lucrative practice of lending money which was not truly available for loan. They created excess obligations against their reserves and, as a result, every one of them failed. That is not to say that their owners and directors did not prosper. It merely means that their depositors lost all or a part of their assets entrusted for safekeeping.

THE BANK OF AMSTERDAM

It wasn't until the Bank of Amsterdam was founded in 1609 that we find a second example of sound banking practices, and the results were virtually the same as previously experienced by the *Banco della Piazza del Rialto*. The bank only accepted deposits and

Swiss offshore accounts
no private tax. interest, so it
is safe from debt to pay interest
loss of $ Understand

steadfastly refused to make loans. Its income was derived solely from service fees. All payments in and around Amsterdam soon came to be made in paper currency issued by the bank and, in fact, that currency carried a premium over coin itself. The burgomasters and the city council were required to take an annual oath swearing that the coin reserve of the bank was intact. Galbraith reminds us:

Swiss interest finance

> **For a century after its founding it functioned usefully and with notably strict rectitude. Deposits were deposits, and initially the metal remained in storage for the man who owned it until he transferred it to another. None was loaned out. In 1672, when the armies of Louis XIV approached Amsterdam, there was grave alarm. Merchants besieged the bank, some in the suspicion that their wealth might not be there. All who sought their money were paid, and when they found this to be so, they did not want payment. As was often to be observed in the future, however desperately people want their money from a bank, when they are assured they can get it, they no longer want it.[1]**

The principles of honesty and restraint were not to be long lived, however. The temptation of easy profit from money creation was simply too great. As early as 1657, individuals had been permitted to overdraw their accounts which means, of course, that the bank created new money out of their debt. In later years enormous loans were made to the Dutch East Indies Company. The truth finally became known to the public in January of 1790, and demands for a return of deposits were steady from that date forward. Ten months later, the bank was declared insolvent and was taken over by the City of Amsterdam.

1790

Glob bank

THE BANK OF HAMBURG

The third and last experience with honest banking occurred in Germany with the Bank of Hamburg. For over two centuries it faithfully adhered to the principle of safe deposit. So scrupulous was its administration that, when Napoleon took possession of the bank in 1813, he found 7,506,956 *marks* in silver held against liabilities of 7,489,343. That was 17,613 *more* than was actually needed. Most of the bank's treasure that Napoleon hauled away was restored a few years later by the French government in the form of securities. It is not clear if the securities were of much value but, even if they were, they were not the same as silver. Because of foreign invasion, the bank's currency was no longer fully convert-

1. Galbraith, p. 16.

Money out of Nothing

as "A conspiratorial group of plotters or intriguers." There is no other word that could so accurately describe this group. With much of the same secrecy and mystery that surrounded the meeting on Jekyll Island, the Cabal met in Mercer's Chapel in London and hammered out a seven-point plan which would serve their mutual purposes:

1. The government would grant a charter to the monetary scientists to form a bank;
2. The bank would be given a monopoly to issue banknotes which would circulate as England's paper currency;
3. The bank would create money out of nothing with only a fraction of its total currency backed by coin;
4. The monetary scientists then would loan the government all the money it needed;
5. The money created for government loans would be backed primarily by government I.O.U.s;
6. Although this money was to be created out of nothing and would cost nothing to create, the government would pay "interest" on it at the rate of 8%;
7. Government I.O.U.s would also be considered as "reserves" for creating additional loan money for private commerce. These loans also would earn interest. Thus, the monetary scientists would collect *double* interest on the same nothing.[1]

Central can make money out of nothing to loan for people

In debt government

Making gov. enslaved by evil sin the love of money giving out loans to these they are charged to government. They instead exploited use them to gain profit.

The circular which was distributed to attract subscribers to the Bank's initial stock offering explained: "The Bank hath benefit of interest on all the moneys which it, the Bank, creates out of nothing."[2] The charter was issued in 1694, and a strange creature took its initial breath of life. It was the world's first central bank. Rothbard writes:

1. For an overview of these agreements, see Murray Rothbard, *The Mystery of Banking* (New York: Richardson & Snyder, 1983), p. 180. Also Martin Mayer, *The Bankers* (New York: Weybright & Talley, 1974), pp. 24-25.
2. Quoted by Caroll Quigley, *Tragedy and Hope: A History of the World in Our Time* (New York: Macmillan, 1966), p. 49. Paterson did not benefit from his own creation. He withdrew from the Bank over a policy disagreement within a few months after its formation and then returned to Scotland where he succeeded in selling his Darien scheme. Frugal Scots thronged to buy stock and to book passage to the fever-ridden land. The stock became worthless and almost all the 1200 colonists lost their lives.

Same as now Unjust gain on the dollar plus interest out of nothingness

> **In short, since there were not enough private savers willing to finance the deficit, Paterson and his group were graciously willing to buy government bonds, provided they could do so with newly-created out-of-thin-air bank notes carrying a raft of special privileges with them. This was a splendid deal for Paterson and company, and the government benefited from the flimflam of a seemingly legitimate bank's financing their debts.... As soon as the Bank of England was chartered in 1694, King William himself and various members of Parliament rushed to become shareholders of the new money factory they had just created.[1]**

THE SECRET SCIENCE OF MONEY

Both groups within the Cabal were handsomely rewarded for their efforts. The political scientists had been seeking about £500,000 to finance the current war. The Bank promptly gave them more than twice what they originally sought. The monetary scientists started with a pledged capital investment of £1,200,000. Textbooks tell us that this was lent to the government at 8% interest, but what is usually omitted is the fact that, at the time the loan was made, only £720,000 had been invested, which means the Bank "loaned" 66% more than it had on hand.[2] Furthermore, the Bank was given the privilege of creating at least an equal amount of money in the form of loans to the public. So, after lending their capital to the government, they still had it available to loan out a second time.

An honest loan of their £720,000 at 8% would have yielded £57,600 interest. But, with the new secret science, they were able to earn 8% on £1,200,000 given to the government plus an estimated 9% on £720,000 loaned to the public. That adds up to £160,800, more than 22% on their investment. The real point, however, is that, under these circumstances, it is meaningless to talk about a rate of interest. When money is created out of nothing, the true interest rate is not 8% or 9% or even 22%. It is *infinity.*

In this first official act of the world's first central bank can be seen the grand pretense that has characterized all those which have followed. The Bank *pretended* to make a loan but what it really did was to *manufacture* the money for government's use. If the government had done this directly, the fiat nature of the currency would

Rothbard, *Mystery*, p. 180.

2- See R.D. Richards, Ph.D., *The Early History of Banking in England* (New York-Augustus M. Kelley, original edition 1929, reprinted 1965), pp. 148-50.

Danger [illegible]

The [illegible] Dollar which [illegible] at the Fed. Reserve should [illegible]

The Gov should [illegible] for the people [illegible]

Almost everyone in government agreed with Ricardo's assessment, but, as is often the case, theoretical truth was fighting a losing battle against practical necessity. Men's opinions on the best form of money were one thing. The war with Napoleon was another, and it demanded a constant inflow of funding. England continued to use the central-bank mechanism to extract that revenue from the populace.

DEPRESSION AND REFORM

By 1815, prices had doubled again and then fell sharply. The Corn Act was passed that year to protect local growers from lower-priced imports. Then, when corn and wheat prices began to climb once more in spite of the fact that wages and other prices were falling, there was widespread discontent and rebellion. "By 1816," notes Roy Jastram, "England was in deep depression. There was stagnation of industry and trade generally; the iron and coal industries were paralyzed.... Riots occurred spasmodically from May through December."[1]

In 1821, after the war had ended and there was no longer a need to fund military campaigns, the political pressure for a gold standard became too strong to resist, and the Bank of England returned to a convertibility of its notes into gold coin. The basic central-bank mechanism was not dismantled, however. It was merely limited by a new formula regarding the allowable fraction of reserves. The Bank continued to create money out of nothing for the purpose of lending and, within a year, the ~~flower of a new~~ business boom unfolded. Then, in November of 1825, the flower matured into its predestined fruit. The crisis began with the collapse of Sir Peter Cole and Company and was soon followed by the failure of sixty-three other banks. Fortunes were wiped out and the economy plunged back into depression.

When a similar crisis with still more bank failures struck again in 1839, Parliament attempted to come to grips with the problem. After five more years of analysis and debate, Sir Robert Peel succeeded in passing a banking reform act. It squarely faced the cause of England's booms and busts: an *elastic* money supply. What Peel's Bank Act of 1844 attempted to do was to limit the amount of money the banks could create to roughly the same as it would be if

1- Roy W. Jastram, *The Golden Constant* (New York: Wiley, 1977), p. 113.

Creating money out of nothing for the U.S. to borrow and be charged interest on with taxes of the common man since the rich pay nothing

their banknotes were backed by gold or silver. It was a good try, but it ultimately failed because it fell short on three counts: (1) It was a political compromise and was not strict enough, allowing the banks to still create lending money out of nothing to the extent of £14,000,000; ~~in other words, a "fractional" amount~~ thought to be safe at the time; (2) The limitation applied only to paper currency issued by the Bank. It did not apply to checkbook money, and that was then becoming the preferred *form* of exchange. Consequently, the so-called reform did not even apply to the area where the greatest amount of abuse was taking place; and (3) The basic concept was allowed to remain unchallenged that *man,* in his infinite political wisdom, can determine what the money supply should be more effectively than an unmanaged system of gold or silver responding to the law of supply and demand.

THE ROLLER COASTER CONTINUES

Within three years of the "reform," England faced another crisis with still more bank failures and more losses to depositors. But when the Bank of England tottered on the edge of insolvency, once again the government intervened. In 1847, the Bank was exempted from the legal reserve requirements of the Peel Act. Such is the rock-steady dependability of man-made limits to the money supply.

Groseclose continues the story:

> **Ten years later, in 1857, another crisis occurred, due to excessive and unwise lending as a result of over-optimism regarding foreign trade prospects. The bank found itself in the same position as in 1847, and similar measures were taken. On this occasion the bank was forced to use the authority to increase its fiduciary [debt-based money] issue beyond the limit imposed by the Bank Charter Act....**
>
> **Again in 1866, the growth of banking without sufficient attention to liquidity, and the use of bank credit to support a speculative craze...prepared the way for a crash which was finally precipitated by the failure of the famous house of Overend, Gurney and Co. The Act of 1844 was once more suspended....**
>
> **In 1890, the Bank of England once again faced crisis, again the result of widespread and excessive speculation in foreign securities, particularly American and Argentine. This time it was the failure of Baring Brothers that precipitated the crash.**

1. Groseclose, *Money and Man,* pp. 195-96.

THE MECHANISM SPREADS TO OTHER COUNTRIES

It is an incredible fact of history that, in spite of the general and recurring failures of the Bank of England during these years, the central-bank mechanism was so attractive to the political and monetary scientists that it became the model for all of Europe. The Bank of Prussia became the Reichsbank. Napoleon established the Banque de France. A few decades later, the concept became the venerated model for the Federal Reserve System. Who cares if the scheme is destructive? Here is the perfect tool for obtaining unlimited funding for politicians and endless profits for bankers. And, best of all, the little people who pay the bills for both groups have practically no idea what is being done to them.

SUMMARY

The business of banking began in Europe in the fourteenth century. Its function was to evaluate, exchange, and safeguard people's coins. In the beginning, there were notable examples of totally honest banks which operated with remarkable efficiency considering the vast variety of coinage they handled. They also issued paper receipts which were so dependable they freely circulated as money and cheated no one in the process. But there was a great demand for more money and more loans, and the temptation soon caused the bankers to seek easier paths. They began lending out pieces of paper that *said* they were receipts, but which in fact were counterfeit. The public could not tell one from the other and accepted both of them as money. From that point forward, the receipts in circulation exceeded the gold held in reserve, and the age of fractional-reserve banking had dawned. This led immediately to what would become an almost unbroken record from then to the present: a record of inflation, booms and busts, suspension of payments, bank failures, repudiation of currencies, and recurring spasms of economic chaos.

The Bank of England was formed in 1694 to institutionalize fractional-reserve banking. As the world's first central bank, it introduced the concept of a partnership between bankers and politicians. The politicians would receive spendable money (created out of nothing by the bankers) without having to raise taxes. In return, the bankers would receive a commission on the transaction—deceptively called interest—which would continue in perpetuity. Since it all seemed to be wrapped up in the mysterious rituals

Partnerships w/ politicians

Sort of Nothing to

Secret greed not good

Chapter Ten

THE MANDRAKE MECHANISM

The method by which the Federal Reserve creates money out of nothing; the concept of usury as the payment of interest on pretended loans; the true cause of the hidden tax called inflation; the way in which the Fed creates boom-bust cycles.

In the 1940s, there was a comic strip character called Mandrake the Magician. His specialty was creating things out of nothing and, when appropriate, to make them disappear back into that same void. It is fitting, therefore, that the process to be described in this section should be named in his honor.

In the previous chapters, we examined the technique developed by the political and monetary scientists to create money out of nothing for the purpose of lending. This is not an entirely accurate description because it implies that money is created first and then waits for someone to borrow it. On the other hand, textbooks on banking often state that money is created out of debt. This also is misleading because it implies that debt exists first and then is converted into money. In truth, money is not created until the instant it is borrowed. ~~It is the act of borrowing which causes it to spring into existence.~~ And, incidentally, it is the act of paying off the debt that causes it to vanish.[1] There is no short phrase that perfectly describes that process. So, until one is invented along the way, we shall continue using the phrase "create money out of nothing" and occasionally add "for the purpose of lending" where necessary to further clarify the meaning.

1- Printed Federal Reserve Notes that sit in the Treasury's vault do not become money until they are released into circulation in exchange for checkbook money that was created by a bank loan. As long as the bills are in the vault with no debt-based money to replace them, they technically are just paper, not money.

$ create out of nothing for Bankers unearned unjust profit

When banks place credits into your checking account, they are merely *pretending* to lend you money. In reality, they have nothing to lend. Even the money that non-indebted depositors have placed with them was originally created out of nothing in response to someone else's loan. So what entitles the banks to collect rent on *nothing*? It is immaterial that men everywhere are forced by law to accept these nothing certificates in exchange for real goods and services. We are talking here, not about what is legal, but what is *moral*. As Thomas Jefferson observed at the time of his protracted battle against central banking in the United States, "No one has a natural right to the trade of money lender, but he who has money to lend."[1]

THIRD REASON TO ABOLISH THE SYSTEM

Centuries ago, *usury* was defined as any interest charged for a loan. Modern usage has redefined it as *excessive* interest. Certainly, any amount of interest charged for a *pretended* loan is excessive. The dictionary, therefore, needs a new definition. *Usury: The charging of any interest on a loan of fiat money.*

Let us, therefore, look at debt and interest in this light. Thomas Edison summed up the immorality of the system when he said:

> **People who will not turn a shovel full of dirt on the project nor contribute a pound of materials will collect more money...than will the people who will supply all the materials and do all the work.**

Is that an exaggeration? Let us consider the purchase of a $100,000 home in which $30,000 represents the cost of the land, architect's fee, sales commissions, building permits, and that sort of thing and $70,000 is the cost of labor and building materials. If the home buyer puts up $30,000 as a down payment, then $70,000 must be borrowed. If the loan is issued at 11% over a 30-year period, the amount of interest paid will be $167,806. That means the amount paid to those who loan the money is about 21/2 times greater than

1. *The Writings of Thomas Jefferson*, Library Edition (Washington: Jefferson Memorial Association, 1903), Vol XIII, p. 277-78.
2. As quoted by Brian L. Bex, *The Hidden Hand* (Spencer, Indiana: Owen Litho, 1975), p. 161. Unfortunately, Edison did not understand the whole problem. He was correctly opposed to paying interest to banks for their fiat money, but he was not opposed to *government* fiat money. It was only the interest to which he objected. He did not see the larger picture of how fiat money, even when issued solely by the government and without interest, has always been destructive of the economy through the creation of inflation, booms, and busts.

paid to those who provide all the labor and all the materials. It is true that this figure represents the time-value of that money over thirty years and easily could be justified on the basis that a lender deserves to be compensated for surrendering the use of his capital for half a lifetime. But that assumes the lender actually had something to surrender, that he had earned the capital, saved it, and then loaned it for construction of someone else's house. What are we to think, however, about a lender who did nothing to earn the money, had not saved it, and, in fact, simply created it out of thin air? What is the time-value of nothing?

As we have already shown, every dollar that exists today, either in the form of currency, checkbook money, or even credit card money—in other words, our *entire* money supply—exists only because it was borrowed by someone; perhaps not you, but *someone*. That means all the American dollars in the entire world are earning daily and compounded interest for the banks which created them. A portion of every business venture, every investment, every profit, every transaction which involves money—and that even includes *losses* and the payment of *taxes*—a portion of all that is earmarked as payment to a bank. And what did the banks do to earn this perpetually flowing river of wealth? Did they lend out their own capital obtained through the investment of stockholders? Did they lend out the hard-earned savings of their depositors? No, neither of these were their major source of income. They simply waved the magic wand called fiat money.

The flow of such unearned wealth under the guise of interest can only be viewed as ~~usury of the hi~~ghest magnitude. ~~Even if there~~ were no other reasons to abolish the Fed, the fact that *it is the supreme instrument of usury* would be more than sufficient by itself.

Rent everything

is DECEPTIVE

EVIL

WHO CREATES THE MONEY TO PAY THE INTEREST?

One of the most perplexing questions associated with this process is "Where does the money come from to pay the interest?" If you borrow $10,000 from a bank at 9%, you owe $10,900. But the bank only manufactures $10,000 for the loan. It would seem, therefore, that there is no way that you—and all others with similar loans—can possibly pay off your indebtedness. The amount of money put into circulation just isn't enough to cover the total debt, including interest. This has led some to the conclusion that it is necessary for you to *borrow* the $900 for the interest, and that, in turn, leads to still

Money in circulation does not exist to pay interest

magicians create the illusion of modern money. First we shall stand back for a general view to see the overall action. Then we shall move in closer and examine each component in detail.

THE MANDRAKE MECHANISM: AN OVERVIEW

DEBT

The entire function of this machine is to convert debt into money. It's just that simple. First, the Fed takes all the government bonds which the public does not buy and writes a check to Congress in exchange for them. (It acquires other debt obligations as well, but government bonds comprise most of its inventory.) There is no money to back up this check. These fiat dollars are created on the spot for that purpose. By calling those bonds "reserves," the Fed then uses them as the base for creating 9 additional dollars for every dollar created for the bonds themselves. The money created for the bonds is spent by the government, whereas the money created on top of those bonds is the source of all the bank loans made to the nation's businesses and individuals. The result of this process is the same as creating money on a printing press, but the illusion is based on an accounting trick rather than a printing trick. The bottom line is that Congress and the banking cartel have entered into a partnership in which the cartel has the privilege of collecting interest on money which it creates out of nothing, a perpetual override on every American dollar that exists in the world. Congress, on the other hand, has access to unlimited funding without having to tell the voters their taxes are being raised through the process of inflation. If you understand this paragraph, you understand the Federal Reserve System.

MONEY

Now for a more detailed view. There are three general ways in which the Federal Reserve creates fiat money out of debt. One is by making loans to the member banks through what is called the *Discount Window*. The second is by purchasing Treasury bonds and *generates our most unfair tax.* Both the tax and the System that makes it possible should be abolished.

The political scientists who authorize this process of monetizing the national debt, and the monetary scientists who carry it out, know that it is not true debt. It is not true debt, because no one in Washington really expects to repay it—*ever.* The dual purpose of this magic show is simply to create free spending money for the politicians, without the inconvenience of raising direct taxes, and also to generate a perpetual river of gold flowing into the banking cartel. The partnership is merely looking out for itself.

Why, then, does the federal government bother with taxes at all? Why not just operate on monetized debt? The answer is twofold. First, if it did, people would begin to wonder about the *source* of the money, and that might cause them to wake up to the reality that inflation is a tax. Thus, open taxes at *some* level serve to perpetuate public ignorance which is essential to the success of the scheme. The second reason is that taxes, particularly *progressive* taxes, are weapons by which elitist social planners can wage war on the middle class.

A TOOL FOR SOCIAL PLANNING

The January 1946 issue oi *American Affairs* carried an article written by Beardsley Ruml who, at that time, was Chairman of the Federal Reserve Bank of New York. Ruml had devised the system of automatic withholding during World War II, so he was well qualified to speak on the nature and purpose of the federal income tax. His theme was spelled out in the title of his article: "Taxes for Revenue Are Obsolete."

In an introduction to the article, the magazine's editor summarized Ruml's views as follows:

> His thesis is that, given control of a central banking system and an inconvertible currency [a currency not backed by gold], a sovereign national government is finally free of money worries and needs no longer levy taxes for the purpose of providing itself with revenue. All taxation, therefore, should be regarded from the point of view of social and economic consequences.[1]

~~Ruml explained~~ that, ~~since~~ the Federal Reserve now can create out of nothing all the money the government could ever want, there

1. "~~Taxes for Revenue Are~~ Obsolete," by Beardsley Ruml, *American Affairs,* January, 1946, p. 35.

[illegible]

economically destroyed by it. Furthermore, there is nothing in our present monetary structure that offers any assurance that we may be exempted from that morbid roll call.

Correction. There is *one*. It is still within the power of Congress to abolish the Federal Reserve System.

SUMMARY

The American dollar has no intrinsic value. It is a classic example of fiat money with no limit to the quantity that can be produced. Its primary value lies in the willingness of people to accept it and, to that end, legal tender laws require them to do so. It is true that our money is created out of nothing, but it is more accurate to say that it is based upon debt. ~~In one sense~~, therefore, our money is created out of *less* than nothing. The entire money supply would vanish into bank vaults and computer chips if all debts were repaid. Under the present System, therefore, our leaders cannot allow a serious reduction in either the national or consumer debt. Charging interest on pretended loans is usury, and that has become institutionalized under the Federal Reserve System. The Mandrake Mechanism by which the Fed converts debt into money may seem complicated at first, but it is simple if one remembers that the process is not intended to be logical but to confuse and deceive. The end product of the Mechanism is artificial expansion of the money supply, which is the root cause of the hidden tax called inflation. This expansion then leads to contraction and, together, they produce the destructive boom-bust cycle that has plagued mankind throughout history wherever fiat money has existed.

Created out of nothing
to serve greed of Fed Res.
Not good
Gov should coin $ w/o
loans to care for the
people and fully fund
[illegible] not enslave people
Gov. [illegible] inflation [illegible]
artificial increase [illegible]
by the Fed Res.
Bank.

Chapter Eleven

THE ROTHSCHILD FORMULA

The rise of the House of Rothschild in Europe; the tradition among financiers of profiting from both sides of armed conflict; the formula by which war is converted into debt and debt converted back into war.

So far we have adhered closely to the subject of money and the history of its manipulation by political and monetary scientists. Now we are going to take a short detour along a parallel path and view some of the same historical scenery from a different perspective. As we progress, it may seem that we have lost our way, and you may wonder what connection any of this can possibly have with the Federal Reserve System. Please be assured, however, it has *everything* to do with it, and, when we finally return to that topic, the connection will have become painfully clear.

THE PROFITS OF WAR

The focus of this chapter is on the profits of war and, more specifically, the tendency of those who reap those profits to manipulate governments into military conflicts, not for national or patriotic reasons, but for private gain. The mechanism by which this was accomplished in the past was more complex than simply lending money to warring governments and then collecting interest, although that was part of it. The real payoff has always been in the form of political favoritism in the market place. Writing in the year 1937, French historian Richard Lewinsohn explains:

> Although often called bankers, those who financed wars in the pre-capitalist period ... were not bankers in the modern sense of the word. Unlike modern bankers who operate with money deposited with them by their clients [or, in more recent times, created out of nothing by a central bank—E.G.], they generally worked with the fortune which they themselves had amassed or inherited, and which

$ out of Nothing

there were definite limits to how far that process could go. Bank notes were not forced on the people as legal tender for all debts, public and private, but the government did agree to accept them *at their face value* in payment of all taxes and duties, which made them as good as gold for that specific purpose. Furthermore, unlike the central banks of today, the Bank of North America was not given the power to directly issue the nation's money.

FUNCTIONED AS A CENTRAL BANK

On the other hand, the Bank was given the right of monopoly in its field, which means there were no other bank notes allowed to circulate in competition. This, plus the fact that they were accepted at face value in payment of all federal and state taxes, plus the further fact that the federal government did not at that time have a functioning money of its own, made these bank notes attractive for use as a circulating medium of exchange. The intended result was that the Bank's paper would be accepted as money, which for a while, it was. Furthermore, the Bank was made the official depository for all federal funds and it almost immediately loaned $1.2 million to the government, much of which was created out of nothing for that purpose. So, in spite of the limitations placed upon the Bank, and in spite of the fact that it was essentially a private institution, it was intended to be and, in fact, did function as a central bank.

The Bank of North America was fraudulent from the very start. The charter required that private investors provide $400,000 for the initial subscription. When Morris was unable to raise that money, he used his political influence to make up the shortfall out of government funds. In a maneuver that was nothing less than legalized embezzlement, he took the gold that had been loaned to the United States from France and had it deposited in the Bank. Then, using this as a fractional-reserve base, he simply created the money that was needed for the subscription and loaned it to himself and his associates. Such is the power of the secret science.

gov funds

created money

It is hard to reconcile the fact that the same men who adopted the brilliant monetary restraints of the Constitution a few years later would have allowed the Bank of North America to exist. It must be remembered, however, that the war was still in progress

1. See Murray N. Rothbard, *Conceived in Liberty: The Revolutionary War, 1775-1784* (New Rochelle, New York: Arlington House, 1979), Vol. IV, p. 392.

when the charter was issued, and even the wisest of statesmen are often obliged to follow expediency in such times. One also must conclude that, while the founding fathers were wise on the nature of fiat money created by the government's printing press, they had not yet had extensive experience with the same mechanism hidden behind the obscurities of fractional-reserve banking.

In any event, the Bank was not to have its charter renewed by Congress and it did not survive beyond the end of the war. Murray Rothbard details its demise:

> Despite the monopoly privileges conferred upon the Bank of North America and its nominal redeemability in specie, the market's lack of confidence in the inflated notes led to their depreciation outside the Bank's home base in Philadelphia. The Bank even tried to bolster the value of its notes by hiring people to urge redeemers of its notes not to insist on specie—a move scarcely calculated to improve the long-run confidence in the Bank.
>
> After a year of operation, Morris's political power slipped, and he moved quickly to shift the Bank of North America from a central bank to a purely commercial bank chartered by the state of Pennsylvania. By the end of 1783,... the first experiment with a central bank in the United States had ended.[1]

A fitting epilogue to this story was written two hundred years later when, in 1980, the First Pennsylvania Bank of Philadelphia, the "oldest bank in the nation," was bailed out by the FDIC.

AN END RUN AROUND THE CONSTITUTION

It will be recalled that, after the Bank of North America was terminated and after the Constitutional Convention "closed the door on paper money," the United States enjoyed a period of unparalleled economic growth and prosperity. But, while the door may have been closed, the window was still open. Congress was denied the power to *print* money, but it was not denied the power to *borrow* it.

In the vocabulary of the common man, to borrow is to accept a loan of something that already exists. He is confused, therefore, when the banker issues money out of nothing and then says he is *lending* it. He *appears* to be lending but, in reality, he is *creating*.

Then, as now, the mysteries of banking vocabulary were not revealed to the average man, and it was difficult to understand

1- Rothbard, *Mystery*, pp. 194-95.

money out of nothing

Banks Not gov. gain $ credit

how privately-issued bank notes could serve precisely the same purpose as printing-press money—with precisely the same disastrous results. That being the case, the monetary and political scientists decided to end run the Constitution. Their plan was to establish a bank, to give that bank the power to create money, to *lend* most of that money to the government, and then to make sure the IOUs are accepted as money by the public. Congress, therefore, would not be ~~emitting bills of credit. The *bank* would do that.~~

Thus, the First Bank of the United States was conceived.

The proposal was submitted to Congress in 1790 by Alexander Hamilton who, at that time, was Secretary of the Treasury. Hamilton, incidentally, was a former aide to Robert Morris, founder of the Bank of North America, so in that sense his role in this matter is not surprising. What is surprising is the fact that Hamilton had been a staunch supporter of a sound currency during the Constitutional Convention. This is hard to reconcile, and one must suspect that, even the most well intentioned of men can become corrupted by the temptations of wealth and power. It is possible that Hamilton, Morris, and other Federalist leaders had hoped to keep the government out of the money-making business, not because it was the constitutional thing to do, but because that would leave the field clear for a central-bank mechanism which, because it was further from public view and political control, could become their own private engine of profit. It would appear that the only other explanation is that these men were fickle in their views and did not really understand the implications of their acts. In view of their brilliance in all other matters, however, it is difficult to muster enthusiasm for that interpretation.

THE HAMILTON-JEFFERSON CONFLICT

Hamilton's proposal was strongly opposed by Thomas Jefferson, then Secretary of State, and this was the beginning of a heated political debate that would preoccupy Congress for many decades to come. In fact, it was one of the central issues that led to the creation of our first political parties. The Federalists gathered around the ideas of Hamilton. The anti-Federalists, later called the Republicans, were attracted to the ideas of Jefferson.[1]

1. Curiously, the present Democratic Party traces its origin to Jefferson's Republicans.

Another possible solution would be to redefine the new dollar to contain a smaller quantity of silver. The advantage would be that we could continue to use our present coinage. On the negative side, however, is the fact that it would create headaches *after* the transition, because coinage then would be too cheap. Instead of changing over *now*, we would merely be postponing the task for *later*. Now is the time to do it—and do it right. The original value of a silver dollar was determined after centuries of trial and error. We don't have to reinvent the wheel. We *know* that it will work in the long run.

In the past, the banks have enjoyed a bountiful cash flow from interest on money created out of nothing. That will change. They will have to make a clear distinction between demand deposits and time deposits. Customers will be informed that, if they want the privilege of receiving their money back *on demand*, their deposit of coins or Treasury Certificates will be kept in the vault and not loaned to others. Therefore, it will not earn interest for the bank. If the bank cannot make money on the deposit, then it must charge the depositor a fee for safeguarding his money and for checking services. If the customer wants to earn interest on his deposit, then he will be informed that it will be invested or loaned out, in which case he cannot expect to get it back any time he wants. He will knowingly put his money into a *time* deposit with the agreement that a specified amount of time must pass before the investment matures.

The effect of this practice on banking will be enormous. Banks will have to pay higher interest rates to attract investment capital. They will have to trim their overhead expenses and eliminate some of the plush. Profit margins will be tightened. Efficiency will improve. They used to offer "free" services which actually were paid out of interest earned on their customers' demand deposits. Now they will charge for those services, such as checking and safe storage of deposits. Customers probably will grumble at first at having to pay for those things, and there will be no more free toasters.

Electronic transfer systems will probably become popular for their convenience, but they will be optional. Cash and check transactions will continue to play an important role. Government monitoring will be illegal. Although there will be fewer dollars in circulation than there were Federal Reserve Notes, the value of

NO

his 1963 address at the IMF, the outflow of American gold "did not come about by chance."[1]

THE "DISCOVERY" OF THE OPEN MARKET

It is commonly asserted by writers on this topic that the power of the open-market mechanism to manipulate the money supply was "discovered" by the Fed in the early 1920s and that it came as a total surprise. Martin Mayer, for example, in his book, The Bankers, writes:

> **Now, through an accident as startling as those which produced the discovery of X-Rays or penicillin, the central bank learned that "open market operations" could have a significant effect on the behavior of the banks.[2]**

This makes the story interesting, but it is difficult to believe that Benjamin Strong, Paul Warburg, Montagu Norman, and the other monetary scientists who were pulling the levers at that time were taken by surprise. These men could not possibly have been ignorant of the effect of creating money out of nothing and pouring it into the economy. The open market was merely a different funnel. If there was any element of surprise, it likely was only in the ease with which the mechanism could be activated. It is not important whether that part of the story is fact or fiction, except that it perpetuates the "accidental" view of history, the myth that no one is responsible for political or economic chaos: Things just happen. There was no master plan. No one is to blame. Everything is under control. Relax, pay your taxes, and go back to sleep!

In any event, by the end of the war, Congress had awakened to the fact that it could use the Federal Reserve System to obtain revenue without taxes. From that point forward, deficit spending became institutionalized. A gradually increasing issuance of Treasury bonds was encouraging to the Fed because it provided still one more source of debt to convert into money, a source that eventually would become far more reliable than either bank loans or banker's acceptances. Best of all, now that Congress was becoming dependent on the free corn, there was little chance it would find its wings and fly away. The more dependent it became, the more secure the System itself became.

1. See Chapter six.
2. Mayer, p. 401.

Appendix NN

MEGHAN MARIE KELLY
34012 Shawnee Drive
Dagsboro, DE 19939

Justices of the DE Supreme Court
c/the Clerk of Court
55 The Green
Dover, DE 19901

RE: No. 22-58 Meghan Kelly: Federal Reserve

August 29, 2022

Dear Honorable Court:

The State filed a petition against me for inter alias my political-religious beliefs contained in my RFRA petition to dissolve the establishment of government religious under former President Donald J. Trump. My political proposals and ideas are in issue. Even bad ideas are protected. If we cannot share our ideas than we cannot learn they are bad to improve.

I believe this court may reverse or prevent a crash. If this courts think my ideas are bad, at least I can face God on judgment day. I know I tried to do what I believed was right, by humbling myself before you, asking you to please consider saving the world. The Courts are my hope of a hero, even if this Court is mad at me for my religious-political petitions containing speech reflecting my genuinely held religious beliefs.

The way money is coined is the problem. In 1913, President Wilson signed the Federal Rights Act, which created the Federal Reserve. The Federal Reserve is a private corporation, containing banks as shareholders.[1] The employees of the

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[1] *Hubbard v. Fed. Rsrv. Bank of Atlanta*, No. CIV.A. 96-2354, 1996 WL 551496, at *1 (E.D. La. Sept. 26, 1996) ("Federal Reserve Banks are independent corporations owned by commercial banks in their geographic regions"); *Id.* ("While the Federal Reserve Board regulates the Reserve Banks, direct supervision and control of each Bank is exercised by its board of directors. 12 U.S.C. § 301. Each Reserve Bank is statutorily empowered to conduct its activities **without day-to-day direction from the federal government**.");
Lewis v. United States, 680 F.2d 1239 (9th Cir. 1982) ("Federal reserve banks are **not federal instrumentalities** for purposes of a Federal Tort Claims Act, but **are independent, privately owned and locally controlled corporations** in light of fact that direct supervision and control of each bank is exercised by board of directors, federal reserve banks, though heavily regulated, are **locally controlled by their member banks, banks are listed neither as "wholly owned" government corporations nor as "mixed ownership" corporations**; federal reserve banks receive no appropriated funds from Congress and the banks are empowered to sue and be sued in their own names." 28 U.S.C.A. §§ 1346(b), 2671 et seq.; *Federal Reserve Act*, §§ 4, 10(a, b), 13, 13a, 13b, 14, 14(a–g), 16, 12 U.S.C.A. §§ 301, 341–360; 12 U.S.C.A. § 361; Government Corporation Control Act, §§ 101, 201, 31 U.S.C.A. §§ 846, 856.));
Schaffer v. Pub. Emps. Ret. Sys., 21 Ohio St. 3d 86, 91, 488 N.E.2d 162, 165 (1986) ("Dissent, In *Lewis v. United States* (C.A. 9, 1982), 680 F.2d 1239, and *Arney v. United States* (Dec. 4, 1979), D.Tenn.No. 77–3503–NA–CV, unreported, the courts held that federal reserve banks were **not federal agents** for purposes of the Federal Tort Claims Act, Section 1346(b), Title 28, U.S. Code. Both courts noted that Congress structured the reserve banks as **corporate entities owned by commercial banks** 'under the supervision and control' of their own boards of directors and subject only to general supervision by the Board of Governors of the Federal Reserve System. See Sections 301 and 248(j), Title 12, U.S. Code. Both the *Lewis* and *Arney* courts thoroughly analyzed the operation and the legislative history of the Federal Reserve Act and found, among other things, that the federal government had no financial involvement in the banks, the banks were **independent corporations**, the banks primarily serviced **private business** and

Federal Reserve appear to gain the benefits of federal employees, such as retirement, while not being subjected to the liability in the form of federal limits. [2]

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financial entities, and the federal government did not control the daily operation of the banks.
These courts also found that **federal reserve bank employees were not subject to federal governmental control**. The bank had the right to hire and fire its employees. The employees did not participate in the civil service retirement system or the federal workers' compensation programs, they were not subject to federal travel regulations, and they did not receive governmental employees discounts.
The Federal Reserve Act reflects the Congressional intent that federal reserve banks remain non-governmental entities. Although federal reserve bank policy with respect to interest rates and the like remains under the general supervision of the federal reserve board, the banks are private entities separate and distinct from the government.
The drafters of the Federal Reserve Act made clear the private function of federal reserve banks:
'The Federal reserve banks * * * would be in effect cooperative institutions, carried on **for the benefit of the community and of the banks themselves by the banks acting as stockholders therein**. * * * The committee, however, recommends that they shall be individually organized and individually controlled, each holding the fluid funds of the region in which it is organized and each ordinarily dependent upon no other part of the country for assistance. The only factor of centralization which has been provided in the committee's plan is found in the Federal reserve board, which is to be a strictly Government organization created for the purpose of inspecting existing banking institutions and of regulating relationships between Federal reserve banks and between them and the government itself.' H.R.Rep. No. 69, 63rd Cong., 1st Sess. (1913), 17–18.")

[2] *Lewis v. United States*, 680 F.2d 1239 (9th Cir. 1982), ("The Reserve Banks are deemed to be federal instrumentalities for purposes of immunity from state taxation.")
Schaffer v. Pub. Emps. Ret. Sys., 21 Ohio St. 3d 86, 488 N.E.2d 162 (1986) ("The Supreme Court held that federal reserve bank is "governmental entity 'operated by'" United States Government so as to **qualify for credit within Public Employees Retirement System**"); [This does not seem fair that they get federal retirement benefits without oversight or Constitutional limits as a nonfederal instrumentality.] *See also, Farm Credit of Nw. Fla., ACA v. Easom Peanut Co.*,

An agent of the Federal Reserve banks makes at least one request, per year for the government to issue money, called federal reserve notes. The Federal Reserve may require additional requests for emergencies such as the emergency related to hurricane Katrina.

Federal Reserve Notes are the only type of currency circulating in the US. Please see the Exhibit A attached hereto, which contains a dollar bill, a five dollar bill, a ten dollar bill and a twenty dollar bill.

On the font of each bill, you see the label Federal Reserve Note. The government issues money, called federal reserve notes and gives them to the Federal Reserve for use by its bank members, while increasing debts of thc government to enslave a no longer free people to pay back the free lunch for the bank's members' gain.

The notes are backed by financial assets that the Federal Reserve Banks pledge as collateral, which are not actually owned by the banks under fractional

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312 Ga. App. 374, 384–85, 718 S.E.2d 590, 602 (2011) (Holding this bank entity was immune from suit as a government instrumentality, which makes banks above the law); *But See, McGee v. Tucoemas Fed. Credit Union*, 153 Cal. App. 4th 1351, 63 Cal. Rptr. 3d 808 (2007) (This Court holds the banks waive immunity); *Rheams v. Bankston, Wright & Greenhill*, 756 F. Supp. 1004 (W.D. Tex. 1991)("Federal Home Loan Bank of Dallas was not a "federal agency" within meaning of Federal Tort Claims Act and its employees were not employees of government for purposes of removing case to federal court. 28 U.S.C.A. §§ 1346(b), 2671.").

reserves. The notes are backed by other people's assets, which I believe is the definition of a Ponzi scheme. The notes are mainly backed by Treasury securities and mortgage agency securities that the banks purchase on the open market by fiat payment using other people's money as their own through fractional reserve banking theories.

This would likely jeopardize people's land and homes, should an economic crash occur, to serve the greed of banks and profiteering private and foreign entities, not the welfare of the people or this nation.

I am concerned this may cause a foreclosure crisis, leaving many homeless, if the court does not consider the welfare of the people more important than debt control, and power money grants to those who have it by unjust gains to buy influence.

The Federal reserve should not be charged with controlling the currency. The government must take back its coining power to care for the people while protecting individual liberty, not controlling the people, through money by indebtedness and grants to entities as opposed to individuals in need.

The shareholding banks have incentive to make America and the people worse off. Banks gain more profit on debt interest, the worse off, and the more debt America and Americans are in.

The wars we wage, are never for freedom, but enslave the people to pay back the debt and debt on interest to the banks, the Federal Reserve gains through military spending, while enriching businesses who make money off of the artificially created need to serve greed under the guise of liberty.

There is a movement by global leaders to eliminate war, under the lie of peace, which is created by the elimination of freedom by government backed private and foreign control.

I prefer the discord the liberty to think, believe, associate, worship, requires in order to safeguard Constitutional rights, than the wicked peace the global leaders appear to seek. As a Christian, I follow Jesus who teaches me, not to come for peace, but come to cut off lawlessness stemmed in lusts that destroys people in this life and damns people in hell by justice in the courts, not productivity to serve the lawlessness of Satan, business greed. *Matthew* 10:34, 23:23.

Those who preach "order" serve lawless lusts. They do not serve Constitutional law by upholding liberties from government backed private or foreign control of the peoples substantially burdened will. I believe this not only leads to harm in this life but damnation in hell, without court correction.

Per the attached Exhibit B, there are global plans to create more waste, to create more debt, to gain more profit on debt for banks, and artificial need to serve business greed, under the pretty name of science, to maintain debt control over the world.

People are literally coming up with deceptive theories to kill, steal and destroy and harm humanity to maintain power, profit and position.

The excerpts in the book attached hereto talks about intentionally making people sick by the food and water to control population or otherwise, creating a space race to create waste, to create waste by nuclear arms checks or nuclear races, creating race wars, and other evil.

There literally is reward for harming humanity under the lie of helping it.

I have a number of legal theories to prevent this economic crash, while preventing harm to humanity. Opposing counsel opposed my desire to draft a motion on this awhile back.

I do not have time to draft a letter outlining my legal theories for this Court. A letter may save the court time, should I bring a mistrial against *Kelly v Trump* espousing theories this Court may reject or require additional information to consider.

I would like an opportunity to be heard in the reciprocal cases. I must focus on the reciprocal law suits that require a more immediate or urgent response as opposed to this Court.

I must not be denied opportunities to be heard in other forums, by taking time now in this forum, time I do not have to spend, without sacrificing justice elsewhere.

Thank you for your time and consideration of this important matter. I apologize to this Court should I fail to outline how this Court may save the world, even if you seek to destroy mine.

My hope remains in the courts.

August 29, 2022

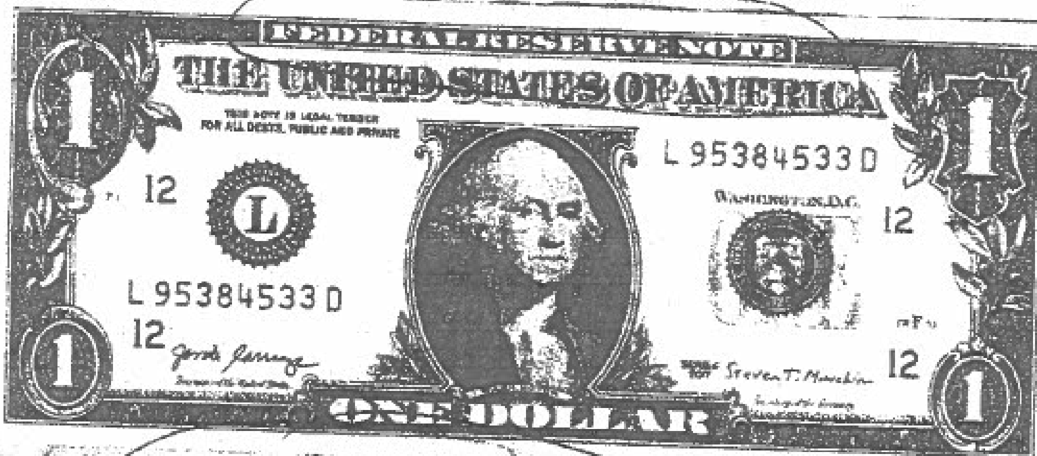
Respectfully Submitted,

/s/Meghan Kelly
Meghan Kelly, Esquire
34012 Shawnee Drive
Dagsboro, DE 19939
meghankellyesq@yahoo.com
302-493-6693
Bar No 4968 DEACTIVE(119 words)

Internal

Exhibit A


FEDERAL RESERVE NOTE
THE UNITED STATES OF AMERICA
NB 18702947 A
B2
NB 18702947 A
TEN DOLLARS


FEDERAL RESERVE NOTE
THE UNITED STATES OF AMERICA
L 95384533 D
12
L
L 95384533 D
ONE DOLLAR


FEDERAL RESERVE NOTE
NF 49818718 C
F6
NF 49818718 C
TWENTY DOLLARS


FEDERAL RESERVE NOTE
THE UNITED STATES OF AMERICA
ME 20688170 B
E5
FIVE DOLLARS

Internal Exhibit

Exhibit B

REPORT FROM IRON MOUNTAIN

On the Possibility & Desirability of Peace

SUPPRESSED

THIS ~~REPORT~~/~~DOCUMENT~~/SATIRE IS SUBJECT TO THE HIGHEST SECURITY CLASSIFICATION AND ACCESS TO IT OR CONFIRMATION OF ITS EXISTENCE IS LIMITED TO PERSONS CLEARED BY CONTINGENCY EVALUATION COMMITTEE. THIS ORDER IS ABSOLUTE UP TO AND INCLUDING PRESIDENTIAL LEVEL

LEONARD C. LEWIN

With a new introduction by Victor Navasky and an appendix on the "Iron Mountain Affair"

SECTION 6

SUBSTITUTES FOR THE FUNCTIONS OF WAR

BY NOW IT SHOULD BE CLEAR that the most detailed and comprehensive master plan for a transition to world peace will remain academic if it fails to deal forthrightly with the problem of the critical nonmilitary functions of war. The social needs they serve are essential; if the war system no longer exists to meet them, substitute institutions will have to be established for the purpose. These surrogates must be "realistic," which is to say of a scope and nature that can be conceived and implemented in the context of present-day social capabilities. This is not the truism it may appear to be; the requirements of radical social change often reveal the distinction between a most conservative projection and a wildly utopian scheme to be fine indeed.

In this section we will consider some possible substitutes for these functions. Only in rare instances have they been put forth for the purposes which concern us here, but we see no reason to limit ourselves to proposals that address themselves explicitly to the problem as we have outlined it. We will disregard the ostensible, or military, functions of war; it is a premise of this study that the transition to peace implies absolutely that they will no longer exist in any relevant sense. We will also disregard the noncritical functions exemplified at the end of the preceding section.

replacement for war's purpose to create waste, debt, to gain debt control over the world

Economic

Economic surrogates for war must meet two principal criteria. They must be "wasteful," in the common sense of the word, and they must operate outside the normal supply-demand system. A corollary that should be obvious is that the magnitude of the waste must be sufficient to meet the needs of a particular society. An economy as advanced and complex as our own requires the planned average annual destruction of not less than 10 percent of gross national product[1] if it is effectively to fulfill its stabilizing function. When the mass of a balance wheel is inadequate to the power it is intended to control, its effect can be self-defeating, as with a runaway locomotive. The analogy, though crude,[2] is especially apt for the American economy, as our record of cyclical depressions shows. All have taken place during periods of grossly inadequate military spending.

Those few economic conversion programs which by implication acknowledge the nonmilitary economic function of war (at least to some extent) tend to assume that so-called social-welfare expenditures will fill the vacuum created by the disappearance of military spending. When one considers the backlog of unfinished business—proposed but still unexecuted—in this field, the assumption seems plausible. Let us examine briefly the following list, which is more or less typical of general social-welfare programs.[3]

Health. Drastic expansion of medical research, education, and training facilities; hospital and clinic construction; the general objective of *complete* government-guaranteed health care for all, at a level consistent with current developments in medical technology.

Education. The equivalent of the foregoing in teacher training; schools and libraries; the drastic upgrading of

standards, with the general objective of making available for all an attainable educational goal equivalent to what is now considered a professional degree.

Housing. Clean, comfortable, safe, and spacious living space for all, at the level now enjoyed by about 15 percent of the population in this country (less in most others).

Transportation. The establishment of a system of mass public transportation making it possible for all to travel to and from areas of work and recreation quickly, comfortably, and conveniently, and to travel privately for pleasure rather than necessity.

Physical environment. The development and protection of water supplies, forests, parks, and other natural resources; the elimination of chemical and bacterial contaminants from air, water, and soil.

Poverty. The genuine elimination of poverty, defined by a standard consistent with current economic productivity, by means of a guaranteed annual income or whatever system of distribution will best assure its achievement.

This is only a sampler of the more obvious domestic social welfare items, and we have listed it in a deliberately broad, perhaps extravagant, manner. In the past, such a vague and ambitious-sounding "program" would have been dismissed out of hand, without serious consideration; it would clearly have been, *prima facie*, far too costly, quite apart from its political implications.[4] Our objection to it, on the other hand, could hardly be more contradictory. As an economic substitute for war, it is inadequate because it would be far too cheap.

If this seems paradoxical, it must be remembered that up to now all proposed social-welfare expenditures have had to be measured *within* the war economy, not as a replacement for it. The old slogan about a battleship or an

ICBM costing as much as x hospitals or y schools or z homes takes on a very different meaning if there are to be no more battleships or ICBM's.

Since the list is general, we have elected to forestall the tangential controversy that surrounds arbitrary cost projections by offering no individual cost estimates. But the maximum program that could be physically effected along the lines indicated could approach the established level of military spending only for a limited time—in our opinion, subject to a detailed cost-and-feasibility analysis, less than ten years. In this short period, at this rate, the major goals of the program would have been achieved. Its capital-investment phase would have been completed, and it would have established a permanent comparatively modest level of annual operating cost—*within the framework of the general economy.*

Here is the basic weakness of the social-welfare surrogate. On the short-term basis, a maximum program of this sort could replace a normal military spending program, provided it was designed, like the military model, to be subject to arbitrary control. Public housing starts, for example, or the development of modern medical centers might be accelerated or halted from time to time, as the requirements of a stable economy might dictate. But on the long-term basis, social-welfare spending, no matter how often redefined, would necessarily become an integral, accepted part of the economy, of no more value as a stabilizer than the automobile industry or old age and survivors' insurance. Apart from whatever merit social-welfare programs are deemed to have for their own sake, their function as a substitute for war in the economy would thus be self-liquidating. They might serve, however, as expedients pending the development of more durable sub-

Made to create waste
Made not to work

Space Research

Elon Musk

stitute measures.

Another economic surrogate that has been proposed is a series of giant "space-research" programs. These have already demonstrated their utility in more modest scale within the military economy. What has been implied, although not yet expressly put forth, is the development of a long-range sequence of space-research projects with largely unattainable goals. This kind of program offers several advantages lacking in the social-welfare model. First, it is unlikely to phase itself out, regardless of the predictable "surprises" science has in store for us: the universe is too big. In the event some individual project unexpectedly succeeds there would be no dearth of substitute problems. For example, if colonization of the moon proceeds on schedule, it could then become "necessary" to establish a beachhead on Mars or Jupiter, and so on. Second, it need be no more dependent on the general supply-demand economy than its military prototype. Third, it lends itself extraordinarily well to arbitrary control.

Space research can be viewed as the nearest modern equivalent yet devised to the pyramid-building, and similar ritualistic enterprises, of ancient societies. It is true that the scientific value of the space program, even of what has already been accomplished, is substantial on its own terms. But current programs are absurdly and obviously disproportionate, in the relationship of the knowledge sought to the expenditures committed. All but a small fraction of the space budget, measured by the standards of comparable scientific objectives, must be charged *de facto* to the military economy. Future space research, projected as a war surrogate, would further reduce the "scientific" rationale of its budget to a minuscule percentage indeed.

Not based on need, but greed.

improbable that a program of deliberate environmental poisoning could be implemented in a politically acceptable manner.

However unlikely some of the possible alternate enemies we have mentioned may seem, we must emphasize that one *must* be found, of credible quality and magnitude, if a transition to peace is ever to come about without social disintegration. It is more probable, in our judgment, that such a threat will have to be invented, rather than developed from unknown conditions. For this reason, we believe further speculation about its putative nature ill-advised in this context. Since there is considerable doubt, in our minds, that *any* viable political surrogate can be devised, we are reluctant to compromise, by premature discussion, any possible option that may eventually lie open to our government.

Sociological

Of the many functions of war we have found convenient to group together in this classification, two are critical. In a world of peace, the continuing stability of society will require: 1) an effective substitute for military institutions that can neutralize destabilizing social elements and 2) a credible motivational surrogate for war that can insure social cohesiveness. The first is an essential element of social control; the second is the basic mechanism for adapting individual human drives to the needs of society.

Most proposals that address themselves, explicitly or otherwise, to the postwar problem of controlling the socially alienated turn to some variant of the Peace Corps or the so-called Job Corps for a solution. The socially disaffected, the economically unprepared, the psychologically unconformable, the hard-core "delinquents," the incorrigible "subversives," and the rest of the unemployable are seen as somehow transformed by the disciplines of a service modeled on military precedent into more or less dedicated social service workers. This presumption also informs the otherwise hardheaded ratiocination of the "Unarmed Forces" plan.

The problem has been addressed, in the language of popular sociology, by Secretary McNamara. "Even in our abundant societies, we have reason enough to worry over the tensions that coil and tighten among underprivileged young people, and finally flail out in delinquency and crime. What are we to expect . . . where mounting frustrations are likely to fester into eruptions of violence and extremism?" In a seemingly unrelated passage, he continues: "It seems to me that we could move toward remedying that inequity [of the Selective Service System] by asking every young person in the United States to give two years of service to his country—whether in one of the military services, in the Peace Corps, or in some other volunteer developmental work at home or abroad. We could encourage other countries to do the same."[7] Here, as elsewhere throughout this significant speech, Mr. McNamara has focused, indirectly but unmistakably, on one of the key issues bearing on a possible transition to peace, and has later indicated, also indirectly, a rough approach to its resolution, again phrased in the language of the current war system.

It seems ~~clear that~~ Mr. McNamara and other proponents of the peace-corps surrogate for this war function lean heavily on the success of the paramilitary Depression programs mentioned in the last section. We find the precedent wholly inadequate in degree. Neither the lack of relevant precedent, however, nor the dubious social-welfare

This world peace is sameness For freedom. Disorder is required for liberty to
elimination of discord Needed be protected

sentimentality characterizing this approach warrant its rejection without careful study. It may be viable—provided, first, that the military origin of the Corps format be effectively rendered out of its operational activity, and second, that the transition from paramilitary activities to "developmental work" can be effected without regard to the attitudes of the Corps personnel or to the "value" of the work it is expected to perform.

Another possible surrogate for the control of potential enemies of society is the reintroduction, in some form consistent with modern technology and political processes, of slavery. Up to now, this has been suggested only in fiction, notably in the works of Wells, Huxley, Orwell, and others engaged in the imaginative anticipation of the sociology of the future. But the fantasies projected in *Brave New World* and *1984* have seemed less and less implausible over the years since their publication. The traditional association of slavery with ancient preindustrial cultures should not blind us to its adaptability to advanced forms of social organization, nor should its equally traditional incompatibility with Western moral and economic values. It is entirely possible that the development of a sophisticated form of slavery may be an absolute prerequisite for social control in a world at peace. As a practical matter, conversion of the code of military discipline to a euphemized form of enslavement would entail surprisingly little revision; the logical first step would be the adoption of some form of "universal" military service.

When it comes to postulating a credible substitute for war capable of directing human behavior patterns in behalf of social organization, few options suggest themselves. Like its political function, the motivational function of war requires the existence of a genuinely menacing

social enemy. The principal difference is that for purposes of motivating basic allegiance, as distinct from accepting political authority, the "alternate enemy" must imply a more immediate, tangible, and directly felt threat of destruction. It must justify the need for taking and paying a "blood price" in wide areas of human concern.

In this respect, the possible substitute enemies noted earlier would be insufficient. One exception might be the environmental-pollution model, if the danger to society it posed was genuinely imminent. The fictive models would have to carry the weight of extraordinary conviction, underscored with a not inconsiderable actual sacrifice of life; the construction of an up-to-date mythological or religious structure for this purpose would present difficulties in our era, but must certainly be considered.

Games theorists have suggested, in other contexts, the development of "blood games" for the effective control of individual aggressive impulses. It is an ironic commentary on the current state of war and peace studies that it was left not to scientists but to the makers of a commercial film[8] to develop a model for this notion, on the implausible level of popular melodrama, as a ritualized manhunt. More realistically, such a ritual might be socialized, in the manner of the Spanish Inquisition and the less formal witch trials of other periods, for purposes of "social purification," "state security," or other rationale both acceptable and credible to postwar societies. The feasibility of such an updated version of still another ancient institution, though doubtful, is considerably less fanciful than the wishful notion of many peace planners that a lasting condition of peace can be brought about without the most painstaking examination of every possible surrogate for the essential functions of war. What is involved here, in a sense, is the quest for William James's "moral equivalent of war."

It is also possible that the two functions considered under this heading may be jointly served, in the sense of establishing the antisocial, for whom a control institution is needed, as the "alternate enemy" needed to hold society together. The relentless and irreversible advance of unemployability at all levels of society, and the similar extension of generalized alienation from accepted values[9] may make some such program necessary even as an adjunct to the war system. As before, we will not speculate on the specific forms this kind of program might take, except to note that there is again ample precedent, in the treatment meted out to disfavored, allegedly menacing, ethnic groups in certain societies during certain historical periods.[10]

Ecological

Considering the shortcomings of war as a mechanism of selective population control, it might appear that devising substitutes for this function should be comparatively simple. Schematically this is so, but the problem of timing the transition to a new ecological balancing device makes the feasibility of substitution less certain.

It must be remembered that the limitation of war in this function is entirely eugenic. War has not been genetically progressive. But as a system of gross population control to preserve the species it cannot fairly be faulted. And, as has been pointed out, the nature of war is itself in transition. Current trends in warfare—the increased strategic bombing of civilians and the greater military importance now attached to the destruction of sources of supply (as opposed to purely "military" bases and personnel)—strongly suggest that a truly qualitative improvement is in

eliminate population

Disgusting

the making. Assuming the war system is to continue, it is more than probable that the regressively selective quality of war will have been reversed, as its victims become more genetically representative of their societies.

There is no question but that a universal requirement that procreation be limited to the products of artificial insemination would provide a fully adequate substitute control for population levels. Such a reproductive system would, of course, have the added advantage of being susceptible of direct eugenic management. Its predictable further development—conception and embryonic growth taking place wholly under laboratory conditions—would extend these controls to their logical conclusion. The ecological function of war under these circumstances would not only be superseded but surpassed in effectiveness.

The indicated intermediate step—total control of conception with a variant of the ubiquitous "pill," via water supplies or certain essential foodstuffs, offset by a controlled "antidote"—is already under development.[11] There would appear to be no foreseeable need to revert to any of the outmoded practices referred to in the previous section (infanticide, etc.) as there might have been if the possibility of transition to peace had arisen two generations ago.

The real question here, therefore, does not concern the viability of this war substitute, but the political problems involved in bringing it about. It cannot be established while the war system is still in effect. The reason for this is simple: excess population is war material. As long as any society must contemplate even a remote possibility of war, it must maintain a maximum supportable population, even when so doing critically aggravates an economic liability. This is paradoxical, in view of war's role in reducing excess population, but it is readily understood. War con-

This is already in the works, was in the works decades ago trols the *general* population level, but the ecological interest of any single society lies in maintaining its hegemony vis-à-vis other societies. The obvious analogy can be seen in any free-enterprise economy. Practices damaging to the society as a whole—both competitive and monopolistic—are abetted by the conflicting economic motives of individual capital interests. The obvious precedent can be found in the seemingly irrational political difficulties which have blocked universal adoption of simple birth-control methods. Nations desperately in need of increasing unfavorable production-consumption ratios are nevertheless unwilling to gamble their possible military requirements of twenty years hence for this purpose. Unilateral population control, as practiced in ancient Japan and in other isolated societies, is out of the question in today's world.

Since the eugenic solution cannot be achieved until the transition to the peace system takes place, why not wait? One must qualify the inclination to agree. As we noted earlier, a real possibility of an unprecedented global crisis of insufficiency exists today, which the war system may not be able to forestall. If this should come to pass before an agreed-upon transition to peace were completed, the result might be irrevocably disastrous. There is clearly no solution to this dilemma; it is a risk which must be taken. But it tends to support the view that if a decision is made to eliminate the war system, it were better done sooner than later.

Cultural and Scientific

Strictly speaking, the function of war as the determinant of cultural values and as the prime mover of scientific progress may not be critical in a world without war. Our criterion for the basic nonmilitary functions of war has

Business

been: Are they necessary to the survival and stability of society? The absolute need for substitute cultural value-determinants and for the continued advance of scientific knowledge is not established. We believe it important, however, in behalf of those for whom these functions hold subjective significance, that it be known what they can reasonably expect in culture and science after a transition to peace.

So far as the creative arts are concerned, there is no reason to believe they would disappear, but only that they would change in character and relative social importance. The elimination of war would in due course deprive them of their principal conative force, but it would necessarily take some time for the effect of this withdrawal to be felt. During the transition, and perhaps for a generation thereafter, themes of sociomoral conflict inspired by the war system would be increasingly transferred to the idiom of purely personal sensibility. At the same time, a new aesthetic would have to develop. Whatever its name, form, or rationale, its function would be to express, in language appropriate to the new period, the once discredited philosophy that art exists for its own sake. This aesthetic would reject unequivocally the classic requirement of paramilitary conflict as the substantive content of great art. The eventual effect of the peace-world philosophy of art would be democratizing in the extreme, in the sense that a generally acknowledged subjectivity of artistic standards would equalize their new, content-free "values."

What may be expected to happen is that art would be reassigned the role it once played in a few primitive peace-oriented social systems. This was the function of pure decoration, entertainment, or play, entirely free of the burden of expressing the sociomoral values and conflicts of a war-oriented society. It is interesting that the groundwork for such a value-free aesthetic is already being laid today, in growing experimentation in art without content, perhaps in anticipation of a world without conflict. A cult has developed around a new kind of cultural determinism,[12] which proposes that the technological form of a cultural expression determines its values rather than does its ostensibly meaningful content. Its clear implication is that there is no "good" or "bad" art, only that which is appropriate to its (technological) times and that which is not. Its cultural effect has been to promote circumstantial constructions and unplanned expressions; it denies to art the relevance of sequential logic. Its significance in this context is that it provides a working model of one kind of value-free culture we might reasonably anticipate in a world at peace.

So far as science is concerned, it might appear at first glance that a giant space-research program, the most promising among the proposed economic surrogates for war, might also serve as the basic stimulator of scientific research. The lack of fundamental organized social conflict inherent in space work, however, would rule it out as an adequate motivational substitute for war when applied to "pure" science. But it could no doubt sustain the broad range of *technological* activity that a space budget of military dimensions would require. A similarly scaled social-welfare program could provide a comparable impetus to low-keyed technological advances, especially in medicine, rationalized construction methods, educational psychology, etc. The eugenic substitute for the ecological function of war would also require continuing research in certain areas of the life sciences.

Apart from these partial substitutes for war, it must be

Evil scale)

kept in mind that the momentum given to scientific progress by the great wars of the past century, and even more by the anticipation of World War III, is intellectually and materially enormous. It is our finding that if the war system were to end tomorrow this momentum is so great that the pursuit of scientific knowledge could reasonably be expected to go forward without noticeable diminution for perhaps two decades.[13] It would then continue, at a progressively decreasing tempo, for at least another two decades before the "bank account" of today's unresolved problems would become exhausted. By the standards of the questions we have learned to ask today, there would no longer be anything worth knowing still unknown; we cannot conceive, by definition, of the scientific questions to ask once those we can now comprehend are answered.

This leads unavoidably to another matter: the intrinsic value of the unlimited search for knowledge. We of course offer no independent value judgments here, but it is germane to point out that a substantial minority of scientific opinion feels that search to be circumscribed in any case. This opinion is itself a factor in considering the need for a substitute for the scientific function of war. For the record, we must also take note of the precedent that during long periods of human history, often covering thousands of years, in which no intrinsic social value was assigned to scientific progress, stable societies did survive and flourish. Although this could not have been possible in the modern industrial world, we cannot be certain it may not again be true in a future world at peace.

SECTION 7

SUMMARY AND CONCLUSIONS

The Nature of War

WAR IS NOT, as is widely assumed, primarily an instrument of policy utilized by nations to extend or defend their expressed political values or their economic interests. On the contrary, it is itself the principal basis of organization on which all modern societies are constructed. The common proximate cause of war is the apparent interference of one nation with the aspirations of another. But at the root of all ostensible differences of national interest lie the dynamic requirements of the war system itself for periodic armed conflict. Readiness for war characterizes contemporary social systems more broadly than their economic and political structures, which it subsumes.

Economic analyses of the anticipated problems of transition to peace have not recognized the broad preeminence of war in the definition of social systems. The same is true, with rare and only partial exceptions, of model disarmament "scenarios." For this reason, the value of this previous work is limited to the mechanical aspects of transition. Certain features of these models may perhaps be applicable to a real situation of conversion to peace; this will depend on their compatibility with a substantive, rather than a procedural, peace plan. Such a plan can be developed only from the premise of full understanding of the nature of the war system it proposes to abolish, which in turn presupposes detailed comprehension of the functions the war system performs for society. It will require the construction of a detailed and feasible system of substitutes for those functions that are necessary to the stability and survival of human societies.

The Functions of War

The visible, military function of war requires no elucidation; it is not only obvious but also irrelevant to a transition to the condition of peace, in which it will by definition be superfluous. It is also subsidiary in social significance to the implied, nonmilitary functions of war; those critical to transition can be summarized in five principal groupings.

1. *Economic.* War has provided both ancient and modern societies with a dependable system for stabilizing and controlling national economies. No alternate method of control has yet been tested in a complex modern economy that has shown itself remotely comparable in scope or effectiveness.

2. *Political.* The permanent possibility of war is the foundation for stable government; it supplies the basis for general acceptance of political authority. It has enabled societies to maintain necessary class distinctions, and it has ensured the subordination of the citizen to the state, by virtue of the residual war powers inherent in the concept of nationhood. No modern political ruling group has successfully controlled its constituency after failing to sustain the continuing credibility of an external threat of war.

3. *Sociological.* War, through the medium of military institutions, has uniquely served societies, throughout the course of known history, as an indispensable controller of dangerous social dissidence and destructive antisocial tendencies.

Free speech, beautiful disorder that helps us learn grow, improve, care for others

Controlling economies No free markets Slave Masters Rulers By force as opposed ... SIN

Freewill dangerous only to those who reflect the image of the devil who seek to control not care for others

As the most formidable of threats to life itself, and as the only one susceptible to mitigation by social organization alone, it has played another equally fundamental role: the war system has provided the machinery through which the motivational forces governing human behavior have been translated into binding social allegiance. It has thus ensured the degree of social cohesion necessary to the viability of nations. No other institution, or groups of institutions, in modern societies, has successfully served these functions.

4. *Ecological.* War has been the principal evolutionary device for maintaining a satisfactory ecological balance between gross human population and supplies available for its survival. It is unique to the human species.

People are the future Be free to fail

5. *Cultural and Scientific.* War-orientation has determined the basic standards of value in the creative arts, and has provided the fundamental motivational source of scientific and technological progress. The concepts that the arts express values independent of their own forms and that the successful pursuit of knowledge has intrinsic social value have long been accepted in modern societies; the development of the arts and sciences during this period has been corollary to the parallel development of weaponry.

I hate standards that dumb down people preventing them from using their independent critical thinking & freewill needed to escape hell.

Substitutes for the Functions of War: Criteria

The foregoing functions of war are essential to the survival of the social systems we know today. With two possible exceptions they are also essential to any kind of stable social organization that might survive in a warless world. Discussion of the ways and means of transition to such a world are meaningless unless a) substitute institutions can be devised to fill these functions, or b) it can reasonably be

Create $ the war be way slavery waste

hypothecated that the loss or partial loss of any one function need not destroy the viability of future societies.

Such substitute institutions and hypotheses must meet varying criteria. In general, they must be technically feasible, politically acceptable, and potentially credible to the members of the societies that adopt them. Specifically, they must be characterized as follows:

1. *Economic.* An acceptable economic surrogate for the war system will require the expenditure of resources for completely nonproductive purposes at a level comparable to that of the military expenditures otherwise demanded by the size and complexity of each society. Such a substitute system of apparent "waste" must be of a nature that will permit it to remain independent of the normal supply-demand economy; it must be subject to arbitrary political control.

2. *Political.* A viable political substitute for war must posit a generalized external menace to each society of a nature and degree sufficient to require the organization and acceptance of political authority.

3. *Sociological.* First, in the permanent absence of war, ~~new institutions~~ must be developed that will effectively control the socially destructive segments of societies. Second, ~~for~~ purposes of adapting the physical and psychological dynamics of human behavior to the needs of social organization, a credible substitute for war must generate an omnipresent and readily understood fear of personal destruction. This fear must be of a nature and degree sufficient to ensure adherence to societal values to the full extent that they are acknowledged to transcend the value of individual human life.

4. *Ecological.* A substitute for war in its function as the uniquely human system of population control must ensure

2. is so dumb, but there is a growing population who believes in aliens.

Unified purpose Not Fixed ... control

Religion by fear not love
Perfect love without fear

Eugenics is Evil ... man God

Manipulate supply
Manipulate & control ... population

the survival, if not necessarily the improvement, of the species, in terms of its relation to environmental supply.

5. *Cultural and Scientific.* A surrogate for the function of war as the determinant of cultural values must establish a basis of sociomoral conflict of equally compelling force and scope. A substitute motivational basis for the quest for scientific knowledge must be similarly informed by a comparable sense of internal necessity.

Substitutes for the Functions of War: Models

The following substitute institutions, among others, have been proposed for consideration as replacements for the nonmilitary functions of war. That they may not have been originally set forth for that purpose does not preclude or invalidate their possible application here.

1. *Economic.* (a) A comprehensive social-welfare program, directed toward maximum improvement of general conditions of human life. (b) A giant open-end space-research program, aimed at unreachable targets. (c) A permanent, ritualized, ultra-elaborate disarmament inspection system, and variants of such a system.

2. *Political.* (a) An omnipresent, virtually omnipotent international police force. (b) An established and recognized extraterrestrial menace. (c) Massive global environmental pollution. (d) Fictitious alternate enemies.

3. *Sociological: Control function.* (a) Programs generally derived from the Peace Corps model. (b) A modern, sophisticated form of slavery. *Motivational function.* (a) Intensified environmental pollution. (b) New religions or other mythologies. (c) Socially oriented blood games. (d) Combination forms.

4. *Ecological.* A comprehensive program of applied eugenics.

Waste by design. Debt control
Made up religions

5. *Cultural.* No replacement institution offered. *Scientific.* The secondary requirements of the space-research, social-welfare, and/or eugenics programs.

Substitutes for the Functions of War: Evaluation

The models listed above reflect only the beginning of the quest for substitute institutions for the functions of war, rather than a recapitulation of alternatives. It would be both premature and inappropriate, therefore, to offer final judgments on their applicability to a transition to peace and after. Furthermore, since the necessary but complex project of correlating the compatibility of proposed surrogates for different functions could be treated only in exemplary fashion at this time, we have elected to withhold such hypothetical correlations as were tested as statistically inadequate.[1]

Nevertheless, some tentative and cursory comments on these proposed functional "solutions" will indicate the scope of the difficulties involved in this area of peace planning.

Economic. The social-welfare model cannot be expected to remain outside the normal economy after the conclusion of its predominantly capital-investment phase; its value in this function can therefore be only temporary. The space-research substitute appears to meet both major criteria, and should be examined in greater detail, especially in respect to its probable effects on other war functions. "Elaborate inspection" schemes, although superficially attractive, are inconsistent with the basic premise of transition to peace. The "unarmed forces" variant, logistically similar, is subject to the same functional criticism as the general social-welfare model.

Political. Like the inspection-scheme surrogates, proposals for plenipotentiary international police are inherently incompatible with the ending of the war system. The "unarmed forces" variant, amended to include unlimited powers of economic sanction, might conceivably be expanded to constitute a credible external menace. Development of an acceptable threat from "outer space," presumably in conjunction with a space-research surrogate for economic control, appears unpromising in terms of credibility. The environmental-pollution model does not seem sufficiently responsive to immediate social control, except through arbitrary acceleration of current pollution trends; this in turn raises questions of political acceptability. New, less regressive, approaches to the creation of fictitious global "enemies" invite further investigation.

Social control not case

Sociological: Control function. Although the various substitutes proposed for this function that are modeled roughly on the Peace Corps appear grossly inadequate in potential scope, they should not be ruled out without further study. Slavery, in a technologically modern and conceptually euphemized form, may prove a more efficient and flexible institution in this area. *Motivational function.* Although none of the proposed substitutes for war as the guarantor of social allegiance can be dismissed out of hand, each presents serious and special difficulties. Intensified environmental threats may raise ecological dangers; mythmaking dissociated from war may no longer be politically feasible; purposeful blood games and rituals can far more readily be devised than implemented. An institution combining this function with the preceding one, based on, but not necessarily imitative of, the precedent of organized ethnic repression, warrants careful consideration.

like Roman times

Ecological. The only apparent problem in the application of an adequate eugenic substitute for war is that of

This is satanic, evil.

Jesus says he did not come for peace

The sameness is the opposite of protecting freedom, people's free will needed to escape hell.

timing; it cannot be effectuated until the transition to peace has been completed, which involves a serious temporary risk of ecological failure.

Cultural. No plausible substitute for this function of war has yet been proposed. It may be, however, that a basic cultural value-determinant is not necessary to the survival of a stable society. *Scientific.* The same might be said for the function of war as the prime mover of the search for knowledge. However, adoption of either a giant space-research program, a comprehensive social-welfare program, or a master program of eugenic control would provide motivation for limited technologies.

like Hitler's theories.

General Conclusions

It is apparent, from the foregoing, that no program or combination of programs yet proposed for a transition to peace has remotely approached meeting the comprehensive functional requirements of a world without war. Although one projected system for filling the economic function of war seems promising, similar optimism cannot be expressed in the equally essential political and sociological areas. The other major nonmilitary functions of war—ecological, cultural, scientific—raise very different problems, but it is at least possible that detailed programming of substitutes in these areas is not prerequisite to transition. More important, it is not enough to develop adequate but separate surrogates for the major war functions; they must be fully compatible and in no degree self-canceling.

Education, media

Until such a unified program is developed, at least hypothetically, it is impossible for this or any other group to furnish meaningful answers to the questions originally presented to us. When asked how best to prepare for the advent of peace, we must first reply, as strongly as we can,

Peace by elimination of freedoms

The wicked order that prevents disorder needed to cut off sin.

that the war system cannot responsibly be allowed to disappear until 1) we know exactly what it is we plan to put in its place, and 2) we are certain, beyond reasonable doubt, that these substitute institutions will serve their purposes in terms of the survival and stability of society. It will then be time enough to develop methods for effectuating the transition; procedural programming must follow, not precede, substantive solutions.

Such solutions, if indeed they exist, will not be arrived at without a revolutionary revision of the modes of thought heretofore considered appropriate to peace research. That we have examined the fundamental questions involved from a dispassionate, value-free point of view should not imply that we do not appreciate the intellectual and emotional difficulties that must be overcome on all decision-making levels before these questions are generally acknowledged by others for what they are. They reflect, on an intellectual level, traditional emotional resistance to new (more lethal and thus more "shocking") forms of weaponry. The understated comment of then-Senator Hubert Humphrey on the publication of *On Thermonuclear War* is still very much to the point: "New thoughts, particularly those which appear to contradict current assumptions, are always painful for the mind to contemplate."

Nor, simply because we have not discussed them, do we minimize the massive reconciliation of conflicting interests which domestic as well as international agreement on proceeding toward genuine peace presupposes. This factor was excluded from the purview of our assignment, but we would be remiss if we failed to take it into account. Although no insuperable obstacle lies in the path of reaching such general agreements, formidable short-of alternate ways and means to serve the current functions of war is narrowly political. It is possible that one or more major sovereign nations may arrive, through ambiguous leadership, at a position in which a ruling administrative class may lose control of basic public opinion or of its ability to rationalize a desired war. It is not hard to imagine, in such circumstance, a situation in which such governments may feel forced to initiate serious full-scale disarmament proceedings (perhaps provoked by "accidental" nuclear explosions), and that such negotiations may lead to the actual disestablishment of military institutions. As our Report has made clear, this could be catastrophic. It seems evident that, in the event an important part of the world is suddenly plunged without sufficient warning into an inadvertent peace, even partial and inadequate preparation for the possibility may be better than none. The difference could even be critical. The models considered in the preceding chapter, both those that seem promising and those that do not, have one positive feature in common—an inherent flexibility of phasing. And despite our strictures against knowingly proceeding into peace-transition procedures without thorough substantive preparation, our government must nevertheless be ready to move in this direction with whatever limited resources of planning are on hand at the time—if circumstances so require. An arbitrary all-or-nothing approach is no more realistic in the development of contingency peace programming than it is anywhere else.

But the principal cause for concern over the continuing effectiveness of the war system, and the more important reason for hedging with peace planning, lies in the backwardness of current war-system programming. Its controls have not kept pace with the technological advances it has

Waste & by children

made possible. Despite its unarguable success to date, even in this era of unprecedented potential in mass destruction, it continues to operate largely on a laissez-faire basis. To the best of our knowledge, no serious quantified studies have ever been conducted to determine, for example:

—optimum levels of armament production, for purposes of economic control, at any given series of chronological points and under any given relationship between civilian production and consumption patterns;
—correlation factors between draft recruitment policies and mensurable social dissidence;
—minimum levels of population destruction necessary to maintain war-threat credibility under varying political conditions;
—optimum cyclical frequency of "shooting" wars under varying circumstances of historical relationship.

These and other war-function factors are fully susceptible to analysis by today's computer-based systems,[3] but they have not been so treated; modern analytical techniques have up to now been relegated to such aspects of the ostensible functions of war as procurement, personnel deployment, weapons analysis, and the like. We do not disparage these types of application, but only deplore their lack of utilization to greater capacity in attacking problems of broader scope. Our concern for efficiency in this context is not aesthetic, economic, or humanistic. It stems from the axiom that no system can long survive at either input or output levels that consistently or substan-

Appendix OO

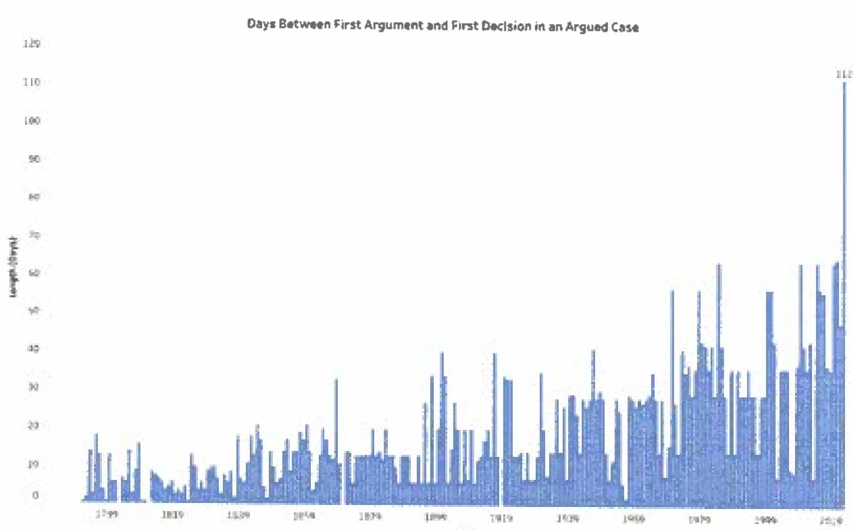
Supreme Court is Less Efficient

Posted by DR. ADAM FELDMAN *on* JANUARY 23, 2023

The Supreme Court is now less efficient according to multiple measures. Since the Court released its first decision in an orally argued case this morning, Monday January 23rd 2023, the 112 days between the first oral argument and the first opinion of this term set a new record for the longest time this has ever taken the justices. It's not only an aberration that the Court took 112 days to release an opinion, but also that it took 112 days to release a unanimous decision in Arellano (a predictable first opinion of the term) since the Court should have moved more swiftly especially without any separate opinions.

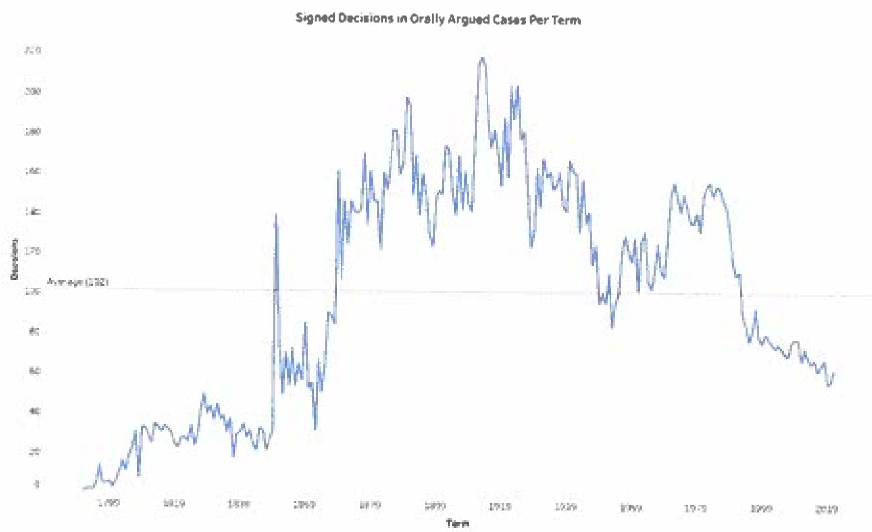
Now that the the Court released its Investigative Report regarding the Dobbs leak with a follow up from Marshal Gail Curley stating that the justices were questioned but were not asked to sign affidavits, we can surmise that this process hampered the Court's ability or at least slowed down the process of releasing an opinion.

If we look all the way back to 1791 though the Court has never taken anywhere near as long to release its first opinion in an argued case. Although defining the Court's first argument in a term is tricky in the Court's earlier years due to a more haphazard argument schedule, if we track the first argument by looking at the first that is in a sequence of multiple days with arguments then the graph since 1791 looks as follows.

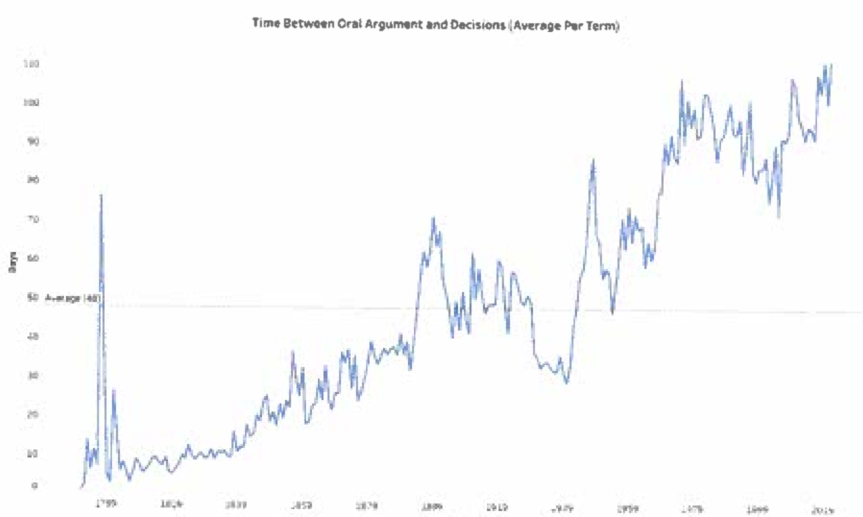


The Court was never previously close to this 112 days marker that it took this term to release its first opinion.

Other metrics also point to the Court's less efficient process. Even though the Court did not have fewer signed opinions in argued cases last term than it had in the few terms previous to it, the Court still issued almost 40 fewer opinions last term than it has averaged across its history. If you add to this that the Court heard many fewer cases closer to its inception and focus on the 20th century forward, than this difference from the average is even more pronounced. Looking through the end of last term the number of opinions issued in argued cases looks as follows:



Finally, the Court is taking longer intervals between oral arguments and decisions on average. If we look at the average time between arguments and decisions per term you will see the increase in the number of days over time.



Sure, one might argue that the Court now issues more separate opinions