100 Years Is Enough
Time to Make the Fed a Public Utility

Mr. Chairman, we have in this Country one of the most corrupt institutions the world has ever known. I refer to the Federal Reserve Board and the Federal Reserve Banks. . . . The depredations and iniquities of the Fed has cost enough money to pay the National debt several times over. . . . Some people think that the Federal Reserve Banks are United States Government institutions. They are private monopolies which prey upon the people of these United States for the benefit of themselves and their foreign customers; foreign and domestic speculators and swindlers; and rich and predatory money lenders. These twelve private credit monopolies were deceitfully and disloyally foisted upon this Country by the bankers who came here from Europe and repaid us our hospitality by undermining our American institutions.

— Congressman, Representative Louis McFadden, 1934

by Ellen Brown, excerpted with permission

December 23rd, 2013, marked the 100th anniversary of the Federal Reserve, warranting a review of its performance. Has it achieved the purposes for which it was designed?

The answer depends on whose purposes we are talking about. For the banks, the Fed has served quite well. For the laboring masses, whose populist movement prompted it, not much has changed.

The Federal Reserve Act was passed in 1913 in response to a wave of bank crises, which had hit on average every six years over a period of 80 years. The ensuing economic depressions triggered a populist movement for monetary reform in the 1890s.

Mary Ellen Lease, an early populist leader, said in a fiery speech that could have been written today:

“Wall Street owns the country. It is no longer a government of the people, by the people, and for the people, but a government of Wall Street, by Wall Street, and for Wall Street. The great common people of this country are slaves, and monopoly is the master. . . . Money rules . . . . Our laws are the output of a system which clothes rascals in robes and honesty in rags. The parties lie to us and the political speakers mislead us. . . . We want money, land and transportation. We want the abolition of the National Banks, and we want the power to make loans direct from the government. We want the foreclosure system wiped out.

That was what they wanted, but the Federal Reserve Act that they got was not what the Populists had fought for; or what their leader William Jennings Bryan thought he was approving when he voted for it in 1913. In the stirring speech that won him the Democratic presidential nomination in 1896, Bryan insisted: ‘We believe that the right to coin money and issue money is a function of government. . . . Those who are opposed to this proposition tell us that the issue of paper money is a function of the bank and that the government ought to go out of the banking business. I stand with Jefferson . . . and tell them, as he did, that the issue of money is a function of the government and that the banks should go out of the governing business.”

— William Jennings Bryan

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