

**We The People**  
Program 80  
The Great Ponzi



Born in 1882 Charles Ponzi as he was known was an Italian business man and swindler in the 1920's in the USA. Ponzi determined he could buy overseas post reply coupons and then cash them in the United States and make up to 400% profit. It was not illegal then and he soon set up an enterprise to do this and attract investors on the promise of massive returns. In fact Ponzi only bought about 27,000 international post reply coupons and when word circulated he was offering investors huge returns the money poured in at about \$2.5 million daily in today's dollars. Ponzi would pay the returns promised from the new money being invested after taking a cut for himself. These schemes collapse once the new investor money slows and then the whole scheme collapses because the so called returns can't be paid and people rush to withdraw. Greed loves a hollow promise, doesn't it and overall the ultimate losses were about \$225 million. American Bernie Madoff created a similar scheme and in 2008 loses were around 65 billion dollars and a lot of people ruined.

I believe the current stock market and especially Wall Street is little more than a public casino with highly technical sounding jargon for some financial products which promise big returns that are unsustainable like sub-prime mortgages. They too are a type of unsustainable Ponzi scheme which leads me to the heart of this narrative.

The worlds banking system including Australia uses what's called fractional reserve banking. Put simply, a person deposits say \$100 dollars in the bank on the promise of modest interest. Now the bank then puts aside about \$10 and lends the other \$90 out up to ten times or in this example \$900. The additional apparent multiplication of money is created out of thin air as fractional banking where only a fraction of the money is required to be kept safe. This is calculated on the base that only a small amount of investors will want to withdraw at any one time. Obviously, if many people try to withdraw at once the bank will not have sufficient funds to pay and could collapse if it were not for the Reserve Bank. Now remember the Reserve Bank has finite phantom funds too and in many cases the Reserve is privately owned. During this process of course the phantom multiplication of money makes the banks very wealthy having created absolutely nothing except a debt with interest from the borrower.

So let's review this process.....the banks lend up to say ten times the banks dollar deposits which is created out of thin air. What's worse is that when you deposit the money it becomes the banks and in return you are given a promissory note as an entry in your account. This scheme builds up massive debt with people and business plus of course the interest on the phantom money which builds a debt bubble so large it ultimately implodes. The banks then foreclose on collateral and when the crises passes sell it on the open market and make a massive profit again. Now don't panic because this is one business that the government may well guarantee if all else fails.....but wait if the government guarantees it whose money are they using. Well surprise, surprise it's we the people and our taxes. I'm no banker or accountant, far from it but it all sounds like a well orchestrated Ponzi scheme to me with the faceless power brokers across the world stage pulling the levers and driving the machinery solely for their own purpose. When you pay back a bank loan they expect you to pay back the money you borrowed which they created out of thin air plus the interest. It begs the question that if you default on money that never existed how can they successfully sue you for something the bank never had.

Churchill and Wilson predicted that powerful people want a world order and a global bank. Let's reflect on the United Nations, The World Bank and the Multi Nationals. Why even a director from Woolworths and Fairfax Media sit on the board of our own RBA so why is there no conflict against the national interest. In the millennia old book of Revelation it predicts that all people, great and small, rich and poor, free and slave, must receive a mark so that they could not buy or sell unless they had the mark, which is the name of the beast or the number of its name...666. Maybe it's the great spiritual Ponzi scheme where the love of money is the root of all evil. **Until next time this is Kent Bayley.**

***To preserve our independence, we must not let our rulers load us with perpetual debt. We must make our election between economy and liberty or profusion and servitude..... Thomas Jefferson***