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| **Appendix D — Words of Thomas Edison**françaishttp://www.michaeljournal.org/images/france.gif**It is absurd to say that our countryCan issue $30 million in bondsAnd not $30 million in currency.Both are promises to payBut one fattens the usurersAnd the other helps the people.”**

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| http://www.michaeljournal.org/images/edison.jpg |
| **Thomas Alva Edison** |

*Why should the Government pay interest to a private banking system for the use of its own money, that it could issue itself without interest? This is exactly what the Social Crediters of the “Michael” Journal demand, when they urge the Federal Government to take back its power to issue the money for our country. Two famous Americans, industrialist Henry Ford (pioneer of the U.S. car industry) and inventor Thomas A. Edison (who, despite having attended school for only three months, managed to patent more than 1,000 inventions), also agreed with that proposal. What helped Ford and Edison, two great friends, to reach this conclusion is that they reasoned like engineers, who consider only facts and the physical laws of nature, contrary to most economists, who deal with arbitrary notions that many times do not fit with facts.* *Ford and Edison were inspecting in 1928 the Muscle Shoals water power plant, built on the Tennessee River. They were interviewed by The New York Times”, which reported these interviews in its issues of December 4 and 6, 1921. These interviews are reproduced in abbreviated form below, and the lessons they teach are just as valid today. (The information is taken from the May-June, 1998 issue of “The Social Crediter”, 16 Forth Street, Edinburgh, EH1 3LH, Scotland.)* **Without the control of the Bankers, there would be no wars** “From the operation of this plant,” Ford said, “many great things are possible, greater power production than this country has yet known... The one big thing which I see in Muscle Shoals is an opportunity to eliminate war from the world.” Mr. Ford was asked how this was possible. “Just this way,” he replied. “It is very simple when you analyze it. The cause of all wars is gold. We shall demonstrate to the world through Muscle Shoals, first the practicability, second the desirability of displacing gold as the basis of currency and substituting in its place the world's imperishable natural wealth... “The essential evil of gold, in its relation to war, is the fact that it can be controlled. Break the control and you stop war. The only way to break the control of these international bankers, the way to end their exploitation of humanity forever, is to smash gold as a basis for the currency of the world...” “But what have you to substitute?” he was asked. “That’s just where Muscle Shoals comes in,” said Mr. Ford: “see what a spectacle we have. Army engineers say it will take $40,000,000 to complete the big dam. But Congress is economical just now and not in a mood to raise the money by taxation. The customary alternative is thirty-year bonds at 4 per cent. **The United States, the greatest Government in the world, wishing $40,000,000 to complete a great public benefit is forced to go to the money sellers to buy its own money. At the end of thirty years the Government not only gas to pay back the $40,000,000 but it has to pay 120 per cent interest, literally has to pay $88,000,000 for the use of $40,000,000 for thirty years... Think of it. Could anything be more childish, more unbusinesslike!** **Government debt-free money** “Now, I see a way by which our Government can get this great work completed without paying a nickel to the money sellers. It is as sound as granite, and there is but one thing hard about it. It is so simple and easy that, maybe, home folks can’t see it. “The Government needs $40,000,000. That is 2,000,000 twenty-dollar bills. Let the Government issue those bills and with them pay every expense connected with the completion of the dam. The dam completed we can set the whole works running, and in a shorter time than you would suppose, the entire $40,000,000 issued can be retired out of the earnings of the plant.” “But suppose the contractor would be unwilling to accept that kind of currency in payment?” he was asked. “There is not that kind of suppose in the situation at all,” said Mr. Ford, smiling. “He would take Government “If the currency is issued by the nation, $30 million for financing Muscle Shoals, it will be the proper thing to do. Once the currency method is tried in raising money for public improvements, the country will never go back to the bond method... “Now here is (Henry) Ford proposing to finance Muscle Shoals by an issue of currency (instead of bonds). Very well, let us suppose for a moment that Congress follows his proposal. Personally, I don't think that Congress has imagination enough to do it, but let us suppose that it does. The required sum is authorized — say $30 million. The bills (money) are issued directly by the Government, as all money ought to be. “When the workmen are paid off, they receive these United States bills. Except that perhaps the bills may have the engraving of a water dam instead of a railroad train and a ship, as some of the Federal Reserve notes have, they will be the same as any other currency put out by the Government; that is, they will be money. “They will be based on the public wealth already in Muscle Shoals; they will be retired by the earnings and power of the dam. That is, the people of the United States will have all that they put into Muscle Shoals and all that they can take out for centuries... the endless wealth-making power of the Tennessee River... with no tax and no increase in the national debt.” *— “But suppose Congress doesn't see it, what then?” Edison was asked.* “Then Congress must fall back on the old way of doing business. It must authorize an issue of bonds. That is, it must go out to the money brokers and borrow enough of our own national currency to complete great national resources, and we must pay interest to the money brokers for the use of our own money. “That is to say, under the old way, any time we wish to add to the national wealth, we are compelled to add to the national debt. “Now, that is what Henry Ford wants to prevent. He thinks it is stupid, and so do I, that for the loan of $30 million of their own money, the people of the United States should be compelled to pay $66 million — that is what it amounts to with interest. People who will not turn a shovel full of dirt nor contribute to a pound of material, will collect more money from the United States than will the people who supply the material and do the work. “That is the terrible thing about interest. In all our great bond issues, the interest is always greater than the principal. All of our great public works cost more than twice the actual cost on that account. But here is the point. **“If our nation can issue a dollar bond, it can issue a dollar bill. The element that makes the bond good, makes the bill good also. The difference between the bond and the bill is that the bond lets the money brokers collect twice the amount of the bond and an additional 20 percent, whereas the currency pays nobody but those who contribute directly to Muscle Shoals in some useful way...** **“It is absurd to say that our country can issue $30 million in bonds and not $30 million in currency. Both are promises to pay, but one fattens the usurers and the other helps the people. If the currency issued by the Government was no good, then the bonds would be no good either. It is a terrible situation when the Government, to increase the national wealth, must go into debt and submit to ruinous interest charges at the hands of men who control the fictitious value of gold.”** ***Thomas Edison*** [*Previous Chapter*](http://www.michaeljournal.org/annexC.htm)[*Contents*](http://www.michaeljournal.org/plenty.htm) [*Next Chapter*](http://www.michaeljournal.org/appenE.htm)  |