

# Nation-Building and The U.S. Credit System

I'm going to speak with you today about the United States Credit System, and what that involves.

There are really only two important sections of the planet which determine the course of history. One, is the nation-builders, and two, is the oligarchs and those who run the monetary empire now governing the planet. The former are in short supply.

It is really the nation-builders who represent the utmost necessity and importance for us to have, if we are going to have a credit system, and if we are going to re-instate Glass-Steagall and rebuild the United States. Without nation-builders, there is no credit system. There is no mechanical solution that can be installed, and will run its course, and make everything great once again. It is the nation-builders who have to take the lead.

Since the foundation of our nation, the chief and central aim of the monetary empire has been to divert the eyes and minds of citizens away from the powers and laws which uphold nations. It has created sophistries of monetarism, which creates citizens who think like its slaves.

Monetarism always looks backward to the past, monetizing the results of past production rather than the creation of new wealth. It lures citizens into looking at

these shadows of the past. Creations of wealth are viewed as mechanical excretions, randomly occurring from mathematical laws of supply and demand. Monetarism tricks people into thinking of how many goods can be liquidated for immediate profit, instead of making new creations. It tricks them to think of debts as objects, instead of actions generating value in the process of their extinguishment. It views debts as a burden, and demands all the potential that exists to be settled for immediate monetary interests. Monetarism looks at existing capital and labor, rather than the productive powers which create them, and draw forth their potential.

This has been the method to get sovereign nations to pass laws against the interests of their own citizens, and destroy themselves.

In contrast, nation-builders do not think like slaves of an empire.

Nation-builders observe the requirement to constantly increase the energy-flux density of an economy, which determines the productivity level, by determining the context of the power source, and the rate and cost of production and transportation of raw materials and finished goods. They understand that man controls nature by power-producing instruments, from the discoveries of the mind. Mind has its power to convert natural agencies into super-natural forces. The development of ploughs, mills, furnaces, steam engines, railways, are examples of this.

The nation-builders understand that mastering and harnessing the laws of nature and improving upon them, is the identity behind the establishment of a nation. And this was the identity of Benjamin Franklin. The rights gained by sovereignty, and those who worked with Benjamin Franklin to found the nation, made it possible to channel the development of arts and sciences toward benefit of the general welfare, making discoveries of principles of nature available to all.

## **Hamilton Shapes the U.S. Constitution**

Now, this process is served by the United States Credit System.

The U.S. Credit System, as it was developed and came into fruition with Alexander Hamilton, but beginning with Cotton Mather and developed by Benjamin Franklin, is a system in which the currency is not viewed as wealth itself, but is the constitutional responsibility of government to facilitate the spirit of enterprise and scientific ingenuity.

Now it was this process—in the seven years leading up to the Constitutional Convention, under Alexander Hamilton and all of those he worked with—Benjamin Franklin off in France receiving the report of Robert Morris as financier, James Wilson, Gouverneur Morris—the most active members of the Constitutional Convention—that [the creation of a credit system] was the chief reason for them to arrive at that happy occasion of the Constitutional Convention.

As Alexander Hamilton said, “a nation without a national government is, in my view, an awful spectacle.” But a national government necessitates a credit system in order to be effective. And these men, for seven years, beginning in 1780, understood that what was required was a credit currency. And it was Hamilton’s conversion of a monetary paper currency and monetary debts into a credit currency, that tied the nation’s future to the success of all the states. And translating the action of making good on the debts, into the currency itself, was what founded, and built the nation. The intention to make good on the debts defined the currency, and the economy became a drive to build the nation—the economy, and the meaning of economy, became the drive to build the nation.

Now, with the credit system that Hamilton established, he was able to actualize this essential principle of economy: a physical system of productivity, where the measure of value in an economy is not things, material things, capital and labor that have been created, but the mental powers which created them, which increase the productive powers of labor and capital, and therefore become the measurement of all action in an economy and all productivity. Innovations that arise increase the profit of the credit system and further increase the productivity of the economy.

In this credit system that was established, you had an effect, which I want to describe to you, which is that the economy’s operations were maintained increasingly within the time scale of productivity. Less and less goes into balancing past debts, or present debts. Less and less is allowed to create an excess immediate demand for payment in the present, but you have an increasing ratio of more and more future payments according to future growth and productive investment that will take place, through the promise of productivity, through promissory notes, faith, and credit, among an increasing amount of the total population involved in productivity.

And as it was demonstrated under Alexander Ham-

ilton, and John Quincy Adams, and Nicholas Biddle, that system allowed for a currency to essentially be a reflection of that productive process. That it united the resources and growth of the economy in the establishment and the circulation of that currency.

### The Principle of the Credit System

So the currency was not something that was separate, and the financial system was not something that was separate. It became the shadow of increased rates and efficiency of domestic production, and increasing facility of investment, and further consolidation of credit. And this was the essential principle of the credit system: that it is a currency united with the resources and growth of the economy.

And this process was necessary to ensure the reason the Constitution itself was formed. As I said, it was not that we created a constitution, and then we said, “Oh, we can establish an economy that operates on the future.” It was the intention and necessity to create an economy that operated on the future, that was the driving cause of the Constitution. Because, without that, it’s impossible to uphold the Declaration of Independence, the equality of man, as against the right of private property. The Constitution was not formed to protect property, but to protect rights, and specifically the right to be productive, to not waste the mind of the individual, at the hand or the mind of the Empire.

Because with the right to be productive, the spirit of enterprise becomes animated through more and more credit agreements, and the morality of the property improves. And it is the right and should be, of all men to become productive, and to embark on pursuits, pursuits of happiness, pursuits of industry, pursuits of science, which is the meaning of Ben Franklin’s pursuit of happiness discussion, about borrowed capital, on a small interest. But to obtain the ability to become productive, and tie yourself to the future. Not to receive a handout of money, or an equal distribution of wealth, but to receive the ability to become productive.

Those who say this is just a fancy, that the “general welfare” is a figment of the imagination, it is because they do not understand that the Constitution was formed for this purpose, of creating a future-based financial system.

And a lot of people want to know: Well, how do you really make sure that the National Bank that you would establish, how does it really do this, and how would it really be different than the Federal Reserve? Well, it’s



EIRNS/Stuart Lewis

*Michael Kirsch called on the nation-builders to defeat the oligarchs, if we are to reinstate Glass-Steagall and build NAWAPA.*

because Alexander Hamilton made it that way, and Nicholas Biddle made it that way. They made it function for that purpose. There is nothing mechanical about it. The interests of the Bank were fused with the interest of the nation because the Bank made it function in that manner.

So, why did they do that? It’s because they were nation-builders. Their intention to found a nation, as with Ben Franklin—individuals who decided to take it upon themselves—that was the most substantial thing, and the most necessary substance that must be present in order to make the credit system function.

And it is a principle, the National Bank. To create a system where more and more of the economy operates on future payments and the future, and not something that is a separate institution, but it guides the whole economy and makes the entire economy operate on this time scale of productivity and mind.

### NAWAPA

Now if we were to embark upon such a system today, we would be, if we had the ability, embarking on a certain type of national organization. This is one of the greatest [projects](#) ever that was conceived, that would uphold the national interest, not international cartels and the empire that seeks to destroy the power of the nation-state. We would work with Canada to the

benefit of both nations, and uphold all of the necessities of commerce, and production, and agriculture. This is the North American Water and Power Alliance (NAWAPA). And this is a continental system, improving upon nature—it begs us to build the system, because the current water cycle is inefficient.

Now we are zooming in here on the Mississippi River, currently dry. The barges are shut down. You see here an inlet to the Missouri River. You could pump out of the Missouri River above Fort Randall Dam, into the Niobrara River, and bring 10 million acre feet down to the Ogallala Aquifer Plain States; 30% of our irrigated agriculture comes from that aquifer which is being drained. The NAWAPA system itself comes up and meets with that plains system canal. And here we are now looking at the Texas Water Plan, which is another way to pump water out in a flood year, from the Mississippi River. You can pump water from the Mississippi River and the Missouri River, in a flood year, to serve the purposes of the Ogallala Aquifer and Texas.

When it's dry, we should be diverting flood water from the eastern slopes of the Rocky Mountains—along here you can see Saskatchewan and Alberta of the plains provinces of Canada—to bring water into the

Minnesota River down here on the right, and that brings water into the Mississippi River, just as it can bring water into the Missouri River. The water comes from the eastern slopes of the Rocky Mountains, and large reservoirs from the North, where we have 40 times the amount of runoff than the entire Southwest of the U.S., Canada, and Mexico.

We would bring down, and utilize 72 million acre feet of water, which is only 5% of the wasted runoff. So 5% of the wasted runoff running to the ocean would be brought down. Here you can see we would also pump water out of the Columbia River, which is supplemented from the north, into the Deschutes River, serving east and west Oregon, and then into Lake Shasta, to supply the entire California water system, with an additional 10 million acre feet of water a year, which is substantial. And the NAWAPA system itself—you can see all these branches down into California, Arizona, New Mexico, Texas, Utah, and Nevada—will link up with these additional extensions.

As you can see up here, the Plains States Canal from the Missouri River, could link up directly with the Southwest system of NAWAPA. So when there is a flood, it should be diverted for the salvation of drought

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### IV: Appendix

Constitutional Principles for a Recovery  
Franklin Roosevelt's 1933 Glass-Steagall Act  
Alexander Hamilton's Economics Created Our Constitution

areas. And so the water should be able to move where it needs to be. You are looking at a total system to maintain and make sure that we, for the next 100 years, can ensure our productivity. What would this do? The massive industrialization of the nation, for nation-building, and the doubling or tripling of food production.

## **Where Are the Nation-Builders?**

I want to conclude by saying that this system is why, after Glass-Steagall, you cannot have a commercial banking system that would somehow generate or excrete by itself, a recovery. Because the only valid profit of commercial banking systems is if they are located within industrial economies. Because it is only the profit, as I just described it, of turning raw materials into finished goods, building wealth, that commercial banks should take part in. Not shadow banking, which has banks in the shadows of real profit. But it must be this type of plan, which is the only way you could have private and Federal credit function. Because without the generation of this kind of wealth, you don't have the ability to have any kind of credit at all, because you have no credit, in the meaning of credibility, to complete and build anything.

So all the mutual funds of the 1990s, the fake profit, the false profit, which comes with the so-called market, will probably disappear. Because, it was not real. Because the only valid wealth of nations is this type of nation-building; and through this period where our nation was being destroyed, and people were making false profits in the shadow banking system—don't expect it to be maintained. Because the issue of wealth is science and arts, and the ability to sustain a given level of energy-flux density. Now, this principle is going to be learned painfully, but that principle will be learned.

And, what must be done now, is that we have to have the single intention to replace the old system with one of nation-building. We've almost destroyed ourselves entirely. And in order to change this course, we have to have a conscious and explicit commitment to nation-building.

And I would conclude by asking: Where are the nation-builders? Where is the plan among our nation's leaders, industrialists, and others, of how the nation should be built? Not their state, not their city, but the nation as a whole. Well, we must create such nation-builders; and where they do exist, but are lurking in the shadows, you must seek them out and bind them into a force.