



Written by [Raven Clabough](#) on March 26, 2011

Beck Interviews Griffin, Exposes Fed

Politically astute viewers of the Glenn Beck program know that he is sounding more like Ron Paul and less like a neoconservative every day. Regular viewers also know that Friday's episodes tend to be a break from the monotony of current events, with a greater focus on foundations, whether it be the founding of this nation, or the foundations of progressivism, etc. The Friday, March 25, episode of the Glenn Beck program focused on one of the foundations of America's economic woes: the Federal Reserve.



Beck acquired much of his knowledge about the Federal Reserve from the book [The Creature from Jekyll Island](#) written by G. Edward Griffin. According to Beck, G. Edward Griffin's book has been handed to him on a number of occasions as suggested reading, while others simply encouraged him to read it. Having done so, Beck highly recommended the book to his viewers, calling it a "fascinating read." (The book will likely make its way to the Top 25 Bestsellers on Amazon, as most books recommended by Beck do.)

With a focus on the book, Beck's episode offered insight into the growing Leviathan that is the Federal Reserve and how it has been a contributing factor to America's struggling economy.

Beck began: "During the financial crisis, most Americans heard about the Federal Reserve, but most Americans don't know anything about it — how it works, what it is, or even how it's run." He added, "We know that it buys our debt, it sets up interest rates" — and "it has a lot to do with the economic well-being of our nation. But where did it come from?"

The Federal Reserve Act was signed into law by Woodrow Wilson in 1913, but despite what the money interests would have Americans believe, it was not drafted in Congress, but in great secrecy at a private estate on Jekyll Island, Georgia. In fact, the meeting of the drafters was so secretive that Senator Nelson Aldrich, the Chair of the National Monetary Commission and GOP Whip, sent his own private railroad car to a New Jersey railroad station where each participant was instructed to arrive at the railroad car alone and pretend not to know the others.

Aldrich was the business associate of J.P. Morgan and the father-in-law to John D. Rockefeller, Jr. "No special interests there," joked Beck.

The other drafters included Abram Piatt Andrew, Frank Vanderlip (who represented John D. Rockefeller), Henry Davidson, J.P. Morgan, and Paul Warburg (who represented the Rothschild banking family). Collectively, the men represented one quarter of the world's wealth.

G. Edward Griffin explains the reason for the secrecy:

If the American people had known that this bill, which was supposed to protect the American people from the big, bad bankers, was actually written by those bankers, then the scam would have been out in the open.



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Mutual competitors, the drafters' original purpose was to form a bank cartel so that they no longer had to compete with each other. Their goals included the following:

- Stop growing competition from newer banks;
- Put in place the mechanism for creating money out of thin air;
- Gain control of the reserves of all the banks so the reckless ones wouldn't be exposed to currency drains or bank runs;
- Shift the losses from the bank owners to the taxpayers; and
- Convince Congress that the purpose was to protect the public.

Under the new system, the federal government can go to the Fed to obtain as much money as it needs to finance its deficit spending, meaning that the federal government can spend as much as it wants over and above what it collects from taxpayers. Money is created out of nothing to finance government and other debt, and pumped into the economy.

What's worse is that the Federal Reserve is privately owned and accountable to no one. But who owns the Fed? No one knows who owns the Federal Reserve, according to Beck.

The Federal Reserve explains away this strange secrecy on its website:

Although they are set up like private corporations and member banks hold their stock, the Federal Reserve Banks owe their existence to an act of Congress and have a mandate to serve the public. Therefore, they are not really "private" companies but rather "owned" by the citizens of the United States.

Despite the flowery language found on the Fed's website, history dictates that it has been a source of America's financial woes virtually since its inception.

Beck's guest, Mark Calabria, director of Financial Regulation at the Cato Institute, described one area in which the Federal Reserve played a devastating role. "The Federal Reserve played a key role in creating the housing bubble to begin with ... by cutting rates to historic lows, the mortgage and housing market took off, and eventually that bubble was going to burst."

Calabria adds, "They're trying to create more bubbles today, if you look at the quantitative easing, at the interest rates we're seeing now."

Calabria contends that the Federal Reserve attempts to give Americans the illusion of individual wealth through the manufactured bubbles so that it may encourage spending.

Griffin adds, "We have to recognize the principle of the Ponzi scheme. This system really is a Ponzi scheme; it works as long as the money supply continues to expand ... but when it finally stops the whole thing comes to an end."

"When you create money out of nothing, you also face the fact that the money goes back into nothing," Griffin continues. "This kind of system makes the expansions and contractions inevitable. The booms and the busts are inevitable. If the money were backed by something solid like gold, there wouldn't be these expansions and contractions."

When Beck asked whether those who own the Federal Reserve are getting richer from the Ponzi scheme, Griffin responded:

Their vision now is much bigger than just making money. Their vision is in terms of controlling



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nations, controlling society, controlling the world. We've all heard that phrase a "new world order." They use this phrase over and over again. It's their phrase and they're really serious about it.

Pointing to the heads of influential spheres who are seemingly in line with the Federal Reserve, Griffin added, "They're taking the money and buying up political leaders, media outlets, large organizations, influential labor unions, etc."

Beck questioned Calabria on the accuracy of claims that President Ronald Reagan "rattled some cages" at the Federal Reserve after taking an interest in its inner workings, and was ultimately "put in his place" by the agency. Calabria replied:

There was a lot of pushback on the regulatory side. That's the reason Reagan did not reappoint Volker the second time because at that point they were not getting along all that well, and there were pretty big differences in policy. This is despite [the fact that] Reagan was very supportive of Volcker's efforts to bring inflation down; most of the disagreements were really on the regulatory side. Reagan and his treasury department wanted to redo banking regulations in a way that Volcker did not agree with.

The regional presidents have to be approved by the Federal Reserve here in Washington. And so there are a number of people that Reagan wanted to get approved to regional Federal Reserve banks-and these were hard money people, people that were inflation fighters-and Volcker vetoed them.

Beck's guests also addressed the Federal Reserve's false assertions that they would not monetize the debt, even after they've already done so.

When asked if we are headed for "real tough times," Calabria definitively answered yes.

Griffin asserts that the American people can be rid of the Fed since it was created by an act of Congress and can therefore be eliminated by an act of Congress. Whether it's likely is another story.

"What must happen before Congress has the backbone to do that? There has to be a complete change in Congress because they are beholden to this creature," remarked Griffin. "Challenging the Federal Reserve power, there's no question in my mind that they will pull out all the stops and try and ruin the economy and blame it on the fact that we were challenging the Federal Reserve."

Photo: Glenn Beck

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