



Federal Reserve Buys Loyalty

The Federal Reserve may well be the least understood agency affecting the lives and fortunes of every American. The fact that it has never been fully audited during its more than 100 years of existence helps to explain why. It will, therefore, continue destroying the value of our nation's currency and placing our nation on a path to cataclysmic economic chaos and world government.

The Fed has successfully avoided an honest audit during all of its existence. If Congress conducted a thorough audit and let the American people know what it truly is, our nation can avoid an economic crash and an accompanying loss of national sovereignty. But that will happen only if the screen shielding the Fed is removed and Congress does the job the American people have a right to expect of it.

Before we explain at least one of reasons why the Fed remains virtually untouchable and unexamined, let's get a few things straight about money and the Fed. First, money should be a commodity valued by all. That excludes small pieces of paper with fancy printing all over them. Next, the Constitution grants Congress power to coin money, not create and issue it. The power given to Congress allows it to create a mint to take the precious metal owned by the people and shape it into coinage of a fixed size, weight, and purity. Nowhere in the Constitution is Congress empowered to establish a bank, or to transfer its constitutional and limited authority regarding money to any other entity — such as the Fed.

When the Fed was established in 1913, the dollar had a buying power of 100 cents and an ounce of gold could be had for 20 dollars. Today, a dollar's value has shrunk to two cents and the price of gold stands at approximately \$1500 per ounce. Ask a supermarket shopper if dollars still buy what they bought five, ten or twenty years ago, and the answer will be a resounding "No! It takes many more dollars to buy today what formerly cost far fewer dollars." But the average shopper has no idea what has happened or why this scary situation continues to worsen.

Some who have a rudimentary awareness of the economic destruction taking place do seek answers to questions. For instance, why hasn't Congress fully audited the Fed so the people will know who owns it and how it accomplishes its work? Sadly, many members of Congress know little or nothing about economics and the Fed. We can't answer all the questions an honest audit could provide. But we can offer an answer to why most highly educated economists defend the Fed and supply approval for what it does.

One reason why the Fed hasn't been honestly audited is because it has bought the silence and loyalty of economic "experts." In 1993, Fed Chairman Alan Greenspan let it be known that 189 economists worked for the Fed, 171 more had jobs at its regional offices, an additional 370 worked as statisticians



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and support staff, and 209 professors teaching economic fantasies received 305 contracts as an inducement to defend the Fed's enormous power.

Ten years later, the numbers receiving grants and salaries from the Fed grew dramatically. Today, no figures are available about this situation but it is obvious that the professional economics field is dominated by "experts" who are being bought by the Fed in a variety of ways. One frustrated economics professor has lamented, "It is nearly impossible to get an article critical of the Fed accepted for publication." He knows that, if a professor can't get his thoughts published, he has little or no chance of gaining tenure at the university employing him.

Is a cover-up of the Fed's activity being bought and paid for by the Fed? Most certainly it is. Expecting Fed officials and the many bought economists to tell the truth about the Fed, or expecting members of Congress to launch a thorough examination of the nation's money-manipulating agency, is unrealistic without the public becoming aware of what the Fed is and does. Those who should be combatting the Fed and what it accomplishes don't criticize the hand that feeds them. And, because of silence or ignorance on their part, our nation gets closer every day to going over the edge of an economic cliff.

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