

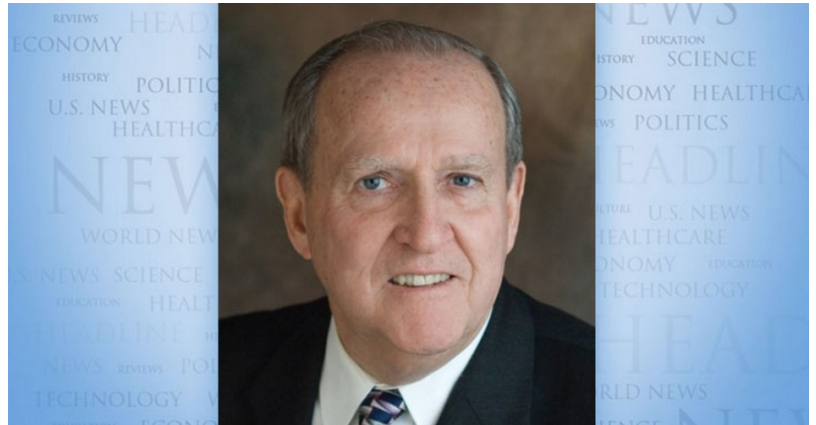


Written by [John F. McManus](#) on November 15, 2014

What to Do About Government Economic Fraud

Paul Singer manages the hedge fund Elliott Management. He's a billionaire and has helped those who invest with him to reap substantial gains. In a recent message he sent to the fund's clients, he stated:

Nobody can predict how long government can get away with fake growth, fake money, fake jobs, fake financial stability, fake inflation numbers and fake income growth.... We do not think optimism is warranted, and we think a lot of the data is cooked or misleading.



Is Singer correct? The *New York Times* published a denial from Jesse Eisinger, a reporter for the independent news provider Pro Publica. Eisinger could hardly be more dismissive of the claims issued by Singer.

Who's right and who's wrong? We tend to side with Singer. We do so because of numerous phony claims issued by government. For instance, the unemployment rate claimed by officialdom doesn't include people who have given up finding a job or others who were formerly employed full-time and are now able to find only part-time jobs. Counting part-time employment as real employment when the people involved want a steady job is deceitful. Real unemployment is likely twice the figure given by government.

In addition, government relies on a fraudulent definition of inflation — that it is rising prices. Even then, what's in the "basket" of goods whose costs are totaled in the Consumer Price Index is regularly changed in order to reflect government's reassuring claims. But inflation is an increase in the quantity of currency — the making of newly created dollars that have no backing and derive their value by lessening the value of everyone's dollars. Ask a supermarket shopper whether it costs more dollars to shop each month and you'll get a good lesson in what inflation truly is.

As for growth, U.S. manufacturing wealth creation is way down, and so is income growth. When the value of the dollar shrinks by an amount that even a raise in pay doesn't cover, there's no growth — except in the true rate of inflation.

In recent years, the Federal Reserve has waged war on the dollar with a program dubbed Quantitative Easing. That's a clever name for a thieving process that creates dollars out of nothing and floods a favored few with them. But Q.E. is inflation pure and simple. It may have helped some "too big to fail" friends of the Fed to survive. But meanwhile, the American people continued to face higher prices, fewer jobs, and deceitful statistics.

So the conclusions reached by Paul Singer are worth consideration.

What to do about this? Start with [an audit of the Fed](#), a demand recently made by 333 members of the U.S. House that awaits approval in the Senate. Unfortunately, the Senate will be led by Harry Reid until January when a new measure will have to be generated by the House and then sent to the Senate again.



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Maybe then, it will get the respect it deserves.

If the full truth about the Fed were known, public sentiment aimed at having it abolished would mushroom. Then, there would be moves to end deficit spending and cut back the size of government to what is authorized by the Constitution. Eliminating unconstitutional agencies and bureaus (education, energy, housing, medical care, foreign aid, and more) would be a boon to the nation. Also, Congress should put an end to creation of so-called “free trade” agreements that make it advantageous for businesses to flee the United States for cheap labor overseas. Finally, demand truth from government officials — all of them right up to and including the president.

The course our country is on amounts to suicide. Those who provide the fake data and the cooked books are steering America into a world government. Some honesty about that would help to [bring about needed corrective actions](#) and guarantee continued existence of our nation, free and independent.

John F. McManus is president of [The John Birch Society](#) and publisher of The New American. This column appeared originally at the [insideJBS](#) blog and is reprinted here with permission.



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