

50 More Reasons Why Donald Trump Is Right About the Federal Reserve

Editor's Note: This is part 2 of a 2-part series. You can read Part 1 [here](#).

When one of our major politicians gets something exactly right, we should applaud them for it.

In this case, Donald Trump's call to audit the Federal Reserve is dead-on correct. Most Americans don't realize this, but the Federal Reserve has far more power over the economy than anyone else does—including Barack Obama. Financial markets all over the planet gyrate wildly at the smallest comment from Fed officials, and virtually every boom-and-bust cycle over the past 100 years can be traced directly back to specific decisions made by the Federal Reserve. We get all excited about what various presidential candidates say that they "will do for the economy," but in the end it is the Fed that is holding all of the cards.

Yes, there are many things that we can criticize Trump and the other Republican candidates for. But when they nail something, we should be willing to admit that they got something right.

In this case, Donald Trump is absolutely correct to call for an audit of the Fed. Here's why:

51. The six largest banks in the United States (JPMorgan Chase, Bank of America, Citigroup, Wells Fargo, Goldman Sachs and Morgan Stanley) have collectively gotten 37 percent larger over the past five years.

52. The U.S. banking system has \$14.4 trillion in total assets. The six largest banks now account for 67 percent of

those assets and all of the other banks account for only 33 percent of those assets.

53. The five largest banks now account for 42 percent of all loans in the United States.

54. We were told that the purpose of quantitative easing was to help “stimulate the economy,” but today the Federal Reserve is actually paying the big banks not to lend out \$1.8 trillion in “excess reserves” that they have parked at the Fed.

55. The Federal Reserve has allowed an absolutely gigantic derivatives bubble to inflate, which could destroy our financial system at any moment. Right now, four of the too-big-to-fail banks each have total exposure to derivatives that is well in excess of \$40 trillion.

56. The total exposure that Goldman Sachs has to derivatives contracts is more than 381 times greater than their total assets.

57. Federal Reserve Chairman Ben Bernanke has a track record of failure that would make the Chicago Cubs look good.

58. The secret November 1910 gathering at Jekyll Island, Georgia, during which the plan for the Federal Reserve was hatched was attended by U.S. Senator Nelson W. Aldrich, Assistant Secretary of the Treasury Department A.P. Andrews and a whole host of representatives from the upper crust of the Wall Street banking establishment.

59. The Federal Reserve was created by the big Wall Street banks and for the benefit of the big Wall Street banks.

60. In 1913, Congress was promised that if the Federal Reserve Act was passed that it would eliminate the business cycle.

61. There has never been a true comprehensive audit of the Federal Reserve since it was created back in 1913.

62. The Federal Reserve System has been described as “the biggest Ponzi scheme in the history of the world.”

63. The following comes directly from the Fed’s official mission statement: “To provide the nation with a safer, more flexible and more stable monetary and financial system.” Without a doubt, the Federal Reserve has failed in those tasks dramatically.

64. The Fed decides what the target rate of inflation should be, what the target rate of unemployment should be and what the size of the money supply is going to be. This is quite similar to the “central planning” that goes on in communist nations, but very few people in our government seem upset by this.

65. A couple of years ago, Federal Reserve officials walked into one bank in Oklahoma and demanded that they take down all the Bible verses and all the Christmas buttons that the bank had been displaying.

66. The Federal Reserve has taken some other very frightening steps in recent years. For example, back in 2011, the Federal Reserve announced plans to identify “key bloggers” and to monitor “billions of conversations” about the Fed on Facebook, Twitter, forums and blogs. Someone at the Fed will almost certainly end up reading this article.

67. Thanks to this endless debt spiral we are trapped in, a massive amount of money is transferred out of our pockets and into the pockets of the ultra-wealthy each year. Incredibly, the U.S. government spent more than \$415 billion just on interest on the national debt in 2013.

68. In January 2000, the average rate of interest on the government’s marketable debt was percent. If we got back to that level today, we would be paying more than a trillion dollars a year just in interest on the national debt and it would collapse our entire financial system.

69. The American people are being killed by compound interest, but most of them don't even understand what it is. Albert Einstein once made the following statement about compound interest:

"Compound interest is the eighth wonder of the world. He who understands it, earns it ... he who doesn't ... pays it."

70. Most Americans have absolutely no idea where money comes from. The truth is that the Federal Reserve just creates it out of thin air. The following is how I have previously described how money is normally created by the Fed in our system:

When the U.S. government decides that it wants to spend another billion dollars that it does not have, it does not print up a billion dollars.

Rather, the U.S. government creates a bunch of U.S. Treasury bonds (debt) and takes them over to the Federal Reserve.

The Federal Reserve creates a billion dollars out of thin air and exchanges them for the U.S. Treasury bonds.

71. What does the Federal Reserve do with those U.S. Treasury bonds? They end up getting auctioned off to the highest bidder. But this entire process actually creates more debt than it does money.

The U.S. Treasury bonds that the Federal Reserve receives in exchange for the money it has created out of nothing are auctioned off through the Federal Reserve System.

But wait.

There is a problem.

Because the U.S. government must pay interest on the Treasury bonds, the amount of debt that has been created by this

transaction is greater than the amount of money that has been created.

So where will the U.S. government get the money to pay that debt?

Well, the theory is that we can get money to circulate through the economy really, really fast and tax it at a high enough rate that the government will be able to collect enough taxes to pay the debt.

But that never actually happens, does it?

And the creators of the Federal Reserve understood this as well. They understood that the U.S. government would not have enough money to both run the government and service the national debt. They knew that the U.S. government would have to keep borrowing even more money in an attempt to keep up with the game.

72. Of course the U.S. government could actually create money and spend it directly into the economy without the Federal Reserve being involved at all. But then we wouldn't be \$17 trillion in debt, and that wouldn't serve the interests of the bankers at all.

73. The following is what **Thomas Edison** once had to say about our absolutely insane debt-based financial system:

That is to say, under the old way, anytime 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 \$30,000,000 of their own money the people of the United States should be compelled to pay \$66,000,000—that is what it amounts to, with interest. People who will not turn a shovelful of dirt nor contribute 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 the great public works cost more than twice the actual cost, on that account. Under the present system of doing business, we simply add 120 to 150 percent to the stated cost.

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.

74. The United States now has the largest national debt in the history of the world, and we are stealing roughly \$100 million from our children and our grandchildren every single hour of every single day in a desperate attempt to keep the debt spiral going.

75. Thomas Jefferson once stated that if he could add just one more amendment to the U.S. Constitution it would be a ban on all government borrowing:

I wish it were possible to obtain a single amendment to our Constitution. I would be willing to depend on that alone for the reduction of the administration of our government to the genuine principles of its Constitution; I mean an additional article, taking from the federal government the power of borrowing.

76. At the moment I am writing this, the U.S. national debt is sitting at \$18,141,409,083,. If we had followed the advice of Thomas Jefferson, it would be sitting at zero.

77. When the Federal Reserve was first established, the U.S. national debt was sitting at about \$2.9 billion. On average, we have been adding more than that to the national debt **every single day** since Obama has been in the White House.

78. We are on pace to accumulate more new debt during the eight years of the Obama administration than we did under all of the other presidents in all of U.S. history combined.

79. If all of the new debt that has been accumulated since John Boehner became Speaker of the House had been given directly to the American people instead, every household in America would have been able to buy a new truck.

80. Between 2008 and 2012, U.S. government debt grew by 60.7 percent, but U.S. GDP only grew by a total of about 8.5 percent during that entire time period.

81. Since 2007, the U.S. debt to GDP ratio has increased from 66.6 percent to percent.

82. According to the U.S. Treasury, foreigners hold approximately \$5.6 trillion of our debt.

83. The amount of U.S. government debt held by foreigners is about 5 times larger than it was just a decade ago.

84. As I have written about previously, if the U.S. national debt was reduced to a stack of one dollar bills it would circle the earth at the equator 45 times.

85. If Bill Gates gave every single penny of his entire fortune to the U.S. government, it would only cover the U.S. budget deficit for 15 days.

86. Sometimes we forget just how much money \$1 trillion is. If you were alive when Jesus Christ was born and you spent \$1 million every single day since that point, you still would not have spent \$1 trillion by now.

87. If right this moment you went out and started spending one dollar every single second, it would take you more than 31,000 years to spend \$1 trillion.

88. In addition to all of our debt, the U.S. government has

also accumulated more than \$200 trillion in unfunded liabilities. So where in the world will all of that money come from?

89. The greatest damage that quantitative easing has been causing our economy is the fact that it is destroying worldwide faith in the U.S. dollar and in U.S. debt. If the rest of the world stops using our dollars and stops buying our debt, we are going to be in a massive amount of trouble.

90. Over the past several years, the Federal Reserve has been monetizing a staggering amount of U.S. government debt even though Ben Bernanke once promised that he would never do this.

91. China recently announced they are going to quit stockpiling more U.S. dollars. If the Federal Reserve was not recklessly printing money, this would probably not have happened.

92. Most Americans have no idea that one of our most famous presidents was absolutely obsessed with getting rid of central banking in the United States. The following is a February 1834 quote by President Andrew Jackson about the evils of central banking:

*I too have been a close observer of the doings of the Bank of the United States. I have had men watching you for a long time, and am convinced that you have used the funds of the bank to speculate in the breadstuffs of the country. When you won, you divided the profits amongst you, and when you lost, you charged it to the Bank. You tell me that if I take the deposits from the Bank and annul its charter I shall ruin ten thousand families. That may be true, gentlemen, but that is your sin! Should I let you go on, you will ruin fifty thousand families, and that would be my sin! **You are a den of vipers and thieves. I have determined to rout you out and, by the Eternal,** (bringing his fist down on the table) **I will rout you out.***

93. There are plenty of possible alternative financial systems, but at this point, all 187 nations that belong to the IMF have a central bank. Are we supposed to believe that this is just some sort of a bizarre coincidence?

94. The capstone of the global central banking system is an organization known as the Bank for International Settlements. The following is how I described this organization in a previous article:

An immensely powerful international organization that most people have never even heard of secretly controls the money supply of the entire globe. It is called the Bank for International Settlements, and it is the central bank of central banks. It is located in Basel, Switzerland, but it also has branches in Hong Kong and Mexico City. It is essentially an unelected, unaccountable central bank of the world that has complete immunity from taxation and from national laws. Even Wikipedia admits that "it is not accountable to any single national government."

The Bank for International Settlements was used to launder money for the Nazis during World War II, but these days the main purpose of the BIS is to guide and direct the centrally-planned global financial system. Today, 58 global central banks belong to the BIS, and it has far more power over how the U.S. economy (or any other economy for that matter) will perform over the course of the next year than any politician does. Every two months, the central bankers of the world gather in Basel for another "Global Economy Meeting." During those meetings, decisions are made which affect every man, woman and child on the planet, and yet none of us have any say in what goes on. The Bank for International Settlements is an organization that was founded by the global elite and it operates for the benefit of the global elite, and it is intended to be one of the key cornerstones of the emerging one world economic system.

95. The borrower is the servant of the lender, and the Federal Reserve has turned all of us into debt slaves.

96. Debt is a form of social control, and the global elite use all this debt to dominate all the rest of us. Forty years ago, the total amount of debt in our system (all government debt, all business debt, all consumer debt and so on) was sitting at about \$3 trillion. Today, the grand total is approaching \$60 trillion.

97. Unless something dramatic is done, our children and our grandchildren will be debt slaves for their entire lives as they service our debts and pay for our mistakes.

98. Now that you know this information, you are responsible for doing something about it.

99. Congress has the power to shut down the Federal Reserve any time that it would like. But right now, most of our politicians fully endorse the current system, and nothing is ever going to happen until the American people start demanding change.

100. The design of the Federal Reserve System was flawed from the very beginning. If something is not done very rapidly, it is inevitable that our entire financial system is going to suffer an absolutely nightmarish collapse.