

50 Reasons Why Donald Trump Is Right About the Federal Reserve

Editor's Note: This is part 1 of a 2-part series.

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.

The funny thing is that the Federal Reserve is not even part of the federal government. It is an independent private central bank that was designed by very powerful Wall Street interests a little over 100 years ago. It is at the heart of the debt-based financial system which is eating away at America like cancer, and it has no direct accountability to the American people whatsoever.

But the truth is that we don't actually need the Federal Reserve. In fact, the greatest period of economic growth in United States history happened during the decades before the Federal Reserve was created.

A little over 100 years ago, very powerful forces on Wall Street successfully pushed for the creation of an immensely

powerful central bank, and since that time the value of the U.S. dollar has fallen by about 98 percent, and our national debt has grown more than 5000 times larger.

The Federal Reserve does whatever it feels like doing, and Fed officials insist that the institution must remain “independent” and “above politics” because monetary policy is too important to entrust to the American people.

To me, this is absolutely ridiculous. Everything else, including our national defense, is subject to the normal political process, and yet the decisions made by the Fed are so “important” that the American people can’t have a voice?

It is high time that the American people begin to learn what the Federal Reserve is really all about, and that can start with a full, comprehensive audit of all of the Federal Reserve’s activities. Yesterday, Donald Trump came out in favor of such an audit.

Previously, Trump has made quite a few comments that were very critical of the Fed. For example, last year he told *Bloomberg News* that he believed that the Federal Reserve was “creating a bubble”:

“In terms of real estate, if I want to develop ... from that standpoint I like low interest rates. From the country’s standpoint, I’m just not sure it’s a very good thing, because I really do believe we’re creating a bubble.”

And of course, Trump was exactly right about that too. By pushing interest rates to artificially low levels and creating billions upon billions of dollars out of thin air during the quantitative easing era, stock prices were driven to ridiculously high levels. Now that the artificial support has been withdrawn, stocks are beginning to crash, and the financial collapse which is starting to happen is going to be far worse than it otherwise would have been because of the

Fed's actions. The following comes from one of my previous articles:

As stocks continue to crash, you can blame the Federal Reserve, because the Fed is more responsible for creating the current financial bubble that we are living in than anyone else. When the Federal Reserve pushed interest rates all the way to the floor and injected lots of hot money into the financial markets during their quantitative easing programs, this pushed stock prices to wildly artificial levels. The only way that it would have been possible to keep stock prices at those wildly artificial levels would have been to keep interest rates ultra-low and to keep recklessly creating lots of new money. But now the Federal Reserve has ended quantitative easing and has embarked on a program of very slowly raising interest rates. This is going to have very severe consequences for the markets, but Janet Yellen doesn't seem to care.

I don't understand why so many Americans continue to support the Federal Reserve.

We don't need a bunch of central planners setting interest rates and determining monetary policy. We are supposed to have a free market system, and the free market should be setting interest rates—not the Federal Reserve.

Unfortunately, just about every nation on the entire planet now has a central bank. Even though the nations of the world can't agree on much, somehow central banking has been adopted virtually everywhere. At this point, more than 99.9 percent of the population of the world lives in a country that has a central bank.

There are still some minor island countries such as the Federated States of Micronesia that do not have a central bank, but the only major nation not to have one right now is North Korea. And nobody in their right mind would ever want to

live there.

So how in the world did this happen?

Did the people of the world willingly choose this debt-based system or was it imposed upon them?

To my knowledge, there has never been a single vote where the population of a nation has willingly chosen to establish a central bank. I could be wrong about this, but I have never heard of one.

It is the elite who have always wanted central banking, and now they pretty much have the entire planet in their grasp.

That is why we should applaud Donald Trump when he stands up to the elite. And it isn't just regarding the Fed that he has done this. The following comes from an excellent article that was just written by Dan Lyman:

Ultimately, Trump knows it is the global elite who have pried our borders wide open. He knows it is THEY who are responsible for the tens of millions of Third Worlders pouring into our nations. He knows that THEY are the monsters who need the world to be constantly at war. He knows THEY are radically altering our food supply with GMOs and poisonous chemicals. He knows THEY are responsible for poisoning our drinking water, filling our skies and air supplies with toxic waste, genociding our unborn children, collecting data on all citizens to implement the Orwellian police state, forcing poison into our babies' veins—and soon the rest of us, redistributing what remains of our wealth under the guises of 'saving the planet' or 'refugee aid,' allowing and funding the ISIS Islamofascists to decimate places like Syria and Iraq in Satanic fashion, promoting the psychotic LGBT Nazis to goose-step all over our religious liberties and gender-privacy in school bathrooms. If there is a societal cancer metastasizing somewhere, it can usually be traced back to the same sources.

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:

1. We like to think that we have a government "of the people, by the people, for the people," but the truth is that an unelected, unaccountable group of central planners has far more power over our economy than anyone else in our society does.

2. The Federal Reserve is actually "independent" of the government. In fact, the Federal Reserve has argued vehemently in federal court that it is "not an agency" of the federal government and therefore not subject to the Freedom of Information Act.

3. The Federal Reserve openly admits that the 12 regional Federal Reserve banks are organized "**much like private corporations.**"

4. The regional Federal Reserve banks **issue shares of stock** to the "member banks" that own them.

5. One hundred percent of the shareholders of the Federal Reserve are private banks. The U.S. government owns zero shares.

6. The Federal Reserve is not an agency of the federal government, but it has been given power to regulate our banks and financial institutions. This should not be happening.

7. According to Article I, Section 8 of the U.S. Constitution, the U.S. Congress is the one that is supposed to have the authority to "coin Money, regulate the Value thereof, and of foreign Coin, and fix the Standard of Weights and Measures." So why is the Federal Reserve doing it?

8. If you look at a "U.S. dollar," it actually says "Federal Reserve note" at the top. In the financial world, a "note" is an instrument of debt.

9. In 1963, President John F. Kennedy issued Executive Order 11110 which authorized the U.S. Treasury to issue "United States notes" which were created by the U.S. government directly and not by the Federal Reserve. He was assassinated shortly thereafter.

10. Many of the debt-free United States notes issued under President Kennedy are still in circulation today.

11. The Federal Reserve determines what levels some of the most important interest rates in our system are going to be set at. In a free market system, the free market would determine those interest rates.

12. The Federal Reserve has become so powerful that it is now known as "the fourth branch of government."

13. The greatest period of economic growth in U.S. history was when there was no central bank.

14. The Federal Reserve was designed to be a perpetual debt machine. The bankers that designed it intended to trap the U.S. government in a perpetual debt spiral from which it could never possibly escape. Since the Federal Reserve was established 100 years ago, the U.S. national debt has grown **more than 5,000 times larger.**

15. A permanent federal income tax was established the exact same year that the Federal Reserve was created. This was not a coincidence. In order to pay for all the government debt that the Federal Reserve would create, a federal income tax was necessary. The whole idea was to transfer wealth from our pockets to the federal government and from the federal government to the bankers.

- 16.** The period prior to 1913 (when there was no income tax) was the greatest period of economic growth in U.S. history.
- 17.** Today, the U.S. tax code is about 13 miles long.
- 18.** From the time that the Federal Reserve was created until now, the U.S. dollar has lost 98 percent of its value.
- 19.** From the time that President Nixon took us off the gold standard until now, the U.S. dollar has lost 83 percent of its value.
- 20.** During the 100 years before the Federal Reserve was created, the U.S. economy rarely had any problems with inflation. But since the Federal Reserve was established, the U.S. economy has experienced constant and never-ending inflation.
- 21.** In the century before the Federal Reserve was created, the average annual rate of inflation was about 0.5 percent. In the century since the Federal Reserve was created, the average annual rate of inflation has been about 3.5 percent.
- 22.** The Federal Reserve has stripped the middle class of trillions of dollars of wealth through the hidden tax of inflation.
- 23.** The size of M1 has nearly doubled since 2008 thanks to the reckless money printing that the Federal Reserve has been doing.
- 24.** The Federal Reserve has been starting to behave like the Weimar Republic, and we all remember how that ended.
- 25.** The Federal Reserve has been consistently lying to us about the level of inflation in our economy. If the inflation rate was still calculated the same way that it was back when Jimmy Carter was president, the official rate of inflation would be somewhere between 8 and 10 percent today.

26. Since the Federal Reserve was created, there have been 18 distinct recessions or depressions: 1918, 1920, 1923, 1926, 1929, 1937, 1945, 1949, 1953, 1958, 1960, 1969, 1973, 1980, 1981, 1990, 2001 and 2008.

27. Within 20 years of the creation of the Federal Reserve, the U.S. economy was plunged into the Great Depression.

28. The Federal Reserve created the conditions that caused the stock market crash of 1929, and even Ben Bernanke admits that the response by the Fed to that crisis made the Great Depression even worse than it should have been.

29. The “easy money” policies of former Fed Chairman Alan Greenspan set the stage for the great financial crisis of 2008.

30. Without the Federal Reserve, the “subprime mortgage meltdown” would probably never have happened.

31. If you can believe it, there have been 10 different economic recessions since 1950. The Federal Reserve created the “dotcom bubble,” the Federal Reserve created the “housing bubble” and now it has created the largest bond bubble in the history of the planet.

32. According to an official government report, the Federal Reserve made \$16.1 trillion in secret loans to the big banks during the last financial crisis. The following is a list of loan recipients that was taken directly from page 131 of the report:

Citigroup—\$ trillion

Morgan Stanley—\$ trillion

Merrill Lynch—\$ trillion

Bank of America—\$ trillion

Barclays PLC—\$868 billion

Bear Sterns—\$853 billion

Goldman Sachs—\$814 billion

Royal Bank of Scotland—\$541 billion

JP Morgan Chase—\$391 billion

Deutsche Bank—\$354 billion

UBS—\$287 billion

Credit Suisse—\$262 billion

Lehman Brothers—\$183 billion

Bank of Scotland—\$181 billion

BNP Paribas—\$175 billion

Wells Fargo—\$159 billion

Dexia—\$159 billion

Wachovia—\$142 billion

Dresdner Bank—\$135 billion

Societe Generale—\$124 billion

“All Other Borrowers”—\$ trillion

33. The Federal Reserve also paid those big banks \$659.4 million in “fees” to help “administer” those secret loans.

34. During the last financial crisis, big European banks were allowed to borrow an “unlimited” amount of money from the Federal Reserve at ultra-low interest rates.

35. The “easy money” policies of Federal Reserve Chairman Ben Bernanke have created the largest financial bubble this nation has ever seen, and this has set the stage for the great financial crisis that we are rapidly approaching.

36. Since late 2008, the size of the Federal Reserve balance sheet has grown from less than \$1 trillion to more than \$4 trillion. This is complete and utter insanity.

37. During the quantitative easing era, the value of the financial securities that the Fed has accumulated is greater than the total amount of publicly held debt that the U.S. government accumulated **from the presidency of George Washington through the end of the presidency of Bill Clinton.**

38. Overall, the Federal Reserve now holds more than 32 percent of all 10-year equivalents.

39. Quantitative easing creates financial bubbles, and when quantitative easing ends, those bubbles tend to deflate rapidly.

40. Most of the new money created by quantitative easing has ended up in the hands of the very wealthy.

41. According to a prominent Federal Reserve insider, quantitative easing has been one giant “subsidy” for Wall Street banks.

42. As one CNBC article stated, we have seen absolutely rampant inflation in “stocks and bonds and art and Ferraris.”

43. Donald Trump once made the following statement about quantitative easing: “People like me will benefit from this.”

44. Most people have never heard about this, but a very interesting study conducted for the Bank of England shows that quantitative easing actually increases the gap between the wealthy and the poor.

45. The gap between the top 1 percent and the rest of the country is now the greatest that it has been since the 1920s.

46. Mainstream media have sold quantitative easing to the American public as an “economic stimulus program,” but the truth is that the percentage of Americans who have a job has actually gone down since quantitative easing first began.

47. The Federal Reserve is supposed to be able to guide the nation toward “full employment,” but the reality of the matter is that an all-time record 102 million working-age Americans do not have a job right now. That number has risen by about 27 million since the year 2000.

48. For years, the projections of economic growth by the Federal Reserve have consistently overstated the strength of the U.S. economy. But every single time, mainstream media continue to report that these numbers are “reliable” even

though all they actually represent is wishful thinking.

49. The Federal Reserve System fuels the growth of government, and the growth of government fuels the growth of the Federal Reserve System. Since 1970, federal spending has grown nearly 12 times as rapidly as median household income has.

50. The Federal Reserve is supposed to look out for the health of all U.S. banks, but the truth is that they only seem to be concerned about the big ones. In 1985, there were more than 18,000 banks in the United States. Today, there are only 6,891 left.