

Republicans Say Fed Is Manipulating and Threatening Global Economy

Republicans during Tuesday night's presidential debate called for an audit of the Federal Reserve, saying the central bank is deliberately manipulating interest rates to make the economy look better than it is.

During the debate, New Jersey Governor Chris Christie said the Fed has artificially kept interest rates low to give the public a more favorable impression of President Obama's handling of the economy.

In an interview prior to the debate, Christie said the federal unemployment rate of 5 percent fails to paint a realistic picture of the economy. He said the Bureau of Labor Statistics has "cooked up" the numbers. He cited the "anemic" 1.5 percent economic growth rate as evidence that the economy is in trouble.

"The unemployment rate is a mirage," Christie said. "They don't count people who have stopped looking for work."

Texas Sen. Ted Cruz has called the Fed a "star chamber" in need of a bipartisan commission to restore a rules-based monetary policy.

"We need sound money," Cruz said. "And I think the Fed should get out of the business of trying to juice our economy and simply be focused on sound money and monetary stability, ideally tied to gold."

During the debate, Cruz and Kentucky Sen. Rand Paul called for an audit of the Fed. On Tuesday, Paul sent a letter to the inspector general of the Fed outlining his concerns regarding

lobbying by Fed officials. The letter comes on the heels of new legislation Paul announced last week—the Bring Accountability Now to the Fed Act—that would prohibit Fed lobbying.

“I am troubled that the Board of Governors, as well as Board members and employees, appear to be lobbying Congress and the public against legislation pending before Congress to bring greater transparency and accountability to the Federal Reserve,” Paul wrote in the letter.

“The Federal Reserve, as an entity of the government and operating under authority granted by Congress, should not use its funds to lobby members of Congress or influence Congress’s efforts to create a more transparent and fundamentally sound monetary policy. I request your office investigate whether the Board, any Board members, or Board employees have engaged in improper or illegal lobbying, as well as respond to the following questions: 1. How much does the Federal Reserve spend on public relations? 2. How much does the Federal Reserve spend on lobbying Congress? 3. How much does the Federal Reserve spend on conferences, travel, or other entertainment?”

During the debate, the candidates offered a number of potential solutions to the problem.

Former Arkansas Governor Mike Huckabee said his fix for the central bank would be “tie the monetary standard to something that makes sense.”

“The Fed has manipulated the dollar so that it doesn’t have a standard,” Huckabee said.

Ben Carson said he wouldn’t necessarily get rid of Federal Reserve Chair Janet Yellen, but agreed the nation needs its central bank to tie its currency to something.

But Donald Trump said it would be “very unlikely” that he

would keep Yellen if elected.

The debate comes as the financial markets are focused on the Fed's looming rate increase. In recent weeks, politicians and financial experts have warned that the Fed's policy of keeping interest rates low for so long has put the economy in jeopardy.

Paul warned a stock market crash may be coming.

"People say, 'Oh, we can just do that forever,'" says Paul, whose father Ron Paul wrote a book titled, *End the Fed*. "I don't think so. I think there'll be a day of reckoning."

International investor Jim Rogers believes mounting global debts and "too much easy money will lead to a global bear market."

"Right now as I look at the world, I'm not terribly optimistic," Rogers told *Newsmax*. "The American stock market has been in a bull market now $6\frac{1}{2}$ years. In America we've had economic setbacks every 4 to 7 years since the beginning of the Republic and chances are we're certainly getting closer to being due for some kind of correction, bear market even.

"And the next bear market is going to be worse than most of us have experienced because the debt is so much higher. You know we had a problem in 2008 because of high debt, but since then debt worldwide has gone through the roof. I mean nobody has reduced their debt, no nation has reduced its debt since 2008 – the debt has gotten higher and higher."