



Auditing the Federal Reserve

On September 17, 2014, the House of Representatives voted 333 to 92 in favor a measure calling for an audit of the Federal Reserve. Introduced by Representative Paul Broun (R-Ga.), H.R. 24 won the support of 227 Republicans and 106 Democrats — which is well beyond the two-thirds needed for passage. Californian John Campbell was the lone Republican House member who sided with 91 Democrat opponents of the bill. The Senate must now give its two-thirds approval of the companion measure, S. 209, introduced in that body by Senator Rand Paul (R-Ky.).



H.R. 24 calls for “a full audit of the Board of Governors of the Federal Reserve System and the federal reserve banks by the Comptroller General of the United States.” There never has been any such audit in the Fed’s 101 years of existence. The companion Senate measure seeks identical openness. Both measures carry the title, “Federal Reserve Transparency Act,” the word “transparency” being what’s long been needed. And each of the bills requires that the audit be conducted within a year of final passage.

In his discussion about the need for this audit, Senator Paul noted that no “meaningful” audit of the Fed has ever been conducted. Less than honest and transparent scrutiny has been practiced under stifling restrictions, but Senator Paul and his colleagues want openness, not more cover-ups. To indicate how little is known about the Fed’s activities, he stated: “... when the primary auditor and overseer of the Fed was asked about \$9 trillion dollars, the Inspector General had no clue what had been purchased.” After noting that the \$9 trillion figure is more than half of the nation’s admitted indebtedness, he concluded, “The Federal Reserve is one of the most secretive institutions in our history.”

The Senate measure already has 30 co-sponsors, all Republicans but for Alaska’s Democrat Senator Mark Begich. Gaining 37 more Yes votes for the measure in the Senate (the number needed to reach the two-thirds plateau) will not be easy with Senate Majority Leader Harry Reid (D.-Nev.) strongly opposed to the idea.

A thorough audit of the Fed will likely lead to consideration of a subsequent measure calling for terminating the institution. Our nation needs sound money, not fiat currency generated by the secretive Fed that should never have been given the power it possesses. As more Americans realize that the once “almighty” dollar has shrunk in value from a worth of 100 cents in 1913 to a mere 2 cents today because of Fed action, pressure for abolishing it and returning to precious-metal-backed currency continues to grow. All who want openness at the Fed and sound money [should be contacting both of the their senators to request support for S. 209](#).

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