

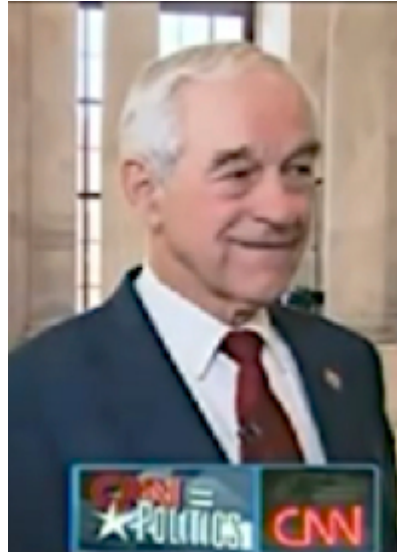


Written by [Michael Tennant](#) on January 28, 2011

Ron and Rand Paul Introduce “Audit the Fed” Legislation

The Federal Reserve cherishes its privacy and has fought tooth and nail to keep it. Nevertheless, its ability to shower greenbacks on favored corporations and foreign banks may soon be drawing to a close thanks to the 2010 elections.

On January 26 the father-and-son team of Rep. Ron Paul (left, R-Texas) and Sen. Rand Paul (R-Ky.) “introduced companion legislation in both chambers of the United States Congress to require a full and thorough audit of the Federal Reserve,” [according to Business Wire](#). Officially titled the Federal Reserve Transparency Act of 2011, the House and Senate versions of the bill are numbered H.R. 459 and S. 202, respectively.



Ron Paul, of course, introduced this same legislation during the last Congress, where it attracted 320 cosponsors and eventually passed the House. However, by that time it had been, in Paul’s words, [“gutted” by the House Subcommittee on Domestic Monetary Policy](#) and lost most of its effectiveness. One can be certain that won’t happen this time around: Paul is now chairman of that subcommittee.

The Senate version, sponsored by Rep. Bernard Sanders (I-Vt.), had 32 cosponsors but was [replaced under political pressure](#) by a watered-down measure that managed to survive as an amendment to the financial reform bill. Despite this, the mild auditing requirements did manage to bring to light the Fed’s [suspect dealings with corporations and foreign financial institutions](#). Imagine the skullduggery a complete audit would reveal!

The Pauls’ new version of the Audit the Fed bill already has 56 cosponsors in the House and two (Republicans Jim DeMint of South Carolina and David Vitter of Louisiana) in the Senate.

Business Wire describes the bill thus:

The Federal Reserve Transparency Act of 2011 would open up the Fed’s funding facilities, such as the Primary Dealer Credit Facility, Term Securities Lending Facility, and Term Asset-Backed Securities Lending Facility to Congressional oversight and audit by the non-partisan Government Accountability Office. Additionally, audits would include discount window operations, open market operations, and agreements with foreign central banks such as ongoing dollar swap operations with European central banks.

In short, everything the Fed does would be brought out into the open, giving Americans the chance to learn just who has been getting sweetheart deals from the central bank and how much the Fed has been inflating the money supply to fund the U.S. government’s century-long spending spree. Armed with that knowledge, Americans are likely to demand serious reform or, better yet, complete abolition of the “Creature from Jekyll Island.” That, of course, would suit [the author of End the Fed](#) quite nicely.



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