



Written by [Joe Wolverton, II, J.D.](#) on November 1, 2013

Sen. Paul Will Block Yellen, Even Though Confirmation Is Likely

Senator Rand Paul admits that he [probably won't be able to block the confirmation of Janet Yellen](#) as chairman of the Federal Reserve (building shown), but that won't stop him from trying.



That's the sort of spirit missing in most federal lawmakers who, when presented with long odds, fold and wait for the opportunity to make campaign hay out of their political defeats.

In [a letter to Senate Majority Leader Harry Reid](#) (D-Nev.), Paul declared his intent to hold Yellen's confirmation unless S. 209, the Federal Reserve Transparency Act, is also considered. "The American people have a right to know what this institution is doing with the nation's money supply. The Federal Reserve does not need prolonged secrecy — it needs to be audited, and my bipartisan Federal Reserve Transparency Act will do just that," Paul said.

During [an interview with Al Hunt broadcast Friday on Bloomberg TV](#), Senator Paul admitted that his plan has little chance of derailing the president's push to replace Ben Bernanke with Yellen, but he will not be dissuaded. "The audit the Fed bill passed in the House after 20 years of my dad agitating on this, every Republican and 100 Democrats, overwhelmingly bipartisan transparency bill," Paul said. "Apparently, Janet Yellen's been in favor of transparency at the Fed. That's all we're asking for, is an open audit a year after the fact."

Speaking of Yellen's supposed support for greater transparency, in a recent interview, Senator Paul's father, libertarian icon Ron Paul, questioned Yellen's commitment to such a move.

"But if it comes true transparency, like allowing an audit of the Federal Reserve, and letting us know who they bail out and when they bail out and what they did in '09 with their trillions of dollars, and all the international transactions, there's no way that's going to be permissible," the former congressman said. "Because that's where all the power and control is accomplished, it's behind the scenes with the Fed on international transactions."

How far is Senator Paul willing to go to force the Fed to open the books? As far as he can, but that's not saying much, according to Paul's understanding of the process. "In the old days, you could place a hold on and keep it forever. Even if I stand on the floor and filibuster in a personal fashion, I can only hold it there for two days," Paul explained.

So, despite his best efforts, Obama will get his way, the Fed will go on manipulating money in secret, and Yellen will be confirmed?

"In all likelihood, yes," Paul told Hunt. "But I want to draw attention to the fact that audit the Fed has been held hostage by Senator Reid for three years. And once upon a time, he was for audit the Fed. We had floor speeches all through the '90s, he would come down here with Senator Dorgan, and they were for auditing the Fed. My question is, let us have at least a vote on this."



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Should Paul's [Audit the Fed bill](#) make it to the Senate floor, would he have the votes to force the Fed to open the books? Probably not.

"I don't know that we can win — sometimes they play a game, they don't let you win with 51. You've got to have 60," Paul said, speaking of the parliamentary games played by the majority that require a super-majority to pass legislation.

"It's unlikely to have 60. We have 25 co-sponsors. We've been as high as 37. We have one Democrat co-sponsor, so there's not a great groundswell on their side," Paul added, admitting a dearth of bipartisan support for his bill.

An article in last week's Wall Street Journal weekend edition confirmed Paul's vote count:

It's unclear how many Republicans might oppose Ms. Yellen. While many GOP senators have criticized the Fed's bond-buying programs and many are expected to vote against her, some have indicated they could potentially support her.

Senator Susan Collins (R-Maine) said earlier this month she wouldn't make a decision until Ms. Yellen's hearings, but said she was "favorably disposed toward her."

Senator Mike Johanns (R-Neb.), a member of the banking committee, said earlier this month that he was "absolutely open to the possibility I'll support her."

Paul's fight to audit the Fed didn't begin with the Yellen nomination, however.

On July 29, Senator Paul sent a similar message to members of the Campaign for Liberty asking for help in a project very familiar to that organization:

I've introduced S. 209, the Audit the Fed bill, and I'm going to do everything I can to expose the Fed and stop Ben Bernanke's economic snake oil "solutions" from wrecking our fragile economy.

Your action today in support of my father's Campaign for Liberty will help turn up the heat on my colleagues to pass Audit the Fed.

In February, Senator Paul offered the Federal Reserve Transparency Act of 2013, also known as "Audit the Fed." The bill would eliminate restrictions on Government Accountability Office (GAO) audits of the Federal Reserve. Additionally, the bill would give Congress oversight of the Fed's credit facilities, securities purchases, and quantitative easing activities.

"The Fed's operations under a cloak of secrecy have gone on too long and the American people have a right to know what the Federal Reserve is doing with our nation's money supply," Paul said in a statement.

Paul believes that should the issue receive greater publicity, the American people will demand answers that would come from an audit of the central bank and its questionable policies.

"But I think if you ask the American people, I think it's an issue that 70 percent of the American people don't think it's right for a guy to come out of the Treasury and make \$160 million on Wall Street the very next year and then go back into Treasury the next year. This revolving door, we should at least know what the policy is and whether anybody's getting rich off of that policy."

Not surprisingly, one of the chief architects of the Fed's latest boom and bust cycle, which has force-marched this country to the brink of bankruptcy, is against Paul's bill.

In [an interview earlier this week with CNN](#), former Fed chairman Alan Greenspan criticized Rand Paul's



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push to audit the Federal Reserve, calling it a “terrible idea.”

Besides, Greenspan assures Americans that there’s nothing to be learned from checking the Fed’s practices. “The books are as clean as you imagine because there’s very little that can go wrong there [at the Federal Reserve].”

Remarkably, Greenspan is right. The Fed’s books are probably just about as clean as Senator Paul, his father, and the majority of Americans believe them to be. Difference is, Greenspan doesn’t have to guess, he knows where the bodies are buried, so to speak, and he has a very vested interest in not wanting an investigation.

Meanwhile, when it comes to the central bank and its machinations, the fix is in. The Fed — ostensibly a non-profit organization — owns the mint, the money, and sets the terms of the loans it makes to the federal treasury. What’s more, there is no product, there is nothing being loaned other than worthless paper that can never be traded in for anything of value because all that is used to secure the worth of the currency is now owned by the very bankers who control the Federal Reserve.

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