Written by **Bob Adelmann** on December 10, 2019

Former Fed Chairman Paul Volcker Passes Away at 92

Upon receiving news of the passing of the 12th chairman of the Federal Reserve, Paul Volcker (shown, center), on Saturday at age 92, current Fed chairman Jerome Powell lamented that Volcker had left "a lasting legacy," and Robert Samuelson, writing for the *Washington Post*, said, "We owe much to Paul Volcker."

It is certain that they meant these encomiums to be terms of endearment, honoring an individual who accomplished much during his seven decades of public service. However, a closer look at Volcker's accomplishments reveals a lasting legacy of turning over national sovereignty to an international banker-controlled central bank, with no constraints on its ability to manipulate the U.S. economy.

In other words, those honoring the deceased Fed chairman conveniently failed to tell the story behind his "legacy."

First, Volcker was the quintessential "establishment" man. He graduated from Princeton's Woodrow Wilson School in 1949, spent the summer as a research assistant at the New York Federal Reserve Bank, moved on to Harvard to earn a degree in political science, and then attended the London School of Economics under a Rotary Foundation scholarship.

In 1952, he joined the staff of the New York Fed, leaving that position five years later to become an economist with the Rockefeller's Chase Manhattan Bank. Ten years later he was hired by the U.S. Treasury Department as director of financial analysis.

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He was appointed to be President Nixon's undersecretary of the Treasury for international monetary affairs, where he helped Nixon break the government's promise to back the U.S. dollar with gold. By "closing the gold window" in 1971, all restraints on the expansion of the money supply by the Fed were removed. Volcker called it "the single most important event" of his career.

Aside from his long association with the Rockefeller family, Volcker was a member of the insider Bilderberg Group and a founding member of the Trilateral Commission, both globalist entities that work to subvert U.S. sovereignty.

Second, his political philosophy led him to support the candidacies of Democrat Hubert H. Humphrey in 1968 and Barack Obama in 2008.

Third, when President Nixon tapped him to replace the faltering G. William Miller as head of the Fed in August 1979, Volcker saw his opportunity to use the now-unrestrained powers of the Fed to reverse its inflationary course to such an extent that recessions and American impoverishment were the result — and he did it knowing that his actions were detrimental to Americans. Steven Beckner, an analyst for and historian of the Fed, explained what Volcker inherited in his book, *Back from the Brink: The Greenspan Years*:

> Under Arthur Burns, who chaired the Fed from 1970 to 1978, and under G. William Miller, who was chairman from March 1978 to August 1979, the Fed provided the monetary fuel for an inflation that began as a flicker and grew into a fearsome blaze….
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> If Nixon appointee Burns lit the fire, Miller poured gasoline on it during the administration of President Jimmy Carter. Without question the most partisan and least respected chairman in the Fed's history, this former Textron executive worked in tandem with fellow Carter appointee, Treasury Secretary W. Michael Blumenthal, in pursuit of monetary policies that were expansionist domestically and devaluationist internationally.
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> The goals were to spur employment and exports, with little thought to the dollar's value. By early 1980, inflation was running at 14 percent per year.

Note: The current ubiquitous use of the term "inflation" is incorrect, as Beckner properly noted. "Inflation" is an increase in the money supply, the primary tool the Fed has to manipulate the economy (along with interest rates and verbal bluster). The result is the inevitable rise in prices as the currency reflects its loss of value. "Inflation" is not "price increases" but is the cause of them.

Further note: Inflation at 14 percent a year cuts the purchasing power of a dollar in half every five years.

Within a month of taking over as head of the Fed, Volcker began implementing a policy of cutting the money supply. Price increases, which peaked a few months later, reversed, leading into not one but two recessions. Unemployment rose to levels not seen since the Great Depression. Home builders were heavily damaged, with some of them mailing pieces of two-by-fours to his office with notes attached saying that because of his policies they no longer had any use for them. Car dealers, with lots filled with cars that people weren't able to buy, sent him baskets of car keys, with similar comments. Farmers drove their tractors to Washington in protest, surrounding and blockading the Eccles building where the Fed and Volcker were housed.

As the recessions hit, Volcker made clear his intentions: The average American must reduce his standard of living. In congressional testimony in October 1979, Volcker blamed the coming decline on the Arabs, maintaining that, as the *New York Times* noted, "because of the drain of American wealth to the oil-producing countries, Americans would have to accept less [a lower standard of living]." Those oil-producing countries, however, had been raising their prices to offset the reduced purchasing power of the dollar, but Volcker found it convenient to hang the coming decline in living standards around their necks. Said Volcker, "The standard of living of the average American has to decline. I don't think you can escape that."

In a moment of candor, Volcker admitted his anti-capitalist, anti-American bias: "One of my old friends abroad once told me — I think he meant it as an ironic compliment — that he thought of my career as a long saga of trying to make the decline of the United States in the world respectable and orderly."

Despite the encomiums heaped upon Volcker by the establishment there is little reason for the lovers of liberty to lament the passing of such a man.

Photo of Paul Volcker: Federal Reserve

An Ivy League graduate and former investment advisor, Bob is a regular contributor to The New American, *primarily on economics and politics. He can be reached at badelmann@thenewamerican.com.*