



Former Fed Official: Fed Should Try to Hurt Trump's 2020 Chances

When William Dudley, a bona-fide insider and tool of the Deep State, [wrote](#) that the Federal Reserve should work against the president's agenda, even if it cost him next year's election, the reaction came from all quarters: The Fed's political bias has finally and permanently been exposed for all to see.

Dudley's credentials are impeccably Deep State: He is a graduate of UC-Berkeley who worked for Goldman Sachs for more than 20 years, a member of the Council on Foreign Relations, a member of the board of directors of the Bank for International Settlements (BIS) and the Committee on the Global Financial System, and serves as president of the Federal Reserve Bank of New York and vice-chairman of the Fed's Open Market Committee.



Thanks to Dudley's forthright op-ed at *Bloomberg* on Tuesday, that the veil has been lifted, and many insiders aren't happy about it. It seems that he has unwittingly exposed the pervasive and carefully crafted myth that the Fed is "objective," "unbiased," "neutral," and removed from all political considerations in conducting its policies. Those policies have been sold as guiding the U.S. economy on paths of low inflation (even as the bank itself is the engine of inflation) and full employment, and nothing more.

Dudley gave lip service to the myth before exploding it: "Staying above the political fray helps the central bank maintain its independence." But then comes the bombshell: "[Fed] officials should state explicitly that the central bank won't bail out an administration that keeps making bad choices on trade policy, making it abundantly clear that Trump will own the consequences of his actions."

Dudley explains just how the Fed could derail the president's strategy in dealing with the communists running China:

First, it would discourage further escalation of the trade war, by increasing costs to the Trump Administration.

Second, it would reassert the Fed's independence by distancing itself from the administration's policies.

Third, it would conserve much-needed ammunition [lower interest rates in the future to restimulate an economy in recession], allowing the Fed to avoid further interest-rate cuts at a time when rates are already very low.

It's clear from Dudley's op-ed that he's miffed that the president had the audacity to criticize repeatedly



Written by [Bob Adelman](#) on August 28, 2019

the actions of the Fed. Other presidents have studiously avoided any public appearance of pressuring the Fed, but not The Donald. Wrote Dudley:

I understand and support Fed officials' desire to remain apolitical. But Trump's ongoing attacks on [Fed Chair Jerome] Powell and on the institution have made that untenable....

There's ... an argument that the election itself falls within the Fed's purview. After all, Trump's reelection arguably presents a threat to the U.S. and [the] global economy.

Let's parse that "threat ... to the global economy." This is the global economy run by globalists for which Dudley and his establishment peers have been laboring for decades. Trump is a threat to that global economy by declaring America's independence and sovereignty, and as a result must be removed from office. Dudley's tool of choice is interest rates — keeping them high in a world of lower and lower interest rates in the hopes that it will stall the U.S. economy and weaken Trump's hand in dealing with China.

Lest this sound like a "conspiracy theory," it's helpful to note that Jordan Weissmann, writing for the far-left Slate magazine, sees what few have been willing to see or articulate until now. Wrote Weissmann:

What elevates [Dudley's] piece to truly epic heights of irresponsibility is that, until last year, Dudley served as president of the Federal Reserve Bank of New York, widely viewed as the Fed's second most powerful position.

He is an insider's insider, and if ever a single piece of writing could fuel conspiracy theories that a cabal of central bankers is out to sabotage Trump's presidency, this one is it.

Weissmann continued:

This is a very bad scheme that, in the end, would almost certainly undermine the Federal Reserve's low legitimacy. But it gets worse. Dudley basically says the Fed should try to throw the 2020 election....

It is hard to overstate what a tremendously dangerous concept this is. Dudley is not talking about a conflict between two equal branches of government. If the economy crashes and Democrats don't want to pass a stimulus because it might help Trump, that would be crappy and inhumane, but it'd also fundamentally be politics. Voters could decide who to hold accountable.

Here, Dudley is effectively talking about an economic coup staged by a group of unelected technocrats.

So it's a "two-fer": Dudley's op-ed is a two-pronged destruction of a pervasive myth that has hidden the Fed's agenda for decades, and the exposure of the deadly work of Deep State officials to bring the U.S. into a global economic and political system run by them.

For its part, the Fed has had precious little to say except that politics plays no role in their decision-making. Michelle Smith, a Fed spokeswoman, declared: "The Federal Reserve's policy decisions are guided solely by its congressional mandate to maintain price stability and maximum employment. Political considerations play absolutely no role."

Absolutely false! As *The New American* has noted,

In December 1965, Federal Reserve Chairman William McChesney Martin was summoned to the ranch of President Lyndon Johnson for a dressing-down. President Johnson, a believer in the fiscal



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stimulus programs enacted by his predecessor, John F. Kennedy, wanted to cut taxes further, and expected the Fed to do its part by keeping interest rates low. Martin, however, was of the opinion that interest rates should be raised, arousing the ire of the volatile president.

Ushered into what he expected would be a calm meeting with the president, Martin was shocked to find himself being physically shoved around the living room and against the wall by a furious Lyndon Johnson, who kept screaming at him, “Boys are dying in Vietnam, and Bill Martin doesn’t care!” President Johnson had apparently never gotten the memo on the supposed independence of the Federal Reserve from political influences. Cowed by the president’s belligerence, the Fed chairman maintained interest rates very low that year and the next, putting the lie to the Fed’s alleged detachment from tawdry politics.

Or consider the Fed’s blatantly political move late in 2018 to slow the economy deliberately by raising interest rates for the fifth time, declaring it was a “pre-emptive strike” against incipient inflation. The inflation rate (rate of price increases in the private economy) remained docile, but Wall Street investors saw their account balances drop by nearly 20 percent in the selloff that followed.

Ryan Cooper, writing for the liberal *The Week* magazine, told his readers what Dudley’s op-ed showed: “It’s a perfect demonstration of what is already obvious: America’s central bank, the Federal Reserve, is a highly political institution — its heavily rich-friendly politics are just usually obscured behind a technocratic façade.”

Thanks to Dudley’s op-ed, that façade has been ripped away, revealing the men behind the curtain who, until now, have wanted the rest of us to ignore their machinations.

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