



Written by [Joe Wolverton, II, J.D.](#) on December 3, 2013

Rand Paul's Audit the Fed Bill Gains Mainstream Support

A *Forbes* article published on November 29 encourages readers to [“Call Your Congressman In Favor Of Rand Paul’s Fed Audit.”](#)

In support of its call to arms, *Forbes* lists a few recent Fed-related events that deserve to be subjected to greater scrutiny.

First, there is the approval by the Senate Banking Committee of Janet Yellen’s nomination to chair the Federal Reserve.

Next, *Forbes* reminds readers of the Fed’s influence on the U.S. (and the world’s) economy through its manipulation of monetary policy. Writes *Forbes*, noting Yellen’s support for these abuses of assumed power:



The Fed has been engaged in an unprecedented policy, “quantitative easing” (QE), that’s been called “the greatest backdoor Wall Street bailout of all time.” This program has been conducted with virtually no oversight or transparency, so we don’t know all the exact details, but the Fed is purchasing about \$480 billion a year in mortgage-backed securities directly from the big banks and putting the taxpayer on the hook for them. Excessive exposure to mortgage-backed securities is what had some banks in trouble in 2008, but given the Fed’s lack of transparency, it’s not clear how risky its purchases are. The perfect time to audit the Fed is during this leadership change to gain more insight into this controversial program that Yellen openly supports.

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Furthermore, as regarding the success of QE in stabilizing the fiscal ship, *Forbes* reports:

There has been very little evidence that QE has been successful. The unemployment rate is still above 7.2%, and the U.S. dollar is losing credibility around the globe. There have also been countless claims from economists and even Federal Reserve whistle blowers that the Fed has given backdoor deals and special treatment to Wall Street.

And this is only the first half of QE. The other half consists of the Fed buying another \$540 billion a year in U.S. treasuries. These bonds are sitting in the excess reserves at the Fed and Wall Street banks are profiting from the interest payments on them — again that the taxpayers pay for. QE was launched five years ago to help Americans that suffered from the 2008 financial collapse. Why is it that the biggest banks are even bigger than they were in 2008? We need an audit of the Fed that digs into the details of “quantitative easing” and other Federal Reserve polices to ensure they are being conducted appropriately and in the best interest of the U.S. taxpayer.

In the testimony she gave at her congressional hearing, Yellen committed to carrying on the QE program should she be confirmed as the next Fed chief.

Surely, in light of statements such as that and Yellen’s advocacy of the Fed’s unconstitutional power grab and propping up and pulling down of the economies of the world, Republican lawmakers are lining up to block her path to the palace. Not so, *Forbes* reports: “Three out of ten Republicans voted in favor



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of Janet Yellen at the Senate Banking Committee last week.”

One Democratic senator was cited in the *Forbes* article as opposing Yellen’s confirmation. *Forbes* writes:

Senator Joe Manchin was the only Democrat who voted against Janet Yellen because “her views and beliefs to continue quantitative easing, despite a failure to see any real gains, greatly troubles me.... You can’t spend your way to prosperity and borrow your way out of debt.”

Most of Manchin’s party pals are squarely behind the push to put Yellen in the seat presently occupied by Ben Bernanke. As the author of the *Forbes* piece reports:

Directly after the Senate Banking Committee vote, Senators Elizabeth Warren and Heidi Heitkamp addressed the press in the halls of the Dirksen Senate Office Building to share their excitement for what they called a “historic” vote.

When asked by *Forbes* her opinion of the bill sponsored by Senator Rand Paul (shown, R-Ky.) that would expose the Fed’s books to the eyes of Congress, Senator Warren responded, “this is not the right use of the filibuster. His problem is not with Janet Yellen and her policies generally. He wants a protest to stop the process of considering people going forward.”

That’s not true. [As The New American has reported](#), in an e-mail to supporters sent at the end of October, Senator Paul claimed that he has informed Senate leadership that he intends to oppose President Obama’s nomination of Janet Yellen to be the next chairman of the Federal Reserve, and he plans to use the process to draw attention to his efforts to audit the country’s central bank and the cartel that controls it.

Despite Warren’s dislike for Paul’s efforts to expose the Fed to the light of congressional oversight, one of his consistent allies is standing beside him once again, calling for a vote on Senator Paul’s Audit the Fed bill. As reported by [Roll Call on November 18](#):

Sen. Ted Cruz announced Wednesday that he is backing an effort by fellow Republican Rand Paul of Kentucky to get a vote on auditing the Federal Reserve as a condition for considering the nomination of Janet L. Yellen to be chairwoman of the Fed.

“I agree with Rand Paul: before the Senate votes on whether to confirm Janet Yellen, we should at the very least allow a vote on the Audit the Fed bill,” the Texas Republican said in a statement. “The Federal Reserve has expanded our money supply by trillions, benefiting Wall Street but making life harder for millions of Americans struggling to make ends meet.”

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. “Audit the Fed has significant bipartisan support in Congress and across the country and the time to act on this is now.”

As of December 3, [Senator Paul’s bill, S. 209](#), has 27 co-sponsors in the Senate, including one Democrat, Mark Begich of Alaska.



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In January, a companion measure was offered in the House of Representatives by Representative Paul Broun (R-Ga.), though Broun is now a co-sponsor and primary sponsorship of the bill has been taken over by Representative Steve Stockman (R-Texas). [This bill, H.R. 33, currently lists only Broun as a co-sponsor](#), though the iteration introduced by Broun enjoyed 153 co-sponsors.

The Stockman-Broun bill currently pending in the House is a copy of a bill former Representative Ron Paul offered while serving in the House. In a statement, Broun said he was fighting the Fed in order to “pick up where Ron Paul left off.”

While the Rand Paul Audit the Fed bill would bring transparency to the purposely shadowy goings on at the Federal Reserve, what isn't so clear is why the Senate has yet to vote on any of the measures mentioned above.

After Ron Paul's last attempt to audit the Federal Reserve handily passed through the House in 2012, Senator Harry Reid (D-Nev.) blocked the legislation, saying he wouldn't be comfortable bringing the matter to the Senate until he'd had a “real serious conversation” with Fed chairman Ben Bernanke.

While Reid's opposition to a hearing on the Audit the Fed measure, not to mention a vote on it, can be counted on, the lassitude of Republican lawmakers could be the highest hurdle the bill would have to get over.

There's evidence that conservative groups that would typically be counted on to join a fight against the Fed are losing their lust for battle.

As *Roll Call* [reported on November 13](#):

The Club for Growth and Heritage Action for America, two prominent organizations that have not shied away from battles with the pro-business wing of the Republican party, appear ready to spend the Yellen fight on the sidelines.

“There's no mystery and it's not complicated. We just almost never take a position on monetary policy,” said Club for Growth spokesman Barney Keller in an email. “Thus, we probably won't be involved in the Yellen nomination.”

Don't expect much from Heritage Action, either, said the group's spokesman Dan Holler.

It seems that someone should have a real serious conversation with Senators Reid and Warren and these so-called conservative groups about the damage the Federal Reserve and the shadowy coterie of global bankers who own it have done to the economic well-being of the United States.

First, the unelected governors of the unconstitutional central bank have an absolute stranglehold and monopoly over the flow of our nation's money and credit. Not once since its inception in 1913 has there ever been a thorough audit or an accounting to Congress about its activities.

During its century-long reign over the financial well-being of our country, the Federal Reserve has manipulated our currency until it is nearly worthless. Meanwhile, Congress turns a blind eye and a deaf ear to the crisis and the calls to control it.

The fact is that since that day in 1913, the dollar has lost over 95 percent of its purchasing power. Most, if not all, of this precipitous decline was caused by the monetary policy of the Federal Reserve.

Adding insult to injury, during testimony to Congress in 2009, Ben Bernanke refused to reveal to committee members the names of the institutions that received trillions of dollars in bailout money from the Fed. Later, he told our elected representatives that he would not disclose the identity of the foreign



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banks that were parties to sweetheart deals with the Federal Reserve.

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.

And the Fed will continue to accumulate power. There is no limit to the lengths global bankers will go to in order to enslave the population of the world. There is no hope of regulating restraint. Power of this magnitude operates beyond the reach of regulations.

The headline of the *Forbes* article is right, so far as it goes. It is time for Americans to press their federal lawmakers for an audit of the Fed.

However, if we are to restore financial vitality to this country, Americans must demand that Congress revoke the charter that created the Federal Reserve and return all the money it has seized to the people and the market that it has held as indentured servants for over a century.

Photo of Senator Rand Paul (R-Ky.): AP Images

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