A New President Should Seize Control of the U.S. Monetary System

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The reaction of the mainstream press to the ongoing financial crisis has been staggeringly timid. For instance, *Washington Post* columnist David Ignatius, while wondering whether the Federal Reserve may prove to be "insufficient to the challenge" (while it is "pumping all-but-unlimited amounts of all-but-free money into the financial system to keep it operating") still writes that the Fed has been "bold and innovative" in its approach.

Excuse me, but didn't the Federal Reserve under Chairman Alan Greenspan contribute in a big way to ***causing*** the crisis through its interest rate policies and lax regulation in bringing on the housing bubble that triggered the disaster in the first place?

The same dumber-than-dumb attitude goes for the politicians. Of course we don't expect anything more from President George W. Bush and his new Mini-Me nominee-designate John McCain who are elevating denial to the status of an advanced art form.

But how about presidential candidates Hillary Clinton and Barack Obama or the Democratic congressional leadership?

Granted Hillary Clinton and her speechwriters have done a marvelous job of describing the pain of ordinary citizens faced with job loss, rising gas prices, lack of health insurance, and foreclosure of their homes. But her proposal to freeze foreclosures for 90 days and subprime mortgage rates for five years would address only the worst of the symptoms. Barack Obama wouldn't even go that far. He says Clinton's suggestion would unfairly drive up interest rates for everyone else.

And how about their approach to the Federal Reserve? Clinton says she has "spoken about" the Fed's actions with Chairman Ben Bernanke and president of the Federal Reserve Bank of New York Timothy Geithner. Wow. I'm impressed. Obama has yet to say he has done even that.

Meanwhile, what passes for radical action in Congress is a bill backed by Senator Chris Dodd (D-CT) and Representative Barney Frank (D-MA) to allow the Federal Housing Administration to back mortgages held by "distressed borrowers."

But what more can Congress do, we might ask? Isn't all this really a matter for the alleged experts who understand far more about what makes the financial world tick than the mere mortals who work for a living and those who supposedly represent them in our republican system of government?

Well, let me point out that the U.S. Constitution gives Congress authority over our monetary system. True, in 1913, Congress ceded its monetary authority to the private financial industry through the Federal Reserve Act. You will recall that this egregiously flawed legislation gives the president the authority to name the Fed's chairman but grants its member banks actual ownership of the system.

So let me suggest that it's time for our elected representatives to take that authority back. The only truly effective course of action at the start of what is clearly the worst economic crisis since the Great Depression would be for the government to abolish the whole system of debt-based currency over which the Fed presides and which is today destroying our country.

What should be done is that the president of the United States should act upon his authority to faithfully execute the laws by working with Congress to seize control of the U.S. monetary system and operate it on behalf of "We the People." This is what Hillary Clinton, Barack Obama, and the Democratic leadership of Congress should be advocating. It's what a new president should do immediately upon taking the oath of office on January 21, 2009.