

The Federal Reserve Is Not “Independent” Or “Apolitical”. The Fed is Corrupt. It Serves the Big Wall Street Banks

By [Washington's Blog](#)

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Region: [USA](#)

Theme: [Global Economy](#)

The Fed Is Very Political ... And Serves the Big Banks and the Powers-That-Be

The Federal Reserve likes to pretend that it is “independent” and “apolitical”.

The facts are different:

- The Fed [offered to bail out Mexico, if it would agree](#) to join the North American Free Trade Agreement (NAFTA). Free trade deals have *nothing* to do with the Fed’s mandate
- A study published in the *Southern Economic Journal* shows that Fed policy tends to create a [better economy in the 3 years before presidential elections than right afterwards](#) ... to help the incumbent get re-elected
- According to Robert D. Auerbach – an economist with the U.S. House of Representatives Financial Services Committee for eleven years, assisting with oversight of the Federal Reserve, and subsequently Professor of Public Affairs at the University of Texas at Austin – the Fed had a hand in Watergate and arming Saddam Hussein. See [this](#) and [this](#)
- The Fed is [not independent](#) ... it is [owned by the big banks](#)
- [The Fed is corrupt](#)
- The Fed threw money at [“several billionaires and tens of multi-millionaires”](#), including billionaire businessman H. Wayne Huizenga, billionaire Michael Dell of Dell computer, billionaire hedge fund manager John Paulson, billionaire private equity honcho J. Christopher Flowers, and the wife of Morgan Stanley CEO John Mack
- The Fed also bailed out wealthy corporations, including [hedge funds, McDonald’s and Harley-Davidson](#)
- The Fed has been [bailing out foreign banks ... more than Main Street or the American people](#). The foreign banks bailed out by the Fed include [Gaddafi’s](#)

[Libyan bank, the Arab Banking Corp. of Bahrain, and the Banks of Bavaria, Korea and Mexico](#)

- The Fed's main program for dealing with the financial crisis – quantitative easing – [benefits the rich and hurt the little guy](#), as confirmed by [former high-level Fed officials](#), the [architect of Japan's quantitative easing program](#) and several [academic economists](#)
- The Fed has [intentionally discouraged banks from lending to Main Street](#) – in a misguided attempt to curb inflation – which has increased unemployment and stalled out the economy

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