



Fed Chairman Ben Bernanke admitted the central bank created \$1.3 trillion out of thin air to buy mortgage backed securities. This shocking admission came from the Joint Economic Committee hearing on Capital Hill last week. I was dumbfounded when I saw Bernanke shake his head in the affirmative as Representative Ron Paul said, "Well, where did you get the money? You created this money. So you did monetize debt, and that went into the banking system." I was amazed he admitted this. I looked up the original hearing on C-Span to make sure the clip was not edited. It was not.

What is even more shocking is I could not find a single mainstream news agency that covered this revelation. Congress just finished voting on the bitterly contested Obama health care bill that is supposed to cost nearly a trillion dollars over ten years. (Some contend it will be more than twice that amount.) The mainstream media doesn't even bat an eye over the Fed creating \$1.3 trillion in a little more than a year to buy worthless debt no one else will touch. I do not get it. I guess we could have asked the Fed to print up a trillion dollars to pay for health care and avoided that drawn out battle in Congress.

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