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FINANCIAL SERVICES COMMITTEE
SUBCOMMITTEE ON
CAPITAL MARKETS AND
GOVERNMENT SPONSORED ENTERPRISES
SUBCOMMITTEE ON
MONETARY POLICY AND TRADE

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The Honorable Steven Mnuchin
Secretary of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

The Honorable Jerome Powell, Chairman
Board of Governors of the Federal Reserve System
2000 L Street, NW
Washington, DC 20036

Dear Secretary Mnuchin and Chairman Powell:

As you know, the Federal Reserve has repeatedly articulated an “inflation targeting” policy which seeks deliberately to devalue the unbacked Federal Reserve Note at a specific rate per year.

Indeed, the purchasing power of our currency has fallen some 97% since Congress passed the Federal Reserve Act in 1913, with an acceleration in the rate of decline occurring since the early 1970s when the final link to gold was severed. Prior to the Fed’s creation, there was little to no inflation for over 100 years.

This Fed policy of creating inflation has the effect of driving up the cost of virtually everything my West Virginia constituents consume, while simultaneously reducing the real value of their pensions, savings, and fixed income payments.

As I explore this subject as a member of the House Financial Services Committee and its Monetary Policy and Trade subcommittee, I wish to learn more about the activities of the Federal Reserve and the U.S. Treasury involving gold. To that end, please respond in writing to the following questions:

1. Records in the archives of the historian of the U.S. State Department describe U.S. government policy in recent decades as aiming to drive gold out of the world financial system in favor of the Federal Reserve Note or Special Drawing Rights issued by the International Monetary Fund. <https://history.state.gov/historicaldocuments/frus1969-76v31/d63>

Is this still U.S. government policy toward gold? If not, what IS the U.S. government’s current policy toward gold?

2. I have heard complaints that the U.S. gold reserve has not been fully audited for many decades, particularly as there seems to have been no acknowledgment of – or accounting for – “swaps” and leases of gold or arrangements for such to which the U.S. government has been a party.

Does the U.S. government, through the Treasury Department, the Federal Reserve System, or any other agency or entity, transact in gold or gold derivatives either directly or through intermediaries? If so, what are those transactions and what are their objectives?

3. Does the U.S. government undertake any transactions in gold or gold derivatives through the Bank for International Settlements, Bank of England, or other central banks or governments? If so, what are these transactions and their objectives?

Thank you, and I look forward to receiving your written answers to the above questions.

Sincerely,



Alex X. Mooney
Member of Congress