



United States Senate
Committee on Banking, Housing, and Urban Affairs

Tim Johnson (D-SD), Chairman

Senate Committee on Banking, Housing, and Urban Affairs

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Johnson Statement on Semiannual Monetary Policy Report

WASHINGTON – Today, Senate Banking Committee Chairman Tim Johnson (D-SD) held a hearing on the Federal Reserve Bank’s Semiannual Monetary Report to the Congress. The Committee heard from Federal Reserve Chairman Ben Bernanke.

Below is Chairman Johnson’s statement as prepared for delivery:

“The Committee will come to order.

“Today’s hearing is with Chairman Bernanke on the Federal Reserve’s Monetary Policy Report to Congress. While progress toward maximum employment has been slow, it has been positive and steady thanks in part to the Fed’s thoughtful and well-measured monetary actions. Our economy has added private sector jobs for 35 straight months. During that time, over 6 million new jobs have been created, but we should not sacrifice those gains by slamming on the brakes now.

“Without a fix, automatic spending cuts will take effect in just a few days, and could send our economy into reverse at a time we should continue moving forward on creating jobs. Projections suggest the sequester will cost us 750,000 jobs this year. In addition to layoffs for cops, fire fighters, and teachers that could devastate our communities, these cuts will impact many of our nation’s most vulnerable citizens including children, seniors, and the disabled. At a time when the U.S. faces an array of national security threats, the sequester will affect our military readiness.

“It is unacceptable that we are lurching from one manufactured crisis to the next, and Americans have had enough. These fights are bad for the economy and are making it harder for families to make ends meet.

“The steep drops in consumer confidence during the fights over the debt limit and the fiscal cliff rival the fallout after Lehman Brothers' failure and 9/11. This has consequences. If consumers do not spend, businesses will not prosper and hire more workers. If businesses are not hiring, our economy will not grow. It is that simple.

“We must do all we can to restore confidence in not only our financial system, but also in our ability as a country to tackle long-term challenges in a responsible, bipartisan manner. In

addition to Congress acting on a deficit reduction plan that is balanced and promotes job creation, there are things this Committee can do to help achieve these goals. From rigorous oversight, to confirming well-qualified nominees, to reauthorizing expiring laws, to reaching consensus on the future of housing finance, there are steps this Committee can take to promote consumer confidence, provide businesses clarity to move forward with long-term plans, and strengthen our economic recovery.

“Chairman Bernanke, I look forward to hearing your views as both the Fed and the Congress pursue policies supporting our nation's economic recovery. I now turn to Ranking Member Crapo.”