



CONGRESS OF THE UNITED STATES

JOINT ECONOMIC COMMITTEE

CONGRESSMAN KEVIN BRADY

RANKING REPUBLICAN HOUSE MEMBER



NEWS RELEASE

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**STATEMENT OF
CONGRESSMAN KEVIN BRADY**

House Economic Leader Weighs in Against New Fed Stimulus

Brady says fiscal policy – not monetary policy – is main barrier to recovery

Washington, D.C. -- US Congressman Kevin Brady (R-Texas), the top House Republican on the Joint Economic Committee, has written to Federal Reserve Chairman Ben Bernanke to share his concerns that the Federal Reserve's new round of quantitative easing will not be effective in spurring economic growth.

In his letter, Brady acknowledges the independence of the Federal Reserve from Congress in conducting monetary policy.

Excerpts from the October 26 letter to Chairman Bernanke include:

- *"I worry that the Federal Reserve is embarking on an unwise policy of additional quantitative easing, in large part, to offset the drag on real GDP growth created by the budget, regulatory, and tax policies of President Obama and this Congress."*
- *"I fear the risk [of much higher inflation down the road] from a new round of quantitative easing far exceeds the potential reward [of a small, short-term boost to growth]."*
- *"In discussions in my district in Texas and around the country, no entrepreneur has told me that high interest rates are deterring his or her firm from making investments or hiring new workers. Instead, it is the uncertainty over the impact of federal budget deficits, new mandates and regulations, barriers to commercial mortgage lending erected, in part, by the overreaction of bank regulators to stress in the commercial real estate market, and tax policies that deter new investment and job creation."*

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