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CHAIRMAN JIM SAXTON

PRESS RELEASE

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SAXTON LAUDS BERNANKE NOMINATION FOR FED CHAIRMAN

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Contact: Christopher Frenze
Executive Director
(202) 225-3923

WASHINGTON, D.C. – Chairman Jim Saxton today hailed President Bush’s nomination of Dr. Ben Bernanke as Chairman of the Board of Governors of the Federal Reserve. Bernanke, currently Chairman of the President’s Council of Economic Advisers, is a distinguished academic economist and monetary expert. Bernanke’s research has identified the benefits of central bank inflation targets, which are ranges of permissible increases in inflation as measured by a core price index.

“I am very pleased about Dr. Bernanke’s nomination,” Saxton said. “He has an excellent academic track record as a macroeconomist, and as a preeminent supporter of inflation targets as a framework for price stability. As a long time sponsor of inflation targeting legislation, I am enthusiastic about the prospect of Dr. Bernanke as Federal Reserve chairman.

“Many have suggested that Fed monetary policy is similar to an informal or implicit inflation targeting regime. If the Fed can be viewed as edging toward inflation targeting in recent years, this nomination would appear to mark further progress in that direction.

“Dr. Bernanke said in response to my question at the JEC hearing last week, ‘As you point out....core inflation has remained within the 1 point to 2 percent range, which I believe is consistent with overall price stability. Looking forward, I hope the Fed will continue to maintain its commitment to keep inflation low and stable. I believe that is the best way to achieve its overall objectives of economic stability, price stability, and low interest rates, as you point out.’

“Chairman Greenspan has done an outstanding job as Federal Reserve Chairman in maintaining price stability for many years through a number of severe crises and challenges. I believe Dr. Bernanke will be an able successor to Chairman Greenspan,” Saxton concluded.

Bernanke testified before the Joint Economic Committee last Thursday. **Bernanke’s statement** is available on the JEC website: www.house.gov/jec

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