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RANKING DEMOCRAT

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REP. LORETTA SANCHEZ (CA)
REP. ELIJAH E. CUMMINGS (MD)

Congress of the United States
Joint Economic Committee
Democrats

109TH
CONGRESS

804 HART SENATE OFFICE
BUILDING
WASHINGTON, DC 20510-6602
202-224-0372
FAX 202-224-5568
www.jec.senate.gov/democrats

CHAD STONE
STAFF DIRECTOR

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Contact: Nan Gibson
office: 202-224-0377
cell: 202-320-4545

**SENATOR JACK REED'S STATEMENT ON THE NOMINATION
OF BEN S. BERNANKE AS FEDERAL RESERVE CHAIRMAN**

Washington, D.C. – Today, **Sen. Jack Reed** (D-RI), Ranking Democrat on the **Joint Economic Committee**, released the following statement regarding the nomination of Ben S. Bernanke to be Chairman of the Federal Reserve Bank:

“In nominating Ben Bernanke to succeed Alan Greenspan as Chairman of the Federal Reserve, President Bush has selected an economist with strong academic and policy credentials who can be expected to maintain the Fed’s commitment to controlling inflation and providing market stability. However, a nomination of this importance deserves the careful scrutiny of the Senate, and Congress will need to take an extensive look at Mr. Bernanke’s views.

“Chairman Greenspan will be a hard act to follow, and the next chairman steps into a troubled economy. Historically large budget deficits, a record current account deficit, a negative household savings rate, rising inflation, and a tepid labor market recovery all pose tremendous challenges to setting monetary policy. A critical question for Mr. Bernanke will be how he would balance the goals of fighting inflation with allowing sufficient employment growth.

“These are difficult economic times for many Americans who are facing stagnant incomes and rising costs for health care, home heating and education. We need a Fed chairman who will be committed to guiding the economy toward creating more broadly shared prosperity.

“Financial markets will surely hang on the new Fed chairman’s words about monetary policy and interest rates, but Mr. Bernanke will not automatically inherit Chairman Greenspan’s considerable influence over a broad spectrum of economic policies. Mr. Bernanke was a respected independent economist long before taking a position with the Bush Administration. He has spent many years building a reputation as a politically independent economist, and I hope he will preserve that reputation if confirmed as Fed chairman.”

The Joint Economic Committee, established under the Employment Act of 1946, was created by Congress to review economic conditions and to analyze the effectiveness of economic policy.

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