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Opening Statement
Rep. Pete Stark
Joint Economic Committee Hearing
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Thank you, Chairman Bennett. I want to welcome Chairman Greenspan and thank him for testifying here today.

In January, the Federal Reserve's Open Market Committee signaled a willingness to consider hiking interest rates. The questions on everyone's minds here today are: When will interest rates rise, by how much, and how quickly? We will all be reading between the lines of your statement for the clues that will answer these questions.

Consumer prices rose sharply last month, sparking inflation fears in some quarters. The Fed has committed itself to "be patient" in considering rate hikes. Certainly, it will take more than a month's worth of data to know if the inflation threat is real. It seems to me that the labor market is still weak enough that the Fed can afford to be very patient. But I am interested in hearing more from Chairman Greenspan today about the inflationary pressures we face.

Concerns about a blip in inflation shouldn't distract us from the critical task of putting people back to work and keeping the economy growing. I hope, Chairman Greenspan, that you will be able to reassure us that the Fed is committed to getting the economy back to full employment as quickly as possible, and avoiding the danger of fighting phantom inflation.

Job growth has only recently shown some signs of recovery and wage growth has been stagnant. Although the recession officially ended nearly 2½ years ago, we still have a payroll employment gap of 1.8 million jobs since President Bush took office. We haven't seen such persistent job loss since the 1930s.

Leading forecasters, including the Federal Reserve, expect the economy to post solid economic growth this year, with inflation remaining relatively low. However, that growth is not expected to be enough to substantially reduce the unemployment rate. The unemployment rate edged up slightly to 5.7 percent in March – more than 8 million Americans remain unemployed, with 2 million out of work for 6 months or more. While 308,000 payrolls jobs were created last month, this was the first significant job gain of the entire Bush presidency.

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We are still in a deep hole and we can't really talk about a jobs recovery until we see robust job creation for several months. In the meantime, Congress can do something now to help the long-term unemployed. Even though jobs grew last month, long-term unemployment rose again. An extension of unemployment benefits has gained support from bipartisan majorities in both houses of Congress. Chairman Greenspan, you testified again last month that you support such an extension, as you have in the past, "in times like this."

But House Republicans have thwarted efforts by Democrats to help nearly three million unemployed workers and their families avoid financial ruin by extending temporary federal jobless benefits for the next six months and retroactively for the past three months. The Republican leadership has made this the 'do-nothing for unemployed workers' Congress. The long-term jobless deserve additional unemployment benefits now – the President and the Republican-controlled Congress should just do it.

I look forward to Chairman Greenspan's testimony today.

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