

Statement on Federal Reserve Rate Cut

October 31, 2007

For immediate release

Washington, DC - Congressman Ron Paul, ranking member of the Subcommittee on Domestic and International Monetary Policy (DIMP), and a nationally recognized expert on monetary policy, issued the following statement regarding the Federal Reserve's decision to again lower interest rates:

“ America ’s economic difficulties, especially the problems in the housing market, are the direct result of the Federal Reserve's inflationary policies. In the past year, we have seen MZM grow by 12%, yet the Fed continues to inflate the money supply. While prices for gold, oil, and staple commodities continue to rise, the purchasing power of the dollar for all Americans continues to fall. Inflationary monetary policies created the problems in the economy we are seeing, and these problems will be made worse, not better, by more inflation. Today's action by the Fed is very bad news for American workers and retirees who are about to get hit with yet another jump in prices.

Make no mistake, the problems faced by the American people are not caused by unscrupulous mortgage brokers or the rising price of oil. These are symptoms of an economic disease caused by a spendthrift Congress enabled by loose monetary policy. Too many pundits praise the weak dollar as benefiting exporters, but they fail to see the harm done to thrifty, hard-working Americans. Rather than continuing to pursue a policy of easy credit and increasing debt, we need to return to a sound monetary system.”