

September 18, 2012

WASHINGTON, DC - Congressman Ron Paul, Chairman of the Domestic Monetary Policy and Technology Subcommittee, announced today that the subcommittee will hold a hearing to examine the effects of the Federal Reserve's interest rate policy on the American people.

"The Federal Reserve is relentless in pursuing a policy of zero interest rates, as manifest by their decision last week to engage in another round of quantitative easing and keep the federal funds rate at zero for another three years. The Fed is intent on ignoring that their policy of low interest rates in the past brought us the financial crisis of 2008 and their zero interest rate policy of today is prolonging the agony while sowing the seeds for a much larger crash in future," stated Chairman Paul. "Their manipulation of interest rates – essentially price setting – can only ever have destructive effects on the American economy. Artificially low interest rates continue to cause malinvestment and misallocation of resources throughout the economy. Savers and investors suffer from negative real interest rates, while the federal government takes advantage of the Fed's zero interest rate policy to run up gargantuan fiscal deficits. These problems cannot and will not be remedied until the Fed stops manipulating the price of money."

The hearing, entitled "The Price of Money: Consequences of the Federal Reserve's Zero Interest Rate Policy," will be held on Friday, September 21st, at 9:30 a.m. in room 2128 of the Rayburn House Office Building.

Witnesses scheduled to testify:

- James Grant, Editor, Grant's Interest Rate Observer

- Lewis E. Lehrman, Senior Partner, L.E. Lehrman & Co

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