



## Chairman Ron Paul to Tackle the Fed and Jobs

According to a press release for February 2, Domestic Monetary Policy and Technology Subcommittee Chairman Ron Paul has announced the first subcommittee hearing for the 112th Congress to take place on Wednesday, February 9 and will focus on the consequences of the Federal Reserve's policies on job creation. In his statement, Subcommittee Chairman Paul announced:



I'm very pleased to hold our first subcommittee hearing in the new Congress on a topic that could not be more critical, namely unemployment. Despite enormous amounts of monetary and credit expansion by the Federal Reserve in recent years, the nation's unemployment picture remains bleak. While many focus on the impact of fiscal policies on employment, the effect of monetary policy often goes unexamined.

In my view we are now experiencing the bust that inevitably results from the misallocation of capital and human resources in a period of artificially cheap credit. It is important to understand the Federal Reserve's role in creating today's unemployment crisis, while also highlighting that high unemployment and low economic growth can persist even in the face of tremendous monetary inflation.

As Chairman, Rep. Paul will have the opportunity to steer the subcommittee to further investigate the full magnitude of the Federal Reserve's role in the nation's current high unemployment.

As of December 2010 the nation's rate of unemployment was recorded at 9.4 percent, according to the U.S. Bureau of Labor Statistics.

That unemployment rate is even higher, possibly at 17 percent, when considering the full number of discouraged workers and people working part-time jobs due to a lack of desired full-time employment.

Jobs remain elusive to many as the Federal Reserve continues to promote the same artificial inflationary monetary policies that ultimately resulted in the nation's high unemployment rate.

The solution, Paul contends, lies in liquidation.

"You won't have real growth until you liquidate all the malinvestment and all the bad debt. Everything we've done over the last two years is to prop up bad debt, bad investments and therefore real growth I don't think will come very soon," said Paul in an [interview with FOX Business](#).

A preview of the issues or points that Chairman Paul might address on Wednesday may lie in an article



Written by [Christian Gomez](#) on February 3, 2011

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he wrote, entitled "[The Fed and Job Creation](#)," in which he criticizes the Fed for pumping "up employment in the housing industry with artificially low interest rates that created an unsustainable demand for housing." Further elaborating, "Millions jumped into this sector when the money was loose and the bubble inflating."

Although no witnesses have yet been named, they will likely be from the Federal Reserve and will no doubt be asked about the decisions made to artificially lower the nation's interest rates.

Other questions are likely to deal with the irresponsible practices of mass currency creation and whether or not the possible ramifications of such policies were ever analyzed in advance.

If the tough questions posed by Rep. Paul to Fed Chairman Ben Bernanke in past subcommittee hearings are any indication of what to expect, then it is likely that Mr. Bernanke will be breaking out in even colder sweats than before.

Mr. Bernanke and or whomever else the subcommittee calls to testify in front of the subcommittee may be asked to bring in relevant documentation, which may reveal any secretive or central planned poor choices made by the Fed leading up to the economic recession resulting in massive job loss and layoffs.

"Jobs," Ron Paul says, "are properly created by entrepreneurs who are willing to work hard and take calculated risks."

By artificially lowering the Federal Funds Rate too low in November 2001, in the wake of 9/11, and continuing to lower the interest rates even amidst the burst of the housing bubble, banks were highly incentivized and pushed to give out loans they would not have given out under normal circumstances.

Federal Reserve policies restricted banks from freely making the decisions and risks that they felt could have been best and to the benefit of their investments.

It is as a result of the Fed that "economic growth has been chilled while unemployment skyrockets," Paul said.

"The Fed," Paul says, "needs to stay out of the job creating business altogether and the federal government needs to focus on its constitutional duties."

Paul took his first stab at the Federal Reserve this year when he and his son, Senator Rand Paul (R-Ky.), [introduced legislation to "Audit the Fed."](#)

Ron Paul is also the author of *The New York Times*' # 1 bestselling book, [End the Fed](#), which he will be signing on Friday, February 11 at 4:30 p.m. at the Campaign for Liberty booth at CPAC.

This time as Ron Paul is signing copies of his books at CPAC, he will do so with the satisfaction of knowing that his message has gotten across far enough for him to be named chairman of the Subcommittee on Domestic Monetary Policy and Technology and one step closer toward ending the Fed.



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