

Friday, November 12, 2010

GOP to take aim at Bernanke

With new power in Congress, the GOP is looking toward making change is fiscal reform. Namely -- the Federal Reserve and its chairman, Ben Bernanke. David Gura reports on what could be ahead.



Federal Reserve Bank Chairman Ben Bernanke (Chip Somodevilla/Getty Images)

TEXT OF STORY

STEVE CHIOTAKIS: The Federal Reserve today starts its latest round of buying up Treasury bonds. Over the coming months, the Fed will invest \$600 billion buying U.S. and corporate debt. Many on Capitol Hill, particularly newly reinvigorated Republicans, plan to grill Fed chief Ben Bernanke about the move. They worry the Federal Reserve might be a wee-bit too independent.

Marketplace's David Gura reports.

DAVID GURA: Some Republicans don't think that the Fed pumping more money into the U.S. Economy is a good idea. Sarah Palin says Fed Chairman Ben Bernanke should "cease and desist." And some criticize the Fed itself. Congressman Ron Paul is next in line to chair the subcommittee that oversees monetary policy.

JERRY O'DRISCOLL: He's going to torture Bernanke.

Jerry O'Driscoll is a fellow at the CATO Institute. Congress tortures with hearings, he says. But Ron Paul says the real torture is the threat of inflation and a devalued dollar if the Fed just keeps printing money. And so Bernanke should answer questions about his policies.

RON PAUL: He's going to be tortured by current events, he's gonna be tortured by the economy. He's going to be tortured by the fact that his policies are failed.

Economist Allan Meltzer says the problem is the Fed doesn't have an overseer.

ALLAN MELTZER: I don't think that's a good arrangement, and I don't think it's one that the public, if they understood it, would want.

And that's the real issue. Americans don't understand what the Fed really does, or the consequences. Next year, with a Congress, they may get the chance to learn a whole lot more.

In Washington, I'm David Gura for Marketplace.

[Recommend](#)

Be the first of your friends to recommend this.

COMMENTS

[Comment](#) | [Refresh](#)

Post a Comment: Please be civil, brief and relevant.

Email addresses are never displayed, but they are required to confirm your comments. All comments are moderated. Marketplace reserves the right to edit any comments on this site and to read them on the air if they are extra-interesting. Please read the [Comment Guidelines](#) before posting.

* indicates required field

First Name *

Last Name *

E-mail *

City

State

Comments *

May we contact you about future stories? *

Yes No

You must be 13 or over to submit information to American Public Media. The information entered into this form will not be used to send unsolicited email and will not be sold to a third party. For more information see [Terms and Conditions](#) and [Privacy Policy](#).

© 2010 | [Terms and Conditions](#) | [Privacy Policy](#)

PROGRAMS

[American RadioWorks](#)
[American Routes](#)
[Being](#)
[Composers Datebook](#)
[Marketplace](#)
[Marketplace Money](#)

[Marketplace Morning Report](#)
[Marketplace Tech Report](#)
[Performance Today](#)
[Pipedreams](#)
[A Prairie Home Companion](#)

[Saint Paul Sunday](#)
[The Splendid Table](#)
[The Story](#)
[SymphonyCast](#)
[The Writer's Almanac](#)
[More...](#)

SUPPORT AMERICAN PUBLIC MEDIA

American Public Media's online services are supported by users like you. [Contribute now...](#)

MORE FROM AMERICAN PUBLIC MEDIA

[APM Podcasts/RSS Feeds](#)
[APM Newsletters](#)
[iTunes U](#)
[Public Radio Tuner](#)
[APM Careers](#)
[About APM](#)