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JOHN BARRASSO, M.D.
CHAIRMAN, SENATE REPUBLICAN POLICY COMMITTEE

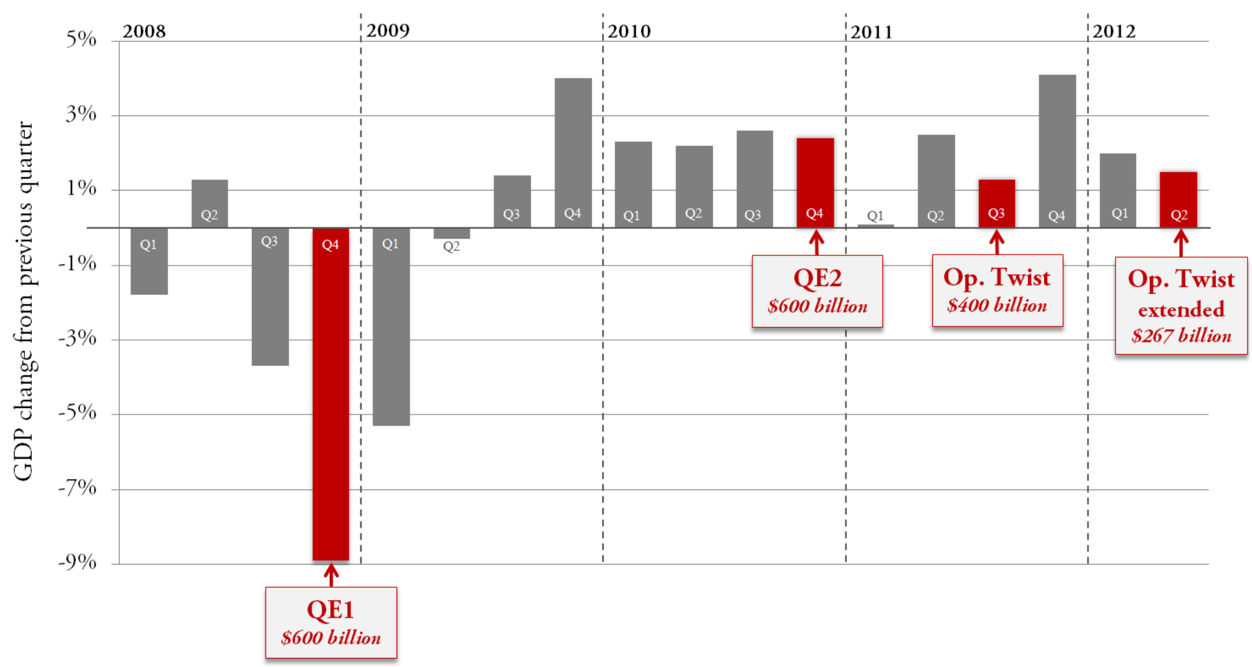
August 1, 2012

Ending Obama's Fiscal Policies Is Better than the Fed's Monetary Policy Fixes

Today the Federal Reserve's Federal Open Market Committee announced that it will continue its current monetary policy of "Operation Twist" and keep the federal funds rate at an exceptionally low level through late 2014. Since 2008, there have been four major Fed policies that have attempted to spur the economy with little success:

- **QE1** – $600 billion of quantitative easing announced in November 2008.
- **QE2** – Another $600 billion of easing announced in September 2010.
- **Operation Twist** – Switching $400 billion of Treasury holdings from short-term bonds to long-term bonds announced in September 2011.
- **Operation Twist extension** – An extension of Operation Twist was announced in June 2012 at approximately $267 billion.

Fed's Past Moves Have Not Jumpstarted Economy



The previous four major announcements from the Fed since the economic crisis began have not resulted in robust economic growth. At best, QE1 may have had a positive impact, but GDP did not grow again until the third quarter after the announcement.

Obama's Destructive Policies Hurt More Than the Fed Helps

Since monetary policy options are near exhausted and have not led to economic recovery, fiscal policy is the best and only real option. Instead of allowing the private sector to flourish, President Obama has put up roadblocks to private sector growth at every opportunity. Excessive regulations, high government spending and debt, policy uncertainty, and the threat of tax hikes have all worked to hurt the private sector.

Instead of looking to the Fed to turn around the economy, President Obama and Democrats should stop policies that have created a poor environment for job creation and growth.