UB as for his long list of accomplishments. He was known as the quintessential university citizen and he cherished his role as professor and mentor.

Madam Speaker, I offer my deepest condolences to Bill's family. My thoughts are with them, and I share their grief of this wonderful man I am honored to have called a dear friend. His loss is felt by the many lives he touched in the Buffalo community.

IN RECOGNITION OF FRANCIS BRILLHART

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, January 15, 2010

Mr. SKELTON. Madam Speaker, let me take this means to recognize Francis Brillhart, a businessman, volunteer, and mayor who has served the community of Holden, Missouri for over 43 years. On January 3, 2010, Mr. Brillhart celebrated his 75th birthday.

Francis Brillhart has owned and operated Brillhart Music for the past 4 decades. In that time, he has donated or provided at reduced cost audio equipment and sound systems to local churches, nonprofits, and service organizations throughout the community. Though his work with this Holden staple consumed much of his time, Mr. Brillhart's true passion was serving others.

Serving on the Johnson County Real Estate Board, Emergency Management Board, and the Community Health Board, Mr. Brillhart worked diligently so that his fellow citizens could lead better, safer, and more comfortable lives.

The hallmark of his lifetime of service has been the 11½ years he served as Mayor of Holden. During that time, Mr. Brillhart ensured that government worked for the people he represented. With his family, friends, and neighbors in mind, he made tough decisions that benefited all. He left big shoes to fill in Holden's City Hall, and he will not soon be forgotten.

Madam Speaker, I trust that my fellow Members of the House will join me in wishing a very happy birthday to Francis Brillhart, a man who has bettered the lives of countless residents of Holden, Missouri.

H.R. 4173, "THE WALL STREET REFORM AND CONSUMER PROTECTION ACT OF 2009"

HON. MELVIN L. WATT

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 15, 2010

Mr. WATT. Madam Speaker, I would like to submit the following information on H.R. 4173:

[From the Washington Post, Dec. 19, 2009]

THE HOUSE OF REPRESENTATIVE'S REFORM PACKAGE HURTS THE FED'S INDEPENDENCE

The House of Representatives has passed a comprehensive financial regulatory reform package. It creates a consumer protection agency for financial services and establishes a mechanism for resolving failed, systemically important institutions. Agree or disagree with the particulars, there is no disputing the bill's significance. Certainly President Obama has made reform one of his top priorities. The Senate, of course, has yet to weigh in, and it will probably be months before Mr. Obama has legislation on his desk. Yet if the House bill did come to him, he should veto it, for one reason: Whatever good it might do would be canceled out by the inclusion of Texas Republican Ron Paul's proposal to subject the Federal Reserve's monetary policymaking to regular audits by the Government Accountability Office, an arm of Congress.

Supporters suggest that the measure would merely provide "transparency" for a secretive, powerful institution. But for all its wide, bipartisan backing, this is anything but a prudent or centrist law. In fact, it is an attack—born of crisis and the attendant emotions—on the political independence the central bank must have to do its job.

The case for political independence at the Fed is elementary. Elected officials, such as members of Congress, are inherently loath to tighten the supply of money available to their constituents, even when that might be necessary to fight inflation. U.S. experience, and that of countries around the world, confirms this, which is why Congress exempted the Fed's money-supply decisions from GAO scrutiny in a 1978 law. Mr. Paul's proposal would effectively repeal that. Investors already spend enough energy and money trying to figure out where interest rates are heading without this additional dose of permanent uncertainty. Trust in the Fed, and, by extension, the dollar, will evaporate if markets believe that the Fed is courting the approval of Congress's auditors.

Mr. Paul doesn't care; he's an "end the Fed" man. In the past, other members of Congress have basically just humored him. It's a sign of the times—and not a good one—that they have been Fed-bashed into following him now. To be sure, the Fed may have been lax as a bank regulator. Monetary policy under former chairman Alan Greenspan was, in hindsight, too loose. Both failures contributed to the current crisis—during which the Fed has ventured into new and unorthodox areas to stave off depression, thus unavoidably politicizing itself. Under Chairman Ben S. Bernanke, the central bank has corrected some regulatory errors. It is aware of the politicization risk posed by its current monetary policies and seemingly is eager to undo them as soon as it safely can. This week, the Fed announced that it will phase out special lending programs for money market mutual funds, short-term corporate lending and investment banks by Feb. 1.

Mr. Paul's cure is worse than the Fed's ills, real or alleged. The central bank is already more transparent than the Fed-bashers let on: It produces an annual report; the chairman testifies before Congress; it releases, with some delay, the minutes of its policy meetings. We hope cooler heads prevail in the Senate, though a similar measure has 31 co-sponsors there. If not, Mr. Obama will have to get out his veto pen. In fact, it might save everyone a lot of trouble if he made that intention clear right away.

View all comments that have been posted about the article.

OPEN LETTER TO CONGRESS AND THE EXECUTIVE BRANCH

Representatives Ron Paul and Alan Grayson have put forward an amendment, under the banner of increasing the Federal Reserve's transparency and accountability, to subject the Fed's monetary policy and discount-lending actions to an audit by the Government Accounting Office (GAO). This amendment, which has just been voted out of the House Financial Services Committee, is an attempt to undermine the Fed's independence which will worsen economic policy and macroeconomic outcomes, particularly on inflation.

Economic theory and a massive body of empirical evidence provide strong support for the independence of central banks in their conduct of monetary policy. Subjecting central banks to short-run political pressure impairs the credibility of their commitment to maintaining low and stable inflation, with an outcome of higher and more volatile inflation, interest rates, and unemployment. This has happened over and over again in the past, not only in the United States but in many other countries throughout the world.

The Fed's independence gives it credibility in fighting inflation which stabilizes inflation expectations. During this crisis this credibility allowed the Fed to take extraordinary action to prevent the recent financial market disruption from causing a possible depression without triggering inflation. Eventually the Fed will have to scale back its unprecedented monetary accommodation. When the Fed seeks to begin tightening monetary conditions, it must be allowed to do so without political interference. Weakening of the Fed's independence now might raise inflation risk, which would cause borrowing costs to rise and would lower prospects for a strong economic recovery.

We believe that the Paul/Grayson amendment will substantially weaken the Federal Reserve's independence and will do serious harm to the economy, particularly at this critical juncture. We recommend that it not be adopted in any Congressional legislation.

Ricardo Caballero, Massachusetts Institute of Technology; Kenneth French, Dartmouth College; Robert Hall, Stanford University; Anil Kashyap, University of Chicago Booth School of Business; Pete Klenow, Stanford University; Frederic Mishkin, Columbia University; Thomas Sargent, New York University; Michael Woodford, Columbia University; Andrew Abel, Wharton School of the University of Pennsylvania; Daron Acemoglu, MIT; Viral Acharya, New York University Stern School of Business; Stefania Albanesi, Columbia University; Laurence Ales, Carnegie Mellon University; Alberto Alesina, Harvard University; Robert M Anderson, UC Berkeley; Kathryn Anderson, Vanderbilt University; Boragan Aruoba; University of Maryland; Paul Asquith, Massachusetts Institute of Technology; Jeremy Atack, Vanderbilt University; Alan Auerbach, University of California, Berkeley.

Costas Azariadis, Washington University in St. Louis; David Backus, NYU; Martin Baily, The Brookings Institution; Brad Barber, UC Davis; David Bate, University of Iowa; William Baumol, New York University; Charles Becker, Duke University; David Beim, Finance and Economics, Columbia Business School; Geert Bekaert, Columbia University; Ola Bengtsson, University of Illinois; Dan Bernhardt, University of Illinois; Jagdish Bhagwati, University Professor, Columbia University; Alan Blinder, Princeton University; Nick Bloom, Stanford; Patrick Bolton, Columbia University; George Borts, Brown University; Phillip Braun, University of Chicago; Bruce Brown, Cal State Polytechnic Univ. Pomona; Clair Brown, University of California, Berkeley; Gardner Brown, University of Washington.

Stephen Buckles, Vanderbilt University; Eric Budish, University of Chicago Booth School of Business; Francisco Buera, University of California at Los Angeles; Jeremy Bulow, Stanford Business School; Craig Burnside, Duke University; John Campbell, Harvard University; Miltiades Chacholiades, Georgia State University; Joseph Chen, University of California, Davis; Yu-chin Chen,