

Senate Committee on Banking, Housing, and Urban Affairs
Senator Michael F. Bennet
Vote on the Confirmation of Ben Bernanke
Thursday, December 17, 2009 – 9:30 A.M.; Dirksen 538

Thank you, Mr. Chairman.

I believe that the Federal Reserve failed to protect the American people in the years leading up to the current crisis. Many of these failures occurred during Dr. Bernanke's tenure as chairman.

Most significantly, the Fed lacked the foresight to see the dangerous trends that were developing on Wall Street and in our mortgage markets. The Fed's ability to spot broader trends in our economy is the very essence of its job. If the Fed had better foresight, it would have been in a stronger position to constrain the predictable and unchecked excesses on Wall Street. These lapses in oversight helped wreck our economy and forced American taxpayers to clean up the mess. In addition, the Fed did not act to protect consumers from the foreclosure crisis, which has wreaked havoc in too many of our communities. These are serious lapses that have caused me to struggle with Chairman Bernanke's nomination.

But, in the last year, the Chairman has worked hard to prevent the mess on Wall Street from triggering an outright Depression. While I don't agree with everything that Chairman Bernanke has done to address the economic crisis, I believe that his judgment and temperament helped us through this difficult period. Given the extent and the complexity of the economic crisis, I think few people would agree with every single step that the government took.

We nonetheless have a long way to go before our economy truly recovers. For example, we need to do more to promote small business lending. During the Chairman's confirmation hearings, I challenged him to show evidence of the Fed's actions on this front. In the coming weeks and months, I will continue to push the Federal Reserve to ensure that our recovery extends to Main Street. We've all learned the hard way that rescuing large banks—by itself—will not create long-term economic growth.

With all of this in mind, I intend to support President Obama's nomination of Chairman Bernanke for a second term. Moving forward, however, all of us must be mindful that for the benefit of the American people and the people of my state, we must enact economic policies that support hard work, investment, and prudence, and not, as we've seen in the last decade, encourage corner cutting, short-sighted greed, and irresponsible debt. In many ways, it's just that simple.

Thank you Mr. Chairman.