

Johnson Statement on European Debt Crisis Hearing

WASHINGTON – Today, Senate Banking Committee Chairman Tim Johnson (D-SD) held a hearing on the European debt crisis. The Committee heard an update on the ongoing situation in Europe from officials from the Treasury Department, State Department, and Federal Reserve. The Committee discussed the potential impact of developments in Europe on the U.S. economy and global financial markets.

Below is Chairman Johnson's statement as prepared for delivery:

“Today we discuss an important and timely issue: the European Debt Crisis. As we speak, events are unfolding that will determine the future of Greece, its neighbors, and the European monetary union.

“As our largest trading partner and a vital strategic partner, events within the European Union also have an impact on the United States.

“While I hope that the situation in Greece can be resolved in an orderly way, many nations across Europe including Greece will continue to face difficult and unique economic conditions and will have to make tough decisions.

“Today we will hear from the Treasury Department, the State Department, and the Federal Reserve. Keeping the momentum going in our economic recovery is important to me and my constituents. I ask that these three agencies continue to monitor the situation in Europe closely to ensure that any potential spillover effects in the U.S. are minimized.

“I look forward to hearing an update on the situation in Greece, the impact of a possible agreement on Greece's fiscal situation, and Greece's future in the Eurozone.

“Second, in some European countries we have seen resistance and upheaval in reaction to the debt crisis that could present obstacles for recovery. I would like your analysis of how the debt crisis is impacting the broader political situation in Europe.

“Third, I would like to learn more about efforts to recapitalize European banks, the exposure the U.S. financial system may have to the ongoing turmoil in Europe, and the strength of our banks to withstand any potential external shocks.

“Last, the I.M.F. will continue to play a role in helping to find a solution for what's happening in Europe. I would appreciate your evaluation of the I.M.F.'s role in dealing with the debt crisis in Europe, and how the U.S. has interacted with the Fund.

“This hearing is an important part of this Committee's continued oversight efforts. Because of the Wall Street Reform Act and other actions by the U.S. financial regulators, I believe that we are better equipped today to deal with any potential fallout from the Eurozone's debt issues. I thank our witnesses for being here today, and appreciate the updates you can provide us on the situation in Europe.”

