



Dear Janet Yellen: Keep Fighting for Jobs

The new Fed chair should champion pro-employment policies in the face of an intransigent GOP.

By John Conyers and Frederica Wilson March 17, 2014 | 8:00 a.m. EDT

Half a decade after the financial crisis, the Great Recession is still alive and kicking. Thirty million Americans are unemployed or underemployed, and there's still only one job opening for every three applicants. All this joblessness has put downward pressure on everyone's wages and reversed years of progress in fighting poverty.

Our government has a moral obligation to end this crisis. As co-founders of the Congressional Full Employment Caucus, we've put forth legislation to make needed investments in infrastructure, job training, education and local and state public services to get everyone working, earning a salary and contributing to the tax base.

But House leaders refuse to act. By instead pursuing reckless job-killing budget cuts and dangerous and ineffective deregulation, Congressional Republicans keep making matters worse.

That's why we just submitted a letter -- signed by 21 members of Congress -- to the new chairwoman of the Federal Reserve, Janet Yellen, with a simple message: When Congress fails to help the unemployed, you must help carry the mantle. Chairwoman Yellen has a long history of standing up for working people and a powerful arsenal of economic policies to fight unemployment.

The Fed has a mandate dating back to the Employment Act of 1946 to pursue the goals of "maximum employment, production and purchasing power." As the Humphrey-Hawkins Full Employment and Balanced Growth Act further clarified in 1978, the Fed is supposed to actively set maximum employment targets and use all its policy levers to achieve a full employment society.

Since the start of the Great Recession, Yellen and her predecessor Ben Bernanke have taken this mandate seriously, pursuing a policy known as quantitative easing to

purchase mortgage-backed securities, Treasury bills and other kinds of bonds to lower interest rates and accelerate job creation and economic growth. The Fed, in short, is not only using its most effective tool to fight for jobs; it's quite simply the only powerful economic player in Washington that's doing what it can to solve the unemployment crisis.

Still, Yellen and her colleagues are facing serious pressure to stop quantitative easing and other pro-employment policies. Some conservatives see such easing as excessive government interference or a potential cause of inflation, even though inflation remains extremely low. Texas Gov. Rick Perry went so far as calling the Fed's policies "treason" during an Iowa stop on the 2012 primary campaign trail.

If conservatives truly believe that Fed actions amount to "treason," we have some good news for them. Republicans can end any disagreeable Fed policies any time. All they have to do is pass a serious jobs bill in Congress.

As prominent Republican economist Martin Feldstein argued in the New York Times recently, the Fed would be free to end its quantitative easing if Congress enacted a serious jobs agenda. There's no shortage of fiscally responsible legislative options to create jobs. The Congressional Progressive Caucus's "Better Off Budget," released this week, would, for instance, create an estimated 8.8 million jobs while reducing deficits by more than \$4 trillion over 10 years. From state infrastructure banks to training programs for the long-term unemployed, there are plenty of ways to reduce unemployment without betraying conservative principles.

We are so pleased that President Obama selected a pro-employment champion -- Janet Yellen -- to lead the Federal Reserve. While we know we can count on her to continue strong monetary policies to promote job creation, we ultimately hope we can eliminate the need for her help. In 2014, we'll redouble our efforts to get Congress to come to its senses and pass a serious jobs agenda.