

February 17, 2005

Opening Statement by Congressman Paul E. Gillmor
House Financial Services Committee
Full Committee Hearing to Receive the Testimony of the Chairman of the Federal Reserve Board of Governors on Monetary Policy and the State of the Economy

Thank you, Mr. Chairman, for holding this important hearing and thank you, Chairman Greenspan, for coming before us this morning to present your report on the current state of our economy.

When we heard testimony from Chairman Greenspan one year ago our discussions centered on the problems of a recovering economy, however, today it is a welcome change to be focused on the future of a nearly recovered economy.

Under Chairman Greenspan's distinguished stewardship our economic expansion has continued and current forecasts predict continued growth and stability with expected Gross Domestic Product (GDP) growth for 2005 around 3.5 percent and for 2006 about 3.4 percent. Inflation, is also expected to be approximately 2.5 percent this year, and 2.2 percent in 2006.

In the first month of 2005 alone, 146,000 new jobs were created with a total of over 2.7 million new jobs created in our economy since May 2003. Our national unemployment rate has also been reduced to 5.2%, the lowest rate since September of 2001. Since the national peak in June 2003, unemployment rates have fallen across all levels of education, race, and age.

Chairman Greenspan, in addition to your report this morning on the state of our economy and monetary policy, I would welcome any further comments you can share on the impending crisis we face if reforms are not made to our current Social Security system.

Again, thank you Mr. Chairman for coming before us this morning. I look forward to an informative session.