

MEMORANDUM

To: Members of the Committee on Financial Services

From: FSC Majority Staff

Date: July 12, 2017

Subject: July 20, 2017, Monetary Policy and Trade Subcommittee Hearing titled “Monetary Policy v. Fiscal Policy: Risks to Price Stability and the Economy”

The Subcommittee on Monetary Policy and Trade will hold a hearing on “Monetary Policy v. Fiscal Policy: Risks to Price Stability and the Economy” at 9:30 a.m. on Thursday, July 20, 2017, in Room 2128 of the Rayburn House Office Building. This will be a one-panel hearing and will include the following witnesses:

- Dr. George Selgin, Senior Fellow and Director of the Center for Monetary and Financial Alternatives at the Cato Institute
- Dr. Mickey Levy, Chief Economist for Americas and Asia at Berenberg Capital Markets, LLC
- Dr. Jared Bernstein, Senior Fellow for the Center on Budget and Policy Priorities
- Dr. Eric M. Leeper, Economics Professor at Indiana University Bloomington

This hearing will examine the impact that U.S. fiscal policy has on the monetary policy decisions made by the Federal Open Market Committee (FOMC) at the Federal Reserve. It will also examine whether past FOMC actions constitute fiscal rather than monetary policy. Finally, this hearing will evaluate the potential risks posed to price stability and the economy when fiscal policy drives monetary policy and central banks engage in fiscal policy instead of monetary policy.