Statement from Democratic Nominee for Congress Michael A. Chiaradio on Federal Reserve Chairman Kevin Warsh's Inaugural Keynote Address at Jackson Hole

Federal Reserve Chairman Kevin Warsh used his remarks at Jackson Hole last week to outline several principles that he believes should guide monetary policy.

I believe politicians should not involve themselves in the business of our central bank. However, Chairman Warsh directly addressed some of the more important economic questions facing our country and, to the extent that they intersect with my policy platform, I believe my comments are appropriate.

First, Chairman Warsh discussed the possibility that artificial intelligence could drive increases in productivity. I believe that is possible but to maximize the economic potential of our country Congress cannot simply take a hands-off approach.

Monetary policy must be accompanied by fiscal policy that seeks to expand our productive capacity and that is the central purpose of the policy platform I will work to enact in Congress.

If elected, I would immediately begin working to invest in our energy grid, water systems, transportation infrastructure, healthcare delivery capacity, schools, and small businesses.

I also believe, as Chairman Warsh mentioned, we must pay attention to who owns the capital created during this period of change. More Americans must meaningfully participate in the ownership of newly formed capital if we are going to have a sustainable economy.

That is why I have proposed that when taxpayer money is invested directly into private, revenue-producing projects, the United States government should receive securitized financial interests in return. Over time, those assets can be distributed to the American public through optional programs that will help expand capital ownership.

I was also glad to hear Chairman Warsh reaffirm the Federal Reserve's commitment to the 2% inflation target but it is important to remember that, even at the Fed's target, the purchasing power of the dollar will gradually decline over time.

Our currency functions well as a medium of exchange but simply accumulating dollars is not the best measure of economic security. Ultimately, what makes us secure is our ability to consistently and predictably command resources.

Productive assets can preserve and expand that ability even as the purchasing power of our currency erodes.

Monetary policy alone will never maximize our country's potential. Congress must make the investments necessary to expand productive capacity while helping ensure that more Americans own a meaningful share of what we build.

Sincerely,

Michael A. Chiaradio
Democratic Nominee for Congress, MS-03