Congress of the United States

Washington, DC 20515

November 17, 2010

The Honorable Ben S. Bernanke Chairman Board of Governors of the Federal Reserve System 20th Street and Constitution Avenue, NW Washington, D.C. 20551

Dear Chairman Bernanke:

We firmly believe that monetary policy decisions by the U.S. Federal Reserve must be free and independent from political pressures. At the same time, the Federal Reserve should be open to receiving input and data from a wide range of sources. This combination preserves confidence in the credibility and effectiveness of decisions made by the Federal Reserve.

It is with that understanding that we write to express our deep concerns over the recent announcement that the Federal Reserve will purchase additional U.S. Treasury bonds, the so-called Quantitative Easing 2 (QE2). While intended to improve the short-term growth of the U.S. economy and help maintain a stable price level, such a measure introduces significant uncertainty regarding the future strength of the dollar and could result both in hard-to-control, long-term inflation and potentially generate artificial asset bubbles that could cause further economic disruptions.

The Federal Reserve's recent move has also generated increased criticism and action from other central banks and governments. We appreciate that such comments must be examined within the context of which they have been offered. However, any action taken by our nation or foreign nations that impairs U.S. trade relations at a time when we should be fighting global trade protection measures will only further harm the global economy and could delay recovery in the United States.

Perhaps most damaging, we believe that QE2 is giving the impression that the Federal Reserve will keep making new and different attempts to boost the short-term prospects for the economy. Our long-term growth depends on restoring confidence and certainty in our fiscal, regulatory, and trade policies -- and not on government's willingness to engage in additional stimulative measures. When asset prices increase due to anticipated Federal Reserve policy rather than economic fundamentals, it increases the potential for speculative action and erodes confidence in the economic outlook, making it more difficult to generate sustainable growth.

We hope you and the other Board Members will keep these concerns in mind as you review and discuss these issues in the coming months.

Sincerely,

Mitch McConnell U.S. Senator

Jon Kyl

U.S. Senator

John Boehner Member of Congres

Eric Canto

Member of Congress