



## Damning With Faint Praise Or One Is One; Two May Be Impossible to Do 6/1/2022

The President recently reappointed Powell and the Senate just confirmed him. For the White House to go out of their way to say they support him when no one was asking raises a red flag with me. It's a form of damning with faint praise.

The members of the Federal Reserve, led by Powell and the President, have said that the number one issue facing the U.S. economy was **inflation**. And the President has said that inflation is the job of the FED.

If the President believes this to be true, then why did Janet Yellen, who had just come out of a meeting with the President and Chairman Powell, immediately go on CNBC and give an interview? She clearly was speaking for the President when she reiterated that the Federal Reserve has a dual mandate: inflation and full employment. We all know that. She went out of her way to emphasize the full employment component. They won't be able to have their cake and eat it too.

Powell has suggested that they may have to push rates beyond neutral. Meaning that they need to bring the economy down and employment with it. The only saving grace here is that no one has fully defined what full employment is. Is it NAIRU (non-accelerating inflation rate of unemployment) or something else? Please tell us in advance or it won't happen.