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[Bernanke: Yes To Social Security Cuts, No To New Jobs Bill UPDATE: DeMint Will Hold](#)

By: [David Dayen](#) Thursday December 3, 2009 1:52 pm

Ben Bernanke let his slip show at multiple points during his confirmation hearing today. First, as [Ryan Grim](#) reports, he echoed bank robber Willie Sutton in targeting nothing less than Social Security:

In testimony before the Senate Banking Committee today, where he's seeking re-appointment as the Fed's chairman, Bernanke called for cutbacks in Medicare and Social Security even as unemployment rises and the middle class is endangered.

Sen. Bob Bennett (R-Utah) sympathized with Bernanke, saying that, because of entitlement spending, "you're going to be looking at a situation where the Congress will be unable to provide any kind of fiscal discipline because of the mandatory spending. That puts an enormous burden on your plate."

"Well, Senator, I was about to address entitlements," Bernanke replied. "I think you can't tackle the problem in the medium term without doing something about getting entitlements under control and reducing the costs, particularly of health care."

Bernanke reminded Congress that it has the power to repeal Social Security and Medicare.

"It's only mandatory until Congress says it's not mandatory. And we have no option but to address those costs at some point or else we will have an unsustainable situation," said Bernanke [...]

Sen. Jack Reed (D-R.I.) followed Bennett and pointed out that "there's only really two ways you can deflect this deficit, and that's either by cutting expenditures or raising income taxes or other forms of taxes."

Reed asked him if he could think of other ways, but Bernanke returned to entitlement money as the way to balance the budget.

"Willie Sutton robbed banks because that's where the money is, as he put it," Bernanke said. "The money in this case is in entitlements."

Sounds like someone wants to see a [cat food commission](#) in the near future.

Bernanke likes to say that he's not following the lead of his predecessor and getting involved in fiscal policy. But clearly, that's not universal. He's fine with talking about entitlement cuts to Social Security and Medicare. It's when tax increases for the rich or on stock trades come up, that Bernanke demurs and says that Congress writes the laws.

Here's another thing Bernanke [felt compelled to discuss](#) today:

Federal Reserve Chairman Ben Bernanke on Thursday threw cold water on efforts to push a major new fiscal stimulus package.

At his confirmation hearing for a second term as chairman, Bernanke emphasized that the government has spent less than half of the money in the \$787-billion package passed earlier this year and that analysts are still determining its impact.

“Only about 30 percent of the funds have been disbursed,” Bernanke said. “It’s a little bit early to make a strong judgment, a little bit early to decide whether or not to do additional fiscal actions.”

Keep in mind that the Fed has a mandate to maximize employment.

So let’s tally that up. No second stimulus, no jobs bill, no public investment to deal with the worst hiring crisis since the Depression, no relief for a jobless recovery, but yes to cutting people’s meager Social Security benefit and their health care in their old age.

And this is what he’s saying when he WANTS his job back. What will it be if he gets it?

As Bob Corker said in the linked video, “I don’t think that Bernanke’s coming up on the floor that quickly anyway.” I can see why not. The Federal Reserve chair didn’t do himself any favors in the Banking Committee today. I expect resistance to his confirmation, from inside and outside the system, to only grow.

UPDATE: Sen. Jim DeMint [announces through Twitter](#) that he will become the third Senator to place a hold on Bernanke’s confirmation:

I will oppose Bernanke and hold his nomination until we get a vote to audit the Fed.

DeMint joins Jim Bunning and **Bernie Sanders**. The bedfellows, they are strange.

End