

Fed Chairman Jerome Powell testifies on monetary policy before Congress — 14 JULY 2021

Transcription d'un extrait de la séance de questions/réponses : CBDC

(Entre 54'10" et 59'01" de la vidéo YouTube)

<https://www.youtube.com/watch?v=BYcRvKHFBDO>

Stephen Lynch (parlementaire républicain)



I was very pleased to hear in your opening remarks that the Fed plans to open a dialogue with the public and with stakeholders about CBDC and cryptocurrencies generally. I think it is much needed and I am very proud of the fact that the Boston Fed, under the leadership of Eric Rosengren, has been working with the MIT and their cryptocurrency Lab on a digital dollar for the Fed and the US. I am a bit worried about the pace. We see that 86 central banks are already engaged in this. Do we risk sacrificing the primacy and the reserve currency status of the USD? Some argue that slowness in response could do this. Does the dialogue that you envision stretch out the timeline for adopting a digital dollar for the US? Does it delay that considerably?

Jerome Powell (Fed Chairman)



I think the oppsite. It is the beginning, **we are accelerating** the decision process. We have a lot of work left to do on the technical side and on the policy side, but a critical part of it is just the public consultation.

On reserve currency: the USD is the reserve currency. There really is not a good competitor out there because all the things you need to be the reserve currency, really the US has it. We are not in danger of losing it. Certainly not to China, which does not have an open capital account or that kind of thing. It is a kind of status that, as you well know, lasts for many years. So, I am not concerned about that.

What I am really concerned is about **getting it right**: it does carry risks, it does have benefits, it is quite specific to the institutional context of each country and I want to get it right. We are the reserve currency, we have first mover advantage by issue with virtue of that, so I think it is **more important to get it right than to do it fast**.

Stephen Lynch

Let me ask you another question. It is a little bit off-topic, but recently China has taken somewhat hostile action against IPOs being launched in the US. The Chinese government has offered several reasons for wanting these Chinese companies to register in China versus in the US. They have given very various reasons for that, the security of data being one of them. Maybe it is a better question for Mr Gensler, but I was wondering whether you had thoughts on what were the ultimate reasons for China taking that action.

Jerome Powell

I would pass that question to my friend Gary Gensler: it is right over his home plate. I would just say it is important that we have open capital accounts, open capital markets, and global rules that we all abide by. But I do not know how to address that because it is really for the SEC.

Stephen Lynch

Last question (since I have only one minute left). Do you think that swift action on a digital currency for the Fed would have a calming effect on the variety and the number of crypto-currencies and stablecoins that we see coming out? Would not that be a more viable and reliable alternative than having all of these hundreds and maybe thousands of different crypto-currencies emerging?

Jerome Powell

I think it may be the case and it is one of the arguments that are offered in favor of a digital currency, that you would not need stablecoins; you would not need crypto-currencies if you had a digital US currency. I think it is one of the stronger arguments in its favor.

Stephen Lynch

Thank you very much.