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CONGRESSMAN JIM SAXTON

PRESS RELEASE

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GREATER FED TRANSPARENCY SEEN AS MOVEMENT TOWARDS INFLATION TARGETING

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WASHINGTON, D.C. – The Federal Reserve’s first presentation of its inflation projections over a two year time horizon suggests progress in the direction of inflation targeting that is encouraging, incoming Joint Economic Committee Chairman (JEC) Jim Saxton said today.

This morning, the respected *Financial Times* carried a front page article noting the disclosure of a two-year Fed inflation forecast with the headline, “Fed edges towards inflation targeting.” Earlier this month, Saxton reintroduced legislation establishing inflation targeting for monetary policy, H.R. 498, and has also released many JEC studies in support of this idea over the last 7 years.

“As a number of monetary experts have noted, the Fed’s statements, choice of a price measure, and other actions are moving it closer to an explicit inflation targeting framework,” Saxton said. “This gradual approach is appropriate, and would make it relatively easy for the Fed to take the final step of adopting formal inflation targets. I am encouraged by this progress, since the goal of formal inflation targeting is now realistically attainable,” Saxton concluded.

For more information on inflation targeting, please visit our website at www.house.gov/jec

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