



CONGRESS OF THE UNITED STATES

JOINT ECONOMIC COMMITTEE

JIM SAXTON, CHAIRMAN

Contact: Chris Frenze
 Phone: 202-225-3923
 Fax: 202-226-3950

CHRISTOPHER FRENZE
 EXECUTIVE DIRECTOR

PRESS ADVISORY

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JEC Chairman Joins Treasury Secretary's Call for Government Openness

— *Transparency Begins at Home with Treasury and Fed* —

Washington, DC — Today, **Joint Economic Committee (JEC) Chairman Jim Saxton (R-NJ)** joined Treasury Secretary Robert Rubin's recent call for more openness in government monetary and financial agencies. Though Secretary Rubin's focus was on the policies of foreign nations, Chairman Saxton called on U.S. government entities also to practice more public openness and transparency. The Treasury Department and the Federal Reserve Board are among the U.S. agencies whose increased transparency is needed most, according to Chairman Saxton.

"Establishing clear objectives and making more information available to the markets in a timely fashion will tend to limit uncertainty and promote economic and financial stability," Saxton said. "More complete and accurate information will help markets improve the efficiency of our economic system. Although the Federal Reserve has made some strides towards transparency in recent years, the Treasury has not."

"For example, Treasury's foreign exchange policy is literally a matter of speculation because no one outside the policy process really knows what U.S. dollar policy is. While no one has advocated the release of propriety or institutional specific information that could disrupt the markets, a clear expression of U.S. policy would often provide information that could make market conditions more stable," Saxton observed. "Furthermore, the Treasury needs to be more responsive to information requests from Congress and the media," he concluded.

More specifically, Treasury's reports to the Congress on International Economic and Exchange Rate Policy should be more informative, more clearly spelling out the precise objectives of such policy. **A detailed explanation of the objectives, purpose and operations of the Exchange Stabilization Fund also is appropriate.** Quarterly reports of Treasury and Federal Reserve Foreign Exchange Operations should be more informative, spelling out any connection between foreign exchange operations, dollar policy and Federal Reserve monetary policy objectives.

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