



CONGRESS OF THE UNITED STATES

# *JOINT ECONOMIC COMMITTEE*

JIM SAXTON, CHAIRMAN

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## **PRESS RELEASE**

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## **FEDERAL RESERVE SHOULD LEAVE INTEREST RATES UNCHANGED**

**—'No Meaningful Inflation Evident,' Saxton Says—**

WASHINGTON, D.C. -- Joint Economic Committee (JEC) Chairman Jim Saxton (R-N.J.) said today current economic conditions suggest interest rates should remain unchanged at the Federal Reserve's policy meeting tomorrow. The Federal Open Market Committee (FOMC) meets on Tuesday to consider an interest rate adjustment.

"There is no sign of any meaningful inflation evident in any of the broad inflation measures," Saxton said. "Moreover, forward-looking market price indicators, such as sensitive commodity prices, the long bond yield, and the foreign exchange rate of the dollar, continue to indicate that no significant resurgence of inflation is expected. Market signals continue to suggest that inflationary expectations remain dormant.

"The role of the dollar as a guide to policy is especially important at this time. As the most important international currency, movements of the dollar can have significant global impacts. An interest rate hike now would strengthen the dollar, and a stronger dollar against the yen has the potential to unsettle Asian markets already under pressure. Given the weak condition of Asia, such an interest rate increase would be inappropriate," Saxton concluded.

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