



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

*For Immediate Release**July 16, 1997*

JEC Chairman Saxton Says Continued Good Inflation News Quashes Case for Fed Rate Hike

WASHINGTON, DC — Joint Economic Committee (JEC) Chairman Jim Saxton (R-NJ) commented on today's mild increase in June's Consumer Price Index (CPI) which provides continued good news on the inflation front. This low consumer inflation data corroborates last week's producer prices showing that inflation remains at bay.

Forward-looking, leading indicators of inflation monitored by the JEC also continue to provide the same message: inflation is nowhere to be found. Commodity prices remain sluggish, the dollar continues to surge, and long bond yields remain stable, down from spring levels. Market-based measures of inflationary expectations are down and much of the markets expectations of future Federal Reserve rate hikes has disappeared from futures markets. All of this suggests the Federal Reserve has little remaining reason to be considering rate hikes.

"As I have previously stated on several occasions, Chairman Greenspan and the Federal Reserve deserve commendation for the results of their anti-inflation policy. This Federal Reserve policy has made a prominent contribution to the sustainability of the current economic expansion and thus to the near elimination of the budget deficit," stated Saxton.

"We all look forward to Chairman Greenspan's Congressional testimony this month and hope this testimony will include discussion assessing the outlook for inflation and prospective progress toward price stability in our new environment of low inflation. It would be especially encouraging if the possibility of both the Federal Reserve inflation targeting, and a more transparent and open Federal Reserve, were also part of that testimony," concluded Saxton.

A series of [JEC studies](#) has examined recent Federal Reserve policy and its impact on the economy. Copies of these studies are available from the JEC publications office.

###

Press Release: #105-70



[Return Home](#)