



CONGRESS OF THE UNITED STATES

# CONGRESSMAN JIM SAXTON

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## PRESS RELEASE

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### INFLATION REMAINS LOW UNDER FEDERAL RESERVE POLICY

-- Low Inflation and Interest Rates Foster Economic Expansion --

WASHINGTON, D.C. – The lowest annual increase in the Consumer Price Index (CPI) in 12 years should be credited to Federal Reserve Chairman Alan Greenspan’s policy of informally targeting inflation within a low and narrow range, **Congressman Jim Saxton (R-N.J.)** said today.

“Chairman Greenspan deserves enormous credit for his successful policy of implicit inflation targeting. This policy has reduced inflation and interest rates and fostered the economic expansion, thereby flooding the Treasury with revenue that has erased the budget deficit. As he and I agreed at his appearances before the **Joint Economic Committee (JEC)**, the inflation targeting approach has considerable merit. One of my top priorities in the new Congress will be the reintroduction of the inflation targeting legislation that would institutionalize this policy along the lines we discussed.

“I am also pleased that this policy has been examined in a recent book *Inflation Targeting: Lessons from the International Experience*,” Saxton said. “The extensive scholarly research now developed in favor of inflation targeting, including several studies published by the JEC, has built a solid foundation for Congressional consideration of this important policy initiative.”

For more information on the JEC studies on inflation targeting, please visit the JEC website at <http://www.house.gov/jec>.

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