90TH CONGRESS
2d Session

SENATE

REPORT
No. —

STANDARDS FOR GUIDING MONETARY ACTION

JUNE —, 1968.—Ordered to be printed

Mr. PROXMIRE, from the Joint Economic Committee, submitted the following

REPORT

together with

SUPPLEMENTARY VIEWS

[Pursuant to sec. 5(a) of Public Law 304, 79th Cong.]

INTRODUCTION

Under the Constitution, the Congress has been given the responsibility for determining matters involving coinage and the stock of money. The Congress has chosen to delegate the exercise of this authority to the Federal Reserve authorities, giving them a considerable degree of independence both from the Congress and from the Chief Executive. For their part, representatives of the Federal Reserve System have repeatedly acknowledged before the Joint Economic Committee and elsewhere that the Declaration of Policy contained in the Employment Act of 1946, along with the Federal Reserve Act itself, provides in broad and general terms directives for their guidance. Discussion persists, however, as to whether such broad language of the Employment Act is adequate or sufficiently specific to serve as guidance for the Federal Reserve authorities, acting as the monetary agent for Congress.

NOTES

[Due to pressure of other responsibilities, Senator Fulbright was unable to participate in the hearings and other committee deliberations pertaining to this report and reserves judgment on the specific recommendations made therein.]

[Senator Symington states: "Because of unusually heavy commitments in connection with other committee responsibilities, I was unable to participate in all the hearings on which this report is based; therefore I do not wish to endorse it."]