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Brady Introduces Sound Dollar Act to Reform, Focus Federal Reserve
Protecting Purchasing Power of Dollar Lays Foundation for Strong U.S. Economy

Washington, DC - U.S. Representative Kevin Brady (R-TX), Vice Chairman of the Joint Economic Committee, today introduced the Sound Dollar Act - legislation that would transform the mission and operations of the Federal Reserve to lay the foundation for strong economic growth for America in the future.

"America's clear goal should be to preserve the strongest economy in the world throughout the 21st Century. To achieve that we need to get the role of the Federal Reserve right", said Brady. "A sound dollar creates the strongest foundation for economic growth and output, while generating certainty and encouraging new business investment for job creation. To achieve America's economic prosperity for the long-term the focus of the Fed should be to protect the purchasing power of the dollar by maintaining price stability."

The Sound Dollar Act ends the Fed's dual mandate and replaces it with a single mission to maintain price stability; expands the Federal Open Market Committee from 12 to 19 members by including the presidents of all regional Federal Reserve Banks; limits future Fed purchases to U.S. treasuries except in unusual circumstances; speeds the public release of FOMC meeting transcripts to three years from the current five; liquidate the approximately \$50 billion in marketable assets in the Exchange Stabilization Fund to reduce the federal debt; and requires the new Consumer Financial Protection Bureau to be funded through regular congressional appropriations.

"Critics of a single mandate often charge that focusing on a sound dollar implies the Federal Reserve will ignore the employment needs of Americans. They are wrong", said Brady. "Inflation destroys savings and jobs. Deflation destroys investment and jobs. Protecting the purchasing power of the dollar over time provides the strongest foundation for lasting economic growth and job creation for America."

Brady also believes that increasing the Fed's accountability and transparency, diversifying the FOMC with broader geographic experience and ensuring credit neutrality for future Fed purchases can help restore congressional confidence in the Federal Reserve.

"Except in the very short term, monetary policy can't boost the economy and job creation. It makes no sense for Congress to charge the Federal Reserve to control what it cannot. Let's give the Fed a clear mandate, focus it on the mission of stable prices and hold it accountable for the results."

The Congressman's introduction of his bill comes three days after he outlined its contents in a speech before the American Enterprise Institute. ([Rep. Brady's speech](#), [Coverage of AEI Conference at C-SPAN](#))

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