

23

MONETARY POLICY

24

Sec. 108. (a) Section 2A of the Federal Reserve Act

25

is amended by striking out the second and third sentences

1 and inserting in lieu thereof the following: "In furtherance
2 of the purposes of the Full Employment and Balanced
3 Growth Act of 1978, the Board of Governors of the Federal
4 Reserve System shall transmit to the Congress, not later
5 than February 20 and July 20 of each year, independent
6 written reports setting forth (1) a review and analysis
7 of recent developments affecting economic trends in the
8 Nation; (2) the objectives and plans of the Board of
9 Governors and the Federal Open Market Committee with
10 respect to the ranges of growth or diminution of the
11 monetary and credit aggregates for the calendar year
12 during which the report is transmitted, taking account
13 of past and prospective developments in employment, unem-
14 ployment, production, investment, real income, productivity,
15 international trade and payments, and prices; and (3) the
16 relationship of the aforesaid objectives and plans to the
17 short-term goals set forth in the most recent Economic
18 Report of the President pursuant to section 3(a)(2)(A)
19 of the Employment Act of 1946 and to any short-term goals
20 approved by the Congress. pursuant to title III of the
21 Full Employment and Balanced Growth Act of 1978.] In
22 addition, as a part of its report on July 20 of each year,
23 the Board of Governors shall include a statement of its
24 objectives and plans with respect to the ranges of growth

1 the calendar year following the year in which the report
2 is submitted. The reports required under the two preceding
3 sentences shall be transmitted to the Congress and shall
4 be referred in the Senate to the Committee on Banking,
5 Housing, and Urban Affairs, and in the House of Repre-
6 sentatives to the Committee on Banking, Finance and
7 Urban Affairs. The Board shall consult with each such
8 Committee on the reports and, thereafter, each such Com-
9 mittee shall submit to its respective body a report contain-
10 ing its views and recommendations with respect to the
11 Federal Reserve's intended policies. Nothing in this Act
12 shall be interpreted to require that the objectives and
13 plans with respect to the ranges of growth or diminution
14 of the monetary and credit aggregates disclosed in the
15 reports submitted under this section be achieved if the
16 Board of Governors and the Federal Open Market Commit-
17 tee determine that they cannot or should not be achieved
18 because of changing conditions: *Provided*, That in the
19 subsequent consultations with/the aforesaid Committees
20 of the Congress pursuant to this section, the Board of
21 Governors shall include an explanation of the reasons for
22 any revisions to or deviations from such objectives and
23 plans.”.

24 (b) The amendment made by subsection (a) takes
25 effect on January 1, 1979.