



Republicans In The House Introduce Federal Reserve Reforms Bill

By John Kendrick
July 11, 2014

Republicans would like the Central Bank to be more transparent in its operations, than it is now. And members of the Grand Old Party in the US House of Representatives moved the house on Monday, July 7, for the same. A bill was introduced at Capitol Hill that demanded that the central bank divulge more information.

A hearing to discuss the proposed reforms at the Federal Reserve was also set on Monday. The hearing has been titled *Legislation to reform the federal reserve on Its 100-year anniversary*. According to the statement made by the United States House Financial Services Committee, the hearing took place on Thursday, July 10.

The H.R. 5018

A Federal Reserve Accountability and Transparency Act (also known as the H.R. 5018) was introduced at Capitol Hill by two Republican members of the house. Representatives Scott Garrett (New Jersey) and Bill Huizenga (Michigan) sponsored the bill, which would require the Central Bank to be more transparent on matters of global regulations.

The bill also calls for the Federal Reserve to test the waters on new rules by conducting cost-benefit analysis before adopting them. Further, when conducting stress tests on other banks, the Central Bank will be required to be more transparent. Republicans want the Feds to disclose the salary figures of high paid Fed employees as well.

The bill introduced by Garrett contains provisions to make the Financial Stability Oversight Council (FSOC) more transparent. The Council was created as part of America's response to the crunch of 2007 and authorizes it to impose regulations on any American financial body.

Federal Reserve very aggressive in economy stimulation actions, politicians say

The move comes amidst concerns about the aggressive actions used by the Central Bank after the last financial crisis. Some politicians have been critical about the bank's use of unconventional tools to lift the economy and suppress unemployment.

Federal Reserve's monthly bond buying program and the \$4.5 trillion worth balance sheet are some examples of areas where Republicans are critical of the Federal Reserve and its powers.

The bill was discussed in detail during the Thursday hearing. Noted professors of economics were in attendance. Professor Simon Johnson from Massachusetts Institute of Technology will be joined by professors John Taylor from Stanford and Mark Calabria from Cato Institute and Hester Peirce from George Mason University.