



CONGRESS OF THE UNITED STATES

JOINT ECONOMIC COMMITTEE

**Congressman Jim Saxton
Ranking Republican Member**

PRESS RELEASE

For Immediate Release
October 31, 2007

FED RATE CUT WILL HELP SUSTAIN ECONOMIC GROWTH

Press Release #110-27
Contact: Christopher Frenze
Republican Staff Director
(202) 225-3923

WASHINGTON, D.C. – The Federal Reserve’s action today to reduce the federal funds rate by 25 basis points will facilitate continued economic growth in 2007 and 2008, Congressman Jim Saxton, ranking member of the Joint Economic Committee, said today in a statement. The Fed’s action comes on the same day as the release of data showing that the economy grew at a 3.9 percent rate in the third quarter, faster than generally expected.

“The Fed’s decision today likely was a close call,” Saxton said. “The figures on third quarter economic growth were quite strong, with consumption, exports, and business investment holding up well. However, despite the impressive resilience of the economy to date, home building and housing prices continue to fall, and economic growth is expected to slow in the future. Although the predictions of recession by some are not likely to be realized soon, the Fed’s actions over the last two months will help contain the housing downturn and limit its spillover to the rest of the economy this year and next. Fortunately, according to the Fed’s preferred measure, inflation pressures are still within the central bank’s comfort zone,” Saxton concluded.

###