

WASHINGTON -- U.S. Rep. Spencer Bachus (R-AL) was named Chairman of the House Banking Subcommittee on Domestic and International Policy today.

The panel has jurisdiction and influence on a variety of economic issues, including oversight of the Federal Reserve, often described as the "fourth arm of government" because it sets interest rates for the nation's banks and has such a major effect on the economy.

The subcommittee led by Bachus also has jurisdiction over other economic matters such as the value of the dollar and American investments in international organizations including the IMF and the Export-Import Bank. With the growth of the global economy and success of the Federal Reserve in controlling inflation, the subcommittee assignment has gained greater importance.

Bachus led an investigation of IMF policies last year and has been a critic of the Clinton administration's use of a Treasury Department fund for foreign bailouts. In the aftermath of the Mexican peso bailout of 1995, Bachus introduced legislation to restrict the administration's use of the Exchange Stabilization Fund (ESF). The fund was used without congressional approval for a multi-billion dollar bailout of Mexico. The ESF was established in the 1930s to protect the exchange rate value of the U.S. dollar. His legislation on the ESF will be referred to the Subcommittee Bachus now chairs.

Bachus had served as Chairman of the Oversight Subcommittee in the two previous Congresses, a position he chose to relinquish in order to gain the chairmanship of the Domestic and International Policy Subcommittee.