



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, FIRST SESSION

Vol. 141

WASHINGTON, THURSDAY, FEBRUARY 2, 1995

No. 21

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Mr. DREIER].

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
February 2, 1995.

I hereby designate the Honorable DAVID DREIER to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

May the gifts of prayer, O gracious God, be with us and each person; may the petitions of our hearts find satisfaction in our lives; may the longings and yearnings of our very being find fulfillment in that peace that You alone can give; and may the hopes and dreams we place before You, O God, allow us to experience reconciliation and grace with You and with our own destinies. Bless us, O God, this day and every day. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from South Carolina [Mr. SANFORD] come forward and lead the House in the Pledge of Allegiance.

Mr. SANFORD led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

REPUBLICAN CONTRACT WITH AMERICA

(Mr. BOEHNER asked and was given permission to address the House for 1 minute.)

Mr. BOEHNER. Mr. Speaker, our Contract With America states the following: On the first day of Congress, a Republican House will:

Force Congress to live under the same laws as everyone else; cut committee staffs by one-third; and cut the congressional budget.

We have done that.

It goes on to state that in the first 100 days, we will vote on the following items: A balanced budget amendment—we have done this; unfunded mandates legislation—we have done this; line-item veto; a new crime bill to stop violent criminals; welfare reform to encourage work, not dependence; family reinforcement to crack down on deadbeat dads and protect our children; tax cuts for families to lift Government's burden from middle-income Americans; national security restoration to protect our freedoms; Senior Citizens' Equity Act to allow our seniors to work without Government penalty; Government regulation and unfunded mandate reforms; commonsense legal reform to end frivolous lawsuits; and congressional term limits to make Congress a citizen legislature.

This is our Contract With America.

COUPLE LINE-ITEM VETO WITH ELIMINATION OF TAX GIVEAWAYS

(Mr. GUTIERREZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUTIERREZ. Mr. Speaker, today we will begin an important bill that once again my friends on the other side of the aisle have almost gotten right. Giving the President the line-item veto authority is important but again the bill we are debating today omits an element critical to making this legislation true and effective. They are more than willing to allow the President to eliminate spending, but they seem to be more than a little nervous about allowing the President to eliminate unfair tax giveaways. I want our President to stand against wasteful spending. But he should also be able to stand up against unfair tax breaks for the wealthy and the privileged.

If the President can eliminate spending with the stroke of a pen, let us give him the authority to eliminate tax giveaways that cheat working people, drain our treasury, and pile up our debt with that very same pen.

If my colleagues are serious about this reform, let us make it a serious reform that addresses our serious problems, not a pretend reform hiding a huge tax loophole for the powerful and the privileged.

REPUBLICANS ARE DELIVERING

(Mr. FOX of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FOX of Pennsylvania. Mr. Speaker, I thought you might be interested in some voting statistics from the first month of the 104th Congress. In the month of January, we had 79 rollcall votes. Compare that to last January, when we only had 2 rollcall votes, and in January 1992 when we only had 11 rollcall votes.

What do these statistics mean? They show that the Republican majority is

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



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serious about getting down to work and passing our Contract With America. We are committed to working hard to keep our promise with the American people. Congressional accountability, balanced budget amendment, unfunded mandates reform—all done. Next up is line-item veto, crime bill, welfare reform, national defense bill, middle-class tax cuts, term limits. We won't stop until we're through.

If the people want to know if the Republicans are delivering, just look at what we have accomplished in 1 month.

RAISING INTEREST RATES PUTS RECOVERY AT RISK

(Mr. HINCHEY asked and was given permission to address the House for 1 minute.)

Mr. HINCHEY. Mr. Speaker, yesterday, for the seventh time in the last 12 months, the Federal Reserve—meeting in a closed-door session—raised the interest rates and gambled on the economic future of the middle-class American.

Over the past year, the Federal Reserve has acted out of fear of a phantom inflation that does not exist.

The constituents of my district, and the working families of this Nation, are struggling to be a part of the economic recovery.

Inflation is at a 30-year low, but working Americans will now suffer under an interest rate double that of the same time last year.

Over the past year, there has been no significant increase in salaries or buying power, but now the Fed is depriving middle-class taxpayers of the buying power necessary to participate in the economic recovery.

The Fed's rate increase is going to hit working Americans when they pay their mortgage, it is going to hit working Americans when they pay their credit card bills, and it is going to hit working Americans when they need to buy cars.

Today, I call on the Federal Reserve Board to end this ongoing crusade against a phantom inflation—tilting at windmills that do not exist.

The fact remains that the economy is not overheating and millions upon millions of Americans are still out of work. The Federal Reserve was wrong to raise rates and has put economic recovery at risk for working American families.

YET ANOTHER VICTORY

(Mr. CHRISTENSEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHRISTENSEN. Mr. Speaker, yesterday ushered in just one more victory for the American people. We passed the unfunded mandates reform legislation by an overwhelming bipartisan vote of 360 to 74. Once again, we have kept our promise with the people through our Republican Contract With

America. Again, we fulfilled our promise with the State and local governments to lift the financial burden imposed on them by the Washington bureaucrats.

We will continue to deliver change today as we begin debate on the line-item veto. This bill is yet another mechanism to reduce the size, scope, and cost of the Government. And more importantly, this bill is yet another step toward the completion of the Contract With America.

We are working hard. We are keeping our promise. We are changing Government.

FED'S ACTION DISSERVICE TO WORKING AMERICANS

(Mr. MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, the Federal Reserve Board yesterday did a terrible disservice to working Americans when for the seventh time in a year it raised interest rates.

American homeowners will now get \$15 billion of additional mortgage costs charged against them because of this increase. Half of the homeowners in America will get an envelope shortly from their lending institution telling them that their monthly mortgage rate has gone up because of these actions by the Federal Reserve. Those people shopping for a car this weekend will find the cost of financing that automobile has gone up because of the Federal Reserve. Carpenters, plumbers, electricians, and others who work in the homebuilding industry and the construction industry will find it harder to find work throughout the year because the cost of homebuilding has gone up, the cost of construction has gone up, and the cost of small business expansion has gone up because of these actions taken in secret by the Federal Reserve.

American workers deserve better and the Federal Reserve ought to recognize that the wages of American workers are under pressure from workers around the world, and they ought to understand that inflation is different today than it was yesterday.

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DOING THE PEOPLE'S BUSINESS

(Mr. JONES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JONES. Mr. Speaker, under Republican leadership, the House is working hard to change the way we do the people's business.

Yesterday, we passed an unfunded mandate reform bill, which will make it harder for the Federal Government to tell the American people what to do without paying for it.

Today, we take up the line-item veto, which will make it more difficult for Congress to pass wasteful pork-barrel spending projects.

Mr. Speaker, in the last election, the American people said they wanted change.

They said they wanted a more efficient and smaller Government that cost less, spent less, and did fewer stupid things.

We have heard that message, and in a bipartisan fashion, we are working hard to make those changes.

I urge my colleagues on the other side of the aisle: Let's not bicker and nitpick. Let's not unnecessarily slow down the process for purely partisan reasons. Instead, let's give the American people the kind of Government they really want. Let us work together to complete the Contract With America.

INTRODUCTION OF LEGISLATION TO AUDIT OPERATIONS OF THE FEDERAL RESERVE SYSTEM

(Mr. VOLKMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VOLKMER. Mr. Speaker, I rise to inform my colleagues of legislation that I am introducing to audit the operations of the Federal Reserve System, including the Reserve Board, the Advisory Council, the Open Market Committee, and the Reserve banks.

Mr. Speaker, yesterday, the Federal Reserve again raised short-term interest rates. In a 2-day meeting behind closed doors the Federal Open Market Committee raised the rate by a half point. For the seventh time in a year the Fed has seen fit to slow our growing economy and raise interest rates to the highest point since 1991. To paraphrase Senator Dirksen, a half point here, three-quarters of a point there, and pretty soon we are talking about real interest.

Immediately after the Fed's announcement, major banks across the country raised their prime lending rate to 9 percent, forming an even bigger roadblock for those wanting to buy into the American dream of home ownership.

Mr. Speaker, I would like to know, as I am sure many of my colleagues would like to know, what crystal ball the all-knowing Federal Reserve Board uses so they can keep inflation contained when most economists believe that inflation is under control. That is why we need an audit, and that is why I have introduced this legislation. I ask my colleagues to join with me by cosponsoring this legislation so that we too can look behind those closed doors.

TERM LIMITS

(Mr. SANFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)