

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.)

Mr. SANFORD. Mr. Speaker, I rise before you and the rest of this body to ask for term limits in general, and to ask specifically that this body push for the English-Dornan-Sanford amendment particularly.

If we look at term limits, they are building blocks toward getting a citizen-filled legislature that this country so desperately needs. One of the reasons I think we need them so desperately is because, as I take this \$20 bill out, I ask what is it each of us works for. Each of us works to put bread on the table.

If we view politics as our career, if we view politics as a way to put bread on the table, we often are making decisions that are the opposite of what the American public would like us to.

So I ask again that we push for term limits in a general way and the English-Dornan-Sanford amendment, which is a three-term cap for Members in the House.

REPUBLICAN EFFORTS TO HIDE TRUE IMPACT OF CONTRACT TAX POLICIES

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

Mr. DURBIN. Mr. Speaker, each day at the beginning of the session one of my Republican colleagues gets up with great piety and reads about the Republican contract. I know they are very proud of it, but they do not tell us the whole story.

The Republican Contract on America is a budget buster. Yesterday our Joint Tax Committee came up with an estimate of what it will cost the Treasury for the Republican tax cut package: a little less than \$200 billion in the first 2 years, but in the following 5 years, over \$700 billion more. For what? For tax cuts for the wealthiest of Americans.

The Republican contract does not stand up for American families, it stands up for the monied interests, the fat cats. At a time when we should put the fat cats in America on a diet, the Republican contract puts them on the gravy train.

REMEMBERING THE WORDS OF A GREAT PRESIDENT

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

Mr. LINDER. Mr. Speaker, just over 14 years ago, Ronald Reagan was sworn in as President on the West Front of this building.

His remarks that day were brief, but exceptionally stirring and profound. I recall one paragraph that is as timely now as on that inauguration day. The words speak to the motives and goals of the Contract With America and are superior to my own.

He said:

You can see heroes every day going in and out of factory gates. Others, a handful in number, produce enough food to feed all of us and then the world beyond. You meet heroes across a counter—and they are on both sides of that counter. There are entrepreneurs with faith in themselves and faith in an idea who create new jobs, new wealth and opportunity. They are individuals and families whose taxes support the Government and whose voluntary gifts support church, charity, culture, art, and education. Their patriotism is quiet but deep. Their values sustain our national life.

Mr. Speaker, Ronald Reagan will be 84 on Monday, and on that day this House is going to give him a birthday gift, something he has wanted for a long time: the line-item veto.

THE SECRET BEHIND THE REPUBLICAN STRATEGY

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

Mr. WISE. Mr. speaker, one of those embarrassing genies popped out of the bottle last night when NBC-TV revealed the secret behind the Republican leadership strategies when the playbook was opened to public scrutiny, and the strategy described might be a little scary to Americans looking for true change.

Apparently, according to the Republican leadership strategy, it is all in the wording. You do not like what you are doing, call it something else. Americans believe, according to this playbook, that the GOP is mean and uncaring. That will not do, so how do you handle it? Do not talk honestly about the programs you are going to cut that actually serve people, instead talk about slashing bureaucrats.

If your aim is to cut the capital gains tax for the wealthy, do not say wealthy, talk about helping the middle class.

And as the playbook says, the media is watching what comes first.

The cynicism suggested in the revelation of this confidential memo will leave a sour taste in the mouths of most Americans and it should. It is time for the GOP to stop sugar coating their actions with rhetoric and bumper stickers and honestly explain to the American people what their aims are.

INTEREST RATES

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

Mr. GENE GREEN of Texas. Mr. Speaker, the effects of interest rate increases take time to show up in the economy. It was only 2 months ago that the Fed increased rates three-quarters of 1 percent and only 5 months since it raised rates by a half percent.

The Fed raised interest rates another half percent yesterday. It was the seventh increase since the beginning of 1994. The economy grew well in the

fourth quarter of last year, but we are beginning to see signs of a slowdown.

Mr. Speaker, the Federal Reserve looks at the big picture, the nationwide, the worldwide picture, but ignores the little picture, our districts and our cities. Home builders will build fewer houses, realtors will sell fewer houses, car dealers will sell fewer new and used cars, and our constituents will be able to buy fewer of those cars.

This latest increase adds another economic burden to the people in my district in Houston as well as it does across the country. It means higher borrowing costs for consumers, higher costs for capital for small business and medium-sized businesses, and as the realtors have said, it puts the price of a down payment on a home out of the reach of many Americans.

It's time we started looking at the little picture.

PERSONAL RESPONSIBILITY ACT

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

Mr. OLVER. Mr. Speaker, soon we will debate the Personal Responsibility Act in the Republican contract. But let us be honest. It sounds more like the female punishment act. It spells out exact responsibilities and punishments for women on AFDC. But it lets fathers off the hook without even a mention. Many women and their children are on welfare only because the fathers do not support their children.

In my State in the last 6 months, 4,000 mothers escaped welfare because Massachusetts makes fathers support their children. We need to make child support enforcement part of welfare reform. Both mothers and fathers must be responsible for the support of children.

INTEREST RATES

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

Mr. WARD. Mr. Speaker, as we learned yesterday, the Federal Reserve has raised short-term interest rates for the seventh time in 1 year. I feel that this move was a drastic error in fiscal management.

While this move may aid the wealthiest investors on Wall Street, it will place an undue burden on the average American, forcing many to postpone plans of purchasing a new car or a new home. This sharp decrease in spending, which will inevitably result from the increase, could drive the economy into a recession.

Today's Washington Post, reported: "Higher rates are beginning to affect one of the strongest parts of the economy during 1994, the making and selling of new cars and light trucks." The automotive aspect of our Nation's economy is critical and I do not think