

But I cannot and will not support this legislation which would shatter the lives of millions of our Nation's poor. In order to move people to self-sufficiency, we must provide adequate education, training, child care, and jobs that pay a livable wage. Anything short of that does great disservice to our national sense of compassion and our moral responsibility to help the poor help themselves.

On behalf of America's children and the poor, I urge my colleagues to vote against H.R. 3734.

### IT'S THE REAL ECONOMY THAT COUNTS

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1996

Mr. FRANK of Massachusetts. Mr. Speaker, one of the most infuriating aspects of our economic affairs to many people is the extent to which the bond market treats good news as bad news. This was of course most recently displayed when the best employment news we have had in years triggered serious financial downtrends. People who trade bonds have of course a right to do whatever they wish. But we as policymakers must make it very clear that we will not be driven by their short term gyrations and in particular that we will continue to pursue policies that expand employment opportunities and real incomes for working people without being deterred by the negative short term impact this may have on the bond business. James K. Galbraith, formerly of the staff of the Joint Economic Committee in better days, and now a teacher of economics at the Johnson School of Public Affairs at the University of Texas, recently wrote on this subject in a very instructive fashion. It is essential that we listen to Mr. Galbraith and not allow financial speculation to perform the reverse alchemy which has from time to time characterized their efforts.

#### WHAT INFLATION?

(By James K. Galbraith)

AUSTIN, TX.—The economic news on Friday was so good it was a disaster. Unemployment has fallen to 5.3 percent, the lowest it has been in six years. June payrolls increased by 239,000 jobs. And the average hourly wage rose by nine cents, the biggest one-month jump ever recorded, a level "noticeably above the inflation rate," as The New York Times reported.

Pandemonium on Wall Street! The yield on the 30-year Treasury bond leaped a quarter of a point, finishing at 7.18 percent. And stocks plummeted: the Dow Jones industrial average dived 114 points.

Amid the commotion, one could hear the bond bears roaring their message that, with inflation sure to surge, the Federal Reserve must raise short-term interest rates. Many of the bears said that had the Fed's Open Market Committee known at its meeting last Wednesday what the secretive Bureau of Labor Statistics would announce two days later, it would surely have raised them. Some urged the Fed to correct this "error" immediately without waiting until the next regular meeting in August.

Nonsense. There is no cause for alarm. The evidence does not portend surging inflation. To begin with, the annual rate remains low: 2.9 percent in the year that ended in May. Inflation is not accelerating. Instead, produc-

tivity growth appears to be picking up. If this pattern continues, it will permit wages to grow for some time, with little effect on price inflation.

The decline in unemployment also means little. Some economists still hold to the notion of a "natural rate of unemployment" at 6 percent or a slightly lower figure, below which they believe inflation spirals out of control. But joblessness has been less than 6 percent without raising inflation since September 1994.

Recent economic studies confirm their is little reason to fear that prices will rise simply because of low unemployment—or for that matter, rapid growth. Most inflation of past decades had different causes, like oil shocks and war.

Some say to forget the facts. An official of a regional Federal Reserve bank recently told Business Week (anonymously, of course) that "you have to move on anecdotal data." In other words, monetary policy should be based on gossip. Mercifully, it is likely that the Federal Reserve Board's governors do not share this view.

The bears in the bond market must also know that their inflation warnings are unfounded. So what are they up to? The answer seems clear. We have a speculation problem, not an inflation problem.

The bears make their living by betting on the Fed's next decision, not by calling the economy. The bears predict when short-term rates will be raised and when they will decline. By selling and buying long-term bonds in advance, they can make a lot of money—if their predictions are right. So it is natural that they try to affect the Fed's decisions.

This game has been in full cry since at least October 1993, when bond-market insiders correctly anticipated (and may have provoked) the Fed's rate increase of February 1994. All through that year, each time the Fed raised interest rates, the stock and bond markets churned.

If short-term rates are pushed up tomorrow, many ordinary investors will panic and dump their bonds and stocks. Then the speculators can buy cheap and "shear the sheep"—the small investors, in the speculators' lingo.

Sell bonds, create gossip, influence policy—what a game! But maybe the game has changed. News reports preceding the Fed's inactivity last week suggested that the chairman, Alan Greenspan, may have given up the "pre-emptive strike" anti-inflation strategy of 1994. Good. The idea that the economic evidence counts for something is central to proper monetary policy.

But Mr. Greenspan's possible credibility as a pragmatist, only a week old and none too sturdy, will depend on facing down the bears.

It would be an extremely good thing if the Federal Reserve held the line through the summer and fall—at least as long as core inflation (calculated without volatile food and energy prices), measured over six months or so, remains reasonable.

In that event, the interest rates on long-term bonds will finally begin to decline, and maybe short-term rates will follow. Traders committed to a strategy of creating panic will lose money. So what?

The Fed did the right thing. Now it should stand firm and show the speculators who is in charge.

### FREE PRESS IN HONG KONG UNDER ATTACK

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1996

Mr. PORTER. Mr. Speaker, I recently read a New York Times article outlining Chinese threats to restrict Hong Kong's press once the British colony comes under Chinese rule. This information, while extremely upsetting, is hardly shocking. Although the Chinese Government professes to be committed to ensuring a smooth, peaceful transition for Hong Kong, actions by the Chinese Government tell a very different, very disturbing story. As the saying goes, "actions speak louder than words."

In 1984, to help ensure the smooth transition of Hong Kong from British to Chinese control, Britain and China both signed the Joint Declaration providing for the peaceful return of Hong Kong to Chinese rule. This document, registered at the United Nations, specifies that Hong Kong will enjoy a high degree of autonomy except in foreign and defense affairs, and that the legislature will be elected. China has repeatedly violated the commitments made in this binding document, leading to increasing tensions between Hong Kong and China as the July 1, 1997, date fast approaches.

Mr. Speaker, just one example will suffice to demonstrate how the Chinese have chosen to ignore commitments made in the Joint Declaration. Recently, Chinese authorities threatened to abolish the first ever democratically elected legislative council and replace it with an appointed legislature. This action would not only be in clear violation of the Joint Declaration, but also in violation of the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights.

With China now threatening to restrict freedom of the press in Hong Kong, it becomes clear that Chinese officials do not intend to grant Hong Kong the degree of autonomy previously promised. This should leave us all deeply concerned about the future of Hong Kong. Mr. Speaker, Hong Kong has close to 60 papers and 675 periodicals. These papers and periodicals provide Hong Kong citizens and those throughout the world with the truth about what is happening in Hong Kong, and throughout all of Asia. Restricting free press in Hong Kong will severely limit the world's ability to follow events in Tibet, China, and Taiwan.

Mr. Speaker, Hong Kong is the world's best example of the prosperity that results from a strong and vibrant free enterprise system existing under the rule of law. China's threats to dismantle the legislature and restrict freedom of speech are not idle threats. I have no doubt that if we let Chinese threats go unchallenged, each and every threat will indeed be carried out. Tyranny thrives on the weakness of others, and the United States has been weak in its response to Chinese behavior. Mr. Speaker, we must do everything possible to ensure that democratic advances in Hong Kong are not reversed by oppressive Chinese policies. As 1997 approaches, the United States must stand with those in Hong Kong, such as journalists opposing illegal restrictions on their free speech, who are rightly unwilling to capitulate to Beijing's efforts to strip the citizens of Hong Kong of their democratic rights and freedoms.

## PATIENT RECOGNITION DAY

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1996

Mr. MANTON. Mr. Speaker, for the 8th year in a row, the board of visitors of Bronx Psychiatric Center is holding a Patient Recognition Day to honor those who have significantly progressed on their path toward eventual discharge back to the community or have made a positive impact on the lives of their peers on their wards.

Patient Recognition Day actually honors the efforts of many people whose dedication has contributed to the recovery process. They are the staff and professionals at Bronx Psychiatric Center who put forth great care into and take great pride in their work. There are the board of visitors, Mr. Samuel Lopez, president, Sylvia Lask & Helen Rosello who oversee the center on behalf of the Governor of New York State. There are, of course the family and friends of the patients who lend so much support and understanding.

Mr. Speaker, the greatest honor, however is reserved for the patients who have trusted and worked with all the people I mentioned above. As its name suggests, Patient Recognition Day is the time we set aside to applaud the great strides they have made and encourage them to continue on their path to recovery.

Mr. Speaker, I know my colleagues join with me in paying tribute to all the people who make this Patient Recognition Day something special in my district.

MARYAM RAJAVI CHALLENGES  
ISLAMIC FUNDAMENTALISM

HON. JAMES A. TRAFICANT

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1996

Mr. TRAFICANT. Mr. Speaker, I wish to draw your attention to Iran, but not to the ugly image often cast by this country. I want to talk about the hope for democracy emerging from Iran, about those who are resisting against the ruling regime, about those striving to rescue not only the people of Iran, but also the whole world, from the terrorist mullahs who have held us all hostage for too long.

On Friday, June 21, a crowd of 25,000 people gathered in London for a program of speeches and musical performances in celebration of the 15th anniversary of this resistance movement against the mullahs. The keynote speaker was the resistance's president-elect, Maryam Rajavi. In remarks entitled "Women, Voice of the Oppressed," Mrs. Rajavi called for "a world coalition against fundamentalism."

The speakers and spectators were not limited to Iranians. A large number of British parliamentarians and dignitaries, various groups of European and Arab intellectuals, politicians, writers, artists and women's rights activists were among the crowd. Marzich, the Grande Dame of Persian music, performed the "Operetta in Solidarity," accompanied by the London Festival Orchestra and an ensemble of traditional Iranian musicians.

Associated Press Television reported that Maryam Rajavi "not surprisingly received a

standing ovation from the audience at the London festival and her defiant speech was interrupted several times by deafening applause."

Mr. Speaker, I think that it is important to heed Mrs. Rajavi's message, which is diametrically opposed to that of the fundamentalist mullahs in Iran. I am, therefore, submitting a copy of her speech at London's Earl's Court Exhibition Centre, for publication in the CONGRESSIONAL RECORD.

WOMEN, VOICE OF THE OPPRESSED—SPEECH BY MARYAM RAJAVI, PRESIDENT-ELECT OF THE IRANIAN RESISTANCE, LONDON, JUNE 21, 1996

I wish to thank you all for your generous sympathy and kind support. Greetings to my dear fellow Iranians who are listening now in the meetings honoring June 20th in different countries.

I am very happy to see you all and part take in this magnificent event. I had come to London on a private visit, and was invited to speak about the topic this gathering is addressing: Women, Voice of the Oppressed.

Each year, on this occasion, we speak of June 20th and of a cry for freedom that will reverberate forever in the history of Iran. It is only fitting for me to begin by honoring the 15th anniversary of this turning point.

June 20th for us, the people of Iran, was a day of destiny the day the Iranian people arose against the suppression of freedoms. It is the day the pervasive and tortuous resistance against religious tyranny began. It is the day when the nation's will became crystallized in the formation of the National Liberation Army of Iran. June 20th is rightly designated as the Day of Iranian Martyrs and Political Prisoners, those shining stars who pierced the night of oppression with their enormous sacrifice to the cause of freedom and popular sovereignty.

I also wish to pay tribute to the women the world over who have striven for equality and emancipation, and to salute the oppressed women of my homeland, Iran from whose ranks tens of thousands have fallen in the struggle for freedom.

Please allow me to pay my special respects to the memory of Ashraf Rajavi, a woman and pioneer in our nation's Resistance, who endured much torture under the shah's regime and was martyred in February 1982 by Khomeini's henchmen. [Ashraf was the wife of the Iranian Resistance leader Massoud Rajavi] Before the eyes of other detainees in Evin prison, her murderers desecrated her lifeless body and then slapped around her infant son. Along with the other martyrs of this struggle, she has an immortal place in the history of our people. Hail to Ashraf and all standard-bearers and martyrs to the cause of freedom.

## HISTORY-LONG OPPRESSION

Indeed, suffering and sacrifice are the price we have to pay to attain our freedom. This is the essence of the relentless tug-of-war which gives meaning to human existence. This is why the song of freedom has never been silenced by the tyranny of despots, and why the flaming range of the oppressed shall overturn the foundations of oppression.

Women are history's first victims of oppression. Besides having to endure political and socio-economic oppression, they must repent for the sin of being women.

Yet half of the human beings on this planet are women, and inevitably gender oppression and the culture inherent to it directly affect and enchain the other half of the human race as well, the men. Hence, genuine freedom for the individual and society is ultimately attainable solely through the emancipation of oppressed women. In other words, discrimination against women transcends and affects all other domains of human existence.

Sa'di, the great 12th century Iranian poet, has put it eloquently:

Of one body are the children of Adam  
All created from a single gem  
If fate afflicts one with great pain  
How can others rest calm and sane.

History often tells us of slaves and celebrates their freedom, but so little is said about "the slave of slaves," the most tormented and oppressed members of human society. Today, we have assembled here so that their voice, lost in the chilling silence of centuries, may be heard: The voice of women, the voice of the oppressed.

The history of humankind is the history of human being's glorious quest for freedom, and at the same time a wretched chronicle of oppression. While man gradually succeeded in freeing himself from the absolute dictates of nature, he soon found himself enchained by his fellow man. Thus, history began with the oppression of man by man. Slavery, that great tragedy of human history, was directed by the likes of Nero and Pharaoh, and the voice of the oppressed was drowned out by the cracking whips of their masters. All that remained was the rattling of the shackles, as the dark age of slavery prevailed.

Was mankind to remain forever at the mercy of this blind destiny? One answer came on that fateful day near Nazareth, when Jesus Christ proclaimed: "He anointed me . . . to preach a release to the captives . . . to send the crushed ones away with a release."

The message of Jesus was a clear proclamation of human destiny. "One can and must rebel against bondage and slavery."

The revolt by Spartacus was doubtless rooted in the belief that slavery was not forever and that freedom could ultimately be achieved. Spartacus and his fellows, however, knew that for them, at least, freedom was inconceivable, unless upon a cross. On the eve of the last battle, Spartacus cried: "My friends, we have come a long way together, longing to return to our land and live free. But tomorrow, we have to fight again. Perhaps there is no place for us in this world. But one thing is certain. We are free!"

The next day, 6,000 slaves were crucified along the road from Rome to Capua. That was the price of freedom. But the day came when the thunderous voice of the oppressed resonated everywhere and put an end to the age of slavery. Indeed, the pages of history may abound in oppression, pain and blood, but on the other side of every bitterness and humiliation lies the sweetness and magnificence of liberation.

There was a time when such tyrants as Attila, Genghis Khan and Hitler roamed the earth, but now, in the new age of global communications and information, the interdependence of civilizations and the new relationships among nations inhibit such roguish aggression. History has never ceased to move on. By relentlessly challenging all obstacles to liberty, humanity has liberated itself from the fetters of antiquated social and political relationships, and charged forward.

But one cry, and one cry alone, has remained unanswered, stifled in the depths of history: It is the cry of "the slave of slaves," the cry of women, the voice of those enduring the ugliest of all oppressions. Gender oppression ran so deep that no one believed it even existed. Gender oppression was not considered as oppression at all, rather as natural for women.

I am woman  
My bare feet  
Pacing the parched earth  
Since the First Day  
In search of a drop of water. . . .

Women were doubly enslaved once as all other slaves and oppressed people, those subjugated and exploited in every age of history,