

fiscal year 1998 maintains a current level of services and staff levels for the ITC to conduct its investigatory functions under the various import statutes and to apply objective analysis and advisory reports of the President and the Congress.

The bill also authorizes additional funds for the year 1999 requested by the ITC to cover the estimated costs to conduct so-called sunset reviews of 315 outstanding antidumping and countervailing duties orders as required by the Uruguay round implementation legislation of 1994. During the markup and also during the hearing on this particular matter, I indicated to the ITC officials that should they need more resources, given the fact that they have 315 antidumping and countervailing duty orders to review, they should come back to our committee because certainly we want to make sure that they complete these reviews in a timely manner.

I would now conclude, Mr. Speaker, that the Subcommittee on Trade has held oversight hearings on the budget request and reviewed the activities of all three of these agencies as indicated by the gentleman from Illinois [Mr. CRANE]. There is no known opposition to the authorization levels in the bill as reported by the committee, and I certainly urge passage of H.R. 1463.

Mr. SHAW. Mr. Speaker, I rise today in support of H.R. 1463, the Trade Agencies Authorization Act.

While this bill contains many worthy provisions, this legislation is especially deserving of support because it authorizes the resources necessary for the Customs Service to interdict the flow of illegal drugs into this country. As a Member of Congress from south Florida, I can attest that in my home State, the fight to keep illegal drugs from reaching our streets is an ongoing, daily battle, which we are losing.

Mr. Speaker, there are three main reasons why the Customs Service's interdiction efforts must be bolstered, and especially in south Florida. First, in the past few years, Congress and the administration have poured resources into such interdiction efforts as Operation Hardline along the Mexican border, and Operation Gateway in Puerto Rico. These operations did help stem the flow of illegal drugs into those areas. However, these operations had one unintended side effect: Drug traffickers began to avoid those areas, and redirected their smuggling efforts toward another major gateway of drugs into our country, south Florida.

Second, Customs agents in south Florida do not have the resources they need to effectively engage drug traffickers. Right now, smugglers' boats can outrun the older Customs Service vessels patrolling the waters off of Dade and Broward Counties. Simply put, Customs needs better and faster boats to combat this threat.

Finally, the drug lords already have a distribution network in place in south Florida, which greatly eases the distribution of their deadly product. And with 2,276 miles of coastline, along with countless inlets, coves, and tiny keys, the topography of Florida makes it attractive to drug smugglers.

For these reasons, during markup in the Ways and Means Committee of this bill, I offered an amendment that would redirect \$10 million in the Customs Service budget toward interdicting drugs. My amendment transfers \$5 million from the commercial account of the Customs Service budget equally per year to the noncommercial account, and the air and marine account. My amendment was enthusiastically supported by Mr. RANGEL, and passed the Committee by voice vote.

Furthermore, contained in the report accompanying H.R. 1463 is language making Customs aware that the purpose of my amendment is to shift funds toward rebuilding the marine interdiction program in south Florida, and to hire more special agents and intelligence officers dedicated to counternarcotics and money laundering. If the funds authorized in my amendment are fully appropriated and properly allocated, the Customs Service marine program in south Florida could return to its 1993 level—the year President Clinton took office.

Mr. Speaker, this reallocation of funds sends a strong message to the Customs Service that Congress wants a greater focus on interdicting illegal drugs, especially in south Florida. I urge my colleagues to support H.R. 1463.

Mr. CRANE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MATSUI. Mr. Speaker, I also yield back the balance of my time.

The SPEAKER pro tempore (Mr. SNOWBARGER). The question is on the motion offered by the gentleman from Illinois [Mr. CRANE] that the House suspend the rules and pass the bill, H.R. 1463, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

EXPRESSING THE SENSE OF CONGRESS REGARDING THE CONSUMER PRICE INDEX

Mr. SOUDER. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 93) expressing the sense of the House of Representatives that the Bureau of Labor Statistics alone should make any adjustments, if any are needed, to the methodology used to determine the Consumer Price Index.

The Clerk read as follows:

H. RES. 93

Whereas the Consumer Price Index currently informs our Nation's monetary policy, and determines both the level of taxes paid and the amount of government benefits received by millions of Americans, many of them on fixed incomes;

Whereas the Consumer Price Index is assumed in these uses to be an accurate and appropriate measurement;

Whereas the Consumer Price Index is only useful if it is a technical, not a political measurement;

Whereas it is of the utmost importance to maintain the integrity and objectivity of the determination process and of the reliability of the Federal statistical system;

Whereas it is the Bureau of Labor Statistics that has the expertise, tools, resources, and experience to maintain this integrity and objectivity; and

Whereas it is vital to protect our senior citizens and others on fixed incomes that we use the most appropriate and accurate criteria: Now, therefore, be it

Resolved, That any adjustments to the methodology used to determine the Consumer Price Index should be made by the Bureau of Labor Statistics alone.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Indiana [Mr. SOUDER] and the gentleman from Pennsylvania [Mr. FATTAH] each will control 20 minutes.

The Chair recognizes the gentleman from Indiana [Mr. SOUDER].

Mr. SOUDER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Resolution 93 which expresses the sense of the House that any adjustments to the methodology to be used to determine the Consumer Price Index should be made by the Bureau of Labor Statistics. This resolution is consistent with the agreement for a balanced budget that was recently entered into between administration and congressional leaders and reaffirms our commitment that the Consumer Price Index should be based on sound and nonpartisan deliberation.

Mr. Speaker, I reserve the balance of my time.

Mr. FATTAH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Resolution 93. Mr. Speaker, I am pleased that we are considering this resolution to protect the integrity of the process for adjusting the CPI, the Consumer Price Index. House Resolution 93 clarifies that adjustments of the CPI should be made solely by technicians at the Bureau of Labor Statistics, and it should not be left subject to the whims of politics.

I want to commend my colleague from Pennsylvania, [Mr. FOX] and the gentlewoman from New York, [Mrs. MALONEY], the gentleman from Pennsylvania, [Mr. ENGLISH], and the gentleman from Massachusetts, [Mr. KENNEDY] and others for their leadership on this important issue. I recognize that there has been extensive debate regarding the termination and accuracy of the CPI. However, as this resolution plainly acknowledges, the Bureau of Labor Statistics alone has the integrity, the objectivity and the experience to make this determination.

Mr. Speaker, the CPI should accurately reflect the rate of inflation and should not be manipulated for purposes of balancing the Federal budget. CPI adjustment could have a profound effect on the tax burdens of the American people. In addition, indexing affects the income of over 70 million Americans. Some 43 million Social Security beneficiaries, 4 million military and Federal civil service retirees and survivors, and 23 million food stamp recipients have their lives directly impacted by the CPI and changes thereto. Even the cost of lunches for 24 million children who participate in the school lunch program is affected.

So when we look at who is dependent on the accurate assessment of the

index, then we understand how vitally important it is that we send this message that we will not allow seniors and our children to be pawns in the budget chess games, now or in the future. This legislation is supported by such groups as AARP, the National Council on Senior Citizens, the Council on Aging, the National Committee to Preserve Social Security and Medicare.

Mr. Speaker, I stand, as I am sure many of my colleagues will today, in full support of House Resolution 93.

Mr. Speaker, I reserve the balance of my time.

Mr. SOUDER. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. FOX], my friend, and the creator of this bill, and distinguished battler on behalf of senior citizens and somebody who is tireless in his pursuits of defending his constituents and those around the country from this potential raid on their dollars.

Mr. FOX of Pennsylvania. Mr. Speaker, I thank the distinguished congressional leader, the gentleman from Indiana [Mr. SOUDER] for yielding the time, and to my colleague, the gentleman from Pennsylvania [Mr. FATTAH] who has been at the forefront of assistance in the area of protecting our seniors and making sure we have balanced budgets. I appreciate as well the leadership of the gentlewoman from New York [Mrs. MALONEY], the gentleman from Massachusetts [Mr. KENNEDY], and the gentleman from Pennsylvania [Mr. ENGLISH] in this battle to make sure we do in fact preserve during a budget season that the CPI, the cost of living index, be one that is accurate, one that is fair, and we have relied on for many years the Bureau of Labor Statistics for that purpose.

My colleagues may recall historically that the Senate Finance Committee had considered a Boskin report which arbitrarily would have reduced by 1.1 percent the CPI. Those figures in our opinion did not reflect reality. The fact is, if we were to arbitrarily reduce by that percentage, we would see a \$320 billion tax increase and we would unfairly disadvantage our seniors who, in fact, are looking to a cost of living allowance which is based on facts, that would take care of their needs and Social Security, the military retirement, and several other Federal programs.

We believe the CPI is one that should not be budget-driven or deficit-driven or politically driven. It should be an accurate measurement of what the cost of living index is in the United States and not be an artificial figure. And so we are very appreciative of the congressional bipartisan support we have received to date.

This is certainly a resolution which has support on both sides of the aisle, and as Nobel laureate Milton Friedman has said: I have very mixed feelings about introducing any kind of an arbitrary adjustment, an arbitrary adjustment to the CPI that would involve an increase in taxes.

Certainly Republicans and Democrats can join hands in protecting our seniors and in making sure we do not have tax increases.

So a yes vote for House Resolution 93 would certainly be a step in the right direction.

Mr. FATTAH. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina [Mr. MCINTYRE].

(Mr. MCINTYRE asked and was given permission to revise and extend his remarks.)

Mr. MCINTYRE. Mr. Speaker, I rise in support of House Resolution 93, that any adjustment in the Consumer Price Index should be determined only by the Bureau of Labor Statistics. A reduction to the CPI would have a dramatic effect on everyone receiving cost of living adjustments, including military retirees and Social Security beneficiaries and would be a financial burden on our senior citizens.

The cost of living for the elderly has increased by a whopping 69.2 percent over the past 15 years. Increased medical costs have also played an important cost factor for older Americans that they face. It is absolutely critical that older Americans have a Social Security benefit that accurately represents their true cost of living. Any adjustment in the CPI has the potential to threaten their very livelihood, and therefore it is imperative that such a decision be made by those who are eminently qualified to handle it: the Bureau of Labor and Statistics.

I am pleased to support House Resolution 93 as a way to guarantee the integrity of the steadfast commitment that we have to our senior citizens.

Mr. SOUDER. Mr. Speaker, I yield such time as he may consume to the gentleman also from Pennsylvania [Mr. ENGLISH], my distinguished colleague and class member.

Mr. ENGLISH of Pennsylvania. Mr. Speaker, I want to thank the distinguished Member from Indiana for yielding this time to me, and I would also like to thank the gentleman from Pennsylvania [Mr. FOX] for authoring this resolution of which I am a cosponsor.

Mr. Speaker, this resolution puts Congress on record ratifying a key component of last week's historic budget accord. What we propose to do is put Congress on record in favor of leaving the annual cost of living adjustments and changes in CPI to the experts, not bringing those changes into the political arena. We are putting the House on record as opposing politicizing the technical process of measuring inflation, and we are opposing injecting arbitrary budget-driven changes into the process of calculating the Consumer Price Index.

□ 1445

This resolution puts Congress on record, maintaining the integrity of this key statistical measure. In our view, any change in CPI should be done only after extensive study because we

recognize the effect of a statutory adjustment. As some have proposed in the past, a statutory adjustment in the CPI would cut retirees' incomes, raise taxes, but at the same time create a huge budget windfall, which would make it so much easier for us in this Chamber to avoid making difficult decisions.

We have to recognize that getting to a balanced budget will be a difficult process. It will require tough decisions and real choices. There is no easy fix. There is no shortcut. Mr. Chairman, I strongly urge the House to join us in supporting this resolution.

Mr. FATTAH. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. STENHOLM].

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

Mr. STENHOLM. Mr. Speaker, no one is proposing that Congress change the methodology of calculating CPI. Everyone agrees that only BLS should change the methodology for determining CPI, and anyone who suggests that the blue dog budget or any other budget proposal would change the methodology for determining CPI is distorting the issue for political purposes.

What the blue dog budget proposes is that BLS be given the resources and the authority to make whatever changes necessary to improve the accuracy of the CPI, change how CPI is used to index Government programs to the cost of living while BLS improves CPI.

I think it is important to remind all of us today that numerous experts, including BLS, have warned Congress about the limitations of using CPI to make cost-of-living adjustments. The Consumer Price Index was never intended to be used to make cost-of-living adjustments. Congress decided to use CPI as an approximation of increases in cost of living to index Government programs.

In testimony before the Senate Finance Committee, BLS Commissioner Katharine Abraham stated, "Although I believe that we can make important improvements in the CPI, I do not believe it is possible to produce a perfect cost-of-living measure."

That means that those who use the data we are able to produce should recognize the limitations of those data and exercise judgment accordingly concerning whether and how the data should be used. Adjusting the use of CPI to index Government programs is not a political fix or a budgetary gimmick.

Although there is no consensus on what changes should be made to the calculation of the CPI, there is broad agreement that continuing to adjust programs based on CPI provides increases greater than the cost of living. The blue dog budget proposes that we are adjusting the use of CPI or indexation to ensure that the cost-of-living adjustments for Government programs are accurate.

We cannot justify continuing a mistake that numerous experts have told us results in incorrect cost-of-living adjustments. Continuing to use CPI to index Government programs to inflation is an unnecessary drain on the Federal budget and the Social Security trust fund.

Mr. Speaker, I include the following for the RECORD:

WHY A LEGISLATED CHANGE IN THE USE OF
CPI IS NECESSARY

Legislation reducing indexation based on CPI as an interim step will allow BLS to make corrections in CPI without facing the political pressure for a quick change in the calculations CPI in order to achieve savings.

It will take BLS several years to conduct the necessary research and experimentation to address the complex issues that result in the CPI overstating inflation. Congress should not pressure BLS to make changes in the calculation of CPI before the experts are able to do so properly. BLS Commissioner Katharine Abraham underscored this point in testimony before the Senate Budget Committee:

"If the BLS staff or other technical experts knew how to produce a true cost of living index on a monthly production schedule, that would be what we produce. . . . However, I believe we would gain little, and possibly do much damage to the credibility of our statistical system, if we were to move hastily to adopt untested techniques for producing offsets to the official CPI."

Federal Reserve Chairman Alan Greenspan concurred with the assessment of BLS about the difficulty of correcting CPI, stating in testimony before the Senate Budget Committee that "Even if BLS moves aggressively, some upward bias will almost surely remain in the CPI, at least for the next several years."

Simply directing BLS to correct the CPI quickly in order to meet budgetary needs ignores the very real difficulties that experts have identified that BLS must overcome in order to correct the problem. A budget that assumes substantial savings from a technical adjustment to CPI will fall short of achieving balance if BLS is unable to act quickly enough to meet budgetary timetables.

The federal government cannot afford to add billions to the national debt through higher spending and lost revenues because of the bias in the CPI that has been identified in over a dozen studies.

The federal government loses billions of dollars every year that government programs are overindexed for inflation. Since the impact of indexation is cumulative over time, even a short delay results in significant lost savings. Delaying the implementation of a CPI adjustment by one year reduces the savings by nearly one third. An adjustment of 0.4% implemented in 1999 would save \$15.5 billion less than the same adjustment enacted in 1998.

Although there is no consensus on what technical changes should be made to the calculation of the CPI, there is broad agreement that continuing to adjust programs based on CPI provides increases greater than the cost of living. Alan Greenspan advised Congress that "If we cannot find a precise estimate for a certain bias, we should not implicitly choose zero as though that was a more scientifically supportable estimate . . . assuming zero for the remaining bias is the political fix."

A legislated change to indexation will compensate for the overstatement in CPI that economists have identified in the CPI that cannot be corrected through technical changes.

Many economists have warned that BLS may never fully eliminate the bias in the CPI. Some of the problems that cause the bias have no obvious solution. Other sources of bias are the result of ongoing problems resulting from changes in the economy that can never be fully corrected. After examining the ability of BLS to correct CPI, economist at the Federal Reserve Bank of Cleveland concluded that a legislated adjustment is necessary for this reason. "From a statistical perspective, there is no obvious way to 'fix' the CPI. . . . Because the CPI is not likely to be fixed soon, and because it probably contains an upward bias, the most practical course may be merely to adjust the cost-of-living estimate by some amount."

Even BLS has suggested that Congress consider adjusting how CPI is used to index government programs. In testimony before the Senate Finance Committee, BLS Commissioner Katharine Abraham state that "Although I believe that we can make important improvements in the CPI, I do not believe it to be possible to produce a perfect cost-of-living measure. This means that those who use the data we are able to produce should recognize the limitations of those data and exercise judgement accordingly concerning whether and how the data should be used."

Mr. SOUDER. Mr. Speaker, I yield such time as he may consume to my friend and distinguished colleague, the gentleman from New Jersey [Mr. SAXTON], a tax and economic policy leader.

(Mr. SAXTON asked and was given permission to revise and extend his remarks.)

Mr. SAXTON. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, when I heard first about the Boskin Commission report, I said, "Well, of course, if we are going to use the Consumer Price Index, the CPI, for a variety of things, it ought to be accurate. Of course, if we are going to use it to adjust entitlement benefits, it ought to be accurate. Of course, if we are going to use it to adjust from time on an annual basis the amount of taxes Americans pay, it ought to be accurate. Of course, if we are going to use CPI in the private sector to adjust leases and mortgages and things on a timely basis, it ought to be accurate."

Actually, the Bureau of Labor Statistics has done a reasonable job over the years in changing it from time to time. Every decade or so, the Bureau of Labor Statistics looks at the market basket that they measure and tries to make adjustments. But it was as far back as 1938, when renowned authors started to write that it was a difficult task, at best, and an impossible one perhaps to come up with an annual CPI year after year after year that was always accurate.

So, as we began to look at this issue and the issues that it affects, like taxes, like Social Security, and like in the private sector mortgages and leases, we stepped back and said to the Bureau of Labor Statistics, let us know how you can fix this because it would be a bad idea for Congress to make an arbitrary adjustment.

Let me show what happens in just one example as it relates to Federal in-

come taxes. In the IRS Code, there are a number of features, including the personal exemption, that is right, the personal exemption, which is indexed, the standard deduction, which is indexed, and marginal tax brackets, which are also indexed for inflation. They go up each year depending on the increase in the cost of living as measured by the Consumer Price Index.

This chart shows the practical effect of an arbitrary 1.1 adjustment, as the Boskin Commission reported. In the early years, in 1997, it would be a relatively small adjustment, about something in the neighborhood of \$5 billion in annual income to our Treasury. But as the years go by, that compounds because you build CPI on top of a CPI on top of a CPI; and, so, we would collect significantly more taxes each year until in the year 2008. Just 10 years from the inception, we would collect an additional \$56.3 billion a year if we followed the recommendation of the Boskin Commission.

So those of us who are here who want to vote for increased taxes, it would be a really good idea to vote for a 1.1 reduction in the CPI. I know some of my colleagues are tired of me saying this because over the last couple of weeks we have had this budget proposal which we have been talking about; and, yes, part of it was an adjustment in CPI. So anybody who had voted for that, thankfully, has been taken out, anybody who had voted for that would have voted for a substantial increase in income taxes.

This chart shows what it means on the individual level, again starting with a relatively small increase on an individual basis, but by the year 2008, a family with two taxpayers would be paying an extra \$405 annually in taxes because of the adjustment in the CPI.

This just gives an idea of how this compounds. So when you say to your Social Security beneficiaries back home we ought to have accurate numbers in the CPI because when we measure price stability we should be accurate, just understand how this compounds over the years, what it means in terms of additional taxes that Americans pay, and what it means in terms of fewer benefits Social Security beneficiaries will receive.

I again thank the gentleman from Indiana [Mr. SOUDER] for yielding this time, and I commend him and the gentleman from Pennsylvania [Mr. FOX] and others who have been involved in this effort for bringing this resolution to our attention and the floor.

Mr. FATTAH. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York [Mrs. MALONEY], who is a sponsor of this legislation.

Mrs. MALONEY of New York. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I am asking my colleagues on both sides of the aisle to support the resolution I submit with my Republican colleagues, the gentleman from Pennsylvania [Mr. FOX]

and the gentleman from Pennsylvania [Mr. ENGLISH] and my Democratic colleague, the gentleman from Massachusetts [Mr. KENNEDY].

H.R. 93 expresses the sense of the House that the Bureau of Labor Statistics alone should make any adjustments, if any are needed, to the methodology used to determine the Consumer Price Index. We argue national CPI is only useful if it is a technical, not a political, measurement.

The CPI is used to determine benefits for over 40 million Social Security recipients, as well as the benefits of millions of other pensioners. It is used to determine the cost-of-living adjustments in worker wage agreements, and the IRS uses it to determine deductions and tax brackets. That is why there is no room for political posturing with the CPI.

Let us stick with the facts of the matter, and the Bureau of Labor Statistics is the agency that is most qualified to determine those facts. Policy, not politics, has driven monetary policy; and policy, not politics, should drive the CPI statistics.

When Federal Reserve Chairman Alan Greenspan first explained that he thought the CPI exaggerates annual inflation, some saw the opportunity to cut the deficit without making the tough decisions. But millions would stand to lose critical income. This resolution maintains the integrity of the process and the independence of an agency which, like the Federal Reserve, ought to remain independent. I am asking for your support today for this resolution.

Mr. SOUDER. Mr. Speaker, I reserve the balance of my time.

Mr. FATTAH. Mr. Speaker, could we have an understanding what time is available to each side?

The SPEAKER pro tempore [Mr. SNOWBARGER]. The gentleman from Pennsylvania [Mr. FATTAH] has 12½ minutes remaining, and the gentleman from Indiana [Mr. SOUDER] has 10 minutes remaining.

Mr. FATTAH. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. STRICKLAND].

Mr. STRICKLAND. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I rise in support of this resolution to ensure that the proper agency, the Bureau of Labor Statistics, maintains its authority over adjustments to the Consumer Price Index. I oppose efforts to change the CPI by congressional fiat. Such a proposal is nothing more than a quick-fix gimmick, an attempt to balance the budget by indiscriminately reducing cost of living and retirement benefits and, in the process, harming the most vulnerable in our society.

Some have argued that a lower CPI would only reduce Social Security checks by a few dollars. But in my district, a few dollars can often mean the difference between being able to pay for food, medicine and rent and not

being able to pay for these essentials of daily living.

I believe in a balanced budget and I intend to fight for one, but it must be done fairly. Let us not balance the budget with tricks and gimmicks on the backs of seniors and children, but let us balance the budget by asking everyone to contribute their fair share.

Mr. FATTAH. Mr. Speaker, I yield 1 minute and 15 seconds to the gentleman from the great State of Florida [Mr. WEXLER].

Mr. WEXLER. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I rise in support of the resolution to help make certain that America's senior citizens and America's veterans get treated fairly as this Congress attempts to balance our budget by the year 2002.

The Consumer Price Index should be an economical calculation, not a political one. The Consumer Price Index and the cost-of-living raises should reflect that supposed basket of goods that each and every American will purchase each and every month. When the Department of Labor goes into America's drugstores and they look at the kinds of drug prescriptions that America's senior citizens have to purchase each month that cost \$150 and \$200 at a clip, they will understand that the cost-of-living supposed increases that may overstate inflation in fact are needed by America's senior citizens.

The cost-of-living inflation with respect to home health costs and the kinds of long-term health insurance that America's senior citizens need require us to make an economic calculation, not a political one, that truly reflects the true basket of goods that America's senior citizens and veterans are required to purchase each month.

Mr. FATTAH. Mr. Speaker, I yield 1 minute to my colleague, the gentleman from Iowa [Mr. BOSWELL] to speak on this very important piece of legislation.

(Mr. BOSWELL asked and was given permission to revise and extend his remarks.)

Mr. BOSWELL. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I think that we are kind of on the same frequency around here, but I am not too sure we understand. Today I voice my opposition to this resolution, House Resolution 93. It is merely a directive for change. Pressuring changes in the CPI does nothing more than politicize the entire CPI calculation in an attempt to avoid the hard choices required to balance our Nation's budget. This calculation should not be used as a political tool.

If the CPI needs to be adjusted, the Bureau of Labor Statistics is already charged with that responsibility. There is no need to politicize this topic. I am committed to balancing the budget but not by forcing cutbacks on our seniors and our veterans, nor by placing hidden tax hikes on the middle class.

□ 1500

Our seniors have already been subjected to large cuts in an effort to balance the budget and should not be singled out again with this politically motivated ploy. Hidden in all of the debate to change the CPI is a tax hike for every American.

The CPI is used to calculate the index for the standard deductions for income tax purposes. The end result of a politically motivated decrease in the CPI is especially damaging to our seniors and veterans, and that is unacceptable. I urge my colleagues to vote "no" on this misguided attempt to inject politics into the calculation of the CPI.

Mr. FATTAH. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Speaker, first of all, let me thank my good friend from Pennsylvania [Mr. FATTAH] for the efforts that he has made to try to make certain that we have a reasonable and accurate portrayal of exactly what the CPI is. I want to particularly thank the gentleman from New York [Mrs. MALONEY] as well as the gentleman from Pennsylvania [Mr. FOX] for their efforts.

Every once in a while an issue comes before the House of Representatives that unites Democrats and Republicans in our combined abhorrence to the patent unfairness that can occur due to the politicalization of an issue. That is exactly what has occurred with the CPI.

Make no mistake about it. This CPI issue went to the heart of what America stands for, whether or not we are going to go out and balance the budget of this country by simply increasing a hidden tax on the poor, the senior citizens, the veterans of this country, and the working families whose increases in their annual incomes are tied directly to the BLS stipulated numerical equation that determined what the level of those increases might be.

I have been a prime supporter of a balanced budget. I believe we ought to have a balanced budget. But I believe we ought to have a balanced budget by virtue of proper accounting and not by going in and reaching into the pockets of the poor and the vulnerable senior citizens.

People say let us have an accurate CPI; I say fine. But the truth of the matter is that, if we look at how much it costs to retire and what the cost of retirement really is for the average Social Security beneficiary in America, it is much higher than the cost of living for a lot of other people.

If we really want an accurate CPI, there are many CPI's in America. There are CPI's that are going to vary differently. If one is an elderly person who is retired and has a high cost of prescription drugs, if one has to take care of lots of medical bills, in every other account of the government we take into account the rising cost of health care. But in CPI, it is all melded together into one single number. We do

not take into account the differences between what it costs to retire if one is elderly and what it costs to live if one happens to be much more wealthy.

I believe that the efforts that we have made here in the Congress, when I was able to go out and attract 55 Members of the Congress on both sides of the aisle to get a letter sent to President Clinton saying, if they were going to include this unconscionable act of lowering the CPI in the budget agreement, that we would have a separate vote on that issue on the House floor.

Second, we wrote letters to both the Chairman as well as the ranking member on the Committee on the Budget suggesting to them that this was an unfair and an unwarranted act by those individuals that were trying to balance the budget on the backs of our retirees.

So I say, if we want to go after Social Security, be honest with folks. Take on the people that are wealthy that have gotten more out of the system than they paid into it, but do not reach into the back pockets of the poor and the vulnerable in order to balance the budget of America.

Mr. FATTAH. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I want to thank the gentleman from Pennsylvania [Mr. FATTAH] for his leadership and really tapping into the heart of the issue. There is not a time that I am not visiting with constituents in my community, mainly seniors and veterans, who are concerned about what happens to them with a falsified political adjustment of the CPI.

Now, those of us who rise on the floor to argue for that protection of that number may get accused on many occasions of not wanting to balance the budget and wanting to throw money away; and we say no, we simply want to give to those who have been veterans and senior citizens, who have worked all of their lives, a fair shake.

How is it when we talk to seniors in our districts and they say to us, I cannot make ends meet. I do not know how I am going to eat at the end of the month. My prescription costs are enormous, and I cannot even pay for those.

This bill is clearly a very positive statement that says that the BLS should be the only entity that offers to merit the kind of analysis we need to deal with the CPI. I do not know any other institution, the Federal Reserve, the debate on the floor of the House, that would have the accuracy and integrity that would cause us to be able to support those who need us most.

I join my colleague, the gentleman from Massachusetts [Mr. KENNEDY], to say the most vulnerable are the ones that this House most needs to stand up on the side of. That is those who cannot come here and speak for them-

selves, do not walk the halls of Congress. But yet, every single day, we need to pay tribute to the years of work of our senior citizens and certainly the sacrifice that many of our veterans have given.

It saddens me when every time I hold a town hall meeting I hear seniors say, are you going to save the CPI or are we going to suffer even more? For that reason, let me add my support to this legislation and add my support to supporting the most vulnerable, particularly, if I might say, our seniors and our veterans. Let us give them a fair shake.

Mr. FATTAH. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. MINGE], our final speaker.

Mr. MINGE. Mr. Speaker, Congress is ultimately responsible for determining the scope and extent of programs that have been established by Congress, and this includes retirement programs, it includes a tax system, it includes the Bureau of Labor Statistics operations.

I think that all of us understand and recognize that the Bureau of Labor Statistics established the Consumer Price Index several decades ago. It was to be an index that essentially reflected certain retail prices that were paid by American consumers. It was not intended to be an inflation index. It was not intended to necessarily be a cost-of-living index. Instead, it was simply an index that was established and continued based on traditions established at the Bureau of Labor Statistics.

Over the years, the Bureau of Labor Statistics identified inaccuracies in its own index, and occasionally it would implement changes, corrections it felt necessary. Usually these changes would be made without undue controversy, and sometimes the Bureau of Labor Statistics found itself under severe attack from Congress itself for making corrections to implement changes for a more accurate Consumer Price Index.

We face a parallel situation here in 1997. The Bureau of Labor Statistics is gun-shy. It knows that, if it makes the changes in CPI that are important for accuracy, it is treading on the toes of powerful interest groups in our political system.

We had the opportunity last week to seriously address this question in Congress, but with the new-found sum of \$225 billion from the Congressional Budget Office, the decision was made: This is too tough, let us put it off the table. What is the consequence? We in Congress are not providing any guidance to the Bureau of Labor Statistics, as even the Bureau of Labor Statistics has indicated it needs some guidance from Congress. We are shirking our responsibility.

One group here has proposed such a change. The Blue Dog coalition proposed a budget with a correction, and with a flat COLA, to try to be fair to low-income Americans. I think that we should reexamine our goals here in this institution.

Mr. FATTAH. Mr. Speaker, I yield myself such time as I may consume.

Let me conclude by thanking my colleague, the gentleman from Indiana [Mr. SOUDER]. We came into the Congress together, and we served together on the House Government Reform and Oversight Committee and also on the Committee on Education and the Workforce, for his deliberations here this afternoon and his willingness to share time with the minority. This is a very important issue.

We heard my colleague just suggest that the Bureau of Labor Statistics was looking for guidance from the Congress. Well, that is the purpose of House Resolution 93. We are providing that guidance. We are saying that we have the confidence in their ability and their expertise to determine appropriately within the level of limitations that exist what is indeed appropriate consumer price fluctuations in the market, and we would like to not have this be driven by political decisions or budget decisions.

I do understand the legitimate and authentic interests of Blue Dogs and others who have moved us along this continuum of a dialog to the day that Congress will, I think, indicate through this expression that we want to see BLS handle this matter and handle it without political interference.

So I rise in support finally of House Resolution 93 and I thank my colleague, the gentleman from Pennsylvania [Mr. FOX] for his leadership on this matter.

Mr. Speaker, I yield back the balance of my time.

Mr. SOUDER. Mr. Speaker, I yield myself such time as I may consume.

I want to thank the gentleman from Pennsylvania [Mr. FATTAH] for his leadership. I enjoy working with him in our committee. It is the type of thing we need to do more often working in bipartisanship and common interests because, while we may have disagreements from time to time about the best way to achieve solutions, we are legitimately concerned and share the common concerns about what is going on in our country. While we may disagree, sometimes, and more often than not, we are going to agree on what the problems are and even on what many of the solutions are, and this is one of the examples.

I also want to address some of the concerns raised by the distinguished gentleman from Minnesota, as well as from Texas concerning the Blue Dog budget and put this into kind of a summary of what we have heard here on the floor in debate. It is not likely that any Member is going to walk down to the floor and say, oh, I believe it ought to be calculated for political purposes.

There is a small group of people who are definitely committed to balancing the budget who believe that the CPI is incorrectly calculated. They have expressed their concerns, but that is not the way Congress works. Every time we change the CPI, we do not cut the

deficit, we spend more money, and that is in fact what would happen.

Many Members who did not come down to the floor who have been doing their work in the back rooms, they have been anxiously trying to divide up what they were going to spend had we adjusted the CPI. They were not going to do that in front of the television cameras, they are going to do it in the back rooms.

I share some concerns that have been expressed that there has been some smoke and mirrors in the budget; we will see that as it unfolds in this agreement. But many of us believe that this should be a scientific process, not a political process, and it was coming to be a political process of how we could get more dollars away from senior citizens, away from families, away from veterans, so we could spend more for groups that were politically important to some Members or concerns about a TV ad here or a TV ad there. That is not the way we should adjust the CPI.

To summarize, this is a sense of Congress regarding the Consumer Price Index to take politics out of the process. The CPI is intended to provide as accurate as possible measurement of inflation and enables the Government to limit the impact of inflation for those most vulnerable to its bite.

The determination of the CPI also has significant long-term consequences on determining tax liabilities, as we heard from the gentleman from New Jersey [Mr. SAXTON] today. Our purpose today is to recognize that because of the tremendous importance of the CPI for average Americans, any modification of the CPI should be made by those most capable of doing so in the Bureau of Labor Statistics. It should not be a political football, it should not be something to try to take from one group to give to another. Its determination should be left in the hands of those most qualified to accurately measure inflation.

Senior citizens and taxpayers across this Nation owe thanks to my distinguished colleague from Pennsylvania, Mr. FOX, and his cosponsors, the gentleman from Pennsylvania, Mr. ENGLISH, the gentlewoman from New York, Mrs. MALONEY, and the gentleman from Massachusetts, Mr. KENNEDY. This decision should be based on the best policy, not on politics.

Mr. CAPPS. Mr. Speaker, I rise today in support of this resolution to affirm that any changes made to the Consumer Price Index [CPI] only be made by the Bureau of Labor Statistics [BLS]. This is a matter of grave importance to millions of Americans; it is not just a matter of accounting.

Recently, the Boskin Commission Report stated that CPI overstates inflation by as much as 1.1 percent. Since that time, commentators and some Members of Congress have urged that Congress take this recommendation and immediately lower the CPI. Lowering the CPI by 1.1 percent would result in increasingly large annual savings, starting at \$6 billion in fiscal year 1998 and rising to nearly \$70 billion in fiscal year 2002. That is certainly an incentive to lower the CPI.

But these savings would come in large part from reductions in the cost of living increases for Social Security recipients, veterans, and other Federal retirees. This is unfair and unjust. We should not balance the budget on the backs of seniors and others who have spent their lives in the service of their country.

More importantly, making such an arbitrary change would be wrong. The CPI should reflect the rate of inflation, not the need for politicians to balance the budget. I have full confidence in the BLS to make any necessary adjustments in a timely manner to reflect changing conditions in our economy.

I am one of nine cosponsors of this legislation. I have also written, along with several of my colleagues, to the President and Budget Committee Chairman KASICH urging them not to include an automatic CPI adjustment in the budget agreement and calling for separate vote on any adjustment should it be included in the budget resolution.

To a degree those efforts have been successful, as the budget agreement now only assumes a very slight change in the CPI. I oppose even that provision and will work with my colleagues to strike any such language from the budget resolution when it comes to the House floor should that be necessary.

I urge my colleagues to support this legislation.

Mr. SOUDER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SNOWBARGER). The question is on the motion offered by the gentleman from Indiana [Mr. SOUDER] that the House suspend the rules and agree to pass the resolution, House Resolution 93.

The question was taken.

Mr. FOX of Pennsylvania. Mr. Speaker, on that I demand the yeas and nays. The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. SOUDER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on House Resolution 93.

The SPEAKER pro tempore (Mr. SNOWBARGER). Is there objection to the request of the gentleman from Indiana?

There was no objection.

HOUSING OPPORTUNITY AND RESPONSIBILITY ACT OF 1997

The SPEAKER pro tempore. Pursuant to House Resolution 133 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2.

□ 1515

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2) to repeal the United States Housing Act of 1937, deregulate the public hous-

ing program and the program for rental housing assistance for low-income families, and increase community control over such programs, and for other purposes, with Mr. GOODLATTE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Thursday, May 1, 1997, amendment No. 9 offered by the gentleman from Illinois [Mr. JACKSON] had been disposed of, and title I was open for amendment at any point.

Are there further amendments to title I?

AMENDMENTS OFFERED BY MR. LAZIO OF NEW YORK

Mr. LAZIO of New York. I ask unanimous consent that the following amendments be considered en bloc, Mr. Chairman, and I will read off the following amendments:

Amendment No. 48 offered by the gentleman from Michigan [Mr. SMITH]; amendment No. 47 as printed in the RECORD offered by the gentleman from Pennsylvania [Mr. KLINK]; amendment No. 1 offered by the gentlewoman from Colorado [Ms. DEGETTE]; amendments Nos. 23 and 24 offered by the gentleman from Minnesota [Mr. VENTO]; amendment No. 49 offered by the gentleman from Mississippi [Mr. TAYLOR]; amendments Nos. 20 and 21 offered by the gentleman from Ohio [Mr. TRAFICANT]; amendment No. 28 offered by the gentleman from Nevada [Mr. ENSIGN]; and amendment No. 33 offered by the gentlewoman from Connecticut [Mrs. JOHNSON].

The CHAIRMAN. The Clerk will designate the amendments.

The text of amendment No. 48 is as follows:

Amendment No. 48 offered by Mr. SMITH of Michigan: Page 15, line 21, strike "includes" and insert "may include."

The text of amendment No. 47 is as follows:

Amendment No. 47 offered by Mr. KLINK: Page 69, line 14, after the period insert the following:

The Secretary shall require that each such agreement for local cooperation shall provide that, notwithstanding any order, judgment, or decree of any court (including any settlement order), before making any amounts provided under a grant under this title available for use for the production of any housing or other property not previously used as public housing, the public housing agency shall—

(1) notify the chief executive officer (or other appropriate official) of the unit of general local government in which the public housing for which such amounts are to be so used is located (or to be located) of such use;

(2) pursuant to the request of such unit of general local government, provide such information as may reasonably be requested by such unit of general local government regarding the public housing to be so assisted (except to the extent otherwise prohibited by law) and consult with representatives of such local government regarding the public housing.

The text of amendment No. 1 is as follows: