

there is high inflation or low inflation. Those policies can determine as well whether we can influence interest rates both in the short as well as in the long term.

Sound monetary policies can create a framework favorable to economic growth, while policies that permit inflation to take place undermine economic growth. We are all concerned about job creation. We are all concerned about good wages. And it is primary to the policies that come out of the Federal Reserve as to whether or not those issues are able to take place.

Over the last few months I have released a number of studies on Federal Reserve policy in my capacity as chairman of the Joint Economic Committee. We call the committee the JEC. These studies explain the reasons why inflation or the lack of it, known as price stability, should remain as the central focus of Federal Reserve policy. According to this research, the Federal Reserve's anti-inflation policy has worked well over the last few years. However, more recently, I have had some disagreements with the Fed about price stability and how it should be implemented.

Is inflation taking place? It does not look so. But our JEC research suggests that, if there is inflation, it should be visible in real terms, in price measures such as the Consumer Price Index, which indicate today no inflation or no appreciable inflation. It should also be evident in prices of raw materials like commodity prices. It should also be evident in the value of the dollar as opposed to the German mark or the Japanese yen. It does not seem like there is any inflation there. And it should be evident in bond yields.

Now, according to these price measures, there is no real evidence of inflation to justify Federal Reserve increases in interest rates. Yet the Federal Reserve seems to view economic growth itself as potentially inflationary. Now, imagine that for a minute, economic growth as being bad because economic growth means inflation. I do not think that is true.

Based on our research, in fact, the JEC has done, I have opposed the increase in interest rates announced by the Federal Open Market Committee of the Fed on March 25. According to price measures used by the Joint Economic Committee, there is no indication of inflation justifying this increase in interest rates. For the same reason, I do not think the evidence would support an increase in interest rates at the FOMC next Tuesday.

In connection with this research, I have also suggested that more openness is needed with Fed policy. Why should we as members of the public be trying to guess about what they are going to do? It creates instability. It creates guessing. People should not have to make investments based on their best guess. They should do so for good sound reasons.

Having to guess about Fed policy is not good for our economy.

In conclusion, there is no substantial evidence of inflation to support Federal Reserve action to raise interest rates. I am extremely supportive of the objective of price stability. Nobody wants inflation. But I do not agree with those at the Fed who tend to view economic growth itself, economic growth itself as potentially inflationary.

Furthermore, Federal Reserve efforts to be more open and transparent should be encouraged and continued.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until 2:00 p.m. today.

Accordingly (at 1 o'clock and 7 minutes p.m.) the House stood in recess until 2 p.m.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. PEASE] at 2 p.m.

PRAYER

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

We offer our thanks and praise to You, O gracious God, for all of those gifts of life that make our days worthwhile and our relationships more meaningful. On this day we are especially aware of the blessings of joy and happiness that can come from Your hand and which we can share with each other. In spite of the difficulties of every decision, and the anxieties associated with every day, we are delighted that we can experience the elation and jubilation that comes when these special gifts brighten our vision and give us new horizons on which to focus. May joy and happiness brighten our lives and may Your benediction, O God, never depart from us. 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 Mississippi [Mr. WICKER] come forward and lead the House in the Pledge of Allegiance.

Mr. WICKER 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.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, May 9, 1997.

Hon. NEWT GINGRICH,
Speaker, U.S. House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted to Clause 5 of Rule III of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on Friday, May 9, 1997 at 10:34 a.m.:

That the Senate passed without amendment H. Con. Res. 25

That the Senate passed S. Con. Res. 26

That the Senate appointed Commission on Maintaining U.S. Nuclear Weapons Expertise

That the Senate appointed Board of Visitors of the U.S. Coast Guard Academy, and

That the Senate appointed Board of Visitors of the U.S. Merchant Marine Academy.

With warm regards,
ROBIN H. CARLE,
Clerk, U.S. House of Representatives.

TRIBUTE TO MARGARET MARTIN BROCK

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

Mr. DREIER. Mr. Speaker, it saddens me to inform the House that this past Saturday, America lost noted philanthropist and political activist, Margaret Martin Brock.

Margaret Brock was a leader in education, civic organizations and in State and national Republican politics. She was a close personal friend of five U.S. Presidents and served proudly as a member of Ronald Reagan's kitchen cabinet. She was a confident and counselor to officeholders throughout the Nation, many here in the Congress who benefited from her encouragement, support, political insight, and friendship.

Her genuine interest was in young people. She actively sought out and helped many students further their education. She believed that her investments in young people, especially through funding of scholarships, were investments in the future of our country. She was a strong supporter of my alma mater, Claremont McKenna College, Pepperdine University, and the University of Southern California, in addition to her own Mt. Vernon College located here in our Nation's Capital.

She was proud to be a native Californian and throughout her life contributed to the betterment of our State. She actively supported the Los Angeles Mission, Salvation Army, Goodwill Industries, and the Boy Scouts of America. She was a founding member of the Los Angeles Music Center and a founding member of the Junior League of Los Angeles.

Margaret Brock's generous encouragement led many of us to choose public service. Her support of higher education and the Republican Party leaves

a legacy that will continue for generations to come.

NAFTA IS NOT WORKING

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

Mr. TRAFICANT. Mr. Speaker, the White House says NAFTA is creating new and exciting jobs. I did some research on those jobs: zipper trimmer, brassiere tender, jelly roller, bosom presser, chicken sexer, sanitary napkin specialist, and a pantyhose crotch closer machine operator. That is what I call exciting jobs, Mr. Speaker.

According to the Philadelphia Inquirer, they are so great that 90 percent of the American workers are literally worried sick about losing their jobs and losing their homes. Beam me up. I say NAFTA is working for Mexico, Chile, Canada, yes, even Japan and China. Think about it.

With that I yield back all the balance of those unsexed chickens.

BALANCED BUDGET AGREEMENT IS GOOD NEWS

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

Mr. GIBBONS. Mr. Speaker, when politicians get together and tell me what a wonderful job they are doing, I start to get nervous. But every once in a while, people on both sides of the aisle do manage to arrive at a good agreement.

Now, of course, the media will be annoyed; they need conflict. In fact, it is great fun watching the media desperately search for conflict in the balanced budget agreement that was reached between President Clinton and Congress. Even though the media hates good news, the good news needs to be reported.

The story that must be reported is that this balanced budget agreement is a win for every American family. It contains permanent tax relief, it contains the largest entitlement reform in history, it expands Medicare choices for seniors, it balances the budget for the first time since 1969. In a town where good news is sometimes hard to find, let us go forward and pass this historic agreement and send a little good news to American families.

RESTORE WIC FUNDING

(Ms. DELAURO asked and was given permission to address the House for 1 minute.)

Ms. DELAURO. Mr. Speaker, I rise today to urge my colleagues on the Committee on Rules to support an amendment to restore the full \$76 million needed for the women, infants and children program. Let me make three important points about this funding.

WIC is a program that works. If we restore the \$38 million today, we will actually save the Federal Government over \$100 million down the road. Second, the States, not the administration, not the Democrats in Congress, the States say that they need this money or else they will be forced to remove women and children from the WIC Program.

Finally, let us remember the values that made this Nation great. We simply cannot in good conscience take food off the breakfast tables of the most vulnerable members of our society. I urge the Committee on Rules to allow this amendment. I urge my colleagues to restore the full amount of the President's authorization for women, infants, and children in this country.

DEFICIT SPENDING BAD HABIT NEEDS TO BE BROKEN

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

Mr. JONES. Mr. Speaker, bad habits are hard to break. In fact, the longer one engages in a bad habit, the harder it is to break.

Deficit spending is an excellent example of a bad habit. Deficit spending means spending more money than we have. This is what the Government does year after year. If we add up all of the deficit, we will find out that the national debt now stands over \$5 trillion.

Washington has not managed to balance the budget since 1969. The tragedy in this is that the politicians who vote to run up deficits year after year are not the ones who suffer the consequences of their spending habits. Who suffers the consequences? You guessed it. Future generations, our children and grandchildren, the children are stuck with the debt. That is not right, that is not fair to children growing up today who deserve the same opportunities that we have.

Mr. Speaker, it is time to break the bad habit. It is time that this Congress pass a balanced budget.

BALANCED BUDGET AGREEMENT PLEDGE FOR BETTER TOMORROW

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

Mr. WICKER. Mr. Speaker, let's see if I have this straight. We are supposed to be impressed that the Government is not going to spend more money than it has. We are supposed to rejoice that Government is not going to make our \$5 trillion national debt any worse. I am supposed to brag to my constituents that Washington is finally going to balance the budget.

Well, Mr. Speaker, by Washington standards, a balanced budget is a cause for celebration. Balancing the budget should not be a big deal, it should not

be treated as some great achievement, but I must say after 30 years of an ever-expanding welfare state, balancing the budget is no mean feat. Balancing the budget, which to millions of Americans is nothing but common sense, is extraordinary in a town that has seen budget deficits since 1969.

This new balanced budget agreement is proof of two things. First, the new Republican Congress is serious about its pledge to make Government live within its means; and second, deficit spending does not have to be a way of life. That is a cause for celebration.

HISTORY OF DALLAS, GA

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

Mr. BARR of Georgia. Mr. Speaker, yesterday I had the honor of appearing in Dallas, GA at a ceremony marking the 145th anniversary of this beautiful and wonderful community located in the heart of the 7th District of Georgia. Dallas, GA is named after a distinguished American, George Mifflin Dallas, a former U.S. Senator and Vice President of the United States under President Polk.

Dallas, GA has a quality of life, Mr. Speaker, that is an envy of communities all across America and around the world. This is especially true under the leadership of our current mayor, Mr. Boyd Austin, just recently and very appropriately named citizen of the year by the Paulding County Chamber of Commerce.

I rise today to honor this great American community whose greatest days lie yet ahead, Dallas, GA.

TIME TO BITE THE BULLET FOR BALANCED BUDGET

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

Mr. CHABOT. Mr. Speaker, why is it so important to balance the budget? I get that question quite a bit when I speak to school groups back in my district.

Well, it is a fair question. After all, the economy has been doing OK lately and we have not had a balanced budget. Perhaps the best way to answer this question is to consider a person using a credit card who spends a little bit more than he makes each month. Every month when the bill comes, he pays off part of it, maybe just the minimum amount possible. Well, he can keep that up for a while, but eventually the mounting debt will overwhelm him and threaten his standard of living. The interest payments he is required to make each month just keep getting bigger and bigger.

Well, that is exactly what has happened to the Federal Government. A \$5 trillion debt that we have, unbelievable. It is time to get a grip. We need to balance the budget and start putting our financial house in order before it is too late.