

104TH CONGRESS
1ST SESSION

H. RES. 54

Expressing the sense of the House of Representatives that the Federal Open Market Committee and the Board of Governors of the Federal Reserve System should defer any further increase in the Federal funds rate and the discount rate until at least September, 1995.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 31, 1995

Mr. MILLER of California (for himself, Mr. GEJDENSON, Ms. WATERS, Mr. HINCHEY, Ms. MCKINNEY, Ms. SLAUGHTER, Mr. GENE GREEN of Texas, Mr. OWENS, Mr. RANGEL, Mr. McNULTY, Mr. SERRANO, Mr. FRANK of Massachusetts, Mr. STARK, Mr. GUTIERREZ, Ms. VELÁZQUEZ, Mr. FLAKE, Mr. FARR, Mr. COLEMAN, Mr. HALL of Texas, Mr. BREWSTER, Mr. EDWARDS, Mr. OBEY, Mr. TAUZIN, Mr. DEFazio, Mr. TRAFICANT, Mr. WYDEN, Mr. ROEMER, Mr. FOGLIETTA, Mr. STUDDS, Mr. CONDIT, Mr. ABERCROMBIE, Mr. McDERMOTT, Mr. DURBIN, Ms. ESHOO, and Mr. SPRATT) submitted the following resolution; which was referred to the Committee on Banking and Financial Services

RESOLUTION

Expressing the sense of the House of Representatives that the Federal Open Market Committee and the Board of Governors of the Federal Reserve System should defer any further increase in the Federal funds rate and the discount rate until at least September, 1995.

Whereas the Federal Open Market Committee and the Board of Governors of the Federal Reserve System have increased interest rates 6 times, by a total of 250 basis points, since September, 1992;

Whereas, as a result of these increases, the interest rate on 30-year fixed rate mortgages has risen from 6.97 percent a year ago to 9.05 percent;

Whereas, as a result of the actions of the Committee and the Board, an American family's monthly payment on an average \$100,000 home mortgage loan has increased by \$145 a month, from \$663 to \$808;

Whereas Americans will pay over \$7,500,000,000 more each year in new and used home mortgage payments than if the rate had remained at the February, 1994 level;

Whereas the interest burden on consumers may rise by as much as \$15,000,000,000 each year as a result of past increases imposed by the Committee and the Board;

Whereas economists recognize that the impact of increasing interest rates on the economy is not manifested until 6 to 9 months after the increase, yet at the time that interest rates were increased in January, 1995, it had been only 5 months since the 50-point August increase and 2 months since the 75-point November increase;

Whereas there is growing evidence that the economy is slowing down, such as the weakening of retail sales in November and December and the slowing of single family home construction; and

Whereas major employers are warning that additional increases in interest rates could result in plant shutdowns and layoffs affecting thousands of American families: Now, therefore, be it

1 *Resolved*, that it is the sense of the House of Rep-
2 resentatives that the Federal Open Market Committee and
3 the Board of Governors of the Federal Reserve System

1 should defer any further increase in the Federal funds rate
2 and the discount rate until at least September, 1995, in
3 order to assess the impact of past increases on the sound-
4 ness of the American economy and the economic security
5 of the American worker and his or her family.

