United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 105th CONGRESS, FIRST SESSION

Vol. 143 WASHINGTON, TUESDAY, APRIL 29, 1997 No. 53

House of Representatives

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore [Mr. BLILEY].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
April 29, 1997.

I hereby designate the Honorable TOM BLILEY to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 21, 1997, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member except the majority and minority leader limited to not to exceed 5 minutes.

NUCLEAR WASTE CLEANUP COSTS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 21, 1997 the gentleman from Nevada [Mr. GIBBONS] is recognized during morning hour debates for 1 minute.

Mr. GIBBONS. Mr. Speaker, can this Nation afford the cost of cleaning up a nuclear waste accident? A 1975 DOE contractor report concluded that a severe accident involving rail casks could and would result in the release of radioactive materials sufficient to contaminate a 42-square-mile area. If it occurred in a rural area, the estimated cleanup cost of such an accident would range from $176 million to $19.4 billion, and would require up to 460 days. Cleanup after a similar accident in a typical urban area would be considerably more expensive and time consuming, perhaps $9.5 billion just to raze and rebuild the most heavily contaminated square mile. Realize these figures cannot include the intangible cost of a single human life or the disastrous effect it could have on the future of our children.

Much more detailed studies are necessary to safeguard against accidents and their cleanup costs before we decide to ship nuclear waste through our districts. Think about it. Could our cities, local communities and States afford these horrific impacts? Remember that safety and science equals a sound solution.

FEDERAL RESERVE RAISING OF INTEREST RATES HAS MAJOR IMPACT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 21, 1997 the gentleman from Massachusetts [Mr. FRANK] is recognized during morning hour debates for 5 minutes.

Mr. FRANK of Massachusetts. Mr. Speaker, I am about to engage in an exercise which is clearly second best. The Federal Reserve Open Market Committee a couple of weeks ago decided that we were creating too many jobs too rapidly in America and, fearing that this would be destabilizing, they raised interest rates. The Federal Reserve Open Market Committee will meet again in May and July, and there is a very real prospect that they may do this again.

No single set of specific decisions taken, I believe, by anybody in the government so far this year or for the next few months, will have the impact on our economy that these decisions have had. Yet, they will be going largely undebated in this Congress because the Committee on Banking and Financial Services, which has under our rules jurisdiction over this matter, has refused to have a hearing.

Specifically, the gentleman from Iowa [Mr. LEACH], the chairman of the committee, has refused a request from all but one of the non-Republican members. Twenty-four of the Democrats and the one Independent have written to him and said, please, this is an essential issue, let us have a hearing. The chairman says to have a hearing, to have a hearing on whether or not they should continue to raise interest rates to choke off growth would be second-guessing the Fed and tampering with its independence.

I wish we could have that hearing, and I hope that the chairman will reconsider, and maybe some of the majority Members will join us. But until that time, we have no other option but this. I say that because I am about to engage in a one-sided debate with Mr. Laurance Meyer, who is a member of the Board of Governors of the Federal Reserve. I would much prefer to have Mr. Meyer in before us in a hearing room so we can engage in a two-sided debate. The chairman of the Committee on Banking and Financial Services has denied us that opportunity.

What I want to point out, however, is what now appears to me frankly the equivalent of a smoking gun in our understanding of why the Federal Reserve System decided consciously and deliberately to increase unemployment in America. Remember, that was their view. Unemployment, they said, at 5.2 percent was too low. They believed they needed to get it back up. I think 5.5 is their target.

But here is what Mr. Meyer says; he acknowledges that there was no evidence yet of inflation. He acknowledges that there was no excess utilization, there was nothing that led him now to see inflation. He thinks that it may appear in 6 months to a year, and that is why he wanted to cut it off. But

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Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

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acknowledging that he may have acted unnecessarily, he gives this justification; and this I think is central to this debate, and it is why so many of us want a hearing. He says: This involved comparing the relative costs of two potential policy mistakes, tightening when such a move turned out to be inappropriate or failing to tighten when a tightening would have been appropriate.

In other words, he says the better mistake to make, if you had to make a mistake, obviously you do not want to, but we all recognize uncertainty, better we should tighten when it is inappropriate.

Why? And here is what bothers so many of us about this decision. We are not talking hard economics here. We are talking values. We are talking social policy, and it is not a decision the Federal Reserve ought to be allowed to make without full debate. He says: If the Fed tightens and it turns out to have been unnecessary, the result would be utilization rates turn out lower than desired and inflation lower than what otherwise would have been the case.

In the context of the prevailing 7-year low of the unemployment rate, that translates into a higher, but still modest, unemployment rate, and further progress toward price stability, a central legislative mandate. He then says: This may not be the best solution. I would prefer trend growth and full employment. But then he says: But the alternative outcome just described is not a bad result. Indeed, it would be a preferred result for those who favor a more rapid convergence of price stability.

Think about what Mr. Meyer has said. An increase in the unemployment rate is not a bad result, he says. It is not his preferred result, but it is not a bad result. That is hundreds of thousands or more unemployed Americans. That is a step that makes it much harder to absorb welfare recipients. When a Federal agency says that an increase in unemployment is not the preferred, but it is not a bad result, that is a serious problem.

He then goes on to acknowledge that this would be a preferred result for those who favor a more rapid convergence to price stability. In other words, he is acknowledging that some of his fellow members of the Open Market Committee, unlike him, not only do not think this is a bad result, they think this is a good result. We have here an acknowledgment from one of the Federal Reserve Board governors in a speech that really was meant, I think, as the official explanation that he does not think an increase in unemployment is a bad result, and that he acknowledges that many of his colleagues in fact think this is the preferred result. They have decided that a little bit of inflation is too much and, if we can get to zero inflation with higher unemployment, that is not a bad result. Congress must debate this policy.

REFORMING THE UNITED NATIONS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 21, 1997, the gentleman from Florida [Mr. STEARNS] is recognized during morning hour debates for 5 minutes.

Mr. STEARNS. Mr. Speaker, I rise today to speak about a topic of much importance: Reforming and improving the United Nations. I think the time has come to look at this important agency and make some changes. We should not continue the status quo any longer.

In 1996, 134,281 tickets were issued by the New York City police to the United Nations diplomatic and consular vehicles. Almost all of those were unpaid. The Nation of Russia itself accounted for 31,000 unpaid tickets. Foreign United Nations officials have more of their salaries and pensions paid by the American taxpayers than from their own country.

There is sort of a elitism that is existing at the United Nations. And Americans are fed up with the elaborate spending without some kind of accountability at the United Nations. That is why I sponsored legislation, House Resolution 21, that expresses the sense of the House of Representatives that unless the United Nations adopts certain reforms, the United States should withhold financial support for the United Nations and its specialized agency until certain prudent things are done.

Now, let me tell you what this is about. I believe, first of all, we should have a comprehensive, independent audit of the United Nations and its specialized agencies. No. 2, an audit of its functions to determine if these functions can be carried out more efficiently by other organizations, or perhaps within the private sector. Prompt and complete implementation of the audit recommendations and the possible termination of New York City as a permanent headquarters of the United Nations should also be considered.

Mr. Speaker, perhaps we could rotate the location of the United Nations and allow it to go to other countries. Other nations could provide the headquarters. Implementing a rotation system like I have suggested could create a more efficient operation, I believe and allow other countries to help with the overhead costs. Prior approval by the primary donor member countries for peacekeeping operations is something we should have some control of. We now need a more careful definition and a more effective execution of the United Nations peacekeeping operations in itself.

Last, Mr. Speaker, a lot of Americans are concerned that the United Nations is going to implement a tax on the Internet, or perhaps a tax on worldwide banking transfers. We should clarify, completely clarify, for the American people that absolutely no taxing power or the right to raise revenues directly on the American people can be implemented by the United Nations.

My legislation is only the start of changing and improving the United Nations. I believe the time has come. The time is now. I believe even the leadership of the United Nations would agree with some of my ideas. The people of our country chose to change the party in power in the U.S. Congress for the first time in 40 years in 1994. I believe the overriding reason for the historic change was that the American people wanted a smaller, more responsive, and more efficient Federal Government. They wanted Congress to reevaluate every level and every aspect of our Federal Government, and I think the American people want the same thing done at the United Nations.

Another fundamental area that Americans wanted reevaluated of course is our overall national foreign policy. The world has dramatically changed with the downfall of the Soviet Union and the Warsaw Pact, but our foreign policy has failed to react properly to this change. There are different threats today in the world. The United Nations has created a response to horrors of the two world wars, but that has changed.

We now see a world that is overwhelmingly democratic, or implementing democratic change, and a world that is embracing free markets. It was the perseverance of the American people and the American leadership in combating the evils of communism that led to these changes. I think we provided to the world the American model of government and economics. Why not have the United Nations provide a new model, a new pattern, in diplomacy and fiscal responsibility. The United Nations should meet the new demands of the world today and set this pattern by reforming itself.

Outside of legitimate concerns with some terrorist nations and North Korean, Iraq, and the threat of programs from Communist China, the world has been working. It is working to solve problems on a day-to-day basis. It is obvious to me and to many Americans that we need a new pattern for the United Nations, less bureaucratic, more efficient, more fiscally responsible; like we are trying to do here in Congress. A permanent United Nations based in New York City may not be in the best interests of creating a new U.N. model. The American people, the American taxpayers, simply cannot subsidize a group of elite diplomats indefinitely without reform.

So, I urge my colleagues to cosponsor my House Resolution 21. It makes sense. The time is now.

JUVENILE CRIME

The SPEAKER pro tempore. Under the Speaker's announced policy of January 21, 1997, the gentleman from North Carolina [Mr. ETHERIDGE] is recognized during morning hour debates for 5 minutes.

Mr. ETHERIDGE. Mr. Speaker, I rise today to speak on an issue that is important to all of us. On Sunday, April