

All we are asking is let us find out what is going on. It is important. They conduct important functions of this Government, and we should know more about what they do. We have to do away with the shroud of secrecy. We have to peel back this cloak that they covered themselves with since 1913. This rainy-day fund they have set up is not a rainy-day fund, it is for a hurricane. They have this spending free-for-all attitude. That has to stop. They have a blank check mentality. I would like to know who is minding the shop, because 1913 accounting practices must be put to a stop.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from North Dakota has 4½ minutes remaining.

Mr. REID. And the Senator from Nevada?

The PRESIDING OFFICER. The Senator from Nevada has 2½.

Mr. DORGAN. Mr. President, let me use a couple of these minutes by trying to put this in perspective.

There is the policy issue with respect to the Federal Reserve Board, how it behaves, what it does, how it impacts this country's economy. Then there is the issue that we raised with respect to the GAO evaluation of the Fed. That is what we are discussing before the Senate today.

This 200-page evaluation of the Federal Reserve Board and its operations is the most significant look inside the Fed in 70 or 80 years. What it shows, as we have indicated, is they have stashed away \$3.7 billion for a surplus, despite the fact they have not had a loss in 79 consecutive years. They are spending more and more during times when others in the Federal Government are being told they ought to tighten their belts. Those issues are issues the Congress ought to deal with. The Federal Reserve Board ought to be subjected to an annual independent audit. We ought to have information and knowledge about what is going on behind that fence. That is the reason we want to make sure our colleagues, the relevant committees, and others will be able to evaluate the wealth of information that exists in this draft GAO report.

Let me, finally, say a word about the policies of the Federal Reserve Board itself, which are different, separate and apart from the issues we have been discussing. I have very serious reservations about the monetary policies pursued by the Fed. As I have indicated, the Federal Reserve Board has seemed to feel, now, for some long while, that this country cannot have economic growth rates above 2.5 percent. If they fancied themselves as a set of human brake pads whose mission in life is to slow down the American economy, I say they have succeeded. Give them a trophy.

That is not what this country needs. The global economy means wages are falling, not rising. It means inflation is going down, not up. And it means this country can have a higher rate of growth. There are Democrats and Republicans who believe very strongly that a 2.5 percent growth rate for our economy is anemic and cannot provide the kind of opportunity and expansion that we need in this country.

I hope, in addition to the discussion we will have about what the Fed is doing, how it runs its operations, how it spends its money—in addition to that, and we should have that discussion as a result of this report, I hope we will also have a discussion about the Fed's monetary policies, and whether they are appropriate to try to produce the kind of economic future that we want in this country. In my judgment, they are not.

Two years ago, we saw the Federal Reserve Board increase interest rates seven times. Why? Because they were heading off the fires of inflation, they suggested. But inflation was not going up, inflation was going down, and it continues to go down.

What they managed to do with those interest rate increases was to slow down the American economy. That is not such a significant talent. My Uncle Joe can slow down the American economy. Just bring Uncle Joe to town, and I am sure he can figure out how to throw a wrench in the crank case. It does not take a special talent to slow down the economy.

The question is, how do we get the economy moving again, a vigorous economy with new jobs and new opportunities for all Americans, without raising the specter of additional inflation? That is the task for all of us.

The Federal Reserve Board sees itself on a singular mission: Keep economic growth somewhere in the range of 2.5 percent. That is not enough growth for this country. No one ought to be satisfied with that. It does not produce the jobs or the opportunities this country needs.

Mr. President, I hope that even as we discuss the report about what the Fed does and how it spends its money, we will alternatively discuss Federal policies, especially in the area of monetary policy.

Mr. President, I yield the floor.

Mr. LOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF MORNING BUSINESS

Mr. LOTT. Mr. President, I ask unanimous consent that morning business

be extended until the hour of 11 a.m., with Senators to speak for 5 minutes in the case of Senator BOXER; 12 minutes for Senator GRAMS; 10 minutes for Senator GRASSLEY; 5 minutes for Senator BRADLEY; and 5 minutes for Senator KENNEDY.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I yield the floor.

PRESIDENT CLINTON'S BUDGET FOR FISCAL YEAR 1997

Mr. GRAMS. Mr. President, tucked into the 2,000-page, 9-pound-11-ounce stack of documents that make up President Clinton's latest budget was a small booklet that many people might have overlooked. That booklet is called "A Citizens Guide to the Federal Budget." I would like to read to you a couple of the paragraphs from chapter 2, and that chapter deals with where money comes from and where it goes.

It says:

In a typical American household, a father and mother might sit around the kitchen table to review the family budget. They might discuss how much they expect to earn each year, how much they can spend on food, shelter, clothing, transportation, and perhaps a vacation, and how much they might be able to save for future needs.

If they do not have enough money to make ends meet, they might discuss how they can spend less, such as cutting back on restaurants, movies or other entertainment. They also might consider whether to try to earn more by working more hours or taking another job. If they expect their shortfall to be temporary, they might try to borrow.

This is from the "Small Citizens Guide to the Federal Budget." I agree with every word of that—the situation it describes is precisely what American families are facing today. But then the booklet continues and says:

Generally speaking, the Federal Government plans its budget much like families do.

Generally speaking Mr. President, the Federal Government plans its budget nothing at all like a family across the country has to do.

A family does not have unlimited access to a credit card access that has allowed the Federal Government to amass a national debt of more than \$5 trillion.

A family would not be allowed to spend beyond its means forever—it would reach its credit limit and the family would eventually have to tighten its belt and begin paying back its debt. The Federal Government, on the other hand, just continues to steal from our children.

A family does not have the resources of foreign investors they can turn to when the bill come due. The Federal Government does, and expects the taxpayers to foot the bills and the massive interest payments those bills generate.

And finally, a family could not impose hundreds of millions of dollar worth of new taxes and fees on its friends and neighbors to help offset its own extravagant spending. But the Federal Government can, and it does.