

when the Senator from Iowa [Mr. HARKIN] tried to have hearings on this subject, have a debate on the floor of the Senate, he was told, as we have been told here in the House, that that was not appropriate.

Well, we have learned from the New York Times' defense of Mr. Greenspan on Saturday there is a disagreement within the Fed. There is pressure in the Fed on Mr. Greenspan to be tougher. There is Mr. Meyer, who believes in a nonaccelerating inflation rate of employment. Should that not be debated? Should we not know what the two new members think about this, on this critical subject?

Mr. Speaker, we still have a very fundamental issue before us. Mr. Greenspan's speech is a justification of a decision to raise interest rates in the total absence of any signs of inflation because the danger of not acting, he says, are too great, and it really comes down to basically we cannot stand this much prosperity, things are too good to be true, although he does acknowledge that there may be reasons for it. A 0.25 percent increase is one thing. A series is another. Whether or not there is a nonaccelerating rate of inflation, a nonaccelerating inflation rate of unemployment, whether or not there have been permanent productivity gains, whether or not the overestimate that some see in the Consumer Price Index in fact means that there is a similar over estimate of inflation. Inflation may be even less if you believe what they say than it is in the economy. What is the balance within the Federal Reserve on this?

And one other question because the implicit justification for raising rates in the absence of any inflation is a little bit of inflation will absolutely spiral out of control. It is the chain reaction theory. We are told that 400,000 more people unemployed is a small price to pay because the alternative would be not choking off inflation way before it appears because once it appears it is too late.

Well, that also ought to be debated. That also ought to be talked about. Once again that is a throwback to an earlier time. All those factors which have retarded inflation logically retard the growth of inflation as well, and those are again issues that this House ought to be debating. What we ought to have is in fact a hearing, and maybe we even ought to bring out a resolution about some of these subjects because the important questions that effect this economy are being decided by the Fed, and they are being decided because of the refusal of the leadership of this House to schedule hearings on it in that kind of very, very restricted fashion.

Mr. Speaker, obviously the chairman of the Committee on Banking and Financial Services has succeeded in holding off a hearing before the next meeting of the Federal Open Market Committee, which will be a week from tomorrow. I urge Members to read Mr.

Meyer's speech, read Mr. Greenspan's speech. There is a serious debate going on in this country about what we can and cannot do.

One thing we should understand, if the pessimists at the Federal Reserve are right, what that means is we have grown these past months, maybe years, more quickly than we can sustain. So those who think that we have problems yet to be seriously resolved, those who want to make more progress in absorbing welfare recipients and people on food stamps, understand the implications of what the Federal Reserve is saying, not yet, too soon. We must do this more slowly. There are other implications. We will be back debating trade questions.

We now, I think, have a consensus. Some people try to deny it when we debated NAFTA and GATT. Trade does help some people and hurt others. Even those who believe that overall trade helps the economy, as I do, must acknowledge that there will be hard-working on the whole lower income people in this country who will be hurt by trade, people in the garment and textile industry, people, as was recently documented on the Texas-New Mexico border. There was an article about difficulties in El Paso.

A rational way to go forward, as a Washington Post editorial argued a while ago on behalf of fast track for trade, is to go ahead with trade but to use our resources, particularly the increased wealth that we are gaining, to try to deal with those who are getting hurt. Let us do some compensation. One of the things that the New York Times recently talked about with regard to people from El Paso is the difficulty people have in qualifying for trade adjustment assistance.

Why this difficulty? Why do we make people jump through these hoops? We know people are getting hurt. Why not err on the side of helping people who want to work go to work? Well, the Federal Reserve's decision is again central to this. People who lose their job because of trade are much less likely to find new jobs in an economy in which the central bank believes that there is a nonaccelerating inflation rate of unemployment and who believe that the economy has been growing too fast lately and that what we need is fewer jobs. If you do not have a rapid growth economy, if you do not have significant job creation, then you make difficult obviously the problems of the welfare recipients. You also greatly exacerbate the resistance to trade that people deplore because those who face a loss of jobs in a slow growth economy are not going to be easily persuaded to go ahead with that and allow it to happen in the hopes that they will be retrained and be given new jobs. These are all the kinds of questions we need to deal with.

And the final point has to do with the budget deal. We had a budget deal announced 10 days ago. It appears to have been somewhat disannounced since

then. And on Thursday, when it was announced, many of us were extremely critical. On Friday, some of the points on which we were most critical were alleviated. I still believe as I have seen that deal, it is a mistake for reasons I will go into at some other time, but the extra growth that produced a couple hundred billion dollars more revenue was helpful. Actually if we have a few more days like we had 10 days ago, I suppose this economy would be in great shape. We appear to have grown more in a few hours on that one Thursday when we found \$225 million over a few years than any Nation has ever grown in history. But once again that was a result of economic growth that at least a substantial number of people in the Federal Reserve think was too rapid.

And here's a paradox. We are told that we can have this budget deal fueled by a level of economic growth, which at least some people in the Federal Reserve think is unsustainably high. Now what are we going to do about that? What is the solution here? Do we have a majority at the Federal Reserve prepared to put on the brakes so we cannot generate the revenues which the Congressional Budget Office is now calling for?

If you read Mr. Greenspan's speech of May 8, maybe; if you read Mr. Meyer's speech of April 24, probably; and once again that is an important subject about which we ought to be having a hearing.

So, Mr. Speaker, I appreciate Mr. Greenspan's willingness to debate the issue. I read his defense of this decision to cut off growth, not cut it off, but slow growth down, and I come away grateful for his willingness to engage in the debate, but unpersuaded because at the core, as in Mr. Meyer's speech, he essentially acknowledges that what we had was a fear that something that is not now happening might happen in the future because they really cannot believe that things can go this well.

Well, they have believed that for some time, and they have been going this well, and I am hoping that we can get Mr. Greenspan and his colleagues to be willing to accept a little victory. But while obviously there is room for decent people of good will to differ about this, there ought not to be room for difference about whether or not this is a subject to be debated in Congress.

And I will close as I began, Mr. Speaker, by welcoming Mr. Greenspan's vigorous and thoughtful and respectful entrance into this debate and by regretting the fact that because the Republican leadership of the House does not appear to me to have enough confidence in the democratic processes, that this debate is going on largely outside of our Chambers.

ANNOUNCEMENT BY THE SPEAKER
PRO TEMPORE

The SPEAKER pro tempore (Mr. YOUNG of Florida). The Chair would re-

mind all Members as a matter of comity to refrain from characterizing Senate action.

PARLIAMENTARY INQUIRY

Mr. FRANK of Massachusetts. Mr. Speaker, parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. FRANK of Massachusetts. Mr. Speaker, may we characterize Senate inaction?

The SPEAKER pro tempore. The characterization of Senate action or inaction is not proper, as a matter of comity.

INFORMATION ON H.R. 1486, THE FOREIGN POLICY REFORM ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. GILMAN] is recognized for 5 minutes.

Mr. GILMAN. Mr. Speaker, in what I am advised is a practically unprecedented move, the minority leadership, apparently acting on behalf of minority members of the Committee on International Relations, indicated that they would interpose an objection to the committee majority's request to file a supplemental report on the bill, H.R. 1486, the Foreign Policy Reform Act. The supplemental report would have provided the cost and mandate estimate of the Congressional Budget Office and the "Ramseyer print" of the amendment ordered reported by the International Relations Committee.

For the information of the Members, the CBO report is printed below. The Ramseyer print, which would cost \$30,000 or more to print in the RECORD according to an informal estimate from the GPO, will be available for Members to review in the offices of the International Relations Committee.

U.S. CONGRESS
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 12, 1997.

Hon. BENJAMIN A. GILMAN,
Chairman, Committee on International Relations, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1486, the Foreign Policy Reform Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts an Joseph C. Whitehill and Sunita D'Monte.

Sincerely,

JUNE E. O'NEILL,
Director.

Enclosure.

CONGRESSIONAL BUDGET OFFICE, COST ESTIMATE

H.R. 1486—Foreign Policy Reform Act

Summary: H.R. 1486 would consolidate various international affairs agencies, would authorize appropriations for foreign assistance programs, the Department of State, and related agencies, and would authorize the sale of 14 naval vessels.

Assuming appropriation of the authorized amounts, CBO estimates that enacting H.R. 1486 would result in additional discretionary spending of \$33 billion over the 1998-2002 period. The legislation would increase direct

spending by \$11 billion in 1998 and by \$0.3 billion over the next five years; therefore, pay-as-you-go procedures would apply. The sale of naval vessels would generate an estimated \$163 million in offsetting receipts.

The bill contains a provision that would result in costs to state, local, or tribal governments. CBO is unsure whether this provision constitutes an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA), but mandate costs, if any, would be well below the threshold established in the law (\$50 million in 1996, adjusted annually for inflation). H.R. 1486 would impose no new private-sector mandates as defined in UMRA.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 1486 is shown in the table. For the purpose of this estimate, CBO assumes that all amounts authorized would be appropriated by the start of each fiscal year and that outlays would follow historical spending patterns.

	By fiscal year in millions of dollars					
	1997	1998	1999	2000	2001	2002
DIRECT SPENDING						
Proposed changes, refugee determination: ¹						
Estimated budget authority	0	0	20	60	70	80
Estimated outlays	0	0	20	60	70	80
Other proposed changes:						
Estimated budget authority	0	11	15	15	16	17
Estimated outlays	0	11	15	15	16	17
Total changes in direct spending:						
Estimated budget authority	0	11	35	75	86	97
Estimated outlays	0	11	35	75	86	97
ASSET SALES ²						
Estimated budget authority	0	-163	0	0	0	0
Estimated outlays	0	-163	0	0	0	0
SPENDING SUBJECT TO APPROPRIATION						
Spending under current law: ³						
Estimated authorization level ⁴	15,740	0	0	0	0	0
Estimated outlays	16,322	7,073	2,974	1,513	702	383
Proposed changes:						
Estimated authorization level	0	16,467	16,099	621	633	646
Estimated outlays	0	9,337	13,547	6,031	2,592	1,601
Spending under the bill: ³						
Estimated authorization level ⁴	15,740	16,467	16,099	621	633	646
Estimated outlays	16,322	16,410	16,521	7,544	3,294	1,984

¹ Spending for Medicaid, Food Stamps, and Supplemental Security Income. Under current law, CBO estimates that spending for these programs will be \$150 billion in 1997 and will rise to \$208 billion in 2002.

² Under recent budget resolutions, proceeds from asset sales are counted in the budget totals for purposes of Congressional scoring. Under the Balanced Budget Act, however, proceeds from asset sales are not counted in determining compliance with the discretionary spending limits or pay-as-you-go requirement.

³ Funding for foreign assistance programs, the Department of State, and related agencies.

⁴ The 1997 level is the amount appropriated for that year.

Basis of estimate:

DIRECT SPENDING

This bill would increase direct spending by an estimated \$0.3 billion over the next five years.

Refugee determination.—Section 1218 would extend a provision of U.S. immigration law that favors the automatic admission as refugees of certain nationals of the former Soviet Union (chiefly Jews and evangelical Christians), Vietnam, Laos, and Cambodia. Applicants for admission need only assert that they have a fear of persecution and a "credible basis" (not the stricter "well-founded basis" that others must prove) for that fear. (These provisions are commonly known as the Lautenberg criteria.)

These criteria were first enacted in November 1989, and have been renewed several times since then. They currently cover appli-

cants for refugee status who apply through September 30, 1997. Section 1218 would extend that deadline for two years, through September 30, 1999.

Under current law (section 207 of the Immigration and Nationality Act), the annual ceiling on refugee admissions is set by the President after consultation with the Congress. The refugees affected by this bill are accommodated within that ceiling. However, CBO believes that these criteria lead the President and the Congress to set a higher ceiling for refugee admissions than they otherwise would. That is, without these criteria, refugee admissions would be lower. There is no mechanism by which lower admissions of, for example, Soviet Jews and evangelicals would automatically lead to higher admissions of, say, Rwandans or Bosnians.

According to the Department of State, approximately 2,000 people in the former Soviet Union currently apply for admission each month as refugees, and about three-quarters of them are found to meet those criteria. (They are the principal beneficiaries of the provision.) Those figures are significantly smaller than the peak levels of the early 1990s. Because there are lags in scheduling applicants for interviews and then in assembling travel documents, CBO expects that extending the criteria for fiscal years 1998 and 1999 would boost the number of entries in 1999 and 2000. By the end of 1999, an estimated 18,000 more refugees would be in the United States as a result of the extension; by the end of 2000, an estimated 36,000.

According to the annual Report to the Congress of the Office of Refugee Resettlement in the Department of Health and Human Services, about 10 percent of these refugees go on Supplemental Security Income (SSI), 60 percent on Food Stamps, and up to 60 percent on Medicaid. (Also, some go on Aid to Families with Dependent Children, which has now been converted to a block grant at fixed levels of funding; on general assistance, which is state-funded; or on short-term refugee assistance, a federally-funded program that is subject to appropriation.) Last year's welfare reform law, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193), curtailed the eligibility of most immigrants for welfare benefits, but spared refugees during their first five years in the United States. Based on these past patterns of welfare participation, CBO estimates that extra outlays in the SSI, Food Stamp, and Medicaid programs would total \$20 million in 1999 and would grow to \$80 million in 2002.

Appropriation of interest.—The bill contains several sections that authorize the deposit of certain funds into interest-bearing accounts and the spending of subsequent interest earnings without further appropriation. Sections 1205, 1202, and 1204 provide this authority for proceeds from the sale of overseas property, the Foreign Service National Separation Liability Trust Fund and the International Center Reserve Fund, respectively. CBO estimates that these provisions would increase direct spending by \$7 million to \$10 million a year. Section 1402 authorizes recipients of grants from the National Endowment for Democracy to deposit grant funds in interest-bearing accounts and to use the interest for the same purpose for which the grant was made. Under current law, the grantees refund their interest earnings to the government. CBO estimates that under this provision the Treasury would forgo collections of less than \$60,000 a year.

Recovery of health care costs.—Section 1214 would authorize the Secretary of State to recover from insurance companies the reasonable costs of health care services provided by the department and to deposit the funds as offsetting collections. These amounts would