

OHIO'S POW/MIA RECOGNITION DAY

Mr. DEWINE. Mr. President, I rise today to call my colleagues' attention to a resolution introduced by the Governor of Ohio, George Voinovich, to commemorate National POW/MIA Day, which took place on September 19, 1997. That day last month and more important, the issue itself, are of great importance to all Americans, especially to those that served our country in military missions abroad.

As of today 2,116 Americans are classified as either prisoners of war or missing in action (POW/MIA) from the Vietnam war. Thousands more remain missing and unaccounted for from the Korean war and even the Second World War. The families and friends of these soldiers still have to endure the awful uncertainty concerning their fate. Every effort must be made to determine the fate of these soldiers. In the case of Vietnam, I am hopeful that the normalization of diplomatic relations with Vietnam and the reopening of the American Embassy will encourage the government of Vietnam to fully cooperate with American officials in their search to gain the fullest possible accounting of POW/MIA's. I strongly encourage the President and the Ambassador to Vietnam to give the POW/MIA issue top priority and insist that the Vietnamese Government disclose all pertinent information on American POW/MIA's.

Mr. President, I am hopeful that last month's POW/MIA Day, and Governor Voinovich's eloquent resolution will serve to heighten American awareness and inform foreign governments of the United States' serious commitment to bringing our soldiers home.

Mr. President, I ask unanimous consent that the State of Ohio's POW/MIA Recognition Day resolution be inserted in the CONGRESSIONAL RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas, 2,116 Americans are still missing and unaccounted for from the Vietnam War, including 114 from the State of Ohio; and

Whereas, their families, friends and fellow veterans still endure uncertainty concerning their fate; and

Whereas, U.S. Government intelligence and other evidence confirms that the Government of Vietnam could unilaterally account for hundreds of missing Americans, including many of the 454 still missing in Laos and the 76 still unaccounted for in Cambodia, by locating and returning identifiable remains and providing archival records to answer other discrepancies; and

Whereas, the President has normalized relations with Vietnam believing that such action could generate increased unilateral accounting for Americans still missing from the Vietnam War, and such results have not yet been provided by the Government of Vietnam;

Now, therefore, I, George V. Voinovich, Governor of the State of Ohio, do hereby call on the President to reinvigorate United States efforts to press Vietnam for unilateral actions to locate and return to our na-

tion any Americans who may still be alive, remains that would account for hundreds of America's POW/MIA's, and records to help obtain answers on many more; and do hereby designate September 19, 1997 as POW/MIA Recognition Day in honor of all American POW/MIA's, in particular the 114 from Ohio, and encourage all citizens to observe this day with appropriate ceremonies.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. COATS). Without objection, it is so ordered.

Mr. HARKIN. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The Senate is currently in morning business.

Mr. HARKIN. Mr. President, might I then inquire as to if there are any constraints on time, limits on Senators speaking in morning business?

The PRESIDING OFFICER. Senators are allowed to speak for up to 10 minutes.

Mr. HARKIN. Mr. President, I have more than 10 minutes of remarks that I want to make on Fed nominees and on the economy in general. It is going to take certainly more than 10 minutes. I will speak for my allotted time of 10 minutes and then ask unanimous consent at that point to extend it beyond that.

The PRESIDING OFFICER. That Senator from Iowa.

THE FEDERAL RESERVE

Mr. HARKIN. Mr. President, 16 months ago we had a debate on the nomination of Alan Greenspan as Chairman of the Federal Reserve System. I argued at that time that he was far too concerned about a possible increase in the rate of inflation and had far too little concern about the employment and incomes of working people.

At that time, we had a number of Senators who came to the floor and said, with unemployment at 5.5 percent, a further decline in unemployment would likely lead to higher inflation. They seemed to believe that raising interest rates was the best course of action.

In the last year, unemployment has dropped three-tenths of 1 percent. But that represents only a part of the increase in the work force. The pool of workers that can get jobs not only comes from the 4.9 percent who are unemployed now but also from those who are not considered part of the labor force, such as younger retirees, women at home, and people who have been discouraged from looking for work in the past, and, of course, persons on welfare. Our economy has brought an additional 400,000 of these persons into the work force over the year beyond those considered as unemployed.

In the past year, the economy has grown at a rate of about 3.3 percent, roughly about 1 percent over what the Federal Reserve's target was to be.

In terms of economic growth, a little means a lot. A 1 percent higher rate of economic growth in an \$8 trillion economy means an extra \$80 billion a year, year after year. That comes out to be \$300 for every man, woman, and child in America.

Now, unfortunately, the Fed seems intent on restraining the economy and keeping from building on its success. Many at the Fed, including the two nominees, Mr. Gramlich and Mr. Ferguson that will soon be before the Senate, believe in a concept called NAIRU—the non-accelerating inflationary rate of unemployment. If it sounds arcane, that is because it is.

But it is still important nonetheless. It is important because so many people adhere to it and believe in it. NAIRU basically says, if the unemployment goes below a certain level, inflation will accelerate, not just increase, but will accelerate at such a rate that only unnecessarily high interest rates can slow it down.

Just 3 years ago, it was widely accepted among the economic elites that the economy would shift toward higher inflation if unemployment fell below 6 percent. That was the NAIRU cutoff. But it fell below 6 percent, and actually some measures showed inflation dropping after unemployment went below that.

Then the common wisdom was then if unemployment went below 5.5 percent for long, then inflation will accelerate. Greenspan and others insisted on this. Well, it fell below 5.5 percent. Then the magic point became 5 percent, below which inflation was sure to accelerate at dizzying speeds if we went below 5 percent.

Unemployment has been under 6 percent for more than 3 years now and less than 5 percent since early this year, and no one, including the Fed Chairman, can point to any signs of accelerating inflation.

Unfortunately, economic reality and the new world has yet to penetrate the thinking of those at the Fed.

I was deeply disappointed with Mr. Greenspan's statement before the House Budget Committee on October 8 when he said, "the performance of the labor markets this year suggests that the economy has been on an unsustainable track."

In other words, a 3.3 percent rate of growth, he says, is unsustainable. Let me respectfully disagree.

I disagree with the basic premise that Alan Greenspan and the nominees before us are promoting. Their focus seems to be on when we should raise interest rates—not "if" but "when."

I believe the debate should be broadened. Let us broaden it to consider lowering interest rates.

A number of economic experts believe that unemployment could possibly go as low as 4.5 percent, maybe