RECENT FEDERAL RESERVE OPEN MARKET COMMITTEE DECISIONS RAISE SERIOUS QUESTIONS

The SPEAKER pro tempore (Mr. THORNBERRY). 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, the recent decision by the Federal Reserve Open Market Committee to raise interest rates in itself raises two very serious questions, one substantive and one procedural. The substantive question is will America be permitted to grow economically at a rate sufficient to overcome some of our most pressing social problems or will the Federal Reserve be allowed to snuff out that growth? And that is also the procedural question, because we have a nonelected body consisting of seven members who were at least appointed by the President and confirmed by the Senate and four others, regional bank presidents who are officers of private corporations in effect, the Federal regional banks, making the single most important economic judgment that will be made in America this year, and that simply cannot be allowed to go forward.

Alan Greenspan is a man of good will, and he is doing what he thinks is right. But what he thinks right strikes many of us as profoundly wrong. When Mr. Greenspan testified before the House Committee on Banking and Financial Services we asked him, several of us, whether there was any evidence of inflation given the growth that we have seen in recent years. His answer candidly was no. I asked him if he did not agree that he had in fact himself been too pessimistic in his analysis of the ability of the economy to grow without generating inflation. He admitted that he had been too pessimistic, he has been wrong over these past years.

We reached a level of unemployment far lower than what Mr. Greenspan and others of the Federal Reserve thought we could reach without triggering inflation; the inflation did not come. Mr. Greenspan decided nevertheless, with the support of the others on that committee, to raise interest rates to slow down growth. In other words, Mr. Greenspan has told us we are creating too many jobs in America. Many of us of course feel that our problem has been that we have not created enough jobs.

We made a decision last year; I did not agree with it, but the country made it, to make drastic changes in the welfare system. Everyone agrees that that will work only if the people who have been on welfare are able to be absorbed into the work force. Mr. Greenspan and his colleagues have just taken a step which will make it very much more difficult. Obviously, the people on welfare are among the last to be hired. They are people with skill deficiencies and other problems. An economy which is not growing rapidly simply will not assimilate them.

We just heard a previous speaker complain about NAFTA. Trade is a very controversial issue in this country. There are many who believe that we ought to be increasing international trade, but increasing international trade creates both winners and losers in America. An economy which is growing, an economy in which new jobs are being created is better able to deal with the transitions of international trade. By clamping down on growth, by announcing that America simply will not be allowed to grow as rapidly as it has been growing because of his fear of an inflation which he acknowledges he cannot yet point to, Mr. Greenspan not only cuts out the benefit of that growth but exacerbates other problems.

We have a dispute over how deeply we have to cut important programs to reach a balanced budget. Those disputes turn in part on differing estimates between the Congressional Budget Office and the Office of Management and Budget about the rate of growth. Again Mr. Greenspan has just said to us there will be less growth, there will therefore be less revenue and the painful decisions involved in getting the deficit to zero by 2002 will become more painful.

There is a legitimate question for this country as to what risks we want. Many of us believe that a combination of trends have made it possible for us to grow more rapidly than in the past without inflation. Mr. Greenspan and some of his colleagues in the central bank apparatus believe that the risks of inflation are so great that they do not want to find out whether or not that is true. They have decided we will not continue to see how long we can grow without inflation actually arising. He did what he said was a preemptive strike, but which looked to many of us like a self-fulfilling prophecy. Not only is that wrong it seems to be substantively, but from the standpoint of democracy that is not a decision that a handful of appointed officials and private bank officials ought to make.

So I will be working with many of my colleagues to ask this body through its Committee on Banking and Financial Services, through other committees and through the floor itself to address this issue: the question of what degree of growth we will strive for. The question of when we will choke off growth because of an anticipation of inflation that has not yet appeared must not be left to a handful of bankers or a handful of any other appointed officials. It must be done through the democratic process.

The possibility that America can increase the rate of growth that is noninflationary, which has appeared to many of us to be more and more likely over the past few years, cannot be snuffed out this easily, and I hope, through a variety of means, that we will be allowed to bring to the floor of this House, before the Federal Open Market Committee meets again, this issue so it can be debated as it ought to be in a democratic society.

THE SAFE ACT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 21, 1997, the gentlewoman from Maryland [Mrs. MORELLA] is recognized during morning hour debates for 2 minutes.

Mrs. MORELLA. Mr. Speaker. I am pleased to be joining my colleagues, the gentleman from New York [Mr. ACKERMAN] and the gentlewoman from New York [Mrs. MCCARTHY], in introducing the Stop Arming Felons Act today. Today we will introduce it.

Current law bans convicted felons from owning firearms. However, felons may upon release from prison petition the Bureau of Alcohol, Tobacco and Firearms to restore their gun ownership rights.

Congress acted in 1992 to rein in this program by denying it funds. Therefore, no funds have been appropriated since then. However, the appeals procedure itself has been maintained in law. Consequently, convicted felons are bypassing the ATF by going directly to the courts for relief.

The Stop Arming Felons Act, or we can call it the SAFE Act, using the acronym, will help to put a stop to this abuse of the court system and the evasion of the will of Congress and the people. The SAFE Act will permanently prohibit felons convicted of violent crimes from applying for restoration of gun rights, making clear to the courts that their appeals may not be considered.

So I urge my colleagues to join me in supporting this SAFE Act.

NEED FOR APPOINTMENT OF INDEPENDENT COUNSEL

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

Mr. BUYER. Mr. Speaker, I come to the House floor; I do not come here often, but I come with very deep concern. A majority of the majority party Members of the U.S. House of Representatives Committee on the Judiciary sent a letter to the U.S. Attorney General Janet Reno. The letter that we sent was pursuant to section 592(g) of title 28, United States Code, that she apply for the appointment of an independent counsel to investigate the following matters:

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The illegal contributions to the Democratic National Committee in connection with the 1996 elections.

No. 2, the attempted influence of the 1996 elections by foreign countries, foreign corporations, or persons representing such entities; and, No. 3, the improper fundraising conduct or practices by administration officials, the

Democratic National Committee, or individuals working on behalf of the committee in connection with the 1996 elections.

We believe that section 591(c) of the Independent Counsel Act necessitates that Attorney General Janet Reno seek the appointment of independent counsel in reference to the matters which I just listed. Accordingly, per section 591(c), the Attorney General has been authorized to initiate the preliminary investigation which is defined by the act and is distinct from the Department's current investigations into the matters.

We also believe that it is very clear that the matters referred to are an obvious political conflict of interest for the Attorney General and other political appointees within the Department of Justice.

I am well aware that she has held at bay those of us who have been asking for the appointment of special counsel by saying that there is not sufficient credible evidence. I am not so certain how much more credible evidence she needs.

Often the Washington Post it seems gets cited here on the House floor, not by Republicans but by Democrats on the House floor, and here we have now Bob Woodward, who gained national attention with regard to President Nixon some years ago, is now talking about allegations that the White House supplied top secret intelligence information to the Democratic National Committee to keep a Latvian businessman with alleged ties to organized crime, international crime, from attending a $25,000 fundraiser with President Clinton.

Mr. Speaker, I do not believe anyone in this country has a problem with the National Security Agency advising the President with regard to an individual, whether they should or should not be at a Presidential dinner. It is part of their job. What is distressing, though, is when the National Security Agency leaks top secret, classified information to political operatives, that being that our intelligence architecture was monitoring the international calls of this alleged organized crime individual and syndicate, and the fact that that intelligence was leaked to someone who did not have a right to know, who did not have a security clearance, is a breach of our security at the highest levels within the White House.

Why was that done? It was information that was leaked and it was done under this guise, under the pressures of political fundraising. As a matter of fact, to quote out of this article, I guess quoting whomever Bob Woodward is using for his intelligence to write this article, he quotes a White House senior official that the information that was leaked was top secret and it further demonstrates the total politicalization of all intelligence and White House operations, anything and everything was done in the name of fundraising at the White House.

Mr. Speaker, the reason that the Committee on the Judiciary had asked for the special counsel deals with the outright admissions by the Vice President, AL GORE, and Ms. Margaret Williams having admitted engaging in fundraising activities, the propriety of which is being questioned by many within the White House itself. I have heard in their defense even the Vice President would say, well, there is no controlling legal authority, some kind of a lawyerly type of language that only lawyers can understand. But when you pull out Title XVIII of the U.S. Code it is very clear, and it being very clear for people that anywhere can understand in America, that fundraising activity is not permitted in Federal buildings.

So whether it is out of my congressional office, whether it is out of a senatorial office, whether it is a Cabinet member or the President of the United States, it is wrong, and Janet Reno as the Attorney General of the United States, we seek your appointment with due speed.

CLINTON ADMINISTRATION SHOULD COME FORWARD WITH ANSWERS

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

Mr. BOEHNER. Mr. Speaker and my colleagues, a week ago I did not think the allegations about the Clinton administration's ethics could sink any lower. I thought the stories about top administration officials arranging hundreds of thousands of dollars worth of no-show jobs for Webster Hubbell in an effort to buy his silence about Whitewater was the worst we could ever hear about an administration, much less this one.

However, with this bunch, if we want to be stung by new news of sleazy ethics, all we have to do is wait another day. Sure enough, now Bob Woodward of Watergate fame is writing in today's Washington Post about the Clinton administration's use of top secret information from the CIA for political purposes.

According to this morning's Washington Post, Bob Woodward said that the White House supplied top secret information to the Democratic National Committee to block a Latvian businessman with alleged ties to organized crime from attending a $25,000-per-person fundraising dinner with President Clinton, according to Government officials and other sources.

Now, let me say this about top secret information. There is a reason that it is top secret. Maybe it is the risk of blowing the cover of agents who risk their lives getting valuable information for our Government. Maybe it is to keep the bad guys, like international drug dealers and terrorists, from finding out about how we learn about them. But good people die to protect secret information, and if the Clinton administration truly disregarded all this just to avoid a bad headline in the next morning's paper, it is even worse than anything that we have heard yet.

But I think the bigger question is, when will it end? Every day, every week there is something new. When will this administration level with the American people? When will the President of the United States stand before the American people and tell them the truth about what has happened in his administration over the last 4-plus years?

When will the President stand before the American people and tell them the truth about the travel office firings of seven civil service employees at the White House? When will the President stand before the American people and tell them the truth about Whitewater? When will he tell them the truth about how 900 FBI files found their way into the White House, and more importantly, what was done with that information?

Why will the President not stand up and tell us about Webster Hubbell and the $400,000-plus that was paid to him after he resigned his administration position with disgrace, and before he went to jail and were hired by friends of the President? Why will the President not tell us about the orchestrated effort to subvert American laws about campaign finance and bring foreign money into our campaign system? How about White House coffees that were used for fundraising purposes, phone calls by the President and others from the White House to raise money to systematically try to buy the last election?

The American people have a right to know what happens in their Government. They have a right to know what happens in their White House. I think the American people want to have confidence that the person they selected as President of the United States is willing to stand before them and tell them the truth about what has happened in his administration.

Mr. Speaker and my colleagues, I think the American people are getting impatient. They want to know the truth and they want to know it now.

NEUTRAL MATERIALS FOR MEDICAL DEVICES SHOULD BE ABSOLVED FROM LIABILITY

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

Mr. GEKAS. Mr. Speaker and Members of the House, there are some 7.5 million fellow Americans who at this very moment are alive or are living a little better because in their bodies there is implanted a medical device that has helped to cure a particular