

there is high inflation or low inflation. Those policies can determine as well whether we can influence interest rates both in the short as well as in the long term.

Sound monetary policies can create a framework favorable to economic growth, while policies that permit inflation to take place undermine economic growth. We are all concerned about job creation. We are all concerned about good wages. And it is primary to the policies that come out of the Federal Reserve as to whether or not those issues are able to take place.

Over the last few months I have released a number of studies on Federal Reserve policy in my capacity as chairman of the Joint Economic Committee. We call the committee the JEC. These studies explain the reasons why inflation or the lack of it, known as price stability, should remain as the central focus of Federal Reserve policy. According to this research, the Federal Reserve's anti-inflation policy has worked well over the last few years. However, more recently, I have had some disagreements with the Fed about price stability and how it should be implemented.

Is inflation taking place? It does not look so. But our JEC research suggests that, if there is inflation, it should be visible in real terms, in price measures such as the Consumer Price Index, which indicate today no inflation or no appreciable inflation. It should also be evident in prices of raw materials like commodity prices. It should also be evident in the value of the dollar as opposed to the German mark or the Japanese yen. It does not seem like there is any inflation there. And it should be evident in bond yields.

Now, according to these price measures, there is no real evidence of inflation to justify Federal Reserve increases in interest rates. Yet the Federal Reserve seems to view economic growth itself as potentially inflationary. Now, imagine that for a minute, economic growth as being bad because economic growth means inflation. I do not think that is true.

Based on our research, in fact, the JEC has done, I have opposed the increase in interest rates announced by the Federal Open Market Committee of the Fed on March 25. According to price measures used by the Joint Economic Committee, there is no indication of inflation justifying this increase in interest rates. For the same reason, I do not think the evidence would support an increase in interest rates at the FOMC next Tuesday.

In connection with this research, I have also suggested that more openness is needed with Fed policy. Why should we as members of the public be trying to guess about what they are going to do? It creates instability. It creates guessing. People should not have to make investments based on their best guess. They should do so for good sound reasons.

Having to guess about Fed policy is not good for our economy.

In conclusion, there is no substantial evidence of inflation to support Federal Reserve action to raise interest rates. I am extremely supportive of the objective of price stability. Nobody wants inflation. But I do not agree with those at the Fed who tend to view economic growth itself, economic growth itself as potentially inflationary.

Furthermore, Federal Reserve efforts to be more open and transparent should be encouraged and continued.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until 2:00 p.m. today.

Accordingly (at 1 o'clock and 7 minutes p.m.) the House stood in recess until 2 p.m.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. PEASE] at 2 p.m.

PRAYER

The Chaplain, Rev. James David FORD, D.D., offered the following prayer:

We offer our thanks and praise to You, O gracious God, for all of those gifts of life that make our days worthwhile and our relationships more meaningful. On this day we are especially aware of the blessings of joy and happiness that can come from Your hand and which we can share with each other. In spite of the difficulties of every decision, and the anxieties associated with every day, we are delighted that we can experience the elation and jubilation that comes when these special gifts brighten our vision and give us new horizons on which to focus. May joy and happiness brighten our lives and may Your benediction, O God, never depart from us. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Mississippi [Mr. WICKER] come forward and lead the House in the Pledge of Allegiance.

Mr. WICKER led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, May 9, 1997.

Hon. NEWT GINGRICH,
Speaker, U.S. House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted to Clause 5 of Rule III of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on Friday, May 9, 1997 at 10:34 a.m.:

That the Senate passed without amendment H. Con. Res. 25

That the Senate passed S. Con. Res. 26

That the Senate appointed Commission on Maintaining U.S. Nuclear Weapons Expertise

That the Senate appointed Board of Visitors of the U.S. Coast Guard Academy, and

That the Senate appointed Board of Visitors of the U.S. Merchant Marine Academy.

With warm regards,
ROBIN H. CARLE,
Clerk, U.S. House of Representatives.

TRIBUTE TO MARGARET MARTIN BROCK

(Mr. DREIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, it saddens me to inform the House that this past Saturday, America lost noted philanthropist and political activist, Margaret Martin Brock.

Margaret Brock was a leader in education, civic organizations and in State and national Republican politics. She was a close personal friend of five U.S. Presidents and served proudly as a member of Ronald Reagan's kitchen cabinet. She was a confident and counselor to officeholders throughout the Nation, many here in the Congress who benefited from her encouragement, support, political insight, and friendship.

Her genuine interest was in young people. She actively sought out and helped many students further their education. She believed that her investments in young people, especially through funding of scholarships, were investments in the future of our country. She was a strong supporter of my alma mater, Claremont McKenna College, Pepperdine University, and the University of Southern California, in addition to her own Mt. Vernon College located here in our Nation's Capital.

She was proud to be a native Californian and throughout her life contributed to the betterment of our State. She actively supported the Los Angeles Mission, Salvation Army, Goodwill Industries, and the Boy Scouts of America. She was a founding member of the Los Angeles Music Center and a founding member of the Junior League of Los Angeles.

Margaret Brock's generous encouragement led many of us to choose public service. Her support of higher education and the Republican Party leaves