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Senate

The Senate met at 9:30 a.m., and was called to order by the Honorable TIM HUTCHINSON, a Senator from the State of Arkansas.

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, life can be simply awful or awfully simple. Today, we choose the awfully simple but sublime secret of a great day: Your work, done on Your power, achieves Your results on Your timing. We reject the simplistic idea that things work out, and ask You, dear Lord, to work out things. Before us is a new day filled with more to do than we can accomplish on our own strength. You have given us the power of inspired imagination to envision a day in which what is truly important gets done. Help us to move expeditiously through today's work, to listen to You and each other, and to make guided decisions. Pull our anchors out of the mud of combative competition, lift our sails, and remind us that it is Your set of our sails, and not the gales, that determines where we will go.

Lord, we believe that the work we will do this day is crucial for our Nation. This is the day You have given. We intend to live to the fullest with Your guidance, by Your power, and for Your glory. In the name of the Way, the Truth, and the Life. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, April 28, 1998.

To The Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the

Senate, I hereby appoint the Honorable TIM HUTCHINSON, a Senator from the State of Arkansas, to perform the duties of the Chair.

STROM THURMOND,

President pro tempore

Mr. HUTCHINSON thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The acting majority leader is recognized.

SCHEDULE

Ms. COLLINS. Mr. President, this morning the Senate will be in a period of morning business until 10:45 a.m. Following morning business, the Senate will proceed to executive session to resume consideration of the treaty on NATO enlargement. Senator HARKIN will then be recognized to offer an amendment regarding U.S. costs.

Under the previous order, there will be 2 hours equally divided for debate on the amendment. At 12:45 p.m., the Senate will recess until 2:15 p.m., to allow the weekly party caucuses to meet.

When the Senate reconvenes at 2:15, there will be 10 minutes of debate equally divided for closing remarks on the State Department Reauthorization Conference Report. Following that debate, at 2:25 p.m., the Senate will proceed to the first of two stacked rollcall votes. The first vote will be on the adoption of the State Department Conference Report, to be immediately followed by a vote on or in relation to the Harkin amendment. Members should expect further rollcall votes throughout Tuesday's session on amendments to NATO enlargement, or any other legislative or executive items cleared for action.

I thank my colleagues for their attention.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 10:45 a.m., with Senators permitted to speak therein for up to 10 minutes each.

Under the previous order, the Senator from Maine is recognized to speak for up to 15 minutes.

Ms. COLLINS. I thank the Chair.

(The remarks of Ms. COLLINS and Mr. FEINGOLD pertaining to the introduction of S. 1993 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Ms. COLLINS. If there is no other Senator seeking recognition, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DORGAN. I ask unanimous consent to speak for 10 minutes in morning business.

The ACTING PRESIDENT pro tempore. The Senator is recognized.

THE FEDERAL RESERVE

Mr. DORGAN. Mr. President, this morning the front page of the Washington Post has an article that says, "Interest Rate Fears Drive Stocks Down." The article makes the point that the Dow Jones average tumbled 147 points yesterday. And John Berry, in the

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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Post, who writes a fair amount about the Fed and about economic news, says the analysts on Wall Street indicate there was a strong concern by investors that the long-running bull market might be nearing a peak and that the Federal Reserve Board is looking at the potential of increasing interest rates.

It is interesting to me that it is a front page story that the stock market is down 147 points. The fact is the Dow Jones industrial average is nearly 9,000. It is a stock market that has increased dramatically. We have had up days of 70 points, 90 points, 120 points. It is not surprising that we will have downturns in the market of 140 points or more when you have a market that is over 9,000 in the Dow Jones industrial average.

But what surprises me is the notion somehow that the Federal Reserve Board somewhere behind closed doors at a March 19 meeting indicated that, gee, they were concerned that the economy was growing too fast and that maybe American workers are making too much money. They are concerned that maybe too many people in this country are employed.

There is no amount of good news that will not give the economists down in the Fed a bellyache for a week or two. There is no amount of good news that does not cause them great concern. "Gosh, the economy is doing well, so we better have a heartache about how well the economy is doing." It is interesting to me that the Fed has been consistently wrong. I know there are people in this Chamber who will stand up and say, the Fed ought to be credited with the good economic news in this country. In fact, just the opposite is the case.

The Fed has been consistently wrong about this economy. They indicated time after time after time that if unemployment ever went below 6 percent we were going to be in huge trouble, we were going to see the new fires of inflation stoke up. Well, unemployment went below 6 percent and has stayed below 6 percent. We have not seen new waves of inflation. The Federal Reserve Board has just missed the fact that the global economy has put downward pressure on wages in this country.

But having said that, the Federal Reserve Board now has short-term interest rates higher than it ought to be, higher historically than it should be by a full half a percent. This means the prime rate is higher than it ought to be and higher than it historically would be given the rate of inflation of well over 1 percent at this point. Yet, they are talking about maybe increasing interest rates down at the Federal Reserve Board.

What on Earth can they be thinking? I mean, if the job of the Federal Reserve Board is to simply slow down the economy, my uncle can do that. There are five or six people in my hometown who can do that. We do not have to pay them a lot of money to do that. What

can they be thinking? Too many people are working? We are starting to see maybe some increases in some salaries at the bottom of the economic scale?

I would say to the Federal Reserve Board, if you have a lot of time on your hands, take off those gray coats you wear from those gray suits you wear to work every day and start thinking about bank mergers. Maybe start thinking of what the CEOs make at the top—not workers at the bottom, and wonder what it does to the economy.

The Fed should be talking about the biggest bank mergers in the history of this country. What does it mean for consumers that all of the biggest banks of this country are getting together and deciding there is so much romance going on in the financial industry and they would like to marry up?

The Federal Reserve keeps a list down there called the "too-big-to-fail" list. That is a list of the biggest banks in the country that will never be allowed to fail because the consequences of their failure would be too catastrophic for the economy. So they have the too-big-to-fail list.

As more and more banks merge, of course, that list gets bigger, and it means the risks of the merger will be borne by the American taxpayer. So this monopoly game played by American giants passes off its risk to the American taxpayer.

So I say to the Federal Reserve Board, if you have lots of time on your hands, don't sit around scratching your heads and increasing interest rates, when the short-term Federal funds rate is already higher than is justified, given the rate of inflation. Start thinking about what these bank mergers do to the American economy. Start asking yourself why—if you keep a list that is called "too-big-to-fail," why in this economy do family farmers out there face a risk of serious financial problems right now? And they seem to be, in the eyes of the Fed, and others, too small to matter? Why is it that some are too big to fail and others, who are critical of this country's success, somehow too small to matter?

I would just say to the Fed—when I read this story this morning, I wondered again about those we hire to do monetary policy and who think about economic policy. What they can be thinking about when they suggest—and have now for about 3 years—that any good economic news in this country is somehow a step backwards.

I just ask the Fed to understand this economy is doing quite well, notwithstanding the Fed's advice. And there is no justification—none—for this Federal Reserve Board to be considering increasing interest rates.

The Federal funds rate at the moment is historically higher than it should be, given the rate of inflation. If they take any action at the Fed, it ought to be to decrease the Federal funds rate to where it ought to be, given the current rate of inflation which, incidentally, is almost nonexistent.

THE AGENDA OF THE SENATE

Mr. DORGAN. Now, Mr. President, just a couple final points.

The agenda of the Senate—I was talking here about the agenda of the Federal Reserve Board, something I do not control. I guess the same is probably true with respect to the agenda of the Senate, because the majority leader controls the agenda of the Senate. He determines what to bring to the floor of the Senate for debate, and the agenda for the U.S. Senate is a very important agenda.

In front of us in the coming weeks I hope will be the following pieces of legislation, some of which are already very, very late. The so-called highway bill or ISTEA bill which is very important. It should have been passed last year. It is now in conference. We need to get that and get it done. It is important for this country, an investment of roads and infrastructure.

The tobacco bill. We have just passed a tobacco bill out of the Senate Commerce Committee. It should be ready to come to the floor of the Senate. I hope it is done sooner rather than later. A supplemental disaster bill—that bill has been passed for some while, and the Senate is now in conference. In fact, I am a conferee. We will have a conference at 2 o'clock this afternoon. That ought to be done. There is no excuse, especially with respect to the disaster funds, for further delay. That ought not sit there waiting. This Congress has a responsibility to get that work done and bring it to the floor of the Senate.

Another important issue that we want brought to the floor of the Senate as soon as possible is the Patients Bill of Rights, which deals with managed care and the abuses that are occurring in managed care in this country.

Those are just a handful of bills we want to be brought to the Senate floor soon. Some of them have already been through the Senate and have been languishing in conference. The highway bill, for example, the supplemental disaster bill, others, need to come to the floor so we can make some progress on them.

I ask the majority leader and all others on both sides of the aisle in the Senate that we do our work and do it on time and tell the American people that things like investment in infrastructure, building roads, repairing bridges, and the kind of things done in this important highway bill get done on time. They were supposed to have been done last year. It is now getting towards May of this year. It is in conference. A very, very important piece of legislation. I hope it is brought to the floor of the Senate soon.

One more point. The tobacco legislation is very important. Some, I know, want to stall on that legislation, but we reported it out of the Commerce Committee under the leadership of Senator MCCAIN. That piece of legislation, I think, because of the short year that we were involved with that piece