plans will have an objective of holding the lake at elevation 1454. The Final Report to Congress will contain a fully coordinated Environmental Impact Statement. It will also address the other criteria of the Energy and Water Development Appropriations Acts of 1998 and 1999.

The recently completed Technical Report is the product of a joint Division and District team that looked into the timing and consequences of an uncontrolled overflow from Devils Lake into the Sheyenne River. Due to time constraints, that report relied heavily on the data and analyses contained in the Limits Study completed by St. Paul District in 1998. The Technical Report did not analyze the benefits of lowering the lake. There would be minor benefits from the reemergence of some of the abandoned secondary roads, but since they were not considered in the Limits Study, these benefits were not included. Some benefits would also result from return of submerged agricultural lands to productivity. However, in accordance with the Limits Study, we assumed that these benefits would be negated by the salinity of the saturating water, which would preclude an early return to productivity. If all the cropland and fallow acreage between elevations 1440 and 1447 were returned to productivity, the average annual benefits would be about $1 million.

As to the hydrologic modeling, it is important to note that the inflows were assumed to equal those experienced during the recent wet period from 1993 through 1998. Thus, a high inflow rate to the lake has been assumed in the Technical Report analysis. Even so, this results in the lake taking longer to rise to higher levels than previously estimated because the recent hydrologic modeling results utilized in the Technical Report are based on a more accurate estimate of future evaporation as the lake rises and its surface area becomes much greater.

The analytical tools used in the Devils Lake study are designed specifically for the unique system at Devils Lake. This, unlike a riverine system, has no outlet and the lake levels are not independent of each other from one year to the next. For example, the model used to estimate the probability of future lake levels, given the current level of the lake, is uniquely suited for a closed basin such as Devils Lake. It has limitations in that following the snow melt and spring runoff each year, the probability of future lake levels must be recomputed. This is required because it is not possible to accurately forecast snow pack and spring runoff for the next year, which will produce next year's lake level.

I appreciate your continued interest in this effort and look forward to working together to solve this most unfortunate problem.

Sincerely,

PHILLIP R. ANDERSON,
Major General, U.S. Army,
Division Engineer.

Enclosure.

RECOMMENDATIONS

1. Establish six (6) feet of freeboard as design standard for advance measures on Devils Lake.

2. Immediately proceed with necessary reports to include NEPA compliance and PCA Amendment to raise Devils Lake Levee to TOL 1460.

3. Following completion of necessary reports and PCA, raise Devils Lake levee to TOL 1460.

4. Complete Interim Report to Congress within 30 days for submittal to HQUSACE and ASA(CW). Interim Report will target holding lake level at elevation 1454 or lower.

5. Complete Final Report to Congress with analyses of several alternatives, including outlet plans. One of those plans will have as an objective holding the lake to elevation 1454. The Final Report to Congress will include a fully coordinated Environmental Impact Statement. The Report to Congress will also address the other criteria of the Energy and Water Development Appropriations Acts, 1998 and 1999. Subject to analyses favorable to an outlet, plan completion of the Report to Congress to allow initiation of P&S if the lake approaches elevation 1452 (about 2005) and construction if the lake approaches elevation 1453 (about 2006).

6. Continue to define trigger points for other actions around the lake. Provide incremental protection for Churchs Ferry, Minnewaukan, Spirit Lake Nation, and other communities in accordance with PL 84–99 and in coordination with local, State and other Federal interests.

Mr. DORGAN. Madam President, I see the Senator from Mississippi, Mr. COCHRAN, is on the floor. I don't know whether he is prepared to call up the bill or speak on the bill. If not, I was going to speak for an additional 5 minutes, but I certainly don't have to do that. I will defer at this point, if the Senator from Mississippi is ready to take up the bill.

EXTENSION OF MORNING BUSINESS

Mr. COCHRAN. Madam President, if the Senator will yield, I have been told that it has been cleared on both sides of the aisle to continue morning business until 3:45 under the same terms with equal division of time between both sides.

I ask that we extend by unanimous consent morning business until 3:45 p.m.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

INTEREST RATES

Mr. DORGAN. Madam President, if the Senator from Mississippi is prepared to speak on something, I would be happy to defer. I want to speak for 5 minutes on something that is going to happen, perhaps, in a day or so. I have spoken about this a great deal. That is the question of interest rates and the Federal Reserve Board that will be meeting this week.

We are told that the Federal Reserve Board will almost certainly increase interest rates later this week. I thought it would be interesting to include in a discussion on the floor an analysis of what has happened to the rate of inflation in this country.

Interest rates are still at a rather high rate after adjusting for inflation. The economic rent for money is still very high given the historic American standards. The inflation rate—especially the core inflation rate—has dropped very dramatically in recent years. Incidentally, despite all the predictions by all of the best economists at the Fed and elsewhere, they used to say if you penetrate through 6 percent unemployment you clearly have massive inflation problems. You just can't have low unemployment and low inflation.

The economy, of course, confounded all of them. I think part of the reason was the models are all wrong. The models reflect traditional economic theory, and that doesn't account for the global economy in which producers produce anywhere they want in the world at lower costs and, therefore, put downward pressure on wages in the industrialized countries. But despite that, even if the models are wrong, what has happened is that as unemployment has reduced in this country and come down rather dramatically over the years, so too has inflation.

Looking at the rates of inflation, the Consumer Price Index, going back to 1990, we were at 6 percent, then down to just over 3 percent, under 3 percent, and down under 2 percent. The fact is inflation is well under control. The downward pressures that the global economy has put on wages in this country, I think, will continue to keep the rate of inflation well under control.

The Federal Reserve Board has a different set of circumstances it will evaluate. The Federal Reserve Board is an interesting board. It was created in the nineteen-teens. President Wilson and those involved promised the country: We are not and will not ever create a strong central bank. We just won't do that.

For many years, of course, the Fed has had a central banking function that has been enormously strong, and largely unaccountable. Some people think that is a virtue to be unaccountable to anything or anyone else in the country so it can run monetary policy as it sees fit, unlike others who are involved in the executive and legislative branch running fiscal policy.

The Federal Reserve Board is made up of a Board of Governors. We have one seat vacant. We have one seat that is being vacated. It is also joined in the Open Market Committee by a rotating group of members of the presidents of the regional Federal Reserve banks. The presidents of the Federal Reserve banks are hired and retained by their boards of directors who are their bankers in their regions. Despite the fact they are not confirmed by anyone and are accountable only to the bankers and boards of directors in their region, they come to town on a rotating basis with the Board of Governors' to vote on interest rate policy.

The Fed will probably, the day after tomorrow, decide it should increase short-term interest rates again. I don't agree with that. I think it is a terrible decision to make. I don't think any evidence that justifies a hike in rates. Some of my colleagues come to the floor and say: What are you talking about? Mr. Greenspan ought to be credited for the great economy.

In my opinion, this nation's economic performance—if you review the record—is in spite of the estimates by Mr. Greenspan and the Federal Reserve Board. They insisted we could not pierce 6-percent unemployment without having a rekindling of inflation. They were wrong. The unemployment rate has remained below 6-percent for nearly five years with low inflation.

Now the Fed will say it has finally seen a demon in a closet somewhere called inflation that they can use to justify increasing interest rates. I think they are wrong. The American people, and especially producers, are already paying a higher economic rent for money than is currently warranted, given the core rate of inflation.

Organizations such as the National Association of Manufacturers believe it is not appropriate to have the Federal Reserve Board once again increase interest rates. The National Association of Manufacturers sent a fax sheet last Friday to 535 Members of the House and the Senate detailing why they think interest rates are already high enough and that an increase in the rates is not justified in light of an already slowing economy.

I happen to agree with that; I know others do not. I also happen to think the Federal Reserve Board and these Members ought to have some basic accountability. We ought to at least give them credit if you think they have done a wonderful job. Here are their names, addresses, pedigrees, and grey suits. Here are their salaries.

If you think, however, they are pursuing an unreasonably high interest rate policy, given the rate of inflation, here is who they are. Here is how much money they make. Here is who the regional Fed bank board of directors have appointed to be in charge of public policy. They come on a rotating basis, galloping into Washington, DC, shutting their large oak doors and make a decision on behalf of America. They will decide they think interest rates aren't high enough.

They have decided for a long while that too many people were working in this country—a decision I did not quite understand. They serve their own constituents; their constituents are their member banks. Perhaps some day we can have a debate about monetary policy in this Senate. A century ago it used to be debated in barber shops and bars.

Not too long ago, I studied money and banking in graduate school. Lyndon Johnson was President and William McChesney Martin was head of the Federal Reserve Board. He was going to increase interest rates by one-quarter of 1 percent. Lyndon Johnson sent for him to come down to the ranch in the Perdinales in Texas for a barbecue. He put his arms around him and almost squeezed barbecue juice over that fellow—all over one-quarter of 1 percent.

Now it is not a big deal. The Fed shuts their door and everybody says: Hosanna—whatever the Fed thinks is what the economic doctrine ought to be.

Not with me. I think there is no justification with respect to the rate of inflation for the Fed to put this additional charge on American producers or the American people. When the Fed meets this week behind closed doors—and this is who they are, where they live, how much money they make—give them credit or blame them, depending on your economic doctrine.

My policy is interest rates are higher than is justified, or higher than justified at this point, given the rate of inflation in this country. The economic rent now charged for money exceeds the economic rent by historical standards over a long period of time. For the Fed to shut its doors and decide the economic rent ought to be higher, in my judgment, is fundamentally wrong.

That is probably a minority view these days, given the reverence for Fed policy, but it is at least therapeutic for me to say it on a Monday, preceding the Fed's meeting. If they increase interest rates at their meeting this week, I will come back with more to say. I hope perhaps they will surprise me and others and decide there is no data to justify an increase in interest rates given the rate of inflation in our economy today.

I yield the floor.

The PRESIDING OFFICER (Ms. COLLINS). The Senator from Texas is recognized.

HEALTH CARE

Mr. GRAMM. Madam President, we have had a health care debate for the last couple of weeks. The problem is that we are on appropriations bills. We are trying to pass a bill that will help stabilize the condition of farms and ranches all over America.

However, our colleagues on the Democrat side of the aisle have seemed determined to talk about health care. I will talk about health care today.

I begin by saying, first of all, this is not the beginning of the health care debate. Here are some bills we have debated on health care since President Clinton has been in office. This is the Clinton health care bill. We were told in 1993 there was a crisis in America and we needed to deal with it. The way to deal with it was setting up health care collectives where every American would be forced to buy their health care from one in their geographic region that would be set up with a local collective leader, appointed by the Government. Then all the doctors would work for this health care collective and the Government from Washington would issue mandates.

Then people such as myself said that this is a terrible loss of freedom. When you adopt the Clinton health care bill that I have on the desk, when my mama is sick, she will end up talking to a bureaucrat instead of a doctor. We were told by Senator KENNEDY and by President Clinton we have to give up this freedom because we have 30 million American families who have no health insurance.

So in 1993, we were told if we would pass these bills and let Government run the health care system, if we would force every American into a health care collective where Government could run it efficiently and where Government could guarantee our health care, that we would lose some freedom, but we would deal with the problem of lack of coverage. We were told that the problem in 1993 was access.

We had a big debate. At one point 82 percent of the American people thought these health care collectives were a great idea. Finally, a few Members of Congress stood up and said, ''Over my cold, dead political body.'' It was like somebody had taken a pin and stuck it in a big, fat inflated balloon. It just went whoosh, and suddenly everybody decided this was not a debate about health care; this was a debate about freedom.

The reason I go back to this history is two things. First of all, please remember when we are debating the so-called Health Care Bill of Rights, it has the same authors who wrote the Clinton health care bill setting up health care collectives. They have not changed their minds about what kind of American health care they want. They really believe the Government knows best. They really believe if the Government ran the health care system that everybody could have access and everything would be better because the Government, through these health care collectives, could make decisions for us and we are basically ignorant people and we do not know how to make decisions for ourselves. This was and is still their goal.

We defeated the Clinton health care bill because the American people decided it may have been Senator KENNEDY's goal, it may have been Bill Clinton's goal, but it was not their goal. In fact, I would have to say that during the months I debated this bill by talking about cost and about efficiency, it was similar to throwing rocks at a tank. But suddenly when the issue changed to freedom and the right to chose, we blew the tank up.

The same people who several years ago said give up your freedom because the problem is access changed their minds once we defeated them. Now they have a new health care bill they call the Patients' Bill of Rights. Oh, it does have something I guess you could call rights. Let me explain the basic problem and then I want to explain what they call rights and then I want to explain what I call rights and what I think Main Street America would call rights.

Here is the problem in a nutshell. First of all, having spent 2 years trying to sell us on the idea we should give up our freedom to get access, they now say: Access is not a problem. Forget the 30 million people who do not have health insurance. In fact, Senator KENNEDY's bill would take health insurance away from another 1.4 million Americans by driving up costs. These are estimates by the Congressional Budget Office. For the people who did not lose