

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. RES. 99

Expressing the sense of the House of Representatives on the calculation of the Consumer Price Index.

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IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 24, 1995

Mr. WYNN submitted the following resolution; which was referred to the Committee on Economic and Educational Opportunities

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## RESOLUTION

Expressing the sense of the House of Representatives on the calculation of the Consumer Price Index.

Whereas the Chairman of the Board of Governors of the Federal Reserve System has maintained that the current Consumer Price Index may overstate inflation or the true cost of living by  $\frac{1}{2}$  to  $1\frac{1}{2}$  percent per year;

Whereas removing any upward bias in the cost of living may help eliminate one rationale for raising interest rates as the Board of Governors of the Federal Reserve System and the Federal Open Market Committee has used inflationary trends, as evidenced by the Consumer Price Index, to raise interest rates 7 times in the last 12 months;

Whereas the Bureau of Labor Statistics, under the United States Department of Labor, is charged with calculating

the Consumer Price Index, and is resisting calls to change how the Bureau calculates the cost of living; and

Whereas factors believed to be contributing to the upward bias in the Consumer Price Index are its failure to take into account that consumers buy more goods at discount stores, its failure to factor in product quality improvements, as well as reliance on spending patterns dating from 1982–1984 which do not reflect that consumers buy more goods that have fallen in price and less of goods that have risen in price: Now, therefore, be it

1       *Resolved*, That it is the sense of the House of Rep-  
2       resentatives that—

3               (1) the Bureau of Labor Statistics, or an inde-  
4       pendent panel of experts convened by the Secretary  
5       of Labor, should immediately review the Consumer  
6       Price Index to determine whether there is an upward  
7       bias; and

8               (2) if the Bureau of Labor Statistics or such  
9       independent panel determines the existence of an up-  
10      ward bias, appropriate steps should be taken imme-  
11      diately to eliminate the bias.

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