

FAVORABLE OF USA—Continued
(Population in millions)

Nation	Favorable rating (percent)	Population
Spain	38	40.1
Russia	36	144.9
Brazil	34	176.0
Kuwait	63	2.1
Nigeria	61	129.9
Morocco	27	31.1
Lebanon	27	3.6
Turkey	15	67.3
Indonesia	15	231.3
Pakistan	13	147.6
Jordan	1	5.3
Palestinian Authority	0	2.1

TAX PLAN EXCLUDES POOR FAMILIES FROM CHILD TAX CREDIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. RODRIGUEZ) is recognized for 5 minutes.

Mr. RODRIGUEZ. Madam Speaker, approximately 2 weeks ago the administration signed into law one of the largest tax cut breaks ever for the wealthiest Americans. He did so at a time when the unemployment is on the rise. Since President Bush took office, approximately 2 million jobs have been lost, and the Hispanic community is being hit hard; and the minorities throughout this country are being hit hard. Those hardworking Americans are now at 7.5 percent unemployment, a lot more in proportion than the rest of the population.

People want to work, but the jobs are simply not there. But instead of pursuing policies to stimulate the economy, instead of looking at creating jobs such as providing resources to improve our infrastructure in this country, when we have the decaying bridges, when we have decaying infrastructure, when most of our dams are 50 to 60 years old, instead of investing in our country and in the next generation, the administration has chose to push through a plan that includes a tax cut that does nothing to address the financial problems and worries that are facing millions of Americans.

While making false promises that the tax cut will create jobs and stimulate our economy, these tax cuts are targeted primarily at the large corporations; and the wealthiest of Americans, such as those that earn \$1 million a year, will see a tax cut of nearly \$100,000. We understand that people who pay taxes deserve a break, but we have gone from record surpluses to skyrocketing deficits.

We get elected to come up here to respond to the problems that confront Americans, those problems that our senior citizens continue to have difficulty with, such as prescription drug coverage. Our seniors are still having difficulties in not being able to buy prescription drugs. Our seniors are still having difficulties not being able to have access to affordable health care. In a country that has the most, the best health care in the world, our seniors are having, and Americans throughout are having, difficulties hav-

ing affordable and accessible health care.

We need to make sure that we address the problems that our seniors continue to confront in prescription drug coverage. We need to make sure that we continue those efforts on Social Security to ensure that the next generations will not be left without and left in poverty. We cannot meet our obligations to support critical health and education programs with a tax cut this size, as it does, because we all recognize how irresponsible it is.

Now, we find that in addition to favoring the wealthiest of this country, the administration's tax cut plan excludes those that need the assistance the most, the low- and moderate-income families. Families that make in between \$10,500 to \$26,625 a year are now, under law, excluded from collecting the \$400 child tax credit.

□ 2015

Those who could benefit the most from the tax credit have been left out and find themselves unable to qualify.

In my district the median income is approximately \$23,000, and so more than half would fall under this category. The child tax credit has long been crucial for working families who deeply are affected by tax burden. They also are entitled to this child tax credit.

While more than 85 percent of Hispanic males are in the workforce, which is the largest percentage for any ethnic group or anyone, many Hispanics work in low-wage temporary and seasonal jobs. Latinos are out there working hard, making things happen; yet those are the ones that are being left out from being able to participate in a child tax credit. How can the administration argue that this plan helps working men and women when working families are the ones that are left out?

The hardworking Americans may not be one of the wealthiest, but they are the future of this country. They are the ones that make the economy go. They are the workforce of this country. Our communities deserve the gratitude and respect from the leaders that represent them, and they deserve a fair share of any proposed tax relief plan, not just the crumbs left over after the Nation's wealthiest few.

We need to make sure that the tax plans are plans that are appropriate. They need to be responsive. We also need to make sure that we address the issues that confront us, such as the need for health care and other things.

MCI WORLDCOM

The SPEAKER pro tempore (Mrs. BLACKBURN). Under a previous order of the House, the gentleman from New York (Mr. MEEKS) is recognized for 5 minutes.

Mr. MEEKS of New York. Madam Speaker, MCI WorldCom represents the largest corporate fraud in United

States history, costing shareholders more than \$180 billion and still counting. So far, more than 22,000 jobs have been lost, and the company just received a tax refund from the Federal Government totaling \$300 million for the so-called overpayments on the fraud MCI WorldCom committed.

Meanwhile, the impact in New York has been devastating. MCI WorldCom has laid off 30 percent of its workforce in New York, with most of the cuts coming in Long Island. New York State's pension fund, the second largest in the Nation, has lost about \$306 million on MCI WorldCom, the worst single loss in the firm's history. Not to be excluded, New York City's five pension funds reported that they lost \$160 million on WorldCom stock.

Why should we care? Because these pension funds represent a portion, possibly a significant portion, of New York State's public sector employees, policemen, firefighters, teachers, et cetera, who became victims of MCI WorldCom's fraud. Just the State pension fund alone represents more than 950,000 active and retired public employees and their beneficiaries.

There is so much more that can be said of this case; however, since time is brief, I will focus my remarks on what I believe are the most egregious items of this case.

First, the proposed settlement with the Securities and Exchange Commission. I am extremely disappointed with the SEC's decision to settle with MCI WorldCom for a mere \$500 million, and I know that sounds like a lot, but the original \$1.5 billion fine represented less than 1 percent of the losses amassed by shareholders because of the company's fraud. This eye-popping ruling brings the SEC's credibility into question. Such ostrich-like attitudes by the SEC will only increase cynicism from investors on the SEC's legitimacy.

As MCI begins to rebrand its corporate image and seeks to distance itself from its criminal stigma, it is incumbent upon the SEC to act in a decisive manner that adequately punishes MCI WorldCom for its massive crimes. Their clever attempts to return to corporate normalcy cannot be realized until MCI WorldCom makes complete restitution for its criminal acts. As the regulatory agency tasked with overseeing corporate behavior, the SEC should serve as a strong enforcer and not a willing accomplice that rewards criminal activity.

Last week, I filed a petition with the U.S. district court requesting that Judge Rakoff delay any decision in the MCI WorldCom-SEC settlement until adequate information is available publicly to enable the thorough evaluation of the company's fraud, the proposed settlement, and MCI WorldCom's current and future plans for compliance with applicable law. I also urged the court to hold a hearing on the findings set forth in the upcoming reports of the examiner in bankruptcy and the

special investigative committee and evaluate the proposed settlement only when the SEC's investigation of the company is complete.

The second issue regarding this case is MCI WorldCom's attempt to use the Federal bankruptcy laws under Chapter 11 reorganization. As a member of the House Committee on Financial Services and a supporter of reforming our bankruptcy laws, I can tell my colleagues this is not the intent of Congress. Reorganization under the bankruptcy laws should not apply when the assets are the product of criminal activities. Bankruptcy should not be a vehicle for laundering stolen goods.

I am shocked and appalled that MCI WorldCom, or any other company for that matter, can manipulate our laws in this manner after admitting to criminal behavior. This is why I am working on a legislative remedy that will correct this and plan to introduce that legislation very soon. It is important to realize that if MCI WorldCom is allowed to reemerge from bankruptcy with 90 percent of its debt eliminated and retain the fruits of its crime, they will gain a significant artificial advantage over its competitors who played by the rules. If this happens, the message that regulators, policymakers, and other government officials would then send to the marketplace is crime does indeed pay; cook your books, defraud your investors, and you too can seek bankruptcy protection and become a more viable competitor.

The security laws are intended to protect innocent parties from fraud in the marketplace, while the Bankruptcy Code is intended to facilitate the reorganization of financially troubled companies who make unwise but honest business decisions; not companies who commit fraud.

The case with MCI Worldcom is clear. There actions were to defraud investors, their employees and the public. And they did so very successfully.

Before I conclude, I need to make two final points. MCI Worldcom executives have stated that they are owed tax refund on profits they "really didn't make." Also, according to Business Week, the company plans to carry forward its newly recognized losses—"at least \$6.5 billion"—from prior years in order to shelter future earnings from taxes.

This loophole allows MCI Worldcom to abuse the tax code because under Internal Revenue Code Sec. 108(a), income from the cancellation of debt (COD) is excluded from a taxpayer's gross income if the cancellation occurs in a Title 11 bankruptcy proceeding or under other specified circumstances. Under the code, sec. 108(b), a taxpayer benefiting from this income exclusion must reduce its tax attributes, including net operating losses (NOLs).

MCI Worldcom is exploiting an obscurity in the law. Rather than treat its NOLs and other tax attributes on a consolidated basis, the company is interpreting the law in a manner that allows it to deal with the NOLs on a separate basis. This would allow MCI Worldcom to preserve its NOLs and other tax attributes, so an estimated \$10 billion or more of income to

the new MCI Worldcom will be tax free. This means that the company will not pay taxes into the foreseeable future.

Now, although I support targeted tax relief and I realized long ago that the Bush tax cuts benefitted those at the very top, this is ridiculous. Here again, I will introduce legislation to clarify the treatment of tax attributes under section 108 of the Internal Revenue Code of 1986 for taxpayers who file consolidated returns.

Finally, I need to address MCI Worldcom's best customer—you, me and everyone who pays federal taxes. Why? Because the federal government continues to be its biggest and best customer despite the company's criminal behavior. For a matter of fact, the company is getting no-bid contracts like the one to build a wireless network in Iraq, a line of business the company is not even in.

Curious? You bet. The federal government did not have this same policy with Enron and Arthur Andersen. Since committing the largest fraud in U.S. history MCI Worldcom has moved up to the eighth largest federal technology contractor according to a review by Washington Technology, with \$772 million in sales. Why would the government award business to a criminal organization who is very unstable? You will have to get your answer from the Bush Administration.

To allow a corrupt, criminal enterprise like MCI Worldcom to perpetuate its violation of the securities laws and visit this injury on an already distraught sector would be an injustice to the millions of its victims nationwide. Whether it is the proposed settlement, its bankruptcy proceedings, its abuse of the tax code or the awarding of federal contracts, MCI Worldcom must pay for its crimes and make full restitution. Anything less will be the biggest fraud of all.

REPUBLICANS LOOK AFTER AMERICA'S CHILDREN, TOO

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from Colorado (Mr. MCINNIS) is recognized for 60 minutes as the designee of the majority leader.

Mr. MCINNIS. Madam Speaker, first of all, I would like to address the preceding comments from the gentleman from New York in regards to WorldCom. His remarks are right on point. I would urge the gentleman to look even further at the WorldCom situation and take a look at the \$27 million house that Scott Sullivan has off Florida, take a look at Bernie Ebbers and the money that guy has put into this. That is a clear case of not just corporate fraud but criminal fraud. Any one of us, any normal citizen in the United States, in my opinion, would have already been put into prison having committed the kind of fraud that cost tens of thousands of people their jobs at WorldCom and perhaps one of the biggest bookkeeping frauds in the history of corporate America.

So I think that the gentleman from the other side of the aisle, his comments are in order.

I want to address some of the other comments. For the last hour or so,

only the Democrats have been speaking on the floor, and their remarks time after time after time have been very partisan, very political, and full of a lot of rhetoric. Although it is not the main topic of my discussion this evening, I think it is important that at least some rebuttal be put into the record so that the Democratic, which was led off by the minority leader over there, that these partisan remarks, which as I said earlier were full of rhetoric and, in my opinion, inaccuracies, that these remarks do not go into the RECORD without some type of clarification or at least hearing from the other side.

Let me begin with the minority leader, the gentlewoman from California (Ms. PELOSI), and her remarks. Her remarks are the Democrats look after the children in this country. As long as I have served in politics, as long as I have served in elected office, I have yet to find a Republican or a Democrat or an unaffiliated officeholder that does not care about children, and for the minority leader to stand up here and try and claim a monopoly, that only the Democrats care about children, is nothing but pure partisan politics. In fact, I think it is fundamentally unfair to play off this type of, in essence, using the children to forward a political point that the Democratic Party wants to make.

What this is, that only the Democrats care about children, what this effort by the minority leader is is simple spin, S-P-I-N. We can tell we are coming up on a Presidential election. All we have to do is listen to some of these 5-minute comments. All it is is spin, spin, spin, not debate or not discussion as to how to move this country in a positive forward manner, but clearly focused on how to defeat President George W. Bush in this upcoming election.

It is fundamentally unfair to stand at this podium and say that any of our colleagues, whether they are Democrat or Republican, any of our colleagues are against the children, or only one side of the aisle down here cares about the children.

I would say, and I think my comments are 100 percent accurate, that every woman, every man, Congressman, every Republican, and I think we may have one unaffiliated in these Chambers, every one of us cares about the children, and it is unfair in a debate to continue to try and put the children in front of them as kind of a screen to push another political point. And I wish the minority leader would get off that and come back here and debate and discuss the substance of the issue instead of standing up here in front of a microphone, in front of us, and saying only the Democrats care about the children, only the Democrats will help the children, and the remarks go on from there.

We have got the gentleman from Texas, from San Antonio, a very fine gentleman, a good guy, but he gets a