

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

little exaggerated when he says that the Republicans, they are not investing in the future generation; only the Democrats are worried about investing in the future generation.

Give me a break. There are Members on both sides of the aisle back here in the Nation's Capital who care very, very much about the future generation of this country. In fact, I would say that by far, if not unanimously, I would say by far the huge majority, whether they are Republican or whether they are Democrat, care about the future of this country. And for the Democrats to stand up simply because they know nobody is going to debate them, there is nobody to rebut their comments, they have been up here 1 hour nonstop, nonrebutted, that is why they think it is safe to stand up here and say it is only the Democrats who care about the future generation of this country, only the Democrats care about the children of this country. Even to go further, the gentleman makes the remarks, the working families are left out. So the Democrats stand up for the working families.

The working families are out of this tax cut. My gosh, the majority of working families in this country are the ones who are the primary beneficiaries of this tax cut. There are working families above \$20,000 income. I think the gentleman believes that in his mind the only working families, or at least his comments seem to portray is that the only "working families" in this country are the families that make less than \$20,000 or make less than \$10,000 a year.

I want to tell the gentleman and tell him directly, I have got a lot of families where both the man and the wife, both of them are working, and they have happen to make \$40,000 a year, and they would take deep offense by the fact that they work 50 hours a week, both of them, the one couple I am thinking of, and the gentleman would stand up here and say, well, that is not the working families. Apparently, the working families are those who make \$20,000 and less a year.

There are a lot of people, regardless of income in this country, there are lots of people that are working families. In fact, the majority of families in this country are working families, and for the Democrats to stand up here, again only because they are not rebutted, only because there is nobody to say the other side of the story, they stand up here and make it sound like they are the only ones that stand for "working families" and the only working families in this country are those in the low-income bracket.

Whether it is low-income income or upper-low-income or lower-medium-income or medium-high-income or higher-medium-income, whatever classification, I know families, in fact almost all the families I know in any of those income brackets, are hard-working families.

□ 2030

It is not a sin in this country, and it is not disrespectful in this country, and it is not ignoring the future generations of this country for us to pass legislation that benefits people that make more than \$20,000 a year. There are a lot making \$40,000 a year; and in a family of say two or three kids, that is not a lot of money. That money is stretched very, very thin. Just because of the fact that you have kids and you and your wife both work and you only manage to bring down \$40,000 a year does not mean you should be classified by the Democrats as the wealthy class in our economy.

The only reason I can figure out why these remarks were made is because they did not think that somebody on the other side of the aisle was going to be sitting in the Chamber, as I was listening, to these remarks, and they thought they were going to go into this CONGRESSIONAL RECORD completely un rebutted. We have kind of a doctrine of fairness around here. Let us talk about the facts.

They may be against the tax cut, so just say you are against the tax cut. Do not come out to the House floor and say the Republicans, because of the tax cut, do not care about working families. The Republicans, because of the tax cut, it means that only the Democrats care about the children of this country, as the minority leader, the gentlewoman from California (Ms. PELOSI), said at the beginning of her remarks.

There ought to be a sense of fairness here, and I want to talk for a few minutes about what we looked at on that tax cut, what is important about that tax cut; and I think when we discuss the reason for the tax cut, we have to take a look at where we are. We have an economy that is right on the edge. It is not an economy that is in a depression, but it is an economy where we are suffering from higher unemployment. By the way, although an administration alone does not have enough control, in my opinion, to take an economy out of a recession or put it into a recession, the fact is this economy, which goes up and down, this economy always cycles. There is the old theory, everything that goes up has to come down.

This economy began its downward cycle under the previous Democratic administration. That is not to say that administration drove it in because the economy was also going in an upswing during a Democratic administration. It does say, however, we have to face these cycles. If we look at economic history, especially with specific tax cuts, it has been proven very effective as a tool to take you out of the downturn of the economic cycle; tax cuts are a stimulus to put you in the upturn. However, the tax cuts have to be focused. We do not want to go out and create a welfare program. The reason that bill did not include income tax cuts for people that did not pay income

taxes is because that is a welfare program. We are focusing on the people who pay taxes. If you do not pay taxes, you should not get an income tax rebate or refund or credit.

That does not mean that they should not get some kind of assistance. That is up to you to vote whether you want to provide that assistance or not; but what we are trying to do with this economy, and by the way, there are a lot of people on the Democratic side that want this economy to improve regardless of who gets credit for it. We want these people back to work. One of the ways to do it is to put in a very targeted tax cut.

This tax cut is a lot like jumping a car with a dead battery. Some Members would argue that to be fair to the car, you would take the jumper cables and attach them to the bumpers, attach the jumper cables to the door handles, make sure all of the car got a jump off the battery. The fact is you need to target a specific part of the car. You need to put the jolt, the shock, the charge on the battery. So you put the jumper cables on the battery. If you get the battery started, the whole car benefits and moves along.

It is the same thing here. This tax cut was designed, for example, through the capital gains reduction. Now in our country, it is not just the wealthiest people of this economy who benefit from a tax cut on capital gains. There are a lot of people out there, lots of people out there who benefit from capital gains reduction. But the biggest benefit from reducing the capital gains taxation is the economy as a whole, the society as a whole. If you take a look at economic history from an economic historical perspective, every time the government has reduced the capital gains taxation rate, you have seen an up-tick in the economy.

So it is true that only people who have capital assets and sell them with a capital long-term gain may directly benefit from that reduction. That benefit to that targeted area benefits the economic picture as a whole. That is very, very important here. If you take a look at the various elements of that tax cut, the dividends, for example, first of all, you should have a tax system. Your Tax Code should be fair. It is not fair to tax a person with double taxation. Dividend taxation is a double taxation. Not even the most liberal of the Democrats argue that it was not double taxation. However, the most liberal of the Members of Congress argue that is okay because mainly the people above \$26,000 a year can afford to be double taxed. Remember, anytime you fund one of these liberal programs that some of these people want to fund, anytime you give money to somebody that is not working, it is a transfer. The government does not create wealth. The people that create wealth are the people that are working and exchanging their labor for some kind of a product, the creative aspect of it. All the government does is act as a transfer

agent. For example, to give money to people that do not work, and there are a number of people that do not work that our society thinks have a legitimate case for not working and believes that the working people should support; and as you know, there are a lot of people that ought to be working and are not, by their choice they are not working, but the issue here is anytime you give money to people who are not working, you have to take it from people who are working.

It is the same thing with this tax credit. When you take the money from people or give money that are not paying taxes, give them a refund or some kind of credit rebate, you are taking it from people who do pay the taxes. My point in bringing this up is that is okay for a while, but you better be able to look right in the eye of the taxpayer or look in the eye of the person that is working and be able to explain to him legitimately why you are going to take money from those people, look right at them and say you are working, so I am going to take money from you and give it to this person over here who is not working.

Now when you do that, the average Joe or the average Jane over there that is working, and you say I am going to take some of your money that you have worked hard for and I am going to give it to person A over here who is not working, the first legitimate question that the working Joe or working Jane is going to say is, why are you giving them the money when they are not working? You might say, well, they are physically handicapped or mentally handicapped. They are not capable of working. You can expect the working Joe or working Jane is going to say that is a legitimate reason. Our society ought to help where we can with that kind of cause.

But when you go to working Jane and working Joe and say, look, we are going to take money from you because you are working, and we are going to give it to somebody over here who is not working, and they say why are they not working, and you say, well, because they have chosen not to work, then you begin to see problems. It does not work. That is why with this tax cut what we are trying to do is target it. It is a good plan. It alone will not turn the economy in that up-cycle; but I feel, I already feel confidence that the economy is beginning to recover. Our stock market is showing some strength.

The fact is that the people on the dividends, the capital gains, speeding up the tax brackets, the caps on the tax brackets which will help tens of millions of taxpayers in this country, by doing that you are getting the battery jumped and the car moves as a whole. That is the issue here. We want this economy to benefit as a whole. This tax cut will allow that to happen.

Now, let me tell you that a few of the people who have opposed this, for example the minority leader who contin-

ually stands up here and spins and bashes this tax cut and bashes the policies of the tax cut, what is their answer? You cannot just sit back and complain. You cannot just sit back and do nothing. I have always believed that at some point you have to quit talking and quit complaining; and at some point you have to get up and lead or get out of the way. I think that this shows good leadership. There was lots of negotiation that went on with this tax cut. There was lots of effort that went into this tax cut.

As I said, while I do not think this tax cut alone is going to lift this economy into that up-cycle, I think it is an important element of moving this economy towards that up-cycle. You combine that, and hopefully we can get our fuel costs under control, although right now we face a natural gas shortage, a pretty significant natural gas shortage around this country, but if we can keep oil supplies reasonable and a hand on unemployment, consumer confidence is very, very critical, if you can get consumer confidence to stay high so people go out and buy and if you can effectively, through leadership of the interest rate by the Feds, if you can keep the deflation threats from occurring, you are going to see this economy improve. But it is a fragile economy. We are trying to do something to help it. Because you stand up and are trying to help this economy recover does not mean that you care less about children. It does not mean that the only working families in this country, as expressed by some of the Democrats this evening, are those people that earn less than \$26,000 a year. That is not what it means.

It means that we recognize that working families are spread all over America; that if you can benefit those working families all over the income brackets, those people who pay income taxes, those people who are out there, and mind you, we will hear the comment, and I heard it this evening, that they do pay these taxes, and you can vote one way or the other on that. You ought to be accurate about your facts. They do not pay Federal income taxes. The group that they are talking about getting a rebate for, they do not pay Federal income taxes. They do pay State income taxes, sales tax, gasoline tax and 7.5 percent or 7.6 percent on their Social Security; but they do not pay Federal income tax.

What the minority leader is saying and what some of the Democrats are spinning up here, they are making it sound as if these people do pay Federal income tax and for some reason just because they are poor, they are being cut out of the tax cut. That is not accurate. That is a blatant, inaccurate statement.

Now, whether you vote to give these people a rebate or not, the fact is that anybody that enters this debate ought to acknowledge up front that the issue is not whether or not they pay income taxes because they do not pay Federal

income taxes in that income bracket. The issue is then do you give them money, even though they do not pay, do you give them a tax rebate, even though they do not pay taxes, or should you call that program some other type of welfare program and go ahead and transfer it under that type of description.

But to attack the entire tax cut, to stand up here and say that the only working families happen to be those families under \$26,000 or \$20,000 a year, to stand up here and attack the tax cut under the guise of protecting the children and that the Democrats are the only ones that protect the children is a misleading effort, and it is inaccurate. On this floor we ought to at least debate on a fair basis. If you take a look at this tax cut, it is not perfect; but so far nobody else has come up with a better solution.

It is interesting to hear these people talk about the Federal deficit. Let me say something about the U.S. Congress. I think it would be interesting for every Member that talks about how terrible the Federal deficit is, I think it would be interesting to look at their bills that they have introduced and see what their bills do to that deficit. Those people that stand up here and criticize, for example, as they have done this evening, criticize the Republicans on the deficit, whoever does that criticism, take a look and see what their votes look like, what programs they vote for and what those programs have done to the deficit.

□ 2045

It is funny how people vote one way and speak another way. When I first got elected to office, somebody said, "The best trick is to vote liberal in Washington and speak conservative in your home district." I do not believe we ought to be running our business that way. I think we ought to be as, what was it, McCain that had straight talk? Let's talk it straight.

This tax cut is targeted. This tax cut is targeted to benefit the entire economy. This tax cut is targeted to move all of us forward, so that our unemployment can go down, so that our stock market can go up, so that our consumer confidence can go up, so that the interest rate, the prime rate, can stay down. That is what we have in our radar. That is what we are trying to accomplish. It should not be attacked by a minority leader who stands up here and says, well, it's about the children and the Republicans don't care about the children, and only the Democrats care about the children. Or from the gentleman from Texas that says, only the Democrats care about the future generations of this country. Give me a break.

Let me summarize these remarks by saying obviously everybody in this room, even the ones I most ardently disagree with, I would never say they do not care about the children. I have never met a person in elective office, I

have never met an elected officeholder that really does not care about children or would do something to hurt the children. I have never met them. I have never met one officeholder in my career that did not care about future generations. I do not care what their party affiliation is. And to stand up here and use those kind of statements, you talk about spin, you talk about political rhetoric, and that is the definition of it.

I want to address another subject that I am hearing a lot about recently on the news. First of all, let me give you a little background. I used to be a police officer. When I went to the police academy, we used to have a training exercise, I guess you would call it, where they would show a movie on a big screen, and we used wax bullets. We had wax bullets in our weapons, our service weapons. On the movie screen, the training episode was called "Shoot or Don't Shoot." They would have different instances. It was up to you to make a determination. The film would depict somebody, for example, coming out from a trash can with a weapon. It was up to you within 1 or 2 seconds to decide whether that person really was a threat and whether you needed to draw your service weapon and, even more serious, whether you should discharge your service weapon, and then you would fire your wax bullet and it would measure, of course, on this big screen whether or not you hit the suspect and saved somebody. It is tough to make that decision. There were a number of times where the person would aim a gun at you and it would be a toy gun but it looked like a real gun, it would be a squirt gun or something, and you had to make the decision as the police officer, do I draw and shoot? On a lot of different occasions, myself included, we shot and then we found out that the person on the film actually, like I said, had a water gun or a toy gun. What happened right after that, after you would do that, then more likely than not the next person would have what looked like a non-threat, not a serious threat and something that looked obviously like a toy gun and it would be a real gun, so you would hesitate and the person on the film would go boom-boom, and all of a sudden you got docked points because they just shot you.

My point in talking about this training film is to move into this discussion of weapons of mass destruction. We have had incidents in the past where a police officer has shot a suspect and after they got control of the suspect and they grab the weapon, after they shoot the suspect, let us say in the example they kill the suspect, the police officer does, and the investigating team seizes the weapon from the suspect and they find out the weapon did not have any bullets in it. There are always people that with hindsight say, why did that police officer shoot old Joey over there? Sure, Joey pointed a gun at him, but he didn't have any bul-

lets in it. Why did the cops have to shoot him? He didn't have any bullets in that gun. Somehow they think that the police officers had 20/20 vision or Superman's vision so that they could see right through the weapon and determine that there were no bullets in there.

That is the same thing on these weapons of mass destruction. All of a sudden we have weapons experts, kind of the Blame America First crowd. We are starting to see them. Oh, my gosh, the United States of America has not found these weapons of mass destruction, so they can't justify this war. How convenient it is that these very people continue to ignore what an evil man Saddam Hussein was. Just take a look at what he did to half his population. The women in Iraq, take a look; if we just had one incident like that in this country, understandably and justifiably, this country would be enraged that a woman was treated that way as an American citizen in the United States. But yet this crowd, the Blame America First crowd, ignores all of that. They are putting on blinders. They are putting on blinders about the mass graves. They are putting on blinders about the fact that Saddam Hussein on a number of occasions, of which I will show you here in just a moment, used weapons of mass destruction to kill his own citizens.

In this country at Kent State when our National Guardsmen shot, I think they shot and killed four students who were protesting back in the sixties or seventies, this country went ballistic. What do you mean our own military people killed our own citizens? That is four. Yet the Blame America First crowd out there is making Saddam Hussein look like somewhat of a Robin Hood, ignoring the fact that while maybe he did not have these weapons of mass destruction or at least that we have not found any yet, that we ought to focus entirely on the gun that did not have bullets in it, although it was pointed at us, and criticize us for that instead of taking a look at the history of that evil man.

This guy, Saddam Hussein, even if we do not find weapons of mass destruction, and, by the way, it is Saddam Hussein, I am going to also show you a poster on that, the weapons of mass destruction that he himself admitted that he had. He admitted they had them. But for the sake of argument here, let us say that Saddam Hussein did not have weapons of mass destruction. Take a look at what the proof of the pudding is. Take a look at what he did to his own citizens. By the way, on this particular poster to my left, these murders were accomplished with weapons of mass destruction. In the history, we know, for example, going back to my police officer incident, that the guy that is pointing the gun at us on a number of occasions used that gun to kill people. So it is a natural and justifiable thought process to believe that when this guy points a gun at you, con-

sidering his history that he used a gun repeatedly, repeatedly, repeatedly, it is a logical thought process that that gun is loaded and he is going to use it on you.

Take a look at this. In 1983, mustard gas killed about 100 people. Mustard gas in 1983 killed 3,000. These are his own citizens, by the way. These are all confirmed. In 1984, 2,500, mustard gas. In 1985, mustard gas 3,000. I am skipping down here. Right down here, mustard gas 5,000. In 1987 mustard gas, 3,000. In 1988, mustard gas and nerve agents, hundreds of people, Iranians and Kurds. This is a country that used these type of weapons when they were at war with Iran. So sure, maybe we have not gotten our hands on these weapons yet, but the fact is there is a long history, a long history of the country of Iraq using these types of weapons. It is very clearly justified for you to expect, in fact I think you would be negligent not to suspect, that Saddam Hussein and his lieutenants had these type of weapons.

Some are saying, "Well, it's the Republicans. It's George W. Bush. He's a cowboy." Let me say to you, first of all, being a cowboy out in the West is kind of an honorable title. We do not think it is a degrading remark. We kind of look at it in a romantic fashion. But back here some people think being a cowboy is a negative term. They say, "It must be George W. Bush. He's just a cowboy. He's the one that has overstated the threat of Saddam Hussein. He's the one that took this Nation into war and it's an exaggerated threat."

Let me show you what the leader of the Democratic Party says about it. Again, the poster to my left. President Bill Clinton. President Clinton on Saddam's threat. He made these remarks, this is an exact quote, on February 18, 1998. This is what Bill Clinton says: What if Saddam Hussein fails to comply—this is with the inspection process—and we fail to act? What if Saddam Hussein fails to comply and we fail to act? Or we take some ambiguous third route which gives him, speaking of Saddam, yet more opportunities to develop his program of weapons of mass destruction and continue to ignore the solemn commitments that he made? Well, he will conclude that the international community has lost its will. He will then conclude that he can go right on and do more to rebuild an arsenal of devastation and destruction.

Let me point out, on the next poster, these are the weapons of mass destruction that the country of Iraq admitted in documents that they submitted to the United Nations, or to the international community, these were weapons that they admitted that they had at some point in time. Mustard gas, 2,850 tons. All you need, by the way, of mustard gas is about a teaspoonful and you got real problems on your hands. This is about 3,000 tons of mustard gas. Not what George W. Bush or Dick Cheney or Colin Powell or Condoleezza

Rice or our commanders, our chief of staff over there, this is not what they said Iraq had, this is what Iraq says Iraq had. Sarin, nerve gas, 795 tons. All you need is a little whiff of that Sarin and you're a goner. VX, nerve gas, 3.9 tons. Tabun, nerve agent, 210 tons. Anthrax, 25,000 tons. We saw in this country what happened with just a few little crumbs, a few little particles of anthrax stuck in an envelope. We saw what happened in this country with that. Iraq, by their own admission again, not a statement made by our leadership in this country but an admission made by the country of Iraq, they had 25,000 tons of that stuff. Uranium, 400 tons; plutonium, 6 grams. Six grams does not sound like a lot but that is exactly what you need to create a heck of a nuclear weapon.

My point this evening with you is to say it is a cheap shot, for lack of a better word, it is a cheap shot, it is a comment made from that group of people, that Blame America First, the crowd that partially is driven for political self-interest, the crowd who believes that America can never do right, the crowd who constantly criticizes America, it is that Blame America First crowd whose voice has become louder and louder over the last 2 weeks about the fact that weapons of mass destruction have not been found.

My point tonight is not to address that crowd. You can talk until you are blue in the face and you will never convince the Blame America First crowd that America is anything but the devil itself. You are not going to get them. They will claim they are good Americans, they will claim that they have this patriotism and their patriotism is demonstrated by the fact that they have enough guts to stand up and cry about America's sins and apologize for this country around the world and talk about how horrible we are and this and that, but the fact is this: This country, the leadership of this Nation, the Republican President George W. Bush, the Democrat President Bill Clinton, all knew and had a history of weapons of mass destruction's usage in the country of Iraq.

Again coming back to my example, what has happened here so far, the investigation shows, we had a suspect. That suspect, and I am trying to draw a comparison here, that suspect had a gun pointed at us. The gun was pointed at us. That suspect had a history, like Iraq did, had a history of murder, had a history of using that gun. That suspect had a history of admitting that he had used that gun to kill people. That is a suspect that is looking at us with a gun. So before that suspect, Saddam Hussein, could use that gun against us, we fired first. In the investigation it may appear, and I say "may" because we have only been in Iraq 7 or 8 weeks under this kind of a look for a search for weapons of mass destruction, it may occur to us or may end up being a result, and certainly at this point, the gun appears not to have had bullets in it.

□ 2100

So, what happens? The Blame America First crowd cannot wait to get out on the street and say you should have never shot him. Despite the fact he pointed a gun at you, somehow you should have had superior information that that gun did not have bullets in it, despite the history of the person holding the gun.

This Nation has an absolute right to go out there and preempt a threat. We do not have a right for preemption; we actually have an obligation for preemption. Do you think we say to our police officers in any community in this country that you cannot discharge your service weapon until you are fired upon first, you have to be shot first before you are allowed to discharge that weapon?

No. What we say to our officers in law enforcement is we expect you to go out there; and if a threat exists, one, we want you to be as accurate as you can possibly be as to whether or not a threat exists; but if a threat does exist, it is your job, it is your obligation, and we expect you to carry out your duty to stop that threat.

That is exactly what Bill Clinton was talking about when he was President of the United States, and that is exactly what George W. Bush did now that he is President of the United States.

So I hope as colleagues begin to hear this rhetoric about we have not found any weapons of mass destruction, so blame the United States, forget the fact the United States has brought to the Iraqi people things they have never seen in their entire lives. Forget the fact that the women in Iraq are now going to have rights, are going to be treated as individuals over there. Forget the fact that the United States of America has stopped the mass murders. Forget the fact that the United States of America, if there are weapons of mass destruction, will find those weapons of mass destruction and will destroy those weapons of mass destruction.

All of that is ignored by the people that I call Blame America First. What they are trying to do is hitch their horse to this one pole; and that pole is, ha, ha, ha, you have not found a weapon of mass destruction, so everything you have told us is a lie. This is exaggerated. We should have never done this.

They intentionally, not by accident, but they intentionally ignore the historical facts of the mass murders that that guy has done. They ignore the admissions by Saddam Hussein's country of the weapons of mass destruction that they did possess in the past. They ignore all that, because they do not want to listen to the facts. They do not want the facts to enter this picture.

What they want to do is use this as a spin, either in their continued all-out effort to blame America first, or in a spin for some type of political purpose or self-serving political motive, especially in light of the fact that we have

a Presidential election coming up here in the next year or so.

What I am asking my colleagues to do is stand behind America. Stand strong with America. When that suspect pointed a gun at us, we had every right to discharge our weapon; and we had a right to discharge our weapon first. We knew the history of that individual. To the best of our knowledge, we believed that individual had bullets in his gun. We could not see in the gun, but the gun was pointed at us, and we do not feel and we should stand by this position that we do not think it is necessary we get shot at first, like we did on September 11.

Let me tell you, after September 11, of course, the Blame America First crowd came out and said, oh, America's intelligence failed. It is because America does not do enough for the poor in the world and America is pompous and America does not share its wealth and America enjoys too much of the good things and America has too much food. That is why September 11 came about. The Blame America crowd came in.

That is exactly what would have happened if Iraq, by the way, would have shot first, had they used a weapon of mass destruction against the free world. Blame America would have come out and said where was George W. Bush? Where was President Bill Clinton? When they should have known about this, why did they not know about it? So no matter what you do, you are going to have the Blame America First crowd out there criticizing you.

But the fact here is we should put them aside. What we need to make sure is that the average American out there understands that this country is a good country. This country did what it believed was in the best interests, not just of itself, but in the best interests of many, many innocent Iraqi citizens. This country did what we thought was in the best interests of many, many citizens who were murdered and so on in Afghanistan. We did what we thought was best for the world.

It is this country that has led the world in standing up when the going gets tough. It is the United States of America that is the first one out of the foxhole. And it is a little tough, when you are the first one out of the foxhole, you are standing on the battlefield taking the bullets, and somebody hiding in the foxhole behind you is saying, I told you so. You should not be out there. That is kind of how I feel about some of this criticism.

America has no need to apologize. The United States of America has done a lot of good for a lot of people for a lot of countries for a lot of history for its entire history. Oh, sure, we got a blooper here and there. But the fact is, you can stack America up, I will stack America up against any other country in the history of the world. Not just in the history of the United States, but I will stack America up against any other country in the history of the

world; and defy you to show me a country that even comes close to doing the good that this Nation has done.

The United States of America does not have to apologize for anything that we have done. What we have done was for a just cause. What we have done, in my opinion, was the right thing. I think the majority of Americans believe in that.

AMERICAN ECONOMY NOT RECOVERING

The SPEAKER pro tempore (Mr. FEENEY). Under the Speaker's announced policy of January 7, 2003, the gentleman from South Carolina (Mr. SPRATT) is recognized for 60 minutes as the designee of the minority leader.

Mr. SPRATT. Mr. Speaker, on Friday of last week there was more bad news about the economy. The unemployment rate hit 6.1 percent, the highest rate in more than a dozen years. Since this recession started in March of 2001, we have lost 3.1 million jobs in the private sector. That is a loss of 2.8 percent of all the jobs in the private sector; and in percentage terms that makes this one of the worst recessions in the postwar period. That is one of the problems we have got; 6.1 percent does not sound alarmingly bad compared to prior recessions, but it does not begin to tell the story of what is happening in this economy.

First of all, this unemployment rate, 6.1 percent, does not indicate the persistence of this recession. Unemployment is not only up at 6.1 percent, but it has been stuck in this range for more than a year.

As you can see from this particular chart, this graph, this recession is not following the pattern of previous recessions. In previous recessions, the red curve, the U-shaped curve, plots the path that unemployment has taken. It reaches a peak, as it did in March of 2001, typically reaches a trough in about 12 to 18 months and then starts back up again. It takes awhile for recovery, it takes awhile for employment to get back on its feet, but eventually things come back to normal.

There may be a lot of people in this country and in this Congress who think, well, this is your regular postwar recession, it is not a depression, it will come back. But what we trouble about is it is not following the pattern of the postwar recessions of the past, because this black line plots the path the economy has taken. It has not headed back up.

Employment has not headed up, even though we have had signs of a recovery. It feels like a recovery. This is a jobless recovery. Worse still, the job situation is actually getting worse, as this line plots, because, if you follow that line, if you can see the bottom index, this means that jobs should have recovered 12 to 18 months ago, at the very least. We should have seen an uptick, an upturn in jobs; and it should have been at this level by now. Instead,

we are still way down here below the trough of the recession. So this is not a recession like any we have had before, particularly when it comes to jobs. Twenty-five percent of all the people who are out of jobs have lost all of their unemployment benefits. They are "exhaustees," we call them.

Second, the unemployment rate we are looking at does not count the 2 million people who have dropped out of the job market. It may be more than that, but at least that number. They have given up the search for a job because they flat cannot find one.

If they were counted in the labor force, the unemployment rate would be in the range of 6.6 percent. But even this figure, 6.6 percent, would not reveal the number of workers who have lost their jobs and found another, typically with lower wages and lower benefits. I see that all the time in my district, anecdotally, and I suspect it is happening everywhere in America.

These folks do not show up in the employment statistics because they are working, but they are working at much less favorable terms than before this recession started. One indication of that is the loss of manufacturing jobs, 53,000 in the month of May alone. Every month for 12 months we have lost at least 50,000 of these jobs, which are the best jobs in industrial America. Manufacturing jobs are hemorrhaging right now.

These workers do not show up as unemployed. They are industrious workers. They have found a job somewhere else, but not at the same terms they once enjoyed. In truth, they are underemployed; but we do not have a number to reflect their status.

Third, this unemployment rate does not say anything about household income. But when you consider the fact of unemployment, which is prevalent, and underemployment, you have to believe a toll is being taken on household income. Rising unemployment has to mean declining household income.

In real terms, in fact, after inflation, the median household in America has seen its income fall by 2.2 percent, or \$934. This is serious in itself for the individual household; but it is serious for the economy as a whole, because it means cutbacks in consumption, and it is consumer demand that drives two-thirds of the economy when it is at full employment. If you have weak household income, declining household income, you are not going to have the restoration of demand that is necessary to get this economy up and running.

Fourth is another indicator. Look at real wages of full-time workers on a weekly basis. Let us take the median worker, the person who makes more than half of the workforce and less than the other half of the workforce, the guy who is stuck right in the middle.

Over the last four quarters, the real wages of median workers has fallen every quarter. That is a fact. Now, that

may not sound catastrophic. The rate of decline was just 1.4 percent, but it is catastrophic if it is your pocketbook, your household, your median wage. And these widespread weaknesses, moreover, are what are causing our economy to lag and drag and remain mired in a jobless recovery. We saw evidence of that in the numbers we saw last Friday; more evidence of it still, the latest data. We have been seeing this for weeks now, for months now.

Last December, when the Republicans left here and did not extend unemployment benefits and gave a very, very backhanded present to those who are out of a job over the Christmas holidays, we started looking hard at the circumstances and asking what can we do to ameliorate this economy.

On January 6, 6 months ago, we offered a solution. We offered a package of short-term stimulus and long-term balance. We proposed to give all American workers, working families, a tax rebate, \$600 at least, based on their 2002 incomes. We proposed to speed up depreciation for all businesses, large and small, to encourage them to invest. We proposed to give the States \$36 billion of fiscal assistance, going to Medicaid and highway construction and homeland security, all of this to get the economy up on its feet and running.

But we proposed these remedies for 2003 alone so that the budget would recover when the economy recovered. We did not want to be mired in debt, long-term debt, because we recognize that long-term deficits and deeper national debt would only mean higher interest rates and, therefore, less growth and fewer jobs.

It took our Republican colleagues almost 6 months to do anything. We were about to leave here for the Memorial Day holiday when they finally acknowledged our prodding and agreed to extend unemployment benefits, but not by merely as much as we would have, not for as long and not for the same people, particularly those who exhausted their benefits already.

□ 2115

They have now come up with a package, mainly tax cuts, 62 percent of which go to the top 5 percent on the income scale; they provided some help for the States, and I think that is good, but I think they took that page from our book, not as much as we proposed, though. They proposed tax rebates, again, not as much as we proposed and not to those that we proposed to give the tax rebates to, because we think they should go primarily to the unemployed, to working families with children who need the money and who also will spend the money. We were told today and have been told before by Macroeconomic, by Economy.com, that it is their rule of thumb that for every dollar of unemployment benefit we extend, we generate about \$1.73 in economic activity in the economy over the ensuing year.