

beheadings and the election of people who are absolutely opposed to the United States without any sense of growing freedom.

There was a gentleman down here on the floor earlier who said that they do want our freedom here in the United States, that is why they hate us so much. Actually, a number of those revolutionaries want freedom from what they see us representing in that region, and that is support of dictatorships, support of oil regimes, and we are yielding the counterreaction to many years of supporting brutal dictatorships in that part of the world.

[From the Christian Science Monitor, June 15, 2006]

PRICES RISE, AND INTEREST RATES SURE TO FOLLOW

(By Ron Scherer)

It could be a summer of rising interest rates.

That's the sobering prospect for the U.S. economy following news that the inflation rate is running at a quickening pace. Higher prices for such things as airline tickets, housing, healthcare—and of course, gasoline—are now starting to eat into consumer pocketbooks.

Wednesday, the Labor Department reported the May Consumer Price Index (CPI) rose 0.4 percent, after a 0.6 percent rise in April. This is well above the comfort level of the Federal Reserve, the nation's chief inflation-fighter.

The latest numbers just about guarantee the Fed will hike interest rates at the end of the month. Its new chairman, Ben Bernanke, an avowed inflation-fighter, may follow that with yet another increase in August.

The inflation pop, however, comes at a time when the economy may be starting to cool. This could keep the Fed from hitting the brakes too hard.

"The Fed is going to have to raise rates more out of a desire to keep the market from thinking the new sheriff in town is not serious about fighting inflation," says Anthony Chan, chief economist at JP Morgan Private Client Services in Columbus, Ohio. "Prices are rising against a backdrop of weakening housing and other parts of the economy."

Economists are most concerned that rising prices seem to have moved beyond the energy sector. Removing food and energy—typically the most volatile prices—from the inflation rate indicates that "core" prices in May rose 0.3 percent. Over the past three months, the core rate of inflation is up to an annual rate of 3.8 percent, the fastest pace in more than a decade.

"We're seeing a near-term acceleration in the core rate," says Gregory Miller, chief economist at Suntrust Banks in Atlanta. "An increase of half a percentage point at the next Fed meeting is a strong possibility before the Fed decides to back away."

However, Mr. Chan reports that such a large rate hike is not likely. In the past, Mr. Bernanke has said previously, the Fed has tended to "overshoot" by raising rates too high or dropping them too low. The central bank would then have to change directions, confusing the markets.

"I don't think Bernanke is going to put in a strong case for a half a percentage point increase," Chan says. Though the inflation rate is accelerating, the economy has changed considerably since the last major period of inflation in the 1970s, Chan says. Back then, whenever the consumer price index rose, wages automatically ticked up via "cost of living adjustments." Most of those arrangements are now gone, he says,

particularly at manufacturing facilities, like General Motors Corp., where total remuneration is being cut, not raised. "A slowing economy will eventually lead to diminished pricing pressures," Chan says.

Until that happens, consumers are starting to feel the effects of rising prices on their pocketbooks. For example, airfares rose 2.6 percent in May, according to the CPI report. Brian Hoyt, a spokesman for Orbitz.com, says airline ticket prices this summer are up 10 percent over last year's.

Amy Kelley of Calverton, N.Y., can attest to this. She's been searching for less expensive tickets for a vacation to Seattle. "I can't find the bargains I used to," she says.

While the higher airline prices are related to the rising cost of jet fuel, the CPI also points to rising medical expenses, which were up 0.3 percent in May. In Philadelphia, Warren West, president of Greentree Brokerage Services, says the cost of providing medical benefits to his employees rose 16 percent this year. "There is no way to pass this on to the end user. We don't have that kind of pricing power," he says.

In fact, inflation in services is a growing issue, says economist Robert Brusca of Fact and Opinion Economics in New York. "The last two months there has been service-sector wage pressure," Mr. Brusca says, pointing out that two-thirds of the jobs in the economy are service-related. "Inflation pressure on goods is not that bad, but in services they seem to be building."

Part of the reason for the service-sector price increases is supply and demand, says Sandy Horwitz, an accountant in Coral Gables, Fla. His firm, Goldstein Schechter Price Lucas Horwitz & Co., has raised its billing rates 5 to 7 percent this year, he estimates. "There is a shortage of accountants and pretty strong demand out there, so we need to meet people's salary requirements," he says.

Miami lawyer Matthew Krieger says demand for his legal specialty, immigration law, is so strong he has been able to increase his billing rates from 10 to 20 percent this year. "There is a shortage of good attorneys in our area," he says. "It's a very complex area of the law."

In terms of prices, "rents" is one of the fastest ascending groups. The government calculates rents by determining what individuals would pay for housing if they were renting to themselves. Last month, rents rose 0.6 percent, the fastest pace in years. Since housing represents 25 percent of the CPI, it is a significant contributor to the overall inflation jump.

In Miami, landlord David Lombardy says tenants are not seeing rents climb—up about 30 percent in the past year, he estimates. A one-bedroom apartment at the Mirador on South Beach is now renting for \$1,400 a month, up from \$1,000 a month last year, he says.

Still, Mr. Lombardy expects rents to drop eventually due to the rising number of luxury condominiums coming on the market. "All those people who bought on speculation will try to flip them, and when they can't do that they will try to rent them. So this will bring rents down in 12 to 18 months," he says.

THE IRAQ WAR "TALK-A-THON"

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

Mr. DOGGETT. Mr. Speaker, America deserves a real choice about our future in Iraq. But, instead, tomorrow it

is presented with a false choice. Indeed, not so much a debate about our future in Iraq as a 10-hour or so talk-a-thon. The talk-a-thon is about a resolution that, much like the Iraq policy we have seen over the last few years, is presented to this House without the ability of any Member of the House to change a single word. You cannot dot an "i." You cannot cross a "t." You cannot offer an amendment. You cannot offer a substitute or alternative policy. Once again, in a very constrained and perverse way, the question of Iraq is presented for Members to talk, but not to act.

Indeed, the resolution itself tells the whole story. It is entitled a resolution which is "declaring that the United States will prevail in the 'Global War on Terror.'" Wouldn't it be wonderful if by simply passing a declaration we could declare the "Global War on Terror" won?

But tragically it is paper like this that was offered by those who failed to fulfill their decision-making and oversight responsibilities in this Congress that exposed young men and women from this country to the greatest danger. Instead of Kevlar vests, instead of reinforced vehicles, they got paper resolutions. And paper resolutions could not block the IEDs, and it could not block the bullets that came the way of our brave young men and women in uniform. No. Indeed, other than paper proclamations, the original claim was the main thing our troops would need in Iraq, as they were being sent off to war, was a broom to sweep away all the rose petals that would be thrown at them in gratitude for them invading Iraq. Well, of course, it did not turn out that way.

This false choice that we are being presented with tomorrow without any opportunity to dot an "i" or cross a "t" deserves some consideration. It has a "Whereas" clause that "by early 2003, Saddam Hussein . . . had supported terrorists, constituted a threat against global peace." The reason that language is there is to perpetuate the lie, and it is a lie, that Saddam Hussein was somehow linked to the tragedy of 9/11.

Now, we know that Saddam Hussein was a villain, a thug, a dictator, and a tyrant. But there has been absolutely no evidence presented to this Congress to support the continued innuendo and suggestion by this administration, time and time again, that he somehow was responsible for 9/11.

Then there is a clause in the resolution that "the terrorists have declared Iraq to be the central front in the war against all who oppose their ideology. Well, the truth is it became a central front only after President George Bush started a war there. He provided the terrorists with the opportunity; he took our young men and women to them, placed them in grave danger, provided an inadequate number of troops so that all these Iraqi ammunition and weapons dumps were open and

available to any terrorist who wanted to come in and take their weapons to use against our American forces.

The resolution refers to our "coalition," and, of course, our "coalition" is the United States, the United Kingdom, and a great deal of public relations. Because most of the other countries in the so-called "coalition" have contributed extremely meager resources. They have been there for public relations purposes to try to cover the fact that this was a go-it-alone invasion of Iraq.

And now the "impressive victories" of which this resolution speaks do not take into account that the number of deaths of young Americans is approaching 3,000; 3,000 human beings, 3,000 young people cut down in their lives, removed from their families. We approach another 20,000 who suffered grievous injury, who may never be quite the same because of the injuries that they suffered in courageous service to our country.

And that takes us to why this resolution is being presented in this form. Because from the outset this administration and the leadership in this Congress have never missed a chance to hitch a ride for their failed policies on the coattails of the courageous men and women who have been standing up for our country overseas.

□ 1845

They know their failed policies can't stand on their own merit, and so they buried them within a resolution honoring the sacrifice of our United States troops. I honor them, but say that our policy must change and must change now.

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

(Mr. BISHOP of Utah addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

IRAQ

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

Mr. OWENS. Mr. Speaker, the war in Iraq is a monster storm. It is a social tsunami battering the positive components of our potentially great society. The billions of dollars being poured into this war could solve dozens of major catastrophic problems that are facing our Nation.

Recently, a new report was released, authored partially by our own Science Committee, which said that we have a dangerously inadequate education system. When I came to Congress in 1983, Ronald Reagan was saying the same thing. He had a commission which came out with a report that said, our Nation is at risk. We still have not done anything of great substance to

deal with the problems that were highlighted. We still have not appropriated the money to build laboratories in public schools, junior high schools and high schools. We still don't have adequate libraries. We still don't have the money which pays salaries which would produce the science teachers that are necessary.

We have a crisis in health care. Forty million people are not covered at all and there are many others who are inadequately covered. We have falling standards of living with gross inequities. The assets that reflect wealth among black Americans total less than \$20,000 per family. \$120,000 per family for white Americans. Both standards are falling, not climbing.

I am a member of the Out of Iraq Caucus. I welcome the opportunity tomorrow to begin a debate which would at least allow us to discuss in an open forum the problems we are facing. Any discussion is important because this is such an important problem. We have employment problems that are mushrooming, we have all kinds of things that should be discussed, and now is the time for all Americans to come forward and make their contribution toward a solution known.

Common sense is welcome. It might shed a lot of light on some of the problems and offer some real solutions. Scientific expertise is welcomed. Mother wit. We need the fresh visions of the young and we need the seasoned wisdom of the elders. Everything we can do is needed in order to solve these problems. Let every question be set forth. Let every possible solution be stated. We Americans are faced with a problem which is far more complex than the inner workings of a nuclear bomb, I assure you. The present explorations of the vast universe by astrophysicists are not as challenging as the need for a meaningful solution to this war blunder in Iraq.

There are many possible questions and solutions that I would urge should be placed on the agenda for discussion. However, I want to focus on just two of them tonight. One is the distribution of oil revenues. The other is the arrangements for the sharing of power among the majority Shiites and the minorities, mainly the Sunnis and the Kurds.

Oil revenues. We need a transparent, open, full discussion of what are the arrangements that have been proposed, or are being proposed, or are already in place for the distribution of the oil revenues from the oil in the ground in Iraq. Oil is their greatest resource. They have one of the greatest resources in the world. They are number three or number four among the nations producing oil. Yet there is very little discussion about what we are doing. To what degree is Halliburton going to control the revenues as their payment for the reconstruction that they have done of some of the oil wells? To what degree are the oil companies going to control revenue because of

their arrangements for the pipelines and the shipping and the retail outlets in various countries? What is going to happen to the oil? These are questions that are being asked by the people of Iraq, I assure you. These are questions that are stumbling blocks, I assure you, in the completion of a government. Everybody in every section of the country wants to know how the oil revenues are going to be distributed. If I live in a province where there is no oil, will my area benefit? These things need to be dealt with.

Sharing power relates closely to this. We need to let them know they all share power. Regardless of whether they are Sunnis or Kurds or some other minority, the majority Shiites need to share power in some way.

We have a problem with sharing power across the world. There are many nations now struggling with this problem, so we should bring to bear all of our possible solutions and try to help resolve the problems in Iraq. We need the most creative approaches possible for power sharing which gives all Iraqis a stake in their new democracy. Ending the war in Iraq, ending the massive death and injuries, ending the waste of billions of dollars must be our number one agenda. These problems must be solved. We must pass and implement the Murtha resolution now. We must bring the troops home now.

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

(Mr. BROWN of Ohio addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

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

(Mr. ROSS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Ms. LEE) is recognized for 5 minutes.

(Ms. LEE addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DELAHUNT) is recognized for 5 minutes. (Mr. DELAHUNT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

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

(Mr. KUCINICH addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)