

making a judgment against President Bush, this is the Army vice chief of staff who happens to be retiring in the next couple of months and maybe feels a little freer to say the kinds of things that need to be said, but if we don't recognize what position we are in, and then to have some folks saying we need to be there another hundred years, how are we going to possibly sustain this?

Ms. CLARKE. That's real, Mr. RYAN.

Mr. RYAN of Ohio. That's the real deal.

Another quote, "There has been little, if any, change of the stress or tempo of our forces," calling the current pace of operations "unsustainable." That's where we are.

To quote Cody again, "Where we need to be with this force is no more than 12 months on the ground and 24 months back."

It is critical that these soldiers get the kind of rest that they need. When you look at the cost now, saying the projection, when you factor in the health care, and we are close to a trillion dollars for this war, and the projections, when you factor in the health care costs over time, this war is going to cost us \$3 trillion.

And we have Members of this body who stand up and want to slash out an earmark for \$250,000 to help a local community that doesn't have any money put in an EPA-mandated sewer and ignore the 800-pound gorilla sitting in the middle of the room. It is a shame. It is a shame that the debate has gotten that messy.

If we stay focused on what we have been trying to accomplished in the past few years, focus on the veterans, focus on making sure that there is an assessment for their mental health, making sure that they have their money, which we put up, the highest investment in veterans' health care in the history of the VA, those are the kinds of things that we need to focus on as a country in a time of war.

I would just urge all of our colleagues to have this debate be civilized and not taken to the lowest recesses of political dialogue, which is sometimes I think where we end up.

Ms. CLARKE. Mr. RYAN, you've put your finger on the pulse of what we are trying to accomplish here. It is our responsibility to redirect those who would take the debate to its lowest common denominator and distract the American people from the realities of where we are today.

Where we are is a Democratic Congress that has risen to the occasion, that has filled in the gaps and is holding the line while others would seek to continue failed policies that are costing us more and more and more with each day. Basically mortgaging, you know, the lives of our children and our grandchildren in order to pay for it, while at the same time neglecting all that needs to be done to make sure that we can live a decent standard of living here in this country.

So we have fought this and we are still fighting. I yield.

Mr. RYAN of Ohio. I think it is important for us to recognize as we have this debate in Congress, we recognize where we are at right now. And our friends are talking about their alternative budget, and I know my friend from Florida doesn't like me using quotes from the other side, and I understand that.

Mr. MEEK of Florida. You can do whatever you want to do. It's a free country.

Mr. RYAN of Ohio. It is a free country, and I am an American so I am going to say what I want.

Our friends on the other side, this alternative budget, alternative this, alternative that, I think it is important for us to recognize if you want to know what the conservative, neoconservative, right-wing government looks like, all you have to do is open your eyes, read the paper, go to the gas station, pay your health care bill, pay your tuition bill, and you will know that philosophy implemented is the reality we are living in today. They deregulated the financial markets, deregulated the energy sector, gave billionaires tax cuts. You see this every day. Increased tuition, energy costs going up double the rate of inflation, milk going up 26 percent, eggs going up 40 percent. And \$3 trillion in war over the course. And you put all of this together and you say that's the alternative? That's what you want us to go back to?

We spent the whole year just trying to get back to ground zero, raising minimum wage, cutting student loan interest rates in half, investing in alternative energy, implementing the 9/11 report, making sure that our veterans are taken care of. We are still digging out of a hole. Can you imagine, these folks raised the debt limit five times to the tune of \$3 trillion, borrowing it from China, Japan, and OPEC.

And the mortgage crisis, the anxiety people feel, that is the conservative Republican agenda implemented. We don't have to look anywhere; we are living it now. Now. So we don't have to look too far.

The other day the President said if the Democrats repeal the \$18 billion in corporate welfare for the oil companies, I will veto any bill that has that in it. Now can you imagine how screwed up the situation is. Consumer protection, toys, pet food, food coming over, medicine coming over from China without the proper folks checking the stuff out, mine safety has gone down so we have mining accidents because there wasn't the proper oversight. We know what happened with Hurricane Katrina and FEMA because we put political hacks in jobs. All of this happened under the conservative Republican agenda.

So I just would like to say we are working very hard to balance the budget, make investments in education and our vets, take care of the environment, and make these investments in alter-

native energy so we can have green collar jobs replacing the blue collar jobs we have been losing.

Mr. MEEK of Florida. Mr. Speaker, I thank Mr. RYAN and Ms. CLARKE. I am glad you both are in Congress.

IRAQ AND THE MIDDLE EAST

The SPEAKER pro tempore (Mr. ELLISON). Under the Speaker's announced policy of January 18, 2007, the gentleman from Maryland (Mr. GILCHREST) is recognized for 60 minutes.

Mr. GILCHREST. Mr. Speaker, I would like to talk about Iraq tonight in the context in which historical incidents have created this most pressing and urgent situation, Iraq and the Middle East, to give the American people, Mr. Speaker, a frame of reference upon which to judge the way forward in this conflict. Are there solutions to this conflict? Is there something in our history or the history of the relationship of the international community that can resolve the present crisis that we are now experiencing?

So what I would like to do is during this next hour that I have is to break this topic down into a number of different areas, take a look at the United States and the Cold War, especially through the 1950s and the 1960s, take a look at what was happening in the Middle East during that same period of time during the Cold War, what was going on in the Middle East, and then look at the present crisis that we are now experiencing in Iraq and Afghanistan with a focus on Iraq. And then what are the solutions? Is there a way forward? Can we judge from past precedents, past crises, what we can do now to resolve this conflict. And I think there is a way forward.

□ 1900

So, to frame this discussion tonight, I would like to start off with a quote by a man named Norman Cousins, who was the editor of the Saturday Evening Post and wrote an extraordinary book, I believe it was about 1980, called "Human Options." Whenever there is a crisis, there are always options. There are always things that we, as human beings, with initiative, ingenuity, intellect and courage can figure out. Here are the two quotes: "Knowledge is the solvent for danger." "Knowledge is the solvent for danger." If you're faced with a crisis, the more information you have, the more likely it is that you will make competent decisions.

The second quote is, "History is a vast early warning system." There have been a number of crises in America's past where people said you have to wait 20 years to figure out what went wrong. People will always say, well, 20 years later we have hindsight that we didn't have during the incident or the crisis or the conflict or the war. Well, with this quote, knowing history, knowing where we were 10 years ago, 20 years ago, who lit the fuse that slowly

burned over decades to cause the present crisis, "history is a vast early warning system." And the more we understand history, the better we will be able to deal with situations that we are presented with today.

I want to give another quote from a man, a British writer, Rudyard Kipling, whose son fought in World War I, died in northern France in that battle, and the distraught father said this, "Why did young men die? Because old men lied." Let me paraphrase that today in the 21st century, nearly 100 years later. "Old men should talk before they send young men to die."

Let's take a look at the 1950s and 1960s, the Cold War, our successes and failures, just briefly. We know that the Soviet Union and the United States were Cold War adversaries. The Cold War brought about a nuclear arms race. The Cold War brought about a number of conflicts around the world. They separated the world into two camps, pro-Soviet, pro-U.S.A. We faced down the Soviet Union, they faced down us. Thousands upon thousands of nuclear weapons. There were crises and discussions and situations where we came close to a nuclear holocaust. It was a time when Khrushchev pounded his shoe in a podium at the United Nations and pointed his finger at the western diplomats and said, "We will bury you." That was not the only time he said that.

But what was Eisenhower's view of the Soviet Union during the Cold War? He knew we needed a strong military; he knew we needed the best intelligence services to be objectively analyzed in the world; but he also had an understanding of consensus and dialogue. So, what did he do with his most fearsome adversary on a number of occasions? Invite him to the United States to tour our farms, our schools, our cities. Consensus and dialogue was one of the ways in which we resolved these most difficult times.

What did President Kennedy do when Castro and the Soviet Union actually had deployable nuclear weapons? Did we attack? Did we shut them off from the dialogue or discussion? Did we have preconditions before we talked to them face to face? No. We had an ongoing dialogue which resolved the crisis and prevented a nuclear holocaust, prevented a war.

What did we do with communist China during the period of time when we were bitter enemies, when Mao Tse-tung said it would be worth it if half the population of China died if we could destroy the imperialists in the United States. What did we do? We worked for years to figure out how we could go to China and resolve these conflicts through dialogue. Those were our successes during the Cold War period.

And I will always wonder, maybe with a little more research I could figure this out, why the United States did not have a dialogue with Ho Chi Minh. We talked to Khrushchev many times,

we talked to many Soviet leaders. We talked to Mao Tse-tung, with no human rights etiquette, human rights violations that came close to some of the worst despots in the history of the world. We talked to them, we had a dialogue, but we didn't have a dialogue with Ho Chi Minh, and 58,000 Americans died, and their names are on a wall here in Washington, D.C. Thousands were wounded, and more than one million Vietnamese were killed.

What did he learn from that? Well, we learned that Ho Chi Minh wanted sovereignty from British colonial rule. He first approached the United States in 1918, and he relentlessly pursued the United States to be his ally to gain the kind of sovereignty, self-determination that the whole world fought for in World War II.

Let's take a look at the Middle East during the Cold War. The Middle East, throughout the Ottoman empire, throughout World War I, certainly after World War I, during World War II, but during the Cold War the Middle East continued to be a tangled web of complexity and intrigue, a difficult place to understand, tribal groups, religious groups, fundamentalists, moderates, secular leaders. 1953, the United States set a slow fuse that would erupt decades later.

In 1953, for a lot of reasons, John Foster Dulles said the Iranians may be toying with becoming communists with the Soviet Union. A number of other reasons. But the United States, along with the aid of Britain, pursued a very violent coup which overthrew an elected prime minister, a secular Muslim, Mohammed Mosaddeq, and installed Mohammad Reza Pahlavi, the Shah. We took away their officially, independently elected prime minister and put in the Shah, who was a dictator, and that lit a slow fuse that burned. And it exploded in 1979, when the Iranians took over our embassy in Tehran during the Islamic Revolution that put in power the Ayatollah, the Ayatollah Ruhollah Khomeini. That was a slow fuse. That was a mistake that we made early in 1953 because of our fear of communism. We didn't pursue a dialogue with Mohammed Mosaddeq to talk about what his intentions were. We made a mistake, in a similar fashion that we did with Ho Chi Minh.

What was it like for the Soviet Union in the Middle East during the same period of time, the fifties, the sixties, the seventies? The Soviet Union was sometimes allied with the Egyptians, the Syrians, the Iraqis, and sometimes they weren't. This complexity, this intrigue ran in cycles. And Russia was almost never trusted. And sometimes they bought arms from the Russians, different Arab countries, and sometimes they chose to be allies with the United States.

Where was Israel during this period of time, and, let's say, the country of Iran, which is now considered a bitter enemy of Israel? From 1948 nearly to

1991, Israel, during the Cold War, was a quiet ally of the Iranians. Israel, during the Cold War in the Middle East, were quiet allies, the Israelis and the Iranians. Why? They were both enemies of the Soviet Union. They were both enemies of many of the Arab countries. They needed some form of economic viability in a very hostile region of the world. Israel needed oil, and Iran needed technology. And so, there was a constant trade between those two commodities for decades.

Now, Ruhollah Reza Pahlavi, the Shah, certainly seemed to condemn Israel at every point. That was the geopolitical way to survive in this region of the world. We know from 1980 to 1989, Russia was involved in a bitter war with Afghanistan which began to set the stage for more bitterness with presumed allies of the Soviet Union in the Arab world because of conflict with the Muslim world.

From 1980 to 1988, there was a terrible war between Iran and Iraq, as many as 2 million casualties between both countries. This is when Iraq began to use weapons of mass destruction. Given consideration you had two big oil-producing states at war with each other, where did the superpowers and where did European countries, where did the rest of the world ally themselves? They weren't going to stay out of this conflict, they were going to become a part of who was going to win this war, who was going to lose this war. Most of the big countries of the world, like Russia, the Soviet Union, European countries, including Japan and China, to a certain extent aided both of these countries. And as a result of that, the conflict went on for 8 years, and there were many, many, many problems, many casualties, and much bitterness that remains to this day.

1979 was a presumed bright spot when President Sadat and Prime Minister Begin of Israel got together and Egypt recognized the State of Israel. What happened with this in 1979, it pulled Egypt away from the Soviet sphere of influence. It brought more objectivity to how to deal with the country of Israel in a sea of hostile allies.

The Persian Gulf War in 1991, pretty much the end of the Cold War, was a conflict that the international community decided that they needed to get involved with, that is, if you recall, when Saddam Hussein decided that he wanted to invade Kuwait and take much of their oil and much of their land. But the international community, with the United States at the helm of leadership, saw the conflict, had very clear, defined objectives, created an international coalition, and some countries contributed troops, some countries contributed financial assets, and the conflict was resolved. But it was an international conflict that the countries made clear their objectives before they went in, they knew what the end result was going to be, and it was a success.

Now, that complex, brief history brings us to the present crisis in Iraq and the Middle East. This conflict started in 2003, it is now 2008. It has been going on for about 5 years. And what does it look like today? What does the conflict in Iraq look like?

It is a place where the three great religions of the world were spawned, Judaism, Christianity and Islam. It is a place in the world where faith is a very important part of an individual's life. If you're a Jew, if you're a Christian, if you're a Muslim, you adhere strongly to your faith. It is a place where oil exports are extremely vital for economic viability. And every one of those countries knows it, whether it's Saudi Arabia, Iraq, Iran, Oman, Qatar, you name it, oil exports is a vital part of economic viability.

Right now, however, as that economic process continues, the Middle East, as far as the balance of power is concerned, is fractured. And nobody in the Middle East, as a result of this conflict, knows which direction that balance of power is going to lead to.

Now, the Middle East became an extreme focus for the United States as a result of 9/11. America responded; we sent troops to Afghanistan. The conflict there is still hotly contested. NATO forces are contributing troops, financial assistance. A number of allies outside of NATO are trying to work to resolve the conflict in Afghanistan. But Iraq became a focus because there was some question of whether or not Saddam Hussein had weapons of mass destruction, whether or not Saddam Hussein was connected with al Qaeda, whether or not Saddam Hussein was actually going to deploy these weapons of mass destruction, was there a danger that the United States security was in jeopardy? And so, it was recommended in the beginning that America send between 300,000 and 500,000 troops into Iraq because this was going to be a very difficult conflict. And so, with 300,000 to 500,000 troops, you could resolve the problems of convoys, you could resolve the problems that would inevitably come as far as looting was concerned, chaos was going to be dealt with, ammo dumps that proliferated the countryside would be a problem, border security was going to be a problem. A whole range of issues would be resolved if you could send in 300,000 to 500,000 troops. Not to mention the fact that, I would recommend a book called "Fiasco" by Thomas Ricks, that many of the military planners in the Pentagon did not want to go into Iraq in the first place. They saw the same kind of issues that they dealt with back in 1991, when many of the military people did not want to go to Baghdad after the first Persian Gulf War ended. They simply didn't want to go. That discussion was ended and military was asked to come up with a plan. They came up with a plan of 300,000 to 500,000 troops, but that was reduced to 180,000 troops. The 180,000 troops were not sufficient to deal with the looting, with the con-

voys, with guarding prisoners, with border security, with eliminating the ammo ducts, et cetera, et cetera, et cetera.

And so, the U.S. has been fighting a protracted war in Iraq for the last 5 years. What are the specific defined objectives?

□ 1915

Where is the international coalition that can deal with this conflict in a much more cogent fashion?

Who are we fighting? Are we fighting al Qaeda? Are we fighting a criminal element? Are we fighting the different factions within the Shiite groups? Are we fighting the Sunnis? Where do the Kurds enter into this picture? What is the defined end to this conflict? These are all questions that are really not resolved yet. It's a very difficult place.

Let's take a look at Iraq's neighbors. We have a tendency to look at Islam or the Muslim world as being all the same. And yet there are very, very distinct differences between the different factions in the Shiite world, in the Sunni world, in the Allawi world, in the Wahabi world. There's many, many different sects within Islam. Some are moderate, some are secular, and some are more fundamentalists, and some are terrorists like al Qaeda. Some are brutal like the Taliban.

If we look at Saudi Arabia, they're a fundamentalist country. If we look at Iran, which is a Persian country, not an Arab country, but a Muslim country, Iran, if you are a woman, you can drive a car. But if you're a woman in Saudi Arabia, you cannot. If you're a woman in Iran, you can run for political office. You can own property. You can be educated. You can be a doctor or a lawyer or a schoolteacher, or a member of their parliament. That's our enemy. In Saudi Arabia you cannot do those things.

Syria, it's a secular country. Syria, women can be educated. They can drive cars. In Saudi Arabia, our ally, that's a completely different situation.

In Qatar, the U.S. has a massive military base there, provides security. It's a good arrangement with the small country of Qatar. Oil is an important commodity for them. The U.S. has a base there; it's convenient for us and our relationship with Afghanistan and Iraq, and it's a mutually agreeable situation.

But what's interesting about Qatar is that they own al Jazeera. Most of us have heard of al Jazeera, the news media outlet which predominates the Middle East, and which pokes their finger in the eye of the United States just about every single day. It's a pretty strange relationship. It's the conflict without a resolution.

Is there a resolution for the conflict in Iraq? Is there a way forward?

U.S. troops are stunningly competent at what they do in Iraq; stunningly competent, whether it's in Mosul, Anbar province, the ancient city of Babylon, Kirkuk, Baghdad, you name

it, U.S. troops are stunningly competent. And what they deserve and need and must have from us, the Government, the Congress, the people that make the policy, which, to a large extent has been flawed in the past, they need for us to be knowledgeable in order to be competent to create a policy that is also worthy of those soldiers that have put their lives on the line and continue to do so every single day.

So where are we in Iraq? Is there a way forward? Let's take a look at the present crisis, the present situation. And what do we see?

We know that in Iraq right now, the U.S. military is the skeletal structure upon which the entire Iraqi society depends. Would it be a good idea to withdraw our troops precipitously? Absolutely not. We have a responsibility to the Iraqi people and to our soldiers.

Iraq. What is Iraq's position within the region? What is Iraq's position within the region as far as its relationship with its neighbors is concerned? Does Iraq have any security alliances with any of its neighbors?

Remember, after World War II we created NATO, North Atlantic Treaty Organization. We created the Organization of American States in Latin America. We created Southeast Asia Treaty Organization in Southeast Asia. The United States reached out for regional security. The United States reached out to integrate our security needs with friends and allies.

What is the European Union doing right now? Besides NATO, the European Union is creating a region in the world that provides security through an integrated economic system.

Now, I'm not saying that the Middle Eastern countries should or may form a North Atlantic Treaty Organization. But I'm saying it's important for Iraq to begin looking with, certainly our help, at security arrangements within the region of the Middle East.

The United States is the skeletal structure upon which all of Iraqi society rests. We're integrated with Iraqi society, with their economy, with their culture, with their educational institutions, with their military, with their political institutions. So for us to begin to break away from that, slowly leave, we must do it in a very responsible fashion.

And we can't just focus on Iraq, because the region is one region, and it's interconnected in a very complex web. So let's take a look at the region in the context of the present crisis.

The United States needs to be an objective arbitrator, and I mean objective, in the Palestinian-Israeli question. And the Middle Eastern countries and the rest of the world need to see that the U.S. is an objective arbitrator in that particular conflict. And when we are seen that way, the reduction of al Qaeda recruits will drop like a stone.

Our discussions with Saudi Arabia have to be as far as a regional resolution to this conflict in Iraq is concerned. And Saudi Arabia has some

fear of Iraq being an Iranian satellite. That's a real fear.

The geopolitical balance of power in the Middle East right now is fractured, and no one knows in which direction it's going to go, who's going to have more influence, where the military power will be, where the economic power will be, and so Saudi Arabia needs to have a discussion with the United States, where they see the United States having some integrity and objectivity in that part of the world.

Syria needs to be brought into the loop of conversations about what's happening with the Palestinian-Israeli problem, what's going on in Lebanon, what are our objectives in Iraq. The Syrians can be a positive element in our conversations. The Syrians can be a positive element. If they would sign a non-aggressive pact with Israel and have all the parties sign it, they could get the Golan Heights back.

The Iranian historic fears. Iran has a fear of Iraq. They lost about a million people in that 8-year conflict. So Iran has a natural fear that if certain elements in Iraq come back to power, they could have security concerns. So we need to have conversations and dialogue with the Iranians, a conversation and a dialogue with no preconditions, we just sit down and talk.

Did we have preconditions when we talked to Mao Tse-Tung? We didn't. They were established after the conversation started.

Did we have preconditions when we talked to Khrushchev or Brezhnev or Kosygin? No, it was an ongoing dialogue. The conditions were set after the conversation started.

So it's important for the Iranians, I think, in this region to begin resolving some of these conflicts, to begin talking, especially to the Syrians and the Iranians.

No one in the Middle East wants Russia to have a sphere of influence there. No one in the Middle East wants the Chinese to have an economic sphere of influence there. The objective history of the United States in this region is one that still is respected.

Eisenhower, during his administration, said we need a strong military. We need a strong intelligence service with their analysis being objectively viewed. But we need consensus and dialogue.

What is in America's arsenal? We have a strong military. We have the best intelligence services in the world. But as Eisenhower and Nixon and Ford and Kennedy and past presidents saw, it was more than just a strong military, more than just good intelligence, it was diplomacy, it was trade. It was exchanges of education, science, technology, social and cultural exchanges. These are the things that brought countries together. These are the things that integrated nations.

The way forward in Iraq is to begin setting up a string, a series of dialogue with all of Iraq's neighbors, including

Syria and Iran, with no preconditions. The conditions can come as soon as the best diplomats in the world begin those conversations, and that's American diplomats.

And Iran was an enemy of the Soviet Union for years. They were enemies of many countries in the Middle East, many Arab countries. They had a strong, quiet, but strong relationship with Israel. It's a country that can be a part of the solution in this troubled part of the world.

Knowledge is the solvent for danger, so said Norman Cousins. And knowledge, in this instance, can help us resolve the danger in the Middle East.

History is a vast early warning system. What is the history of all these countries? Whether it's Israel or Egypt or Lebanon or Syria, Iraq, Afghanistan, Iran and so on, if we understand how they view the world, and we understand our place in that region, we can go a long way to resolving the conflict.

Sam Rayburn, famous congressman, the building that I work in is named after him, said an interesting thing while he was a Member of Congress, this great institution. Any mule can kick a barn door down; but it takes a carpenter to build one. And we need carpenters now. We need the best carpenters, the best diplomats, the best people with an understanding of the history of this region to begin, in a political, diplomatic fashion, taking the burden off the 1 percent of Americans who are now, almost alone, fighting the problems in the conflict there in Iraq.

Remember Rudyard Kipling. Why did young men die? Because old men lied nearly 100 years ago in Northern France. To paraphrase Rudyard Kipling today, old people should talk before they send young people to die. That's a pretty urgent message.

In the landscape of human tragedy, in the history of the human race, who has been our enemy almost all the time, almost exclusively? Who is the enemy on the landscape of human history? Ignorance, arrogance and dogma.

□ 1930

Ignorance, arrogance, and dogma inevitably leads to monstrous certainty. And monstrous certainty from any source leads to conflict, leads to war.

And so how do we resolve the enemy on the landscape of human tragedy? How do we resolve that?

We replace ignorance with knowledge. We replace arrogance with humility. And we replace dogma with tolerance. It takes courage to do that, but those young men and women fighting in Iraq deserve nothing less.

Mr. Speaker, I thank you for the time.

I yield back the balance of my time.

THE ECONOMY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 18, 2007, the gentleman from New

Hampshire (Mr. HODES) is recognized for 60 minutes.

Mr. HODES. Thank you, Mr. Speaker.

I'm glad to be here tonight. I will soon be joined by a number of my colleagues in the historic class of 2006, the Majority Makers. And we are here tonight to talk about the economy.

There certainly is a lot to talk about. We've come back recently from 2 weeks at home in our districts where we've all made observations and talked to our constituents, talked to the people we represent. We've gotten out and visited people in their homes. We've been out shopping, we've been to the malls, we've been all over and hearing the way the sorry state of the economy is having an effect on middle-class families and working-class families, and things are not right.

Hard times are here, and unfortunately, those hard times may be with us for a while. Some have been seeing this coming, and I would like to say that certainly my Democratic colleagues, including people I serve with on the Financial Services Committee, have been seeing this coming for quite a while. We have been working on it, talking about it, passing legislation to deal with these issues.

Others have come a little bit late to the table and are just beginning to see that middle-class families in this country are facing rising costs, difficult times. We've had a feed-the-rich policy and a squeeze-the-middle class, and it's time that we did something about it.

I recall that about a year ago, maybe a little more than a year ago, when I had just joined the Financial Services Committee, I had the opportunity to talk to the Federal Reserve Chairman, Ben Bernanke. He came before our committee and testified about the state of the economy. Now this was before we'd seen the mortgage crisis and the credit crunch and the bailout for Bear Stearns and all of the other things that are now making headlines in what are fairly arcane policy matters but now take up the front pages of our newspapers.

And we asked Mr. Bernanke about the state of the economy and what he saw then, and it was very interesting. At the time, he was reporting that corporate profits were in good shape, that corporate productivity was in good shape. In other words, that corporate productivity was on the rise. Corporate profits seemed to be okay. It meant that people who were working were working a lot harder and helping the corporations earn profits, and their productivity was good.

But we saw troubling signs. Back then, we saw that real wages in income for middle-class families were stagnant or had been slipping backwards in real dollar terms. We saw that we had had a record trade deficit, \$758 billion. We've seen tax cuts for 7 years under this administration which mostly benefited the very wealthy. In fact, last year, the 500 top wage earners in this country