

Year 2012, reported favorably to the House with an amendment, and last week filed its report on the bill in the House. The bill is currently expected to be considered in the House this coming Friday.

Mr. Speaker, the classified Schedule of Authorizations and the classified Annex accompanying the bill are available for review by Members at the offices of the Permanent Select Committee on Intelligence in room HVC-304 of the Capitol Visitors Center. The committee office will open during regular business hours for the convenience of any Member who wishes to review this material prior to its consideration by the House.

I recommend that Members wishing to review the classified Annex contact the committee's director of security to arrange a time and date for that viewing. This will ensure the availability of committee staff to assist Members who desire assistance during their review of these classified materials.

I urge interested Members to review these materials in order to better understand the committee's recommendations. The classified Annex to the committee's report contains the committee's recommendations on the intelligence budget for fiscal year 2012 and related classified information that cannot be disclosed publicly.

It is important that Members keep in mind the requirements of clause 13 of House rule XXIII, which only permits access to classified information by those Members of the House who have signed the oath provided for in the rule.

If a Member has not yet signed that oath but wishes to review the classified Annex and Schedule of Authorizations, the committee staff can administer the oath and see to it that the executed form is sent to the Clerk's Office. In addition, the committee's rules require that Members agree in writing to a nondisclosure agreement. The agreement indicates that the Member has been granted access to the classified Annex and that they are familiar with the rules of the House and the committee with respect to the classified nature of that information and the limitations on the disclosure of that information.

I thank the Speaker.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2218, EMPOWERING PARENTS THROUGH QUALITY CHARTER SCHOOLS ACT, AND PROVIDING FOR CONSIDERATION OF H.R. 1892, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2012

Ms. FOXX, from the Committee on Rules, submitted a privileged report (Rept. No. 112-200) on the resolution (H. Res. 392) providing for consideration of the bill (H.R. 2218) to amend the charter school program under the Elementary and Secondary Education Act of 1965, and providing for consideration of

the bill (H.R. 1892) to authorize appropriations for fiscal year 2012 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, which was referred to the House Calendar and ordered to be printed.

QUESTION OF PERSONAL PRIVILEGE

Mr. KUCINICH. Mr. Speaker, I rise to a point of personal privilege.

The SPEAKER pro tempore (Mr. SCHWEIKERT). The Chair has been made aware of a valid basis for the gentleman's point of personal privilege.

The gentleman from Ohio is recognized for 1 hour.

Mr. KUCINICH. Mr. Speaker, tonight I wish to speak to this Congress and to my fellow Americans about international policy and its relationship to the domestic economy. I will advocate a new direction America must take in the world so that we can meet the needs of our people here at home.

For the past decade, we have relied on the force of our arms to make America more secure while our economy has rotted from within. America has lost its focus. America has spent more time concentrating on reshaping the world than on reshaping our economy. We have created hundreds of thousands of jobs for military contractors all over the world while we have just learned that we have created zero jobs here in the United States in the month of August as unemployment continues to stay above 9 percent. Come home, America.

We must begin to focus on things here at home and stop roaming the world looking for dragons to slay. We have a right and an obligation to defend our Nation, but that includes working for peace abroad and seeking peaceful resolution of conflict, a capacity that, at our peril, we have not fully developed. I call it strength through peace. It involves the pursuit of what President Franklin Roosevelt called the science of human relations, actually engaging those with whom we disagree most to attempt to find a way to coexist peacefully.

As Dr. Martin Luther King said at a commencement address at Oberlin College in 1965: "We must find some alternative to war and bloodshed. I do not wish to minimize the complexity of the problems to be faced in achieving disarmament and peace. But we shall not have the courage, the insight, to deal with such matters unless we are prepared to undergo a mental and spiritual change. It is not enough to say we must not wage war. We must love peace and sacrifice for it. We must fix our visions not merely on the negative expulsion of war, but upon the positive affirmation of peace. We must see that peace represents a sweeter music, far superior to the discords of war."

I believe the American people have the capacity, Mr. Speaker, to undergo the mental and spiritual change that Dr. King spoke about.

□ 1910

People are about that work in their own private lives every day. The question is: Does our government and those who lead it have that capacity? Are we willing to look, recognize that the path we are on leads only to destruction and poverty, and are we willing to embark courageously on a new path?

To those who say that this is naive, I ask: Has the strategy of military intervention which took us and keeps us in Iraq, Afghanistan, and Libya, made us any safer? The musclebound "with us or against us" mindset which passes for statecraft has placed us on a march of folly that in the past decade has left America with thousands of dead young soldiers, over a million dead innocents in Iraq, Afghanistan, Pakistan, and the surrounding region, a new generation of terrorists, and trillions upon trillions of dollars of debt. As poverty and war are twins, so are peace and prosperity.

Mindful of the disaster of spreading war and being an eyewitness as to how easily our country seems to be drawn into conflict, I traveled to Syria this year to personally urge their leader to stop the violence, respect human rights, and begin a transition towards a democratic state. I traveled to Lebanon afterwards to hear the concerns of leaders who also believe that the violence in Syria must stop and who are concerned that if radical fundamentalism results in the overthrow of the government of Syria, the same fires will consume their own nation which developed a fragile political and social consensus after years of civil war.

I opposed the war in Libya, not only because it was unconstitutional but it was, and is, unconscionable for America to precipitate or take sides in a civil war, spending perhaps billions in an ongoing war when we have so many pressing needs here at home. We went in because we were told a massacre could occur. Yet civilian casualties in Libya mounted after the U.S. and NATO attacked. In order to please the West, Libya cooperated with the CIA, got rid of its WMD program in 2004, and privatized its economy, resulting in massive unemployment.

It was moving through to reform even as the West moved to bomb it and, inexplicably, the West moved to take up the cause of elements of al Qaeda spurring the rebels. We learn today from CNN that the rebels and fighters aligned with them are looting weapons warehouses across Libya, where as many as 20,000 surface-to-air missiles had previously been kept under lock and key. Western officials, perhaps the same geniuses who knowingly helped rebel elements with ties to al Qaeda overthrow the Libya Government, are now worried that the surface-to-air missiles and other weapons will get into the wrong hands.

This lawless interventionism spurred on by an unaccountable NATO which violates United Nations Security Council resolutions with impunity, this attempt to use force to bring others to subjection in the name of democracy, actually has become a device for control over the wealth of other nations and the squandering of our own wealth and the spreading of poverty here at home.

Did our government just wake up one day and discover that 14 million Americans are out of work and that we need a massive program to put them back to work? No. It's known that for some time. War has become our great distraction. It has given those who have little or no ability to construct a fair economy an opportunity to pretend leadership at the expense of those brave men and women who served and at the expense of the American economy and the expense of the American taxpayers. We can no longer afford participating in this war-game of nations.

I opposed the war in Afghanistan and have brought Congress to confront it several times because the U.S. has spent half a trillion dollars trying to democratize a tribal nation while failing to spend sufficient resources to protect our democracy here at home. The latest report is that we may be in Afghanistan through 2024 at the request of the Afghanistan Government. This will cost us hundreds of billions, perhaps even trillions, more. Doesn't it make more sense for America to come home at the request of and for the benefit of the American people?

I led opposition in this Congress to the war in Iraq. Nine years ago, I warned this Congress that there was no reason to go to war against Iraq. I was asked at that time, Whose side are you on, America's or the murderous dictator, Saddam Hussein? Opposing that intervention was seen by some as coddling a murderous dictator, no matter that Hussein had opposed al Qaeda, no matter that there was no proof that Iraq had anything to do with 9/11 or al Qaeda's role in 9/11, no matter that Iraq did not have the intention or capability of attacking the United States and that no one had been able to show that Iraq had weapons of mass destruction. I wasn't "for" Saddam Hussein. I was for the troops. And for peace.

America pursued war anyway. America put the lives of its sons and daughters on the line. America will spend over \$3 trillion for this war that was based on lies. And even today we find our government will not bring the troops home as promised, but instead will continue to spend billions on this stupid and corrupt war in Iraq while our own Nation is falling apart. Money for war, but no money for jobs?

Am I advocating isolationism? Certainly not. We need to strengthen the United Nation's peacekeeping ability and blunt NATO's war-making capability. We must stop NATO from going rogue. We need a counterterrorism strategy which brings people to justice,

not that dispenses justice from 10,000 feet with the help of Predator drones. It is the predatory interventionism which must stop. We must stop intervening for the benefit of oil companies or other corrupt corporate interests.

We cannot be the policeman of the world and lay off police and firemen in our own Nation. We cannot continue to bomb bridges in other countries and say that we do not have the money to build bridges in America. We must stop pretending that America can solve all the problems in the world when we can't solve our own problems here at home. How can we bring democracy to other nations when we are losing it here at home? We cannot tell other people how to live when we have people here at home having trouble or difficulty living. We should look to the wisdom of the Book of Proverbs where it was written: "He who troubleth his own house shall inherit the wind." And we must work to set our own house in order.

Mr. Speaker, there were no weapons of mass destruction in Iraq, but there are weapons of mass destruction here in America. Unemployment is a weapon of mass destruction. Poverty is a weapon of mass destruction. Homelessness is a weapon of mass destruction. Inadequate education is a weapon of mass destruction. Lost pension benefits are a weapon of mass destruction. Poor health care is a weapon of mass destruction.

Yet despite the obvious needs domestically, the Pentagon budget now consumes over 50 percent of our discretionary spending. And the Pentagon budget has grown alongside the war budget.

□ 1920

Just this year, the wars and the Pentagon budget will consume close to \$1 trillion of taxpayers' money. Do you have any idea how many jobs \$1 trillion can create? Stop the wars, trim the bloated Pentagon budget, use the savings to put America back to work. The American people want work, not warfare.

Can we see any clearer example of the danger of endless war? We are supposed to be impressed with the strength of our leaders who, in the name of America, wield awesome weapons against states a fraction of our size, but when it comes to the economy and jobs, the same leaders lack the ability to confront Wall Street, which is destroying jobs on Main Street.

While spending trillions for unnecessary wars, the government bailed out the banks for \$700 billion, refusing to link the bailout to mortgage modification which would have helped millions of Americans stay in their homes. The Fed, which infamously looked the other way as the financial crisis was building and failed to properly monitor the overexposure of top banks, created \$1.2 trillion out of nothing and gave secret emergency loans to some of the largest banks who helped to cause the

financial collapse through reckless investments. This secret money, created out of nothing but backed by the full faith and credit of the U.S., is going to fuel an international financial system which siphons wealth out of the U.S., avoids paying taxes, and takes American jobs and moves them to low-wage climates.

According to Bloomberg News, the \$1.2 trillion peak on December 5, 2008, was almost three times the size of the Federal budget deficit that year and approximates the amount of money, \$1.27 trillion, that is due in unpaid principal on 6.5 million homes that are in or facing foreclosure. Secret loans went to Morgan Stanley for \$107.3 billion; Citigroup, \$99.5 billion; Bank of America, \$91.4 billion; Goldman Sachs, \$69 billion; and to foreign borrowers, including the Banks of Scotland, \$84.5 billion, and to Zurich-based UBS AG, \$77.2 billion.

How is it possible that banks too big to fail still exist? We all know these banks will fail again. The taxpayers will be asked to bail them out again to preserve the wealth of shareholders, bondholders, and executives again. The destruction of the middle class has been accelerated by the Wall Street manipulators who brought about the collapse of the housing market that destroyed trillions of wealth built into American homes.

Risk, like taxes, is a yoke unfairly placed upon the shoulders of the middle class. As income and resulting wealth is being redistributed upward at a pace not seen since the 1920s, the purchasing power of the middle class has been seriously eroded. Americans have less equity in homes to fuel home equity loans to keep their consumer spending up.

A third of all Americans owe more than their home is worth. How is it possible that 120 million Americans literally have no wealth, just debt? How is it possible that 150 million Americans have less wealth than the top 400 individuals? How did it come to pass that the top 13,400 households, according to David Cay Johnston, have more yearly income than the bottom 96 million Americans? Who created this economy where welfare for the wealthy creates a system where a person earning \$4 billion a year managing a hedge fund pays a lower tax rate on most of his income than a person who drives a truck?

In a report just released, the Pew Charitable Trust wrote: "The idea that children will grow up to be better off than their parents is a central component of the American Dream and sustains American optimism. However, a middle class upbringing does not guarantee the same status over the course of a lifetime. A third of Americans raised in the middle class fall out of the middle as adults."

The implications of the Pew Charitable Trust report are chilling. America's middle class is being destroyed. America is headed towards a two-class

society. Just as America could not survive half free and half slave, so America cannot survive half rich and half poor.

What happens to a dream deferred?—wrote Langston Hughes.

Does it dry up
like a raisin in the sun?
Or fester like a sore—
and then run?
Does it stink like rotten meat?
Or crust and sugar over
like a syrupy sweet?
Maybe it just sags
like a heavy load.
Or does it explode?

It is democracy, itself, which is at risk here. An economic democracy is a precondition of a political democracy. With endless wars, without solid jobs to sustain a middle class, a new national security state armed with the PATRIOT Act will exist primarily to provide surveillance of a growing, bristling poverty class. America knew this 44 years ago when, on February 29, 1968, the report of the National Advisory Commission on Civil Disorders, also known as the Kerner report, pronounced: "Our Nation is moving towards two societies, one black, one white—separate and unequal."

Then, the inequalities were in lack of access to opportunities for jobs, housing, education, and social services. In 1998, 30 years after the Kerner report, Senator Fred Harris said: "There is more poverty in America. It is deeper, blacker and browner than before, and it is now more concentrated in the cities which have become America's poorhouses."

The inequalities exist today. Just since January of 2009, unemployment has skyrocketed among African Americans from 12.7 percent to 16.7 percent. Among Hispanics, the unemployment is currently 11.3 percent. While intensifying among people of color, poverty today is colorblind. Foreclosures have spread through all American neighborhoods as a wildfire, consuming with it the hopes and dreams of millions.

We had a moral urgency to address unemployment in the inner cities, but we failed as a society to do that. We have learned that writ large in the fate of people who live in our cities has been the fate of those who live in the suburbs, because the same massive economic machinery that for generations was crushing the hopes of millions of inner-city Americans—banks who disinvested, insurance companies who redlined, businesses which pulled out—this same plague is now visited throughout America.

The official unemployment figure of 9.1 percent conceals a much larger, more devastating picture in America. According to a recent study by Youngstown State University, the de facto unemployment rate, as conceived and computed by their Center for Working Class Studies, is 26.37 percent. This figure includes individuals who are no longer looking for work, discouraged, underemployed, and those who are marginally employed.

Corporations, meanwhile, are sitting on trillions of dollars and not hiring because of uncertainty, insinuating that small changes in Federal regulations or tax policy are killing jobs. Yet we know that massive changes in Federal tax policy and government regulations have taken place at periods of great economic growth in the United States. Our economy has not hit a rough spot on the road; it has hit a wall.

The greatest losers in today's economic system are the young. They have been fleeced. They were promised good jobs with good pay if they got a good education. Millions have done that only to discover that the jobs that were promised were not there. Millions of young people have moved in with their family and friends, barely scraping by, dreading the student loans which come due.

The major fault of the domestic economy is the failure to provide good-paying jobs for all Americans.

□ 1930

The reasons for the high unemployment and low-paying jobs are many, but two major reasons stand out: lack of consumer demand and stagnant wages accompanying low union participation. There is a lack of consumer demand in an economy that is 70 percent dependent on consumer spending.

There are those who say we can spur demand with more tax cuts for businesses. Well, this fails the test of experience. Business received tax cuts. We still have high unemployment. Business profits, greater than ever. Investment, less. We have learned from the past few years that businesses will not invest while the economy is in bad shape.

Since World War II, America has come out of every recession in less than a year. But this time we had a false recovery. The economic numbers improved briefly while stimulus was injected. Today we're back in a recession, a double-dip recession that is destroying people's lives and setting back our Nation.

We did not have enough stimulus to begin with. As the stimulus runs out, things are getting worse. The recession is feeding on itself.

In 1937, a second round of depression surfaced as stimulus was withdrawn, requiring another effort by the government to stabilize the economy. The parallel between 1937 and 2011 is obvious. We need a second stimulus, and it has to be strong enough to put millions of Americans back to work.

State and local governments are forced to lay off people by the hundreds of thousands. These layoffs are not introducing efficiency. They undermine service. They reduce the necessary role of government in the life of a community.

Massive aid is needed to all areas of government, not because governments have spent recklessly, but because revenues are down. Income tax revenue is

down. Sales tax revenue is down. Property tax revenue is down due to foreclosures.

We can stimulate the economy by providing revenue to rehire State and local government employees. This is the easiest way to put hundreds of thousands back to work. This is an obvious way to stimulate the economy on a significant scale. State, local government, public schools, public and private colleges would all have an enhanced ability to restore service. Such a stimulus would create an economic climate where businesses will expand their investment utilizing their own profits.

The same thing is true in the housing area. The government must immediately implement a new housing program. More and more properties are becoming vacant and vandalized while people are doubling up. We need a full-scale program where economically troubled homeowners are given the right to rent, at market rate, property in foreclosure. The government would provide a rent subsidy while the homeowners seek work. After all, the American people want work, not welfare. There should be work for those who are able to work. Government must become the employer of last resort.

The private sector is not providing the jobs. When the private sector fails to provide the jobs, the government has a moral responsibility and a practical responsibility to step forward to put the country back to work.

As with FDR and the New Deal, the government must now put millions of Americans back to work rebuilding our infrastructure. The American Society of Civil Engineers issued a report that there is \$2.2 trillion in infrastructure rebuilding that must take place to move the commerce of America.

It's not enough to describe the situation and make a few suggestions as to what could be done to take us in a new direction. But there comes a time when we need to look at some dramatic change that needs to be done, to restructure our economy.

This month I'm going to be introducing a bill which will be aimed at addressing our structural economic problems directly. It is called the National Employment Economic Defense Act, the NEED Act.

America needs millions of jobs. How can we create millions of jobs in a time of annual deficits, long-term debt, and contracting budgets? Here's how.

The Federal Reserve creates money out of nothing, and, as we all know, it's given it to the banks. The Fed assumed that power through an act of Congress. The Federal Reserve has used all of its standard monetary policy tools, but the American economy is not getting any better. Whatever the Fed is doing, it is not working. The reason why is perhaps best explained by the Fed itself: "The Fed can't control inflation or influence output and employment."

The Fed has been buying Treasury and our securities to put downward

pressure on interest rates. The idea is to lower finance costs, encourage more borrowing, and nudge investors into riskier investments. This provides breathing space, but little else. Consumers are already over their heads in debt. They aren't going to borrow more, neither will producers whose sales are slack.

High default rates are widening spreads. Many investors will still prefer to make a small gain on government securities rather than risk taking losses.

Reality beats theory. The reality is that not enough people have enough money. Why is this? Where does the money come from? Why isn't it coming?

The Fed doesn't create money we use in our bank accounts; the banks do. Most of this money is created when banks make loans. This is why the Fed can't control inflation or influence output and employment. Output and employment depend on demand. Demand depends on how much money people have or can borrow. Because banks create this money, they control demand.

If banks aren't lending, or borrowers aren't borrowing, new money isn't being created to replace the money removed when bank loans are paid, so the money supply shrinks.

The Fed can only put more money into the economy by buying assets from non-banks. No money goes into the economy when the Fed buys their assets. It's just a swap of one asset for another called reserves. Banks can't lend reserves into the economy.

The non-bank sellers of assets are mainly large institutional investors. They don't spend much of the money they receive; they reinvest it in other assets. That's their business.

But this churning of assets up into the stratosphere doesn't trickle down to Earth. The real economy of families and shops, small businesses, of roads and schools, that real economy is bypassed, and we know this. The money is not getting to where it's needed; and until it does, things can only get worse. None of the current policies work because of the way the current system is set up.

So here's how we fix it. We have to reclaim our constitutional power to issue money into the economy, unburdened by debt.

Last Congress I introduced legislation to do just that, and I'll be reintroducing it next week. Here's what this legislation does.

First, it ends the Fed's unaccountability by putting it under Treasury.

Second, it ends fractional reserve banking, ending the banks' ability to control demand in our economy.

And, third, it empowers our Nation to issue money directly into the economy to create jobs to rebuild our crumbling infrastructure unhindered by debt and interest payments, creating millions of new good-paying jobs. It gets the money to where it's needed

the most. It gets the economy going and keeps it going. It avoids debt and deficit. It primes the pump of the economy. It enables us to regain control of our destiny as a Nation.

This plan would not create inflation because it would reduce infrastructure costs. Lower costs means that prices can go down. Lower prices do not define inflation.

Real wealth will be created with new money. Infrastructure is enduring wealth, unlike the financial wealth of the stock market. If government borrows money created by banks for infrastructure, it's an interest-bearing debt paid for over a long time. But if government creates the money for infrastructure, spends it in the circulation, there's no debt or interest cost. The same amount of money is created in either case, adding to the money supply by exactly the same amount. This is also a way to save the free enterprise system from self-destruction.

The American people know what's going on in our economy. It's run by Wall Street for Wall Street. It's run by banks for banks. Unless we take a look at serious structural reforms, we are headed for a two-class society.

The ability to coin or create money is an inherent power under article I, section 8 of the United States Constitution. The NEED Act would enable government to invest in America.

This coming Sunday, we will observe the 10th anniversary of a terrible blow to our Nation's sense of security and confidence.

□ 1940

We will never forget September 11, 2001, but we also need to remember the enduring capacity of our Nation to bounce back from tragedy. We need to remember what this country is made of. America is made of vision and courage—the courage and vision of Washington, Jefferson, and Adams to put lives, fortunes, sacred honor on the line for the purpose of freedom and independence. We are the country of FDR and the New Deal, of John F. Kennedy and the New Frontier, of LBJ and the Great Society. We are a nation of charismatic leaders like Ronald Reagan and Bill Clinton who, agree with them or not, inspired a sense of optimism and confidence in America.

We need to remember who we are, and perhaps in that act of remembering, we'll regain our confidence; we'll regain our economic strength; we'll regain our ability to put people back to work; we'll help millions save their homes; we'll protect the retirement security of the elderly; we'll ensure that our children will be able to obtain a college education and a job when they graduate; we'll restore our public institutions and the services they provide.

We can do all of this and more, but we must ask that those who operate the engines of finance abandon their recklessness, their selfishness, and pledge allegiance to our Nation and its

people. We must demand that corporations pay a fair share of the tax. We must end the off-shoring of jobs and profits.

While some of our leaders, with trembling hands and nervous eyes, have focused abroad, our country is falling apart from within. America was never meant for decline. America was always meant for an upward, up-lit path. We must now correct our course. We must move away from trying to determine the fate of nations around the globe and focus on the fate of the one Nation that must matter to us more than all others, the United States of America.

Thank you.

WILKES GIRLS ALL-STARS FIRST TEAM FROM NORTH CAROLINA TO MAKE LITTLE LEAGUE WORLD SERIES

(Ms. FOXX asked and was given permission to address the House for 1 minute.)

Ms. FOXX. Mr. Speaker, today I want to congratulate the Wilkes County 11/12-year-old-girls All-Star softball team for their amazing and record-breaking season this year. They won 15 games in a row and became the first team from North Carolina to reach the World Series. Although they did not take the World Series title, their third-place finish and their victories over opponents from around the country and around the world on their journey to the semifinals proved that this is a remarkable team.

Their teamwork, sportsmanship, and character served to rally the entire Wilkes County community around them and saw them through their historic run for the World Championship of Little League Softball.

I want to congratulate the whole team, the coaches, and the dedicated parents who helped make this season one for the record books.

The Wilkes Girls All-Stars have inspired many and made their county proud. I hope to see them win their way back to the World Series again next year.

REGULATIONS AND JOB LOSS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 5, 2011, the gentleman from Texas (Mr. CARTER) is recognized for 60 minutes as the designee of the majority leader.

Mr. CARTER. Mr. Speaker, we've all been back in our districts for the last month, and we've been talking to friends and neighbors back home about what America is truly concerned with, what is most important in the eyes of all Americans, and that is getting America back to work.

Our economy is stagnant. This administration is throwing up barriers, which is freezing assets because the folks that normally would invest in growth and hiring people are frightened about what's around the next corner, and they're sitting with all their money and they're not growing.