

we do not punish these people, if we do not go aggressively after these people, then we begin to lose the integrity and the credibility that we are going to be able to get that cancer off our foot, and then we do have the risk of our entire system imploding.

That is a long way off because I am confident, especially under the President's statements of the last couple of weeks, under action taken on this floor, under action taken on the other body's floor and the compromise that we will eventually come up with, we are going to go after them; but we need our local prosecutors to go after them. We need the Internal Revenue Service to go after them. We need the Securities and Exchange Commission to go after them. There is no reason any agency that has any kind of jurisdiction over these individuals should not pursue these people as aggressively as they would pursue a two-bit thief that walks out of one of these companies with a pen or a candy bar or calculator that they have stolen.

I have been pretty emotional with this speech because I feel deeply about it. I feel a lot of people have gotten cheated; and I know I have said it time and time again, but it is not a bank robbery. It is not poor people trying to steal from the rich. These are a very few people who are very wealthy who acted in a very self-serving, very selfish method for one purpose and that was to enrich themselves at the expense of somebody else; and in these particular cases, the people that have done this were already wealthy. It was not like they needed to get wealthy. It was not like they needed to take bread home to their kids. These people were already wealthy. They just did not have enough so they decided to cheat the system, and the people they cheated are the people that do not have enough.

□ 2230

They are the people that have had their pensions wiped out; that have had their dreams wiped out; that have had their jobs eliminated. Those are the people that are suffering, and the people who have invested in these shares and the American dream. Those are the people that are suffering, and we ought to right the wrong. It is dependent on us, colleagues, to right that wrong, and we are going to have this opportunity.

So once again I call for prosecutors across the country, for the IRS, for the SEC, for Congress, the President has already shown his aggressiveness on this, we need to come together and we need to bring down the hammer and we need to bring it down hard so that people know that the American business system is a credible system that works on integrity. If we can do that, we will restore the economic strength of our business machine. We have to have that for this country to continue its greatness.

CORPORATE RESPONSIBILITY

The SPEAKER pro tempore (Mr. JEFF MILLER of Florida). Under a previous order of the House, the gentleman from Washington (Mr. INSLEE) is recognized for 5 minutes.

Mr. INSLEE. Mr. Speaker, I have come to the floor of the House tonight to advise the American people about the status of our efforts to deal with the crisis of confidence in our corporate structure, which indeed is deep.

Mr. Speaker, I have to say that one thing I realize all Americans share tonight, looking at these repeated scandals, fiscal collapses and debacles in the accounting structure of our corporations, all Americans, I think, share one belief, be they Democrats or Republicans, suburban, rural, north or south, and that is that we need strong medicine rather than weak tea in dealing with this problem. We need more aggressivity and not so much passivity in dealing with this problem. We need action rather than inaction.

Mr. Speaker, I must report to Americans that, unfortunately, we have not had enough action in dealing with these problems. Let me give an example of what I mean by that. A few days ago in the other body a bill was passed to deal with these problems by a vote of 97 to zero. Ninety-seven Democrats and Republicans joined together to pass a meaningful bill to provide for the security of Americans, for their retirement and investment in corporations.

We should be here voting on that bill tonight. Tonight, we should be sitting here, Republicans and Democrats, passing that legislation which had overwhelming bipartisan support in the other Chamber, but we are not. And why are we not doing that work for the American people tonight? Well, the reason is this, and it is sad to say, but the leadership in this House in the majority party has made a conscious decision to drag their feet; has made a conscious decision to be passive rather than active; has made a conscious decision to answer the needs of some special interests rather than the American investors who are losing their shirts in the last few days in the stock market and in their retirement funds, which are rapidly disappearing.

The sad fact is that we have some very commonsense things that we need to do to make sure that there is a fiscal security apparatus in our corporations so that people cannot pull the wool over the eyes of investors, defraud investors, and falsify their books. Unfortunately, the majority party refuses to adopt those measures.

Today, on this floor, we had a motion that my party proposed that would require some very commonsense measures so that investors would have greater confidence; measures to give whistleblowers protection, these whistleblowers who have blown the whistle on corporate misdeeds, to make sure they have protection. That was rejected by the majority party.

We had a proposal to require records to be kept for a decent interval so we could figure out what had happened and find the trail of fraud in these cases. That was rejected by the other party.

We had a provision that would give investors who had been damaged greater leeway, a greater period of time to seek redress if they had been hurt by corporate fraud. That was rejected by the majority party.

These are things we could have done today. For the last 2 months, it has been a common litany here that we have proposed ideas and we have had to drag the majority party kicking and screaming to get consideration of these issues. It is really sad, because I have a lot of friends on the other side of the aisle who, unfortunately, are not being given a chance to vote on these commonsense measures.

Now, let me mention what the majority party has been doing in the last week. During the last week, when the economy has been in a crisis of consumer confidence and investor confidence in the last week, on July 12, just a few days ago, the leadership of the Committee on Energy and Commerce in the majority party, in response to this, what did they do? Well, they wrote a letter to the Public Broadcasting Service, PBS. In the midst of this economic crisis, the leaders of this Chamber's Committee on Energy and Commerce wrote a letter to PBS. And you know what they wrote about? They were complaining that Sesame Street program was going to introduce a muppet character that was HIV-positive.

They were so concerned about this that they wrote a letter to PBS to stop this heinous introduction of this muppet character. Well, Americans want to know the answer to this question tonight: If the Republican Party in this House is willing to take on Sesame Street, why are they not willing to take on Wall Street? If the Republican Party is willing to take on the Cookie Monster, why are they not willing to take on these moral monsters who are defrauding American investors and taking away people's entire retirement income in some cases?

This is a time for a bipartisan response to an economic crisis that does not just give Americans weak tea. Yes, the majority party is going to have to stand up against some of the special interests who have been so prevalent in this Chamber in the last decade. Yes, they are going to have to do it. But we need them to do it. We need them to join us to do it.

Now, we have heard this response that they have made, and they have joined with Democrats to do one of the things that needs to be done. They have increased with us the jail time that corporate defrauders will be exposed to. And that is a good thing. It is necessary. It is probably not adequate, because I would support mandatory jail time. Because, unfortunately, a lot of

white collar criminals spend too little time in these country club prisons. We should have mandatory jail term. But, nonetheless, we have joined in a bipartisan way to increase the jail time.

Unfortunately, some Members on the other side of the aisle have said that is enough; our job is done. But that is not enough. If we draw a metaphor to our airline security system, when we had this terrorist threat against airlines, we did not say our job was done as soon as we increased jail time for terrorists. Because that is not enough. We have to draw a security ring around airplanes to make sure terrorists do not put bombs in the checked baggage of our airplanes, do not sneak weapons onto our airplanes. We need to be proactive, rather than just coming after the crime and sanctioning people with jail.

So it is not enough for the majority party to simply say we will increase jail times and go home. That is not enough. What we need to do is to assure that we have watchdogs watching corporate behavior to make sure investors are not defrauded. Now, what does that mean? Well, let me suggest some of the commonsense proposals that were adopted 97 to 0 in the other Chamber and have the overwhelming support of Democrats in this House. Let me mention a few.

One, a segregation, to make sure that auditors do not have conflicts of interest. We depend on auditors to act as referees or umpires, to make sure there are no fouls. But right now those auditors can have these huge conflicts of interest where they have these giant contracts with the companies they are supposed to be auditing, and we want to end that practice. We want auditors to be real meaningful cops on the beat. The majority party refuses to accept that. That is most unfortunate. We need to get that security ring up and running.

Second, we need CEOs to verify their financial statements. We need the people at the top, the captain of the ship, the one who is ultimately responsible for the corporation to sign their John Hancock to verify the financial accounting. If we do not do that, then nobody is in charge. And it is about time to adopt that proposal.

Third, we have to have an independent accountancy board to make sure that the rules of auditing are workable, tough, and enforceable. Unfortunately, right now, we have learned that the accounting rules have allowed tremendous creative accounting to take place. Creativity is something we need in artists, not in accountants and auditors. We need to have an independent board to establish the rules of how these audits are conducted, and we do not have that right now. Americans do not have that right now. The profession essentially writes its own rules, and that has been a recipe for disaster.

Now, in the other Chamber, on a 97 to 0 vote, that was adopted, and we have proposed this on our side of the aisle. But tonight, as people's retirements

are disappearing all across America, the majority party refuses to allow us to have a vote on this House floor to implement that commonsense measure. And I respect people on the other side of the aisle. I have some great friends on the other side of the aisle. But it is wrong not to allow this House to have a vote on those commonsense measures, because ultimately America needs people who will stand up for those investors against fraud.

Mr. Speaker, I hope tomorrow that when we convene we will have people in the majority party who will join us on a bipartisan basis to get this job done, and finally convince the majority party if they are going to be willing to stand up to Sesame Street, join us in standing up to the shenanigans on Wall Street and get this job for the American people.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess for approximately 10 minutes.

Accordingly (at 10 o'clock and 44 minutes p.m.), the House stood in recess for approximately 10 minutes.

□ 2253

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. JEFF MILLER of Florida) at 10 o'clock and 53 minutes p.m.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 5120, TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 2003

Mr. LINDER, from the Committee on Rules, submitted a privileged report (Rept. No. 107-585) on the resolution (H. Res. 488) providing for consideration of the bill (H.R. 5120) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 2003, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 5121, LEGISLATIVE BRANCH APPROPRIATIONS ACT, 2003

Mr. LINDER, from the Committee on Rules, submitted a privileged report (Rept. No. 107-586) on the resolution (H. Res. 489) providing for consideration of the bill (H.R. 5121) making appropriations for the Legislative Branch for the fiscal year ending September 30, 2003, and for other purposes, which was referred to the House Calendar and ordered to be printed.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MASCARA (at the request of Mr. GEPHARDT) for today on account of personal reasons.

Mr. MCHUGH (at the request of Mr. ARMEY) for today after 1:30 p.m. and the balance of the week on account of attending a funeral for a former member of his staff.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

The following Members (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material:

Mr. BROWN of Ohio, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Mr. FILNER, for 5 minutes, today.

Mr. GEORGE MILLER of California, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. LAFALCE, for 5 minutes, today.

Mr. KANJORSKI, for 5 minutes, today.

Mr. SANDLIN, for 5 minutes, today.

Mrs. MINK of Hawaii, for 5 minutes, today.

Mr. BENTSEN, for 5 minutes, today.

Mr. TAYLOR of Mississippi, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

The following Members (at the request of Mr. PENCE) to revise and extend their remarks and include extraneous material:

Mr. OSBORNE, for 5 minutes, today and July 18.

Mr. DELAY, for 5 minutes, July 22.

Mr. BLUNT, for 5 minutes, July 22.

Mr. ADERHOLT, for 5 minutes, July 22.

Mr. PENCE, for 5 minutes, today.

Mr. KIRK, for 5 minutes, July 18.

The following Member (at his own request) to revise and extend his remarks and include extraneous material:

Mr. INSLEE, for 5 minutes, today.

ADJOURNMENT

Mr. LINDER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 54 minutes p.m.), the House adjourned until tomorrow, Thursday, July 18, 2002, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

8047. A letter from the Counsel for Legislation and Regulations, Office of Public and Indian Housing, Department of Housing and Urban Development, transmitting the Department's final rule — Housing Assistance for Native Hawaiians: Native Hawaiian Housing Block Grant Program and Loan Guarantees for native Hawaiian Housing; Interim