your decision,'' underlies my introduction of the ''Corporate Accountability Tax Gap Act.'' We need this legislation because of the growing gap between what corporate America claims as giant profits to lure investors—called ''book'' profits and what it reports as little income to the Internal Revenue Service—called ''tax'' profits.

While not compelling closure of this gap, this bill would require publicly traded corporations to report, and in some cases, to explain the discrepancy. Like the canary in the coal mine, a little bit of transparency in accounting would be a ''WorldCom,'' ''Enron,'' and all those other corporate scandals ''early warning system'' to avoid a repeat of this past three long years of stock market losses and to root out abusive tax shelter schemes.

To those who say ''what you don't know can't hurt you,'' I submit as Exhibit A a new 2,800-page report on the Enron scandal that has been reviewed before the Senate Finance Committee.

Those 2,800 pages represent essentially about 2,800 reasons why ''trust'' is no longer a substitute for ''verify'' when it comes to corporate income. This report on Enron's financial and tax shenanigans is longer than any Charles Dickens novel but no less bleak.

This report released by the Joint Committee on Taxation documents that in four years Enron glowingly bragged of $2.3 billion in income to its shareholders, while at the same time it was reporting $3 billion in losses, not income, to the IRS.

The $5 billion Enron credibility gap is not unique. In the last year for which we have data, there was an estimated $159 billion gap between book earnings that corporations report to investors and taxable earnings reported to the IRS.

Too often investors read a rosy earnings report, while at tax time, Uncle Sam hears only regrets written in red ink. In the words of Wall Street Journal columnist Alan Murray, ''it's increasingly clear that lying to shareholders and lying to the IRS are just opposite sides of the same coin.''

The ''Crooked E'' had many enablers, but ultimately much of the blame belongs right here in this Congress, which was unwilling to make the changes necessary to prevent Enron-type debacles. Last year, the Senate Finance Committee demanded the Enron report and held hearings. In the House, unfortunately, the Committee on Ways and Means washed its hands of the entire matter. It was not interested in inspecting the Enron reports. It refused to hold a hearing, much less report a bill out of committee. The Republican leadership feared that if we lifted that rock just a little, the public would be outraged by what crawled out concerning corporate misconduct.

I ask today that my colleagues help me lift the rock, just a little, by supporting the ''Corporate Accountability Tax Gap Act.''

In this Enron report, one tax promoter touts itself as an ''Architect of value.'' This architect, though, only built facades, created only virtual value to defraud investors and the government alike.

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This report shows that Enron patterned some of its tricks after what other corporations were doing. Indeed, in only the last few days we have had a spate of corporate scandals, including the grocer Ahold and the phone company Sprint, which indicates that much more work remains to be done.

Certainly not all of the book/tax gap comes from accounting gains, but a Harvard Business School study last year determined that more than half of the gap could not be explained by common tax deductions. Tricky leasing games and off-balance sheet transactions can hide financial difficulties while artificially inflating earnings.

If a corporation's biggest profit center is its tax department, the investors need to know it.

Under my bill, publicly-traded companies would disclose the bottom-line net income tax that they paid as well as the federal income tax expense they reported to the Securities and Exchange Commission. The gap between the two would be exposed for all to see and to explore.

Continued secrecy is not in the public interest. A host of Enron executives have demonstrated the truth of former Chief Justice Earl Warren's remark that ''it would be difficult to name a more efficient ally of corruption than secrecy.''

Finally, my bill would commit the Treasury Department, working together with Congress, to report promptly on a study of this troubling book/tax gap and recommend further appropriate changes. The scope of the problem and the harm it can inflict on hard-working investors, especially seniors with limited retirement income, have motivated strong public interest and an endorsement from Citizens Works and Taxpayers for Common Sense.

Allowing a few to dodge their fair share of support for our national security and other needs means increasing the burden on honest Americans. Restoring investors' confidence in the market means arming them with more than glossy, self-serving, shareholder reports. Protecting hard-working Americans' investments means approving the ''Corporate Accountability Tax Gap Act'' to assist the public in deciding whether financial reports are based on facts or fairy tales.

CARGO PILOT SECURITY MEASURES

The SPEAKER pro tempore (Mr. MILLER of Florida). Pursuant to the order of the House of January 7, 2003, the gentleman from Florida (Mr. STEARNS) is recognized during morning hour debates for 5 minutes.

Mr. STEARNS. Mr. Speaker, at few other times has national security been more important. In the 107th Congress, we enacted many pieces of legislation that sought to strengthen the weakness of our homeland security. That weakness was apparent on 9–11. Yet, Mr. Speaker, a lot remains.

I rise today to address the security of our airline pilots and the fact that there seems to be serious differences in the scope of security that exist between different types of pilots, namely the cargo pilots.

Tens of thousands of cargo pilots are not able to enjoy the same level of security that has been put into place for many of the pilots of our Nation's passenger airlines. Little attention has been given to thousands of cargo jets that dot American skies each day. Terrorists are going to look for the path of least resistance, much like water; and it is merely a matter of time before men realize that their chances for success are higher in the cargo wing of an airport, where security is significantly more relaxed.

With the passage of the homeland security bill, passenger pilots were given the right to carry arms, but for some reason this same security measure has not been afforded to our Nation's cargo pilots.

If compromised, some cargo jets could become significantly more dangerous than those of the planes used on September 11. With increased fuel payloads and oftentimes dangerous cargos in their hulls, the impact from one of these jets would be devastating.

In recent months I have received several letters from cargo pilots in my district. These men and women are concerned that they are not getting the same attention as their passenger airline counterparts.

Cargo pilots fly the skies alone without the protection of Federal sky marshals or the possible support of a flight crew or hundreds of passengers. These pilots are in dire need of a last-ditch defense that will protect the cockpit, their cargo, and potentially thousands of lives on the ground.

The pilots of major cargo carriers, like UPS and Federal Express, are concerned and have voiced the fact that they no longer feel safe. Many of these jets weigh upwards of 800,000 pounds and carry over 50,000 gallons of fuel. The impact created by one of these planes would be unimaginable.

I feel that the message has been sent to potential terrorists who realize this and that we need to do something to protect innocent lives.

The FAA desires one level of security for all pilots, and I feel it necessary we should provide it for the cargo pilots. Political maneuvering by the cargo industry has shielded them from the level of security screening mandated for the passenger terminal. The entire burden for the security of the aircraft rests on two or three pilots who are in that cockpit.

There is little cargo pilots can do to defend the aircraft against a terrorist

attack. Stripping these men and women of the ability to carry firearms in the post 9–11 environment is not right.

It is time that we address this obvious loophole in cargo security. In a maneuver that seemingly took place at the eleventh hour, the word ''passenger'' was inserted in the House bill's provision for arming pilots, and a similar change took place in the Senate version shortly thereafter. The effect of this single-word change is that it exempts all cargo carriers from the Federal mandate to arm pilots in a bill intended to enhance the pilot's ability to protect the airplane.

I feel that this back-room deal defies the initial intent of the bill and the will of our Congress. This body voted overwhelmingly to mandate firearms for all airplane pilots, not just those in the passenger service. We displayed our bipartisan support for this mandate with votes of 310 to 113 in the House and 87 to 6 in the Senate.

Mr. Speaker, it is time to fix this disparity and close the loophole once and for all so that all pilots in this country enjoy the same level of security.

BUSH BUDGET AND HEALTH CARE

The SPEAKER pro tempore. Pursuant to the order of the House of January 7, 2003, the gentlewoman from California (Ms. SOLIS) is recognized during morning hour debates for 5 minutes.

Ms. SOLIS. Mr. Speaker, today I rise to discuss an issue important to my community, and that happens to be health care.

I am concerned by the President's health care proposal for this year's budget. The President's Medicaid proposal will not help the poor, the sick, the elderly and the disabled, in my opinion. In fact, the President's proposal weakens the health care safety net for millions, millions of people.

Currently, Medicaid is an entitlement as we know it, which means that States receive funding based on the number of people in their State who qualify for this coverage. The Bush proposal would encourage States to eliminate Medicaid funding for many people insured by the program in return for a small amount of so-called fiscal relief.

This proposal requires States to choose between short-term fiscal help and damaging long-term financial constraints. It raises out-of-pocket costs and reduces medically-necessary benefits to the poor, and it fails to address the increasing problem of the uninsured.

We have all heard from our States and our Governors about the budget cuts that they are soon going to be implementing and the impact it will have on Medicaid.

For example, in my own State of California, our Governor has proposed cutting optional programs like adult dental care, physical therapy, and diabetes management, a bill that I carried in the House when I was a member of the Senate.

So one would think during these difficult times our priority would be on reinforcing Federal support for Medicaid programs. Instead, at this time when States are seeing rising rates of Medicaid enrollment for young children and families, this administration wants to change the rules of the game.

We have unemployment rates in my district as high as 9 percent. Nine percent. That is astronomical. And you are seeing this administration taking a position to scale back the help to the working poor and low-income families and disabled people who rely on Medicaid.

Let me be clear: I support flexibility in Medicaid programs. But to me flexibility means that the States should have the opportunity to help more people in need, to design programs which fit the needs of their residents, and to come up with creative solutions covering most of the uninsured, if not all. Flexibility does not have to mean that we put everything in block grants and cut off services.

As Chair of the Congressional Hispanic Caucus Health Task Force, I want to take this opportunity to talk a little bit about what the Bush Medicaid block grant proposal will do to the Latino community.

Nationwide, 37 percent of non-elderly Latinos are uninsured, a rate that is double that of whites. Medicaid is a critical source of health care for Latinos. Forty percent of poor Latinos are covered by this program.

If we scale back Medicaid coverage, we are going to be scaling back the health care for many young families, Latino families; and as we know, when we scale back access to health care in the guise of saving money, it ends up costing us more in the long run. When people do not have access to doctors in order to prevent disease, we end up paying much higher costs when people have to go to the emergency room, which is happening right now in my district.

Uninsured children are 70 percent more likely than insured children not to receive medical coverage for common illnesses like ear infections. Thirty percent are less likely to receive medical attention when they are injured. It simply does not make sense to scale back Medicaid at a time when we have over 40 million people without health insurance in this country.

In addition, the Medicaid proposal in the administration's budget either largely ignores or endangers the health priorities of the Latino community. The budget misses a critical opportunity to lift the ban on health care for legal immigrant children and pregnant women.

The President's budget also reduces funding for environmental health programs at the CDC by $2 million. These programs help us combat and prevent diseases caused by toxic substances in our neighborhoods. This is very critical in my community, where we are faced with heavy air pollution and water contamination and we have many children facing high rates of asthma.

Bush's budget does not prioritize the well-being only of the Latino community, but of millions and millions of people. In fact, the President's budget proposal represents a substantial setback for the Hispanic Americans and their aspirations for a future that includes greater economic opportunity, quality education for their children, and access to better health care.

For example, the President's budget also fails to reform the unemployment insurance system for which many Latinos are ineligible due to the program's restrictive rules that prevent part-time and low-wage workers from qualifying for employment insurance. After all, they have earned it. They worked, but they are not eligible to receive this benefit.

In terms of education, the President proposes budget cuts in programs that have proven to lead to academic gains for Hispanics. The 21st Century Community Learning Centers Program provides funding to community-based organizations and schools to sponsor after-school programs. He plans to cut this. In his budget this year, 570,000 children will not receive this benefit.

Mr. Speaker, I ask my colleagues to work with us so that we can ensure that all Americans have access to quality health care, education, and a clean environment.

TIME FOR AMERICA TO SLOW DOWN AND CONSIDER OPTIONS

The SPEAKER pro tempore. Pursuant to the order of the House of January 7, 2003, the gentleman from Oregon (Mr. BLUMENAUER) is recognized during morning hour debates for 5 minutes.

Mr. BLUMENAUER. Mr. Speaker, the recent cavalcade of events surrounding the actions of the United States in Iraq and other foreign affairs has compounded the apprehension that many have felt these last 8 months. It is time for the United States collectively to slow down, take a deep breath, step back and consider our options.

Comments I have received from constituents at home, from my Web site, as well as just simply reading the many conflicting poll results, suggest that most Americans would appreciate a reflective pause.

Terrorism is the greatest threat to Americans at home and abroad, despite the recent obsession with Iraq. Notwithstanding the performance by the Department of Homeland Security, which resembled a ''Saturday Night Live'' skit with talk of duct tape and plastic, terrorism is still serious business.

I am not opposed to the United States using force when appropriate. I think most of us now wish we had done so to deal with the genocide in Rwanda. Previously, I supported military action in the Balkans when some of the