Times magazine says, ''Debt,'' and the subtitle is, ''America's Scariest Addiction is Getting Even Scarier.'' Well, we added to the debt today.

Now, the question is, What does it mean when a country goes into debt? It means that we do not tax the people sufficiently for what services they expect, so we have to borrow the money. This year, we are borrowing from the Chinese the entire debt that we are creating in this year, some $300-some-odd billion that we did not raise in taxes, that we gave away this afternoon. We are going to go to the Chinese tomorrow and borrow that money.

Now, what difference does that make? Well, ultimately you have to deal with debt. You all have credit cards. You understand what you have to do with a credit card: you either pay it off, which means we have to raise taxes, or stop giving it away. Or in the case of a country, we can devalue our money.

□ 1900

You say, well, why, what difference does that make? Well, if our money, if the Chinese borrowed a dollar that was worth this amount, and we now drop it down by 50 percent, they have lost 50 percent of what they lent us. How do you think they feel when we do something like that? Well, the next time we come to lend, they say, give us a higher interest rate. Now, lowering the value of the dollar, which happened in 1983, 1985, some people remember when our money went down, and people lost a lot of money. That was a devaluation, and we are heading for another devaluation in this country.

When it happens, we will also have inflation because with the cheaper dollar we can buy more, and it is easier to buy foreign goods. So we will buy more, and they will buy our goods, and they will demand higher interest rates.

Now, the Feds try to control inflation by driving up interest rates. Some may even remember when our interest rates were 22 percent, when buying a house was absolutely impossible. Well, then interest rates came down because we changed our fiscal policy. We paid our debt. We started borrowing. Under Mr. Clinton we actually went into a positive state. We no longer were borrowing. We were actually taking in more and paying down some of that debt. But in the last years since 2000, we have just gone on a wild spree, and we have gotten ourselves deeper and deeper in debt. People like me worry about that because my children are going to pay for it, not me. In fact, it may be my grandchildren that pay for it.

There are two categories of debt that you have to worry about. One, of course, in this country is personal debt. Now, lots of people bought houses in the last year, last years, 5, 6 years, and they have been buying houses because the interest rates were low. They were buying on interest only, or they were buying on ARM, that means adjustable rate mortgages, and all of those had a term, an adjustable rate of 4 or 5 years, and those ARMs are coming due now.

Because of what is happening in terms of the dollar and in terms of inflation, the Feds are raising it every month. Since March of 2004, the ARM rate has gone up 59 percent, and it could easily jump 50 percent when these adjustable rates happen. Some people are going to lose their houses. Listen to the children.

The SPEAKER pro tempore (Mr. PRICE of Georgia). Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

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

WITHDRAWAL FROM IRAQ

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

Mr. LEACH. Mr. Speaker, last week the House entertained 10 hours of debate on the Iraq war. The unamendable resolution which formed the basis of the debate was a partisan measure crafted to be a simple endorsement of our troops, a subject upon which all Americans are united. But the resolution also scoffed at the notion of establishing time lines for withdrawal and thus implicitly sanctioned a prolonged engagement, implying that it might be considered a 21st century version of Lyndon Johnson's Gulf of Tonkin resolution.

During the debate, several of us suggested that the longer we stay in Iraq, the greater the prospect that forces of anarchy will multiply and spread, perhaps across oceans. I would like to amplify on this concern.

From an American perspective, the two central issues in our Iraq policy are how best to advance our long-term national interests and how best to protect our troops. At issue is whether a prolonged engagement makes better sense than a time-lined withdrawal policy.

The case for a prolonged engagement involves a neocon objective of establishing semipermanent bases in Iraq and neighboring emirates from which American military power, or the threat thereof, can be readily projected against Syria or Iran, or potentially Saudi Arabia if it were to become radicalized. It also allows greater flexibility in support of the new Iraqi Government. On the other hand, there is a thin line between being a liberating and an occupying power that many in the Muslim world either do not accept or think has been crossed.

Sometimes it is as hard to determine when to end a war as when to start one. It may have been a mistake to intervene in Iraq in the first place, but clearly a precipitous departure after our initial engagement would have been an error. By the same token, prolonging our involvement runs the risk of causing American forces supporting the Shi'a majority government to be seen by Sunnis as favoring one side in an intrareligious conflict. Worse yet, the longer we stay, the more we will be seen as an occupying force, embarrassing to the Muslim world, causing the prospect of a long-lasting conflict between the Judeo-Christian and Muslim civilizations to increase in likelihood.

It is important to give momentum to and solidify Iraqi democracy, but there are tipping points in all struggles. We are at a point where action/reaction engagements could all too easily and rapidly intensify in asymmetric and multigeographic ways if the struggle to build a new Iraq comes to be perceived as an imperial American imposition on Iraqi sovereignty instead of an effort by Iraqis working to shape their own future.

This is why it is so important that we reframe the discourse away from WMD and 9/11 concerns and define instead the establishment of democracy as our principal reason for intervention, and thus the logical basis for disengagement. Now that a Constitution has been written, elections held, and a government formed, we should forthrightly announce that we are prepared to draw down our troops in a measured, orderly way. A hasty departure would be imprudent, but the sooner the disengagement process begins, the better. Our goal may be to fight anarchistic forces over there rather than here, but we must understand that prolonging our involvement over there could precipitate a gathering storm of resentment which could make violence here more rather than less likely.

With regard to protecting our troops, it is impressive that in polling data reported by the Brookings Institute, 47 percent of Iraqis favor attacking American forces, and 87 percent favor time lines for withdrawal. Occupation is neither the American way, nor is it tolerable for Muslims. While precipitous withdrawal after our intervention might have led to civil war and a breakup of the Iraqi state, the logic of these polling statistics would seem to indicate that Iraqis have become weary of and humiliated by a foreign occupying presence.

The rationale for attacks against American forces would be undercut if Muslims had confidence that we were committed to an orderly and timely withdrawal policy. If we do not begin to leave Iraq now that democratic institutions have been put in place, anarchistic acts will continue, and the other side may be in a position to say when we eventually draw down our forces that they have somehow forced us out. Little would be worse for the American national interest or more demoralizing for all those who have

served so valiantly in combat there than such a preposterous claim.

This is why the implications of slogans like the need to stay the course can be so misleading. There is nothing more disadvantageous for our national security or more dangerous for our troops in the field than overstaying our presence.

The longer this war goes on, the greater the likelihood that anger will intensify in the Muslim world as well as among Muslims in the West, including the United States. The recent arrest of 17 young Muslims in Canada is a case in point. From news accounts it would appear that an accumulation of U.S. actions with which Canada was considered complicit triggered perfectly normal youngsters to consider violent and profoundly anti-democratic actions, including a plot to kidnap Canadian legislators and slit the throat of the Prime Minister.

As long as the conflict in Iraq continues and the Israeli-Palestinian issue remains unresolved it is only a question of time before other 9/11 type events or series of violent acts will occur in various parts of the world. Bringing the occupation to an end and resolving other Middle Eastern issues will not ensure against future violence but it could dampen the anger of millions of Muslims and reduce the prospect of a clash of civilizations.

The challenge for the administration is to determine when the new Iraqi Government is strong enough to stand on its own. Our presence is dual edged. We have helped train a new army, perhaps erring along the way in disbanding the Iraqi armed forces after the capture of Baghdad. But we also are the subject of anger and humiliation for many Muslims in and out of Iraq. The opposition continues for an assortment of reasons. Some relate to the centuries-old antagonism between Sunnis and Shi'a, complicated by the nationalist ambitions of the Kurds. Some relate to the millennia-old implication of the Crusades, memories of which hang over the Middle East the way the Civil War did for a century in the American South. And some relate to current events—the Palestinian-Israeli confrontation, the occupation of Iraq and, to a far lesser extent, the more understandable U.S. intervention in Afghanistan, as well as problems attendant to the unforeseen—Guantanamo, Abu Ghraib, Haditha.

We are in unprecedented times. But there are parallels from recent history that might provide glimmers of guidance for policy makers today. One from the Reagan era that I have always assumed stemmed as much from the President's wife, Nancy, the closet moderate within that administration, as any geostrategic planner relates to an attitudinal shift away from confrontation to diplomacy. In Reagan's first term he postured firmly in the anti-multilateralist, anti-arms control camp, objecting to negotiations with the evil empire. At the U.N., he ordered a U.S. withdrawal from UNESCO, one of the more financially bloated but least dangerous international organizations ever created. In reaction to a perceived anti-progressivism in his first term, two movements of educated citizens mushroomed in size. One, the environmental movement, was concerned with the confrontational policies of the Secretary of the Interior, Jim Watt; the other, which paralleled it in foreign policy, was the arms control movement. Thousands of fledgling advocates came to support the concept of a nuclear freeze in the context of SALT—strategic arms limitation talks. This movement gained so much currency that a poll of delegates to the 1984 Republican National Convention which renominated Reagan found that the majority favored a nuclear freeze rather than the intransigent negotiating policy then in vogue.

But the President, in a remarkable policy shift early in his second term upstaged his opposition by out-radicalizing it. Instead of pushing for a "status quo" SALT approach which would halt the arms race, he threw his support behind a more imaginative START initiative—a strategic arms reduction treaty—which would reverse it. The implication was a strategic oxymoron: America had to build up military might in order to reduce it.

An inconsistent geo-strategic policy was adroitly presented as consistency. In part because of the wisdom of the policy reversal, in part because of Reagan's unique personal capacity to persuade, in part because the persuader spoke from the bully pulpit of the Presidency, America began to lead the world as a force both of resolve and restraint.

A progressive might presumptuously hope today that on issues as diverse as North Korea, Iraq and potentially the Israeli-Palestinian challenge the Reagan policy-shift model beckons this President.

Since John Kennedy, all American Presidents have been obsessed with what their place in history may be. In most circumstances I cannot envision a more worthwhile or uplifting motivation. I am concerned, however, that an unnecessarily sticky situation may be developing with this presidency. My sense is that advisors are telling the President that his administration will be judged on the steadfastness of his commitment to a policy of continued military engagement in Iraq and, quite possibly, following through with a military confrontation with Iran. But might not the Reagan "consistent inconsistency" model be fortuitously adapted? Instead of following one military action with another, what if the President were to commence drawing down forces as democratic institutions take hold in Iraq? And having proven that he is willing to use force—as Reagan proved his willingness to escalate defense spending—the President could then plausibly point out that he is now prepared to negotiate from a position of strength with Iran and North Korea. But for such a change in emphasis—use of diplomacy instead of force—to take place, the administration cannot continue to fritter away time and opportunity. If it continues to refuse to offer the respectful attention that direct negotiations imply with countries like Iran and North Korea, our adversaries could wait us out, or tempt the administration into a highly dangerous confrontation.

The other historical model that gets little attention, except to serve as an apparent warning not to get too involved in African civil wars, is Somalia. Under this President's father, U.S. Armed Forces were deployed in a unique humanitarian intervention. The logistical capacities of the U.S. military were used to bring food and medical help to a war-torn society. This might have been a model of success rather than failure had events in the field not gotten out of hand. But over time, as one administration folded into the next, American forces in their efforts to provide assistance to starving people found it necessary to try to stabilize internal relations and thus do battle with anarchistic elements of Somali society. For many in Somalia this came to be perceived as siding with one side in an internal conflict. The disastrous consequence of becoming militarily engaged instead of simply humanitarianly involved may have relevance in a very different setting today—Iraq. Good intentions and heroic deeds can backfire.

In this context, one of the most constitutionally awkward pronouncements of the civilian side of this administration deserves review. The President and Secretary of Defense have repeatedly suggested that troop-level determinations in Iraq will be made by the commander in the field. This articulation, which at first blush seems indisputedly prudent, is perhaps related to the hammering the administration has taken, especially from supporters in the press and on Capitol Hill of the intervention, who hold that there would be far fewer problems in Iraq today if more troops had been committed at the outset. According to this reasoning, the mistake for any failure of policy rests not with the judgment call on going to war, but with the implementation of the decision.

It may be, as Colin Powell has implied, that once the decision to intervene had been made, it would have been wiser to follow the overwhelming force doctrine that is derived from military history but in recent times has come to bear the former Secretary's name. In any regard, whether or not the commitment of more troops would have made a significant difference in sealing Iraqi borders or bringing greater stability to Baghdad, both the military and civilian side of government have to think through the issue of who responds to whom on troop-level questions.

There are distinctions between tactical decision-making and strategic judgments. The former should be disproportionately military; the latter require greater and, at some point, total civilian involvement. In a historical sense it is worth remembering, for instance, that Harry Truman stood down the most popular military officer of the 20th century when GEN Douglas MacArthur attempted to widen the war in Korea. Decisions to end as well as begin wars are constitutionally proscribed.

The constitutional dimension of modern war making is not as clear-cut as the Founders might have surmised. This is the case because modem warfare, for a variety of reasons, is conducted without a formal declaration of war from Congress and because the law of the land, despite being unlikely to pass constitutional muster if tested in the courts, is the War Powers Act. Whether one approves or disapproves of the decision to intervene in Iraq, there is no question that because of a congressional vote to authorize the use of force, this war is legal. A strike without a precise Congressional authorization on Iran is more conjectural, but the War Powers Act which gives the President 60 days discretion on use of force as well as other war against terror resolutions, the NPT and possible future Security Council resolutions would presumably be used by the administration to justify executive discretion. Others might suggest that lacking an imminent threat rationale, the Constitution would seem to envision the need for congressional concurrence.

As one who is doubtful of the wisdom of intervention against Iran, I was disappointed

that an effort to amend the DOD appropriations bill this week to require prior congressional consent for a strike against Iran was defeated. In any regard, the executive branch, possibly with congressional advice, has two profound judgment calls to make in the near future: whether and how to end the Iraq war and whether and how to engage Iran. And here—based on public commentary within the civilian side of our government and the private observations of former generals—my sense is that it is quite conceivable that a rift could develop between the military and civilian elements of our government which would be the reverse image of the MacArthur/Truman confrontation. The professional military seems far more skeptical than the White House of the judgment of the neo-cons who drove the decision to intervene in Iraq and far more dubious than many on Capitol Hill about the wisdom of a preemptive strike against Iran.

With regard to Iran, I am impressed how congressional leadership of both parties, at least on the House side, remains confrontational. This is one reason I feel that it is important to emphasize the appropriateness of bipartisan criticism as well as bipartisan support for executive branch foreign policies. Partisanship should stop at the water's edge; but judgmental capitulation must never occur. Closed-mindedness is the enemy. Members are obligated to review decisions made and oversee actions taken by the Executive. It is the question of motivation that must be above partisan reproach. The only motivation consistent with our pledge to uphold and defend the Constitution is to concern ourselves exclusively with the national interest. Neither concerns for political party advantage nor individual ambition should play a role in foreign policy judgments.

Over the years I have become impressed by how within Republican administrations there is a tendency of political appointees, particularly in the White House, to advocate confrontation over diplomacy. My sense is that there is a lot of frustration within high levels of the military with what might be described as an immature, ideological machismo among key political appointees. It would not be surprising to me if in the next couple of years it falls to the professional military and career CIA and foreign service officers to raise cautionary flags about various policy options.

In conclusion, as a representative of a State which has disproportionately provided Reserve and National Guard forces for the Iraqi conflict, I am struck by an extraordinarily impressive aspect of America's involvement in Iraq. In one of the most psychologically and militarily difficult settings ever to confront U.S. Armed Forces, the morale of our troops and their families at home has never ebbed and the patriotism of volunteer soldiers has never been challenged. This reflects well on their character as well as on their dedication to duty. There may be question whether intervention should have occurred, but once our troops were committed there is no question that it is in the national interest that they succeed.

What remains at issue is whether longevity of commitment contributes to or undermines the success of the mission; whether IED attacks and skirmishes at the field level escalate or diminish; and whether diplomacy or lack thereof leads to a more peaceful or violent world.

NATIONAL FLOOD INSURANCE PROGRAM

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

Mr. TAYLOR of Mississippi. Mr. Speaker, I have the great fortune to represent the people of south Mississippi, and on behalf of the people of south Mississippi that suffered substantially in the loss of about 40,000 houses in late August of last year to Hurricane Katrina, I want to thank my fellow Americans for all the wonderful things they have done for us, for their financial help; for their college kids who came down and gave up their spring breaks to help out people; the church groups, the Rotarians, and individuals who came to provide medical care. There was a tremendous showing of generosity, of support to some people who needed it, and I hope I will never fail to thank the American people properly.

Mr. Speaker, I also want to, on behalf of the people of south Mississippi, express an outrage on the handful of southern Mississippians and southern Louisianans who abused that generosity. I do not think anyone wanted to see that happen, and certainly those who have broken the law should be prosecuted to the full extent of the law. I am sure the people who have read that their tax dollars were used to help somebody go to a gentleman's club or get someone get a sex change, they should be justifiably angry.

But let me tell you what the biggest Katrina fraud of all was. It was not done by a guy living in a FEMA trailer. It was not someone down on their luck. It was by corporate America and, in particular, the insurance industry in America, and next week this House will have an opportunity to do something about it.

Mr. Speaker, because of the unprecedented amount of losses because of Hurricane Katrina, our Nation will have to put $25 billion into the National Flood Insurance Program. I am going to vote for that. It is important. It is going to help a lot of people, but I would hope that my colleagues, when they do that, would amend that bill to require an investigation by the insurance industry in the post-Katrina world, and let me tell you what I know to have happened and what I think a Justice Department investigation will prove.

Mr. Speaker, when Congress wrote the National Flood Insurance Plan way back in the late 1960s, they called for the insurance industry to write the policy, even though it is a Federal flood insurance policy, but also to adjudicate the claim, to send their adjusters out to decide what happened to that dwelling and how much was it hurt and what would it cost to fix it.

The immediate conflict that was drawn in there was that person who may work for State Farm or Allstate or Nationwide, who may have stock in their company, who hopes to get promoted with that company, who may be looking for a Christmas bonus, is suddenly in a position when he walks to one of the 40,000 slabs in south Mississippi that are there in the days after the storm, he has got to decide whether the wind did it, and therefore, State Farm is going to pay, or the water did it, and the taxpayers are going to pay.

Let me tell you about an interesting coincidence in America. Last year, the private insurance industry had a profit of $44 billion. The National Flood Insurance Program lost $25 billion, the same year. How does this happen? Well, let me tell you what happened.

That insurance adjuster who works for State Farm or Allstate or Nationwide walked out, and in every instance blamed all the damage on the water, but that is completely contrary to what the Navy Oceanographic Command says. The Navy Oceanographic Command tells us in south Mississippi we had hurricane-force winds for 6 hours before the water ever showed up.

So what does this do? For the individual homeowner who had a flood insurance policy and a wind policy, they have been denied across the board. We have a U.S. Federal judge who cannot hear these cases of people who feel like they have been wronged because he, too, is suing his insurance company. In the other body, Senator LOTT, who has been extremely supportive of the insurance industry during his entire congressional and senatorial career, is filing suit against his insurance company.

So if the insurance company is willing to take on U.S. Senators, if they are willing to take on Federal judges, what do you think the moms and dads and grandmas and grandpas of south Mississippi, what kind of chance do they have?

So it is wrong on an individual case, but let me tell you why it is wrong for all of you.

Remember, every time they said the water did it and not wind, the taxpayer paid the claim, and so now we have to raise $25 billion, probably of borrowed money, to pay claims that should have been paid by companies that had a profit of $44 billion. There is no Federal regulation of the insurance industry, but there is a law called the Fair Claims Act.

The biggest abuse, the biggest fraud that has occurred since Hurricane Katrina has been by the American insurance industry. Next week this House will have an opportunity to look into what I have just told you, the allegations that billions of dollars that should have been paid by the private insurance industry were instead paid by the American taxpayer.

How is it that during the same storm season the private industry makes $44 billion while the taxpayers lose $25 billion? Under the Federal False Claims Act, if indeed these companies did that, then they will be fined millions of dollars, and their corporate executives