Mr. Speaker, I would like to include in the Record

extraneous materials this evening, particularly an article from the

Christian Science Monitor entitled ``Prices Rise, and Interest Rates

Sure to Follow.''

This evening we have heard from many of our colleagues about the

ensuing debate tomorrow on a very weak resolution concerning the

ongoing war in Iraq. Tonight I would like to direct my comments to the

terrible taxes that this war places on the American people. And not

just taxes in the conventional meaning of the word because, indeed,

this war is causing us to borrow money, which we must pay back, and we

are borrowing it back from foreign countries. This war is costing us

more every day. Over $300 billion and rising. We have to pay those

dollars back because we are borrowing them.

This war is placing a terrible burden on this economy as we now see

prices rise and interest rates ticking up, which I will talk about in

just a second. And, of course, the greatest tax is on the loss of life

and the injury to body and limb of those that we have asked to fight

the battles of this Nation, as well as innocent civilians who are being

killed and injured across Iraq and the region.

This war in Iraq is also exacting a terrible tax on the people of the

Middle East and adjoining regions because it is yielding more

terrorism, not less. This war is yielding more repressive regimes in

places like Pakistan; in places like Egypt; in the Palestinian

Authority; indeed, adjoining nations like Lebanon. The tax on

democratizing regimes is getting heavier and heavier every day. There

is more instability in the region as we watch the demonstrations in the

West Bank and in Gaza, as we see Hamas and Fatah locked in internal

struggles. There is more instability, not more stability. And most

crushing for our country globally is the United States is losing

respect across the world. We have fewer friends and more enemies and

those who doubt the United States across the globe.

Here at home we see rising interest rates, and that is the article I

will enter into the Record tonight. Higher prices for such things as

airline tickets, housing, health care, and, of course, gasoline are now

starting to eat into consumers' pocketbooks. Indeed, this war is a

terrible tax on the American people, and they are feeling it in their

pocketbooks.

Wednesday, the Labor Department reported the May consumer price index

rose .4 percent after a .6 percent rise in April. This is well above

the comfort level of the Federal Reserve, the Nation's chief inflation

fighter. The Fed is going to have to raise interest rates more out of a

desire to keep the market from thinking the new sheriff in town at the

Federal Reserve is not serious about fighting inflation. Prices are

rising against a backdrop of weakening housing and other parts of the

economy. This war in Iraq is a heavy tax.

Economists are most concerned that rising prices seem to have moved

beyond the energy sector and removing food and energy, typically the

most volatile prices from the inflation rate, indicates core prices

rose in May .3 percent; and over the past 3 months, the core rate of

inflation is up to an annual rate of 3.8 percent, the fastest pace in

more than a decade. We are seeing a near-term acceleration in the core

rate. An increase of half a percentage point at the next Fed meeting is

a strong possibility before the Fed decides to back away.

So we look at what this war is yielding on many levels. More

terrorism, not less terrorism. Is it yielding more democratic regimes

throughout the Middle East? No. The oil regimes continue to be as

repressive as they ever were. There is not a single democratic nation

anywhere in the region, and there will not be one for a long time to

come. The United States ought to decouple itself from the repressive

oil regimes it continues to support and become energy independent here

at home.

Is there a solution to the Palestinian-Israeli standoff? Are there

ongoing negotiations? No. There is just shooting across borders. There

are more demonstrations in the street. There is no back channel that is

being actively promulgated by this administration to get the warring

parties to sit down and finally reach a peace process following on the

agreement that was attempted to be negotiated during the Clinton years.

Have we seen freedom on the rise? No. We see repression on the rise,

as

beheadings and the election of people who are absolutely opposed to the

United States without any sense of growing freedom.

There was a gentleman down here on the floor earlier who said that

they do want our freedom here in the United States, that is why they

hate us so much. Actually, a number of those revolutionaries want

freedom from what they see us representing in that region, and that is

support of dictatorships, support of oil regimes, and we are yielding

the counterreaction to many years of supporting brutal dictatorships in

that part of the world.