Congress should reject this legislation and refocus its effort on initiatives that would protect the rights and privacy of American workers and strengthen the economy by creating conditions in which businesses can grow, prosper, and create jobs.

60TH ANNIVERSARY OF THE BERLIN AIRLIFT

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

Mr. FORTENBERRY. Mr. Speaker, 60 years ago, the United States embarked on a crucial operation to sustain and defend a vulnerable entrapped people. The Berlin Airlift was a colossal strategic mission that encouraged strength and fortitude in those held captive in Berlin. Today, we honor those who designed and participated in this feat.

These brave veterans struck the first major blow in the new Cold War, forcing Stalin to lift the blockade that impoverished Germany's capitol, and thwarting the Iron Curtain's fall over the Western strongholds. The efforts of these airmen embody the highest virtues of American air defense, as they fused tactical brilliance, along with innovation and with goodness in heart, in what is seen as one of the greatest American humanitarian efforts of all time.

Our veterans provided food, coal, and medical supplies to the besieged citizens of West Berlin each day, living up to the spirit of the Greatest Generation. They led a seminal goodwill offensive that succeeded in alleviating the suffering inflicted by Stalin's regime that threatened the peace and prosperity of all those in Berlin, East Germany, as well as throughout the world.

Some creative and generous pilots even found a heartwarming way to connect with the children of Berlin during those airlifts. As they carpeted the streets of Berlin with chocolates and candy, they drew the hearts and minds of many children to goodness and liberty rather than the pervasive Communist propaganda that sought to turn them against the West.

The goodwill of this so-called ''Operation Little Vittles'' has carried forward to the streets of Baghdad today, where many of our soldiers relish opportunities to brighten the lives of Iraqi children as well.

As we celebrate the 60th anniversary of the Berlin Airlift, let us remember the veterans who exemplified our highest ideals of brilliance and innovation in air defense, and whose integrity and dedication to liberty have inspired so many vulnerable people throughout the world. Their example renews our faith in the power of freedom and goodness to prevail over tyranny.

Mr. Speaker, as the memories of World War II and the Berlin blockade fade with the passing years, I believe it is even more important to commemorate the spirit of kindness that led our veterans to bring hope and to bring joy to the weary and beleaguered city of Berlin.

Mr. Speaker, a congressional resolution has been introduced to honor their legacy. I'm grateful for this opportunity to celebrate this noble endeavor, and I ask my colleagues to please join me in remembering and thanking those who served 60 years ago in the Berlin Airlift.

NATIONAL ENERGY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from North Carolina (Ms. FOXX) is recognized for 5 minutes.

Ms. FOXX. As the summer months quickly approach and families start to plan vacations, our country continues to struggle with high energy costs. That is why the Democrats' cap-and-trade, or better known as cap-and-tax, energy plan is an irresponsible proposal that will do more harm than good. The simple truth behind the Democrats' energy plan is that it raises taxes, kills jobs, and will lead to more government intrusion in our lives.

The Democrats' energy plan is really a $624 billion national energy tax that will hit nearly every American family. This new national energy tax will be paid by anyone who turns on a light switch or plugs in an appliance.

With Democrats still hiding many of the important details of their energy plan, a study that looked at a similar proposal estimated that the impact will be roughly $3,100 every American household will have to pay to the Federal Government.

Also disappointing is the fact that the Democrats' national energy tax will hit the poor the hardest. Experts agree that lower-income individuals spend a greater share of their income on energy consumption. So while every American will be paying more for energy, low-income households already living on the edge of desperation will be hurt even more.

The truth is President Obama is aware of the impact his energy plan will have on American families. While still a candidate for President, then-Senator Obama said that under his cap-and-tax plan, utility rates would necessarily skyrocket and said that those costs would be passed along to consumers.

The impact of this national energy tax will not only be seen in home utility bills or at the pump, but various estimates suggest that anywhere from 1.8 million to 7 million Americans could lose their jobs as well.

Though the President is promoting green jobs that may be created by his cap-and-tax plan, any new jobs created will not come close to compensating for those lost to this reckless energy policy.

We have no greater example of the devastation the cap-and-tax system can have on an economy than Spain. After years of promoting green jobs, Spain has the highest unemployment rate in Europe, standing at a whopping 17.5 percent.

□ 1530

Cap-and-tax has sought to be an environmentally friendly plan. The truth is that it will relocate manufacturing plants overseas to countries with far less stringent environmental regulations, in turn trading pollution to another part of the world.

Republicans are for clean air, clean water and are committed to solving our energy crisis. Republicans believe there is a better way to achieve energy independence without destroying our economy and killing jobs.

THE IMPACT OF CAP-AND-TRADE ON MANUFACTURERS USING COAL-GENERATED ENERGY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, the gentleman from Ohio (Mr. LATTA) is recognized for 60 minutes as the designee of the minority leader.

Mr. LATTA. Thank you, Mr. Speaker. I appreciate the opportunity to have this hour with my colleagues to talk about a very, very important issue facing this country.

The issue that's facing this Congress is cap-and-tax. Why is it important? Well, as you can see from this chart right here, Cap-and-Tax Vulnerability by State. I'm from Ohio. I represent the largest manufacturing district in the State of Ohio as well as representing the largest agricultural district in the State of Ohio.

If you see from this map where it says, the vulnerability key from high, medium and low, you will see that Ohio, along with a good part of the Midwest, is all facing a very, very tough time under this proposal.

At the same time I know when I am back home, I talk to the folks; and they say, Well, who's proposing this? I say, If you look from California to Washington. You go from Washington, D.C., up the coast to Maine, that's where it is. You look at that—very low vulnerability. That concerns me. It concerns me because, as I said, manufacturing is the lifeblood in my district. I would like to talk about it for just a few minutes.

First, every week I go out in my district. I go out in that district, and I go into plants. We manufacture everything from car parts, to batteries, to windshields, to washing machines. You name it, we make it.

My district, when people say, What's your largest city? It's my hometown of about 30,000 people. So over 140 miles east to west we have a lot of small manufacturers out there. We have large manufacturers. We have a large General Motors power train plant. When you keep going across, you have a Chrysler plant. We have a furniture

manufacturing plant. As I mentioned, we have a washing machine plant.

We go across it, and then we have a lot of smaller ones. We have plants that might employ 50, 100 people. But those are the folks that make this economy run because small business is the main economic engine for this country.

So when I see things like this where you look at the vulnerability, I see that right off the bat, we're in trouble. But we're also in trouble because Ohio, being a large manufacturing State in total, we have another situation out there. And that situation is this: When you look at the plants that we've had, we've had to grow, as our former Governor and now Senator GEORGE VOINOVICH used to always tell us when we were in the legislature together, that we had to work harder and smarter in the State of Ohio.

Well, a lot of factories are that way now. They don't employ as many people. But at the same time, we have watched a lot of these plants, because of the economic downturn, having to lay people off. Every week I go out into these plants. I remember one not too long ago I went into the plant, and they said, We'd like to take you in the back. They usually had around 180 employees. They said, We're down to about 70. They said, We make brass fittings; and with those brass fittings, they're in competition against the world. And of course that means the Chinese right now. They said, It costs us X number of dollars to make this product, and at the same time the Chinese can make it for 45 cents.

They can't have any more impact on them, especially if we're going to raise the price of energy. We can't have a national energy tax because if we do that, these companies are going to shut down, and they're never going to open up again.

Back in 1982 we were coming out of that recession that started back in the Carter years when—you might all remember—we had 21.5 percent interest rates, double-digit inflation, double-digit unemployment rates. It was tough; but people still thought, When this thing's over, those factories are going to open up. I'm going to have my job back. Not so today. Not so today because when people start looking around—and we're in a global economy.

I was a county commissioner of Wood County for 6 years. We used to compete against some parts of Ohio and over in Indiana and Michigan, but now we're competing against people on the other side of the globe, and they're going to eat our lunch if we're not careful.

When we have these situations, like I said, that you go into these plants, and these folks are saying, We can't have one more increase or we're out of business, they mean it.

Then the question is going to be when they come to me and say, Well, where am I going to get a job? Or like last weekend I spoke to a commencement address. I asked them beforehand, I said, Just out of curiosity, what would you like me to talk about? They said, What we'd really like you to talk about is telling our graduates what you're working on, what you're helping to try to do to make sure that—where we are going be when we come out of this tough economic situation that we're in. So you have to start these things off by saying, You know, I'm not going to paint you any kind of a rose-colored picture here.

If we work hard and we do the right things here in Congress, we're going to survive. But if we pass the wrong pieces of legislation, I can't go back to that same college in a couple of years and look at those next graduates coming up and say, You know what, you're going to have a job, because they might not. So what we have to do is think about these things.

Just to show you on another chart something that the Heritage Foundation put together, they took all 435 congressional districts. What they did was, they put together a manufacturing vulnerability index. They took what your State's percentage of energy usage from coal was, and then they took from each district the number of manufacturing jobs.

This is one of the times you don't want to be at the top of the list. My good friend from Indiana, who will be on in a couple minutes here, unfortunately ranks number one in vulnerability in this country because of the number of manufacturing jobs and coal generation in the State of Indiana. I'm number three because I have 80,623 manufacturing jobs, and we get 87.2 percent of our energy from coal. You put those two things together, and my manufacturing vulnerability index percentile rank is at 99.5 percent, which puts you at three.

When I go across my district, I can't go out there and say, Things are just fantastic. I'm telling them, Right now I want to try to keep you in business, but I will tell you, if we start passing these bills in this Congress to put a national energy tax on you, you're in trouble. And not only are you in trouble, but every generation coming up in Ohio is in trouble because these jobs aren't going to come back. These jobs are not going to come back.

When you look, as I said, from 1982 when people thought, Well, we are going to come back. Why? Because the United States was at the top of the heap. Today the Chinese have become, in 2009, the number one manufacturing country in the world. We got knocked off after over 100 years being on top. Not anymore. That's why we have to start thinking about our future. When you talk about what the folks want to do here, they need to look around the world a little bit.

Not too long ago in the Washington Times there was an interesting article. The headline was Chinese Official Aims Emissions Cost At Consumers. The folks here in Congress are saying, Well, it's not fair if we do all these things. We need to have the rest of the world cooperate with us. Well, guess what. Let me just read you one quote. This is from their lead climate negotiator in China who said this:

''As one of the developing countries, we are at the low end of the production line for the global economy. We produce products, and these products are consumed by other countries. This share of emissions should be taken by the consumer, not the producer.''

Interesting philosophy. They can produce it, but they're not going to pay anything for it. They want us, for consuming it, to pay that cost. But at the same time in this country what we're going to be doing is we're going to be paying on both ends because we're going to be paying to produce it. It's going to be very difficult for these manufacturing jobs in States like Ohio and Indiana to stay in one spot.

The one thing would be that they might say, We're going to leave and go to another State. But I've already had companies that are multinational say, You know what, we don't even have to be in Ohio. We don't have to be in the United States. We'll just produce it in another country. That's where we are. And I'll tell you what, the future is very bleak if we start looking at these things.

Last summer we talked about an all-of-the-above energy plan for this country, and the American people got it. Because first of all, the American people went to the gas station, and they saw, like in Bowling Green, Ohio, $4.19 for a gallon of gasoline. People understood right off the bat what was happening. But sometimes when they hear about cap-and-tax, cap-and-trade they say, Well, we're not really sure what that is. But it will affect everybody immediately when this thing starts.

Let me give you a couple of statistics here from a Heritage Foundation report. This is about the negative impacts on consumers. This is from the Heritage Foundation. By 2035 this legislation would, one, reduce the aggregate gross domestic product by $9.6 trillion, destroy 1.1 million jobs per year on average with the peak year seeing unemployment rise by over 2.5 million jobs, increase the average family cost of four by $4,800 a year, raise electricity rates by 90 percent, raise residential natural gas prices by 55 percent, and increase inflation-adjusted Federal debt by 26 percent or an additional $29,150 per person after adjusting for inflation. That's what this cap-and-tax, this national energy tax is going to get us. This is a massive tax. We can't afford it.

Going back to this chart, when you look at the States that are using a lot of coal and you have a lot of manufacturing in your district, well, we can't take it.

Now, let's go to the bottom of the chart. For those that are in favor of it, you look at their percentile rank. Zero. Well, that's out in California. Very little manufacturing. When you look at

the number of manufacturing jobs in the bottom four of California, you've got 15,500 and 19,000 manufacturing jobs in a congressional district. Again, compare that with Indiana 3, which has almost 104,000 manufacturing jobs, you wonder why we're concerned about this in the Midwest. You wonder why we're concerned about this when we talk about making sure that our people have jobs in the future.

Let's think about the tax bases out there. We've got areas in the State of Ohio that are going to be devastated when you take these kinds of numbers, and we're not going to have these jobs anymore. What's going to happen to the local school districts? What's going to happen to the municipalities? What's going to happen to the fire departments? Everything? They're all going to be affected. So again, we can't afford this, and it's a tax on the American people. It is a loss of jobs that we can't afford in this country.

At this time I would like to recognize some of the other Members today that are here. My good friend, the gentlelady from Oklahoma, who I would like to recognize at this time.

Ms. FALLIN. Mr. Speaker, I want to thank Congressman LATTA for leading this special hour tonight on a very important topic to our Nation.

When I go back to my home State of Oklahoma almost every weekend, I hear a couple of things from my constituents back home. First of all, they are very concerned about our economy. They want to know that they will be able to keep their jobs, be able to have a salary, make their house payment, pay their bills, take care of their families; and they want to know their taxes are going to be kept low. They want us here in Washington, D.C., to be a part of the solution, not a part of the problem.

The second thing I hear back home in Oklahoma is that people talk a lot about expenses and about the cost of living going up and how concerned they are with all the spending that is going on here in Washington, D.C., about the costs to their families and the costs to their businesses.

Many of them say to me, Please don't let our gas prices go up like they did last summer to $4 a gallon. We can't afford that anymore for either our families or even our businesses. They say, Please don't let my utility costs go up. We're hearing with cap-and-trade, cap-and-tax, that our utility costs could go up by 30 percent and I'm on a fixed number or I'm a lower income person, and I can't take a 30 percent increase in my utility costs.

□ 1545

They say things like, please don't let my businesses have more operating costs. Or please don't raise my gasoline prices because I won't be able to take my kids to school as freely as I had been able to.

And so as we begin and have this debate about cap-and-trade, controlling carbon emissions and about what we call the ''cap-and-tax,'' I feel that the Democrat national energy tax would harm all these things that people are concerned about. Experts estimate that cap-and-trade, cap-and-tax, as I said, would raise utilities costs and would raise costs on families to an estimated cost increase of around $3,100 per family. A recent report by the U.S. Chamber of Commerce and the National Association of Manufacturers says the new energy tax would also cost the United States 3.2 million jobs at a time when we already have a high unemployment rate throughout our Nation. And this means that the future of manufacturing, the future of jobs in our Nation, would be at stake, and especially at a time when we cannot afford, as a Nation, to make the wrong policy decision that could further hurt our national economy.

A strong manufacturing base is very vital to our economy and our security as a Nation depends on our having a strong manufacturing base and a strong economy. Many of us believe that we have are losing ground to other foreign countries when it comes to competing for products, production and also for market share.

I saw a recent report by the Industrial Energy Consumers of America, and they said that from 2000 to 2008, imports were up 29 percent, and manufacturing employment fell 22 percent, a loss of 3.8 million high-paying jobs. And they said of great concern is that manufacturing investment in the United States, as a percent of gross domestic product, has been on the decline since the late 1990s.

Two-thirds of our world's pollution comes from other countries who won't be under a cap-and-trade type piece of legislation, two-thirds of the pollution in our world. But yet here in the United States we are talking about a plan that would affect our business sector because of the climate control legislation. Now we all want to do all that we can to keep our air clean, our land clean and our water clean. That is a very important goal for all of us. But not at the cost of risking our national security or even our national economy.

We know that the Democrat solution is an energy tax. And we know it won't work. The United States might cap and tax its carbon emissions, but countries like China and India would never agree to restrictions that are so economically destructive. And the result would be, for the United States, more outsourcing of good jobs to other countries at the worst possible time when, as I said, unemployment is at 9 percent.

Cap-and-trade is nothing more than a national energy tax. And its effects would be far reaching to businesses, consumers and even more so to rural America. Rural areas will be hit hardest by energy taxes. Americans in rural areas must travel further for routine errands, in fact, about 25 percent more miles than urban households, according to a recent Federal highway data study.

Higher gasoline prices may not be the end of the world if you are taking a subway in a major metropolitan city like here in Washington, D.C., but higher gasoline prices are a big deal in small towns like I grew up in, like Tecumseh, Oklahoma, especially when you have to commute long distances to work. The numbers back that up. Rural households spend 58 percent more of fuel than urban residents as a percentage of their income.

And then you look at another important industry in rural America, and that is agriculture. And agriculture is a bull's eye industry for energy tax because it is energy intensive. Whether it is the fuel for a tractor or fertilizer for the crops or delivery of food to a local grocery store, agriculture uses a great deal of energy production. Small businesses and American jobs are also a target of the cap-and-trade, cap-and-tax system. A recent report from the U.S. Chamber of Commerce and the National Association of Manufacturers and other business groups states that President Obama's budget proposal to reduce greenhouse gas emissions would result in a net loss of jobs in our economy of 3.2 million and would shrink our household purchasing power by $2,100. And while protecting our environment is a worthwhile effort, and we are all for that, I cannot support legislation that does nothing but levy taxes on small business, on rural America, on families and on those who are on limited resources and raises just higher energy taxes.

If you want a real solution to climate change, then we should focus on incentives. We should focus on innovation, research and letting the free-market system work. And yes, Republicans do have a plan that would support energy production and also support clean energy, an all-of-the-above energy plan. We support production of clean natural gas, wind power, solar power, nuclear power as well as the traditional fossil fuels. We, as Republicans, have our eye on the future, and we know that the United States doesn't have an unlimited reserve of fossil fuels, and we understand we need to pursue other energy sources, energy diversity. But Republicans also understand that we can't get this overnight by pursuing a series of damaging tax increases.

And Congressman LATTA, I will yield back my time for further discussion on this issue.

Mr. LATTA. Thank you very much. I appreciate that. You have brought up some very good points, especially when you are talking about rural America. I know in my district when I go in the plants, one of the questions I always like to ask is how many folks have driven X number of miles? It is nothing for people in my district to drive 30 to 50 miles one way to go to manufacturing jobs. If those manufacturing jobs are not there or the cost of fuel is too high, they can't get there. That is

an excellent point. I'm glad you brought that up.

Ms. FALLIN. Thank you.

Mr. LATTA. At this time, I would like to call on and yield to a good friend of mine from Ohio, the gentleman just to my south. Good afternoon.

Mr. AUSTRIA. I thank the gentleman for yielding. And I want to thank the gentlewoman from Oklahoma for putting things in perspective. I think you did a very good job of laying things out. It certainly applies to Ohio. And to the gentleman from Ohio (Mr. LATTA), thank you for your work in Ohio. I have had an opportunity to serve with you for 10 years in the State legislature. Together we worked on some good things to move our State forward, comprehensive tax reform that lowered income taxes for families and small businesses. We helped to make Ohio more business friendly, especially in the manufacturing industry, by phasing out tangible personal property tax and corporate franchise tax.

When we look at the proposals before Congress today, this cap-and-trade proposal, on the surface, it sounds harmless. But it isn't. It is not, for the reasons that the gentlelady from Oklahoma just talked about. It hurts Ohioans as far as jobs, as far as businesses, and it is not a good thing. This proposal is going to increase the price of the cost of energy and the price for anyone who turns on a TV or fills up their gas tank or turns on the heat in the winter. Their cost of energy is going to go up.

The Congressional Budget Office, in the initial proposal that was brought forth by this administration, estimated that the cost of energy in the average household will go up approximately $1,600 per year. We have seen figures as high as $3,000 per year by MIT and other credible organizations that are following this very closely. So the cost of energy is going to go up on not just Ohioans, but all Americans.

And I think at a time when we are struggling economically, we are going through an economic crisis, it is not the time to be raising the cost of energy on families and small businesses like we are going to be doing with cap-and-trade if this moves forward.

Let me also point out the fact in our State, in Ohio, as in many other States, in Ohio, manufacturing and agriculture are the two top industries in our State and will get hit the hardest with cap-and-trade. As was just mentioned by the previous speaker, manufacturing jobs will be at stake. American companies will be less competitive internationally against other countries that will not be playing by the same rules, that will not have the same regulations on them like China and India, and will put them at a disadvantage from a competitive standpoint. That in turn is going to cost jobs.

Ohio, again, as in many of the other Midwest States across our country that are heavily into manufacturing, is going to get hit the hardest by this. And this is not a good thing for that industry, as well as the agriculture industry, as was just mentioned, which relies heavily on fuels for tractors, for transporting crops and going to the store and so forth. So it is going to increase the costs of energy as well as hurting those who are trying to do business in the State of Ohio as well as job loss.

I also want to point out one other factor for our State, which I know is very diversified from State to State, on the chart that you put up previously. In the State of Ohio, 87 percent of our fuel, of our energy comes from coal. And coal will be hit directly by the cap-and-trade. It is going to put mandates on undeveloped technologies for coal-fired plants. In some cases, coal-fired plants may not even be able to comply with this, and they may have to close down. And that too could cost jobs in the State of Ohio.

So when you look at the cap-and-trade and the way this is put together, it should be called a ''cap-and-tax'' as many of the other Members had mentioned because, Mr. Speaker, I think clearly this is a cost that is being passed on to every American.

And Republicans, as was mentioned, do have an alternative. I think we all want to see cleaner energy. We all want to see more efficient energy. But we do have an alternative plan that is out there that will have less reliance on foreign oil, that would look at the resources that we have available in this country, that would help us produce and make us more energy independent, give us more energy independence with increased exploration and development of new and renewable energy sources, to help promote alternative forms of energy like solar, like wind and other alternative sources of energy that are out there. So we do have an alternative way to get to where we want to go.

Again, I think the cap-and-trade doesn't make sense for Ohio, and it is going to cost jobs. It is going to put an increase in the cost of energy for all Americans. And I think we can do a better job and have a better alternative out there that we should be pursuing.

And I thank the gentleman from Ohio for yielding.

Mr. LATTA. I appreciate your being here. And you bring up an excellent point when you talk about jobs disappearing. Last summer, I was number 9 in the list the National Manufacturers Association puts out. I was number 9 in the United States in manufacturing jobs out of 435 districts. Earlier this year, I dropped to 13 already. And we are watching those jobs disappear from across Ohio and across this country. And you are absolutely right. We have a massive national energy tax. Those jobs aren't going to stay. They can't compete. And they are gone. So that is an excellent point. Thank you very much. I appreciate it.

At this time, I would also like to introduce my good friend from Illinois who also represents manufacturing and what it can do to his State and also across the Midwest.

Mr. MANZULLO. Mr. Chairman, the person who has been forgotten in all the debate that has been happening is the American worker. I can remember when I was a little kid, my dad used to pack his lunch box, a black tin box with a round top, with a salami sandwich, a piece of fruit and a thermos of coffee, as he would rise early in the morning, go off to work at the factory, and come back with a sense of satisfaction that he had made something with his hands.

And that perhaps is the emblem of the American worker, somebody who actually worked in a factory and then became a master meat cutter in his grocery store, master restaurateur, and at the same time was an expert carpenter and cabinetmaker. He was a person who could do marvelous things with the hands that God gave him.

That perhaps also is the picture of the American that we are not examining as we take a look at this entire cap-and-trade system. Because after all, it is the American worker who is going to be disadvantaged in many ways because of this theory that the majority wants to impose upon the American family, which according to the nonpartisan Congressional Budget Office, would spike the cost of energy for the average American family of somewhere between $700 and $2,200 a year. So we start with the fact that the American worker is going to be paying a lot more for his or her energy at home before he leaves and goes off to the factory.

Once he gets to the factory, exactly what is going to happen? Well, the factory is already under tremendous competition, competition domestically because of high productivity of the American manufacturers and competition because of offshore, because of countries that don't have OSHA standards, that have very few environmental standards, who care less about the safety of the worker and more about shipping that product to the United States.

□ 1600

So we start with the distinct disadvantage already in the manufacturing sector. How much more can the American worker take? How much more can the owner of that factory take?

I assembled this past week—in fact, yesterday—in the congressional district that I represent, a congressional district that has in its largest county an over 25 percent manufacturing base—55 or 60 small manufacturers. I laid out to them this cap-and-trade system and exactly what it would mean to them as manufacturers. The looks upon their faces were nothing less than startling because we start with the proposition that 535 people in Washington, D.C., suddenly wake up in

the morning and decide, well, America should go into the green business, that America should get involved in the energy-saving business as if the American manufacturer and his worker have been on the sidelines, doing nothing.

You have great manufacturers out there, like the Perks family from Rockford, Illinois. The Perks family has been around for three generations now, involved in combustible burners. Their goal has always been to make the most efficient combustible burner possible, and they lead the world in that technology. They just didn't wake up one morning and say, ''We should start saving energy.'' That's what productivity is all about. That's what the American manufacturer is all about—to be giving him and the small inventor the opportunity to be able to go out and to make products—to make them run faster, quicker, and leaner.

The Federal Government didn't invent the term ''lean manufacturing.'' The Federal Government didn't come up with ISO standards of excellence and productivity. The Federal Government does more to hinder the innovation ability and the productivity and the energy savings of the American manufacturer than it does to help them out. Take, for example, all of the American machinery in Harvard, Illinois. There is an extraordinary patent on being able to run hydraulics on an as per unit. It gives a shot of power to move that hydraulic pump, and then the unit shuts off, saving between 60 to 80 percent of the energy costs versus a machine that runs all the time.

No one in Washington called the people back home in Harvard, Illinois, and said, We have this great idea for you. The people in Washington are calling the people whom I represent and are saying, I've got news for you. I don't have new innovations for you. I don't have new technologies for you. I have a new task that's going to make you less competitive with the world, the so-called ''cap-and-trade tax,'' because the people in this body and in the other body are going to say that we are manufacturers and that we know everything about manufacturing as we sit here in our pin-striped suits and don't even know what the sweet smell of machine oil is because most of them have never been in a factory in their lives. They're going to tell our American manufacturers how to run their factories.

As I talked to our American manufacturers yesterday, 55 or 60 of them, several have places where they're already manufacturing for domestic consumption in China and in Mexico. Their faces spoke the results. If it's going to become so much more expensive to manufacture in the United States, we'll just do more manufacturing in Mexico and in China. Do you know what, Mr. Speaker? The cost of shipping finished items from China to the United States will be less than the cost of the increase in power for people to make their products under the new cap-and-trade bill. This is absolute lunacy to be able to subject the American manufacturer and the worker to this, the worker who gets up at the crack of dawn every morning, who packs his lunch box and goes off to work and gets in his old car and puts in 8 or 10 or 12 hours a day, working to support his family, working to get the kids through college, working to pay the mortgage. All of a sudden, Congress says, You don't know what you're doing. You don't know how to run your factory.

All we have to do is look at what happened in Europe. Look at the famous cap-and-trade system in Europe. Now, I don't usually look to the Europeans for examples except when they fail. In this case, the cap-and-trade system, Mr. Speaker, has been a complete and total failure. Why is that? Well, it's because you go across the Strait of Gibraltar, into Morocco and northern Africa, and you see countries that are not locked into the same type of system of control emissions. In fact, Kollo Holding in the Netherlands makes a silicon carbide. According to an article in The Washington Post, it's used as an industrial abrasive. It's the finest factory that you could find, the best in ecological construction, the finest in meeting the most stringent requirements to reduce the emissions of carbon. They're in big trouble, huge trouble, because right across in Morocco you will find a competitor—and in China—that can make it cheaper and that can ship it to Europe.

So what happens to the brave soul in Europe who complies with their ill-fated cap-and-trade system? He'll probably go out of business. That's exactly what happens. What's going to happen to the United States? There will be a southern movement to Mexico as American manufacturers will be making more of their products in Mexico and shipping it across the border because it will be a lot cheaper as they won't be sacked with a cap-and-trade system.

If you take a look at the Government Accountability Office report of December of 2008, this is their own organization that sets up standards by which to make measurements of efficiencies in different programs. The Government Accountability Office says there are better, less expensive and more direct methods to accomplish the goal of reducing emissions. Well, that's interesting. What are those? Well, perhaps someone ought to take a look at what the American manufacturer is already doing. You can go to a Danish manufacturer in Rockford, Illinois, called Danfoss. Danfoss makes these machines that hook onto another machine. The Danfoss machine, Mr. Speaker, measures the exact amount of energy necessary in order to run the machine right down to the lowest fraction of electrical unit required. It is highly efficient.

No one from Washington called the Danfoss engineers and said, We have an idea for you. We, in Congress, wear pin-striped suits, and we can tell you how to run your manufacturing facility. No one called the city of Rockford years ago and said, We've got a great plan for you where you could take the sewage that you have in the city, turn it into methane and run three turbines so you could help the electrical grid, and there would be many fewer carbons going into the air.

Mr. Speaker, Washington has no news for the American manufacturer or for the American worker except bad news. That's why we have to defeat this. We already have a lot of plans in place. One is the Republican alternative, and that's the one that rewards ingenuity. It makes it a lot easier for people to change to the latest techniques, to scrub the air, to scrub the environment. It just amazes me. It totally amazes me.

We are in Rockford, Illinois, where there is close to 14 percent unemployment. It's the same in Belvidere, Illinois. Our Chrysler plant is closed for 60 days. Chrysler is in bankruptcy. We've gone from 16 million cars sold 2 years ago to 8 million cars sold this year. On top of all of the problems that manufacturing is having, now we need one more—one more regulation, one more requirement, one more chop on the block of the American manufacturer.

It's time to say ''no'' to this big government that thinks it knows best. It's time to say ''no'' to Washington that thinks it has all of the answers. It's time to say ''yes'' to the American worker, ''yes'' to the little inventor, ''yes'' to the American manufacturer—the people who made things with their hands, the people who created all the wealth in the world, the leaders in technology, the leaders in ingenuity—not with the help of government but with the help of their own minds and their own hands.

Mr. LATTA. Well, I thank the gentleman, and he is absolutely correct. When you look at these margins that these companies are working with today, they are slim.

It's the same thing in my district. You know, I get in those plants every week. When I go in those plants, they show me what one blip of an electrical costs. I have massive, heavy energy users in my district, especially on the electrical side. With one blip, they could say, You know what? We're done. We'll go overseas. We don't need this, and we don't need one more Federal regulation. We don't need one more government bureaucrat telling us how to run our business, and we're out of business in this country.

Then what do we tell our constituents? What do we tell the next generation of Americans out there? That you don't have a job. What do you have to look forward to in the future? It's not very bright when you look at this piece of legislation.

You know, the President said when he was running for office that, Under my plan of a cap-and-trade system,

electricity rates will necessarily skyrocket.

That will cost money. They will pass that money on to the consumers. It goes from one to the next, and it's going to finally get down to those honest people who are going to try to be in those factories, making a product, finding out first they don't have jobs and, at the same time, that their electricity rates at home are just going to skyrocket. How are they going to make a living? How are those kids going to go to college?

I thank the gentleman.

At this time, I'd like to yield to my friend from Louisiana. Thank you.

Mr. BOUSTANY. I thank my friend from Ohio for yielding time to me.

I want to go back for a moment, back to March, at a time when the Ways and Means Committee in the House convened to hear Secretary Geithner's testimony to us regarding President Obama's budget proposals and specifically regarding the issues related to cap-and-trade and some proposed tax increases on the oil and gas industry. In fact, in addition to cap-and-trade, the administration is proposing $31.5 billion in increased taxes on the U.S. domestics—the small, independent companies that produce oil and gas and that power our country. So, at the time, I had a very simple, a very straightforward question for Secretary Geithner, who was testifying.

I said, Mr. Secretary, how many jobs will this kill, particularly on the gulf coast? The gulf coast is trying to recover from hurricanes, but yet, at the same time, it has done a magnificent job of getting the oil and gas industry back up in the Outer Continental Shelf and inland—our refineries—to provide energy for our country. So I asked him simply: How many jobs do you intend to kill with this budget? He could not answer the question. So I gave him a little time, and I followed up with a letter to Secretary Geithner.

Two or three weeks elapsed. I received a letter today, and I have yet to receive an answer on how many jobs this administration intends to kill with its energy policy of cap-and-trade and of increased taxes on the domestic oil and gas industry.

Now, I know for a fact that we have about 1.5 million people directly employed in the oil and gas industry and that there are about 6 million additional folks who have jobs related to this, whether in manufacturing or in support services. So, if we look back and if we look at a time when a previous administration, Mr. Carter's administration, raised a windfall profits tax on the oil and gas industry, it devastated our domestic industry. What happened? We became more dependent on foreign oil, and we saw price spikes in energy.

So what's going to happen with this massive tax increase that is compounded by cap-and-trade? Well, my prediction is we're going to see massive job loss.

I was down in Louisiana for 2 weeks back during the Easter recess. I toured and went along the coast, and I visited a lot of these small companies, companies that employ pipefitters and welders, people who work on the boats, folks who do the electrical work on these rigs, people who do the fabrication work. These are good-paying jobs, high-paying jobs with benefits. These are manufacturing jobs, the same kind of manufacturing jobs my friend from Illinois just spoke about.

□ 1615

And our President says his goal is to save or create 3.5 million jobs before the end of 2010. I want to know a simple answer to the question I posed: How many jobs does this administration intend to kill with its energy tax proposals? It's a simple question.

And I think the American people deserve an answer. And certainly the good, hardworking folks down in Louisiana and Texas and Alabama and Mississippi who supply a large amount of the energy that this country uses deserve a simple, straightforward answer from Mr. Geithner and this administration.

Now, let me make one clear point here. I want to quote something first. Let me quote something from this letter that I received from Secretary Geithner. He says, ''To the extent the credit,'' he's referring to the tax credits that the oil and gas industries had since 1913, ''to the extent the credit encourages overproduction of oil, it is detrimental to long-term energy security.'' Overproduction of oil? Does any American believe that we have overproduction of oil? I would like to know what planet the Secretary is living on. What kind of information is he getting, for God's sake?

Now, I think it's also important to recognize that if we're going to have a reasonable and sensible energy policy that the American public can believe in, an energy policy that diversifies our sources of energy and utilizes oil and gas and clean coal technology and nuclear power as well as green technology and alternative fuels, that's the kind of energy policy that we're promoting. That's the energy policy that the American people want to hear about. That's the energy policy that will unleash individual American genius to solve our problems.

But if you're thinking about energy policy, our transition to that strategy involves natural gas as a diversified fuel as well as expanding nuclear power. But keep in mind that 30–35 percent of the natural gas that this country uses comes from rigs, oil and gas rigs that were drilled within the last 2 years. 35 percent.

Now, I have to tell you that the rig count in the United States since September is down by over 50 percent and dropping because of these tax proposals. It's dropping, and that means we're going to have a shortage down the line of natural gas and oil, and we're going to become more dependent on oil from foreign sources, and we are going to become more dependent on liquefied natural gas being imported into this country.

All the while, we're kind of like—we're the Saudi Arabia of natural gas. We have a lot of natural gas reserves, but we're not utilizing them. And this energy policy that the President is proposing, these tax increases will devastate our industry, and we will become more dependent.

So, again, I asked President Obama and Secretary Geithner how many jobs do you intend to kill with this policy? And I think the American people, again, deserve a straight answer. Again, we're talking about good high-paying jobs across the board, manufacturing jobs, jobs that allow folks to buy homes, jobs that allow them to send their kids to college.

Finally, let me just say that I believe it is wrong for this administration to deliberately pick winners and losers. It's the height of arrogance. What we ought to be doing with an energy policy is unleashing American genius to solve these problems, the same kind of genius that have solved many problems before in this country.

One last thing I would like to mention is that back during the heyday of World War II when this country was in a fight against Nazi Germany and the Japanese and the concerns about energy were there and there was a fight for oil reserves and so forth, there was also a fight to see who was going to get nuclear power first. And it was because this country had a well-developed manufacturing and refining system with all of the chemical engineers, the petroleum engineers, that they were able to bring forth enough of the technical capability to win the race for atomic energy. And this is the same energy industry that this administration is currently trashing with this tax policy.

So, again, I want to know a simple answer to a simple question: How many jobs does the Obama administration intend to kill with cap and trade and with these targeted tax increases on the oil and gas industry?

With that, I will yield back to my friend.

Mr. LATTA. I thank the gentleman.

If I could just comment on a couple of things that he said.

I think you're absolutely right. I know when they shut the lights on us right here on this floor last year when we were down here talking about energy—and it wasn't hard to remember that we were talking about 65 or more percent of all of the energy that we were consuming in this country was being imported in this country. I remember those T. Boone Pickens commercials saying the largest transfer of wealth in history was occurring. I believe the number was like $700 billion per year. And so when you see those things happening, it's hard not to get up here and speak out on that.

I yield back to the gentleman.

Mr. BOUSTANY. This administration doesn't understand the difference between our large multinational energy companies like ExxonMobil, Chevron that do most of their work overseas, and independently owned, American-owned energy companies working in the Gulf of Mexico who provide most of the oil and gas that this country utilizes. These are small companies operating in the Gulf of Mexico, predominantly, some in California and other areas around the country, but predominantly in the Gulf of Mexico. And this industry will be devastated by these tax proposals, and it's going to hurt our energy production, and it's going to make the price of oil and gas and gasoline and electricity go up significantly. It's absolutely the wrong policy at this time. We need a diversified energy policy, and we shouldn't punish those who are producing energy that Americans need desperately today.

Mr. MANZULLO. Would the gentleman yield?

Mr. BOUSTANY. I would be happy to yield.

Mr. MANZULLO. I thank the gentleman.

Perhaps the answer to the number of jobs that would be lost may be found in the draft of the American Clean Energy and Security Act. This is the Cap-and-Trade Act under title IV, if I'm reading this correctly, because it talks about worker transition. Now, that normally means somebody who's lost his job as a result of a government regulation and has to transition to something else. So they already are figuring that some people are going to be losing their jobs.

My gosh, you take a look at the quote of the President. It's going to cost a tremendous amount of money, electricity rates will skyrocket in factories. When you look at the small margin of profit, for example, on castings—already under tremendous pressure from overseas—they won't be around.

But something happened interestingly yesterday at the conference we had in Rockford, Illinois. Dr. Redmond Clark is a Ph.D. in environmental sciences. He's also an inventor and runs a business, and he said this astonishing statement: If American manufacturers, if all of America went to zero carbon emissions, within 7–10 years, the Chinese would more than compensate and put into the air all of the carbon emissions that the Americans had saved. Now, that is how flawed this plan is.

Mr. BOUSTANY. I thank the gentleman.

I would just add that really a productive way to reduce emissions would be to work out a cooperative agreement with China—which also has large amounts of emissions into the atmosphere—and let's use the technology that we have today to work with the Chinese to reduce emissions. But instead, with these tax proposals, they intend to destroy this industry. And I will tell you from my experience in Louisiana in the 1980s, once these jobs are gone, folks leave. They go off and do other things. That expertise is gone. You can't develop it overnight. And this is at a time when our energy needs are critical.

So I have to say when the President talks about saving or creating 3.5 million jobs, this policy is not the way to do it. It will kill jobs, and it will kill many jobs.

Mr. LATTA. I would like to yield to the gentlelady from Oklahoma.

Ms. FALLIN. I appreciate your comments.

We're already seeing some of the effects in our oil and gas energy sector in the State of Oklahoma of job losses already just by talking about the cap-and-trade piece of legislation. And you were mentioning a few moments ago about the pollution of other countries and how if we have cap and trade here and we try to control our emissions—which we should, we should have reasonable policy on that—how China and India and some of those other growing economies will still keep polluting. In fact, a statistic that I saw said two-thirds of the world's population comes from countries other than the United States. So while we may put some heavy restrictions that could cost jobs and investment in the United States, these other countries will take those market shares from us and continue polluting.

I was interested in your comments by Secretary Geithner who said we have an overproduction of our oil, which that is an unusual comment when our Nation is so dependent upon foreign energy. I think many of us in this body believe that our country is at risk in our national security and economic security by buying almost 70 percent—65, 70 percent of our energy supplies from other foreign countries while spending around $700 billion buying that foreign energy. Just think what that $700 billion—if we produced our own energy—what that would do in our Nation as it relates to jobs and investment in our marketplace here in the United States.

But yet we continue to send that money to foreign countries buying their energy versus encouraging innovation, free enterprise here in United States of all kinds of energy sources.

And I just truly believe we have the knowledge, we have the capacity and the intellect in the United States to develop these alternative means of fuel and to reduce our carbon emissions. Look at natural gas. There is a proposal here in Congress to encourage more investment in C&G cars, more infrastructure investment in natural gas. And I hope that we continue to push those kinds of policies rather than massive tax increases and standards that will actually hurt our national economy and hurt our jobs.

Mr. MANZULLO. Will the gentlelady yield?

Another shocker that we found out is built into this proposed bill, there is a threshold limit so that the smaller manufacturers—and you don't even have to have a smokestack to be covered by this because buildings naturally emit a carbon dioxide going out through the windows—but the smaller manufacturers would be exempt from cap-and-trade. However, the EPA has now empowered itself to control carbon for greenhouse emissions. So they will be coming in with another layer of regulations even for the smaller ones.

And—and this is almost certain—the EPA, in the past several months, had this proposed standard to tax cows. Any farmer that has a herd in excess of 25 cows—because cows are big methane emitters—$125 per head per year. I don't make that much profit when I sell my beef cattle, even though we haven't done it in the past couple of years.

Washington, D.C. must be its own planet, how people can come up with these absurd ideas. And back home, we have two methane digesters. Some farmers got a little grant from the government to help out, and that's fine, and all of the waste from 300 dairy cattle near Pearl City, Illinois, go into this methane digester, and the methane is recaptured, goes back on the grid. It's enough to run a city of 500 homes. It's amazing.

How is it that people that know so little about manufacturing can, overnight, come up with the idea that they are the experts on green manufacturing as if American manufacturers were doing nothing to increase productivity?

Mr. BOUSTANY. If the gentleman would yield,

You know, U.S. companies in the oil and gas industry do the safest and most environmentally friendly work of any of the companies around the world. We've got Louisiana and Texas expertise disbursed all over the globe as a result of what happened back in the 1980s with the windfall profits tax. I run into workers all the time who are coming back to Louisiana to visit family. And they have been away, and they wish they could work in the Gulf of Mexico around this country doing work in this country to produce energy for our country. Yet, they were pushed out. We lost those jobs. And as the energy industry has started to come back, now we're seeing the specter of these increased taxes, which will be devastating.

And, in fact, I have a friend of mine—he and I finished college together—he's a petroleum engineer, and he's lived his entire professional life overseas because he went out into the work world at the time that this tax took place and devastated the domestic energy.

With that, I yield back to my friend.

Mr. LATTA. I recognize the gentlelady from Oklahoma.

□ 1630

Ms. FALLIN. I thank the Congressman. I have one thing I just wanted to add. President Obama has talked about how the United States can achieve a new long-term subsidization of green

jobs like similar to what Spain has done, and I have a report from the Institute For Energy Research, which talks about other countries.

And what has happened is they have spent billions of dollars of taxpayer resources to subsidize renewable energy programs and to add more greening within their societies. And as they passed some carbon tax-type legislation, it was showing that, according to their results, compared to what the United States could expect, that the U.S. can expect 2.2 jobs destroyed for every one renewable job that is financed by government-based bond, what has happened in Spain. Only one of 10 jobs actually creating a green investment would be permanent. They'd be temporary jobs.

Mr. LATTA. I thank the gentlelady.

IMPACT OF CAP-AND-TRADE ON MANUFACTURING

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

Mr. MANZULLO. Mr. Speaker, we've just concluded an hour of debate on manufacturing and the impact that this cap-and-trade system will have on manufacturing. I wanted to add a footnote from the congressional district that I represent. It's the top of the State of Illinois.

And near east of Dubuque, on the Mississippi River, is a company called Rentech that makes hydrous ammonia urea and products for agriculture. They were in the process of switching to what's called the Fischer-Tropsch process—it's an old German process—substituting natural gas and in its place putting coal, bringing coal up the Mississippi River.

And one of the byproducts of that coal would be diesel fuel, in addition to the hydrous ammonia, urea, et cetera, that could come from that facility.

Once the owners found out about a proposed cap-and-trade system, that stopped that half-billion-dollar investment in the congressional district that's smarting with unemployment, running as high as 14 and 15 percent. Just the talk, just the threat of a cap-and-trade has already stifled innovation.

And that's why it's extraordinarily important that we take a look at alternatives such as the ones suggested by GAO that can accomplish the same things without these onerous requirements and regulations on the backs of our American manufacturers.

And so those of us who were really concerned about the loss of manufacturing in this country, those of us who really want to see us become less dependent upon the Chinese and the Indians and the Mexicans and other countries around the world and to look to ourselves for self-sufficiency, to restore manufacturing in America, we cannot have this cap-and-trade system because that has already stifled a half-billion-dollar investment in the congressional district that I represent.

CHANGING OUR ENERGY POLICY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, the gentleman from Kentucky (Mr. YARMUTH) is recognized for 60 minutes as the designee of the majority leader.

Mr. YARMUTH. Mr. Speaker, it's been very interesting to have engaged in discussions over the last few months about changing our energy policy, and it's been particularly interesting listening to my colleagues on the other side talk about their vision of where this country goes or, rather, their lack of vision as to where this country will go in energy.

This debate began several years ago. It was very prominent during the Presidential campaign in 2008, and there began to emerge a very clear distinction about two very different visions about what we need to do in this country.

We heard last summer the mantra coming from the Republicans: ''Drill, baby, drill! Drill, baby, drill!'' That was, in essence, the sum and substance of the Republican Party's energy policy: continue to drill for oil, continue to emit carbon CO_2 into the atmosphere, continue to avoid the tough choices about changing our goals in energy policy in this country, trying to achieve energy independence and, again, relying on the same technologies that we've used in this country for 100 years.

Fortunately, we elected a President who has a very different vision of where we go in energy, a very progressive vision of where we go in energy, a policy that he has proposed, that this Congress is proposing to enact, that will end our dependence on oil and carbon-based fuels, will set a new course to where we are actually using the great gifts of the natural world, such as wind and solar energy, creating the kinds of incentives for businesses to create new jobs and new industries, so that we can create a future that is not only clean but prosperous.

Now, what's interesting in listening to my colleagues from the other side, all very well-intentioned men and women, and I've listened to some over the last hour, is this constant emphasis on the cost of changing direction, the cost of cleaning the air, the cost of truly creating an alternative energy policy in this country. And I'm glad they do that because, as with any good thing, there is a cost to doing it, but what we would like to emphasize in pursuing a new direction is the cost of not acting and not pursuing that new direction.

What have we seen, for instance, in this country over the last decade? We've seen the average citizen's energy costs rise by well over $1,000 a year, and last summer alone, we saw gas prices at $4 a gallon, which certainly is an additional tax on every American citizen who drives a car or who powers anything.

As we project onward, we know that diminishing resources in carbon-based fuel, diminishing supplies of petroleum, the price of gas is going to continue to go up. The price of natural gas is going to rise. So the cost of pursuing the same old status quo is significant.

On the other hand, we can make an investment now. We can make an investment that will save us money, will continue to save us money toward infinity. We can actually harness the power of the sun, the power of the wind, hydroelectric power, geothermal power, all of the alternative sources which we know are available to us. If we can do that—and this bill that we are contemplating right now sets us in that direction, provides the type of incentives and stimulus that will get us to that era—then we will have an era in which we dramatically cut our energy costs. We will save trillions and trillions of dollars as we move forward.

I know just in my own district, I've gone to see some of the new techniques for building homes, for utilizing all of the LEED-certified processes that can cut a 3000-square-foot home's utility costs to under $100 a month. These are the potentials that are out there for us, and these are the potentials that this proposal that we are dealing with now and considering in Congress can bring to reality.

So this is a debate that's important for this country. In a very real sense, it represents the future of this country, and there are very real differences between the Democratic Caucus and the administration and our colleagues on the other side who again prefer to pursue a 20th-century energy policy, rather than a 21st-century energy policy.

So I'm joined here by someone who has great interest in this subject and many others, who is part of that class of 2006 which changed control of the Congress and set us in a new direction. I'm proud to introduce my good friend and colleague, RON KLEIN from Florida.

Mr. KLEIN of Florida. I thank the gentleman and thank him for his leadership.

As a Member from the Commonwealth of Kentucky, obviously you have a great deal of understanding about energy needs. The cities in Kentucky, the rural areas of Kentucky, the great equestrian and horse industry in Kentucky, all of those require the types of energy that we know are future energy sources for America.

I think this is just such a moment in time that really allows for an excitement. Now, these are challenging times, make no mistake about it. In my lifetime—and I'm 51 years old. Mr. YARMUTH is probably somewhere in that range as well.

Mr. YARMUTH. I thank the gentleman for his flattery.