

aggregates for the purposes of section 302 and 311 of the Congressional Budget Act of 1974, as amended, and in response to the bill H.R. 3996, The Temporary Tax Relief Act of 2007. Corresponding tables are attached.

Under section 211 of S. Con. Res. 21, this adjustment to the budget allocations and aggregates applies while the measure is under consideration. The adjustments will take effect upon enactment of the measure. For purposes of the Congressional Budget Act of 1974, as amended, a revised allocation made under section 211 of S. Con. Res. 21 is to be considered as an allocation included in the resolution.

Any questions may be directed to Ellen Balis or Gail Millar.

JOHN M. SPRATT, JR.

BUDGET AGGREGATES
(On-budget amounts, in millions of dollars)

	Fiscal Year 2007	Fiscal Year 2008 ¹	Fiscal Years 2008–2012
Current Aggregates: ²			
Budget Authority	2,250,680	2,350,996	(³)
Outlays	2,263,759	2,353,954	(³)
Revenues	1,900,340	2,015,841	11,137,671
Change in the Temporary Tax Relief Act (H.R. 3996):			
Budget Authority	0	127	(³)
Outlays	0	127	(³)

BUDGET AGGREGATES—Continued
(On-budget amounts, in millions of dollars)

	Fiscal Year 2007	Fiscal Year 2008 ¹	Fiscal Years 2008–2012
Revenues	0	-17,782	3,087
Revised Aggregates:			
Budget Authority	2,250,680	2,351,123	(³)
Outlays	2,263,759	2,354,081	(³)
Revenues	1,900,340	1,998,059	11,140,758

¹ Pending action by the House Appropriations Committee on spending covered by section 207(d)(1)(E) (overseas deployments and related activities), resolution assumptions are not included in the current aggregates.

² Excludes emergency amounts exempt from enforcement in the budget resolution.

³ = Not applicable because annual appropriations Acts for fiscal years 2009 through 2012 will not be considered until future sessions of Congress.

DIRECT SPENDING LEGISLATION—AUTHORIZING COMMITTEE 302(a) ALLOCATIONS FOR RESOLUTION CHANGES
(Fiscal Years, in millions of dollars)

House Committee	2007		2008		2008–2012 Total	
	BA	Outlays	BA	Outlays	BA	Outlays
Current allocation: Ways and Means	0	0	532	532	37	37
Change in the Temporary Tax Relief Act (H.R. 3996): Ways and Means	0	0	127	127	2,707	2,707
Revised allocation: Ways and Means	0	0	659	659	2,744	2,744

IMMIGRATION

The SPEAKER pro tempore. Under the Speaker's announced policy of January 18, 2007, the gentleman from Iowa (Mr. KING) is recognized for 60 minutes as the designee of the minority leader.

Mr. KING of Iowa. Mr. Speaker, again I thank you for recognizing me to address you here on the floor of the United States House of Representatives; that never is an event for me that goes without profound appreciation for the privilege to stand here in this place that so many have stood in and engaged in this great deliberative body that we have.

I appreciate this opportunity that we have with technology that's available today to address you at the close of business, in fact, at the close of the week, and to be confident that the messages that flow forth from the floor of this Chamber echo not just in your ears, Mr. Speaker, but across this country.

And I would submit that, in this Nation that we have today, we have a greater opportunity to have a more representative form of our constitutional Republic than we had, perhaps, when the Founders established this country and drafted our declaration and used that foundation to draft our Constitution. At that time, the communications were limited to word of mouth and letters and newspapers that couldn't be produced at anywhere near the rate that we can produce communications today.

Today, we are real-time communications globally. And when we speak in this Chamber or do a press conference and talk to a radio or television station, or when any of the leaders do across the country, that echoes sometimes around the world. If the President holds a press conference, it echoes around the world.

And here we have that opportunity to speak to and address the issues of our day in a fashion that we can be con-

fidant that the American people, those that are interested in the subject matter that we raise, are having this conversation amongst themselves as well. And it takes place with cell phones and e-mail and Web pages and telephone calls and across the coffee table and at work and at school and at play and at ball games and at church, the aspects of our lives where we interchange with our ideas.

And we need to remember, as Members of Congress, that we come here to stand for and stand up for and represent the principles that have made this a great Nation, and that our debate needs to be a debate always with the idea in mind of what's the best policy for the United States of America, not necessarily what's the best politics for any individual Member of this Congress. And we have great appreciation and respect for this national conversation that takes place.

I would point out, Mr. Speaker, that the best example that I can think of in my time here in this Congress has been the national conversation that we've had on immigration. And of course we've had our debates that have gone on here for some years, and they have gotten very intense here on the floor of the House of Representatives, but the pivotal moment actually came over in the Senate several times this year, but late May is the one that stands out in my mind.

And as the discussion took place, the Wall Street Journal would write one thing and the New York Times would sometimes mirror that, and the Washington Times would have a different opinion and the National Review would have a different opinion. And as these opinions were merging, Americans were reading those articles. They were listening to the news stories on CNN, Fox News and the other major networks. And as these subjects came up and this discussion of what we're going to do, as Congressman POE spoke about

the need to secure our border and enforce our immigration laws, that debate was taking place on our airwaves, on talk radio, in the print media, on television. It was taking place here on the floor of the House of Representatives, and it was taking place in those workplaces and all the way across the spectrum of American life.

And what we were having was a national conversation, a national conversation that often turned into an intense debate and sometimes a shouting match from one American to another. But as that went on, we tested our ideas. And as we raised up issues that we said were facts, and those facts were raised up with an opportunity for those who disagreed to challenge those facts, maybe present their own, Americans came to a consensus conclusion. And when it came to the consensus conclusion, that was when the crucible of the comprehensive immigration bill was before the United States Senate.

□ 1430

As it came before the United States Senate, the American people, having had a national conversation throughout all that media that I talked about, person-to-person, face-to-face decided we do not want an amnesty plan. We don't want a comprehensive immigration plan. I call it often a comprehensive amnesty plan. We want to make sure that we defend the rule of law, and whatever we do with legal immigration needs to be predicated upon the requirement that we establish the rule of law and that those who might be beneficiaries of a change in immigration law would be those people who have not violated our laws.

That was the principle that caused the American people to weigh in, that was the principle that shut down the switchboards in the United States Senate, that is the principle that has gotten their attention over there a couple of times since then, and it is this national conversation where we are able

to reach out and listen to and understand and benefit from the wisdom of the American people.

Our judgment is endorsed by the virtue that we have been elected to represent our constituents. But we need to use our most sound judgment. We also need to listen to our constituents and listen to this national conversation and make a decision on what is good for this country, the State that we are from and the district that we represent, and most likely we are better off if we go through it in that order.

Well, that issue, Mr. Speaker, has several times come to a conclusion in the Senate and they haven't had the votes to move that comprehensive immigration reform plan that I called comprehensive amnesty. I bring that up to illustrate how a national conversation brings us to a consensus. Sometimes we haven't reached a consensus here on this floor, and that is when you will see the divisive votes, the contested votes, and sometimes we do reach a consensus, and that is when the board is all green up here behind us, or almost all green when there are a few dissenters. That is generally the policy that is the best policy to follow. Meanwhile, some of us will stand on principle; some of us will be unwilling to move because we have taken our stand.

Well, I am watching also a dynamic here in America, Mr. Speaker, and this dynamic is such that the division of the American people looks to me like occasionally it's brought out because of legislation that is introduced and brought to the floor of this House. Now, when a baby is born anywhere in the world, they have kind of an equal chance of coming up on one side or the other of this philosophy, when they ask the question, Is your glass half full or is your glass half empty? In some places, teenagers start to answer that question for themselves. If they believe their glass is half empty, chances are they are going to look over at someone else whose glass has more in it and point to them and say, But if they hadn't gone ahead to fill their glass, mine would have filled automatically.

That is the class-envy side, that is the "poor me" side, that is the side that thinks that this economy and the privileges and the rights of being an American citizen are a zero sum game and that somehow there are only so many benefits to spread around so you always have to take from those that "have" and give it to the "have-nots." It's kind of the Robin Hood theory of how they approach the tax policy or the benefits policy.

Well, Mr. Speaker, I would submit that here on the floor of the House today we had one of those issues. This issue was the tax relief, the alternative minimum tax patch, this patch that was brought by Chairman RANGEL. The oddest thing, the oddest thing that I have seen is that, first of all, the alternative minimum tax is the tax that was brought in decades ago to make

sure that those who were the wealthiest among us paid a little more than their fair share; and because it was an index for inflation, more and more people earned a little more and picked up through the inflation factor a higher income and found that they had crept into the alternative minimum tax bracket. Common, ordinary, middle-income, slightly upper-middle-income Americans ending up paying the alternative minimum tax.

The irony is that we have an SCHIP bill out here someplace waiting to come back and land again here on the floor of the House, the State Children's Health Insurance Program. That is the program that taxes American taxpayers to subsidize health insurance benefits for mostly children, but not exclusively children, in America, and the policy that was passed off the floor of the House of Representatives advanced by Speaker PELOSI and most, if not all, Democrats was that 400 percent of poverty that we would subsidize out of the taxpayers' dollars, up to 400 percent of poverty the health insurance premiums for children in this country, most of whom had health insurance and all of whom had access to health care.

Well, the irony of that 400 percent of poverty piece was that there were 70,000 families in America that would be receiving the SCHIP benefit because they didn't have enough money presumably to pay the health insurance premiums for their children, but they had 70,000 families that were so wealthy that they would pay the alternative minimum tax.

I find it utterly ironic that here on this floor, within the same month, within the short compressed period of time, that might be days, certainly won't be longer than weeks, which is that to subsidize health insurance premiums for families making 400 percent of poverty, which, in my district would be, even at 300 percent of poverty, at \$77,625, or very close to that. At least it's over \$77,000. At 400 percent of poverty, it's over \$103,000. We would subsidize health insurance premiums for those kids whose parents have plenty of money to pay the premium in order to crowd them off the private insurance roles and put them onto a government-funded taxpayer roll; and at the same time we would do that, 70,000 families would be the families that would also have to pay the alternative minimum tax.

If you want to look at the spectrum across which you have to go to close the gap on socialism, one can argue we are only helping the poor amongst us. So it's not socialism until everybody fits into the same category and we provide socialized medicine, socialized health care. Look at some of this things that have happened in Great Britain, nationalized utilities, for example. Those kind of things that would make Karl Marx happy, if you start from the poor and work your way up to the rich. I would argue that those that

were paying the alternative minimum tax would, by definition, not be the poor among us. That is the reason for the alternative minimum tax, to tax the more wealthy among us.

But if they didn't have enough money to pay for the health insurance premiums for their children, is it because the alternative minimum tax took too big a bite out of their paycheck? Presumably so.

So we have to subsidize the health insurance premiums of those families that are paying the alternative minimum tax, the tax on the rich, because by the time we get done taxing them, they don't have enough money to buy the health insurance for their kids. That closes the gap on socialism, Mr. Speaker. I don't know that there is an argument left that this Congress hasn't advanced this to the point where there's a majority of votes in this Congress that would take us all the way, all the way to please the Marxist philosophy of "from each according to his ability, to each according to his need."

Let me quote one who was not known as a conservative, but a President from Georgia, Jimmy Carter, who said, "I believe that people that work should live better than those that don't." It's interesting that a person of my persuasion would remember Jimmy Carter saying something like that. I remember it because he was in Iowa campaigning for the Presidency a generation ago, and I believed him. I don't know what he has done to demonstrate his belief in that statement. But, Mr. Speaker, I want to state in the RECORD I believe that those that work should live better than those that don't. If we take from those that work and give to those who don't, we need to take care of those people that can't help themselves, we need to take care of them to a minimum standard; but we don't need to raise them up to a level to those that work the hardest or most productive, not because it isn't a nice, fine and shining ideal that makes us feel good and makes me feel all warm and fuzzy inside, but because we destroy the motivation of the most productive people among us.

The key to America's success has been that you could pull yourself up by your bootstraps; that you could grow up in a poor family and have access to a good education, whether it's public or private, a good education, and in this country, if you want to go to college and have the ability, you can go to college and you can ply your trade and you can go from the soup line, all the way up to be a CEO on a Fortune 500 company. If you don't like that path, you can start your own business, be an entrepreneur and create your own Fortune 500 company. You can go from sweeping the floor to owning the floor. That is America.

But if we take away the incentive, if we reward the people who don't produce equivalent to those who do produce extraordinarily, then we have killed the goose that lays the golden

egg, we have destroyed the motivation, and the people that would be super-achievers will either stop being super-achievers and sit back and go golfing or fishing the rest of their lives, or they will go to a country that does reward their kind of excellence and their kind of performance.

So I believe, Mr. Speaker, that we need to always preserve a climate that is good for entrepreneurs, always preserve a climate that is low in taxation, low in regulation, that has faith in the good of humanity and recognizes that Americans are the most giving people in the world, that we donate a greater share of our income and we contribute a greater share in however you want to measure it, by percentage or by dollars, to other countries in foreign aid. We send more missionaries throughout the world and we follow them with our dollars and support them with our dollars because we care about humanity and we want to export our values to those corners of the world so they can have the opportunity to excel and live the kind of life that we have had the privilege to live here.

But to destroy this, to pass a piece of legislation in the alternative minimum tax, it does another thing that is unique, Mr. Speaker. What it does is it pays for a tax cut with a tax increase. That is something new and unique to the debate and the dialog here on the floor. I have the data here that shows that there are \$82.5 billion in permanent tax increases that are incorporated into this alternative minimum tax, AMT, patch, and temporary relief turns into \$82.5 billion in new tax increases, Mr. Speaker. It has a marriage penalty that is included in it as well.

This bill that passed off of this floor today is inconsistent with American values and undermines American values. It rewards people with the wrong incentives and it misses the opportunity for the right incentive. In fact, we should repeal the alternative minimum tax. We should do so on the spot, without regard to recovering any of that revenue because it's not revenue that was calculated to be part of our revenue stream today. It's an additional tax, a tax recalculated on a tax.

I have gone through that. I have gone through that process of getting that surprise years ago when I was actually a struggling business, trying to make a go of it; and because my income jumped from a meager existence in a couple of years to a pretty reasonable existence the following year, I got hit with the alternative minimum tax and that is when it was brought to my attention, and it was clear out of the intention of this Congress to do that on the alternative minimum tax.

We need to get rid of the AMT, we don't need to just patch it, and we surely don't need to put a permanent tax increase of \$82.5 billion on the books and then say somehow that we are solving the problem. When you pay for a temporary tax cut with a permanent tax increase, that is not a tax cut,

that is a stealth tax increase. I said it out loud. It's no longer stealth.

That is something that divides Americans. Why are we pitting Americans against Americans here in this Congress, Mr. Speaker? Shouldn't we be about unifying Americans, shouldn't we be about pulling ourselves together, finding ways that we can reach an agreement and setting up a policy and tax in particular that rewards people that work, gives them an opportunity? The philosophy that flows from the Speaker's gavel on down on the other side of the aisle, Mr. Speaker, is a philosophy of class envy, meanwhile, all the while, while the deep-pocket people that fund it are elitists.

So as I watch this unfold, it's an effort I think that divides us and doesn't unite us. I want a tax policy that pulls us together. You can listen to some of the philosophers in the early years of America's existence, and Alexander Tyler comes to mind. Some of the quotes that have been attributed to de Toqueville come to mind. But the idea that when Americans figure out that they can vote themselves benefits from the public Treasury, on that day our constitutional Republic ceases to exist.

You see reports that will show, this is some years ago, I haven't had it refreshed in the last few years, only 44 percent of Americans pay taxes and the rest may or may not file a tax return but aren't actually paying taxes. The number that I have in my memory is 44 percent of Americans don't pay taxes. That is some years ago. As that number grows, and it's surely larger today than it was then when I first read that quote, as that number grows and gets to that point, the tipping point across the other side of that great divide of 50 percent is when a majority of Americans realize I am not paying these taxes; why do I care about my taxes, I am on the benefit side.

□ 1445

Now, if 51 percent of Americans are on the benefit side and they're collecting more in taxes than they're paying, then it's to their interest to lobby and pressure and leverage their Member of Congress to increase the benefits out of the pockets of somebody else. That's the transfer payment.

And so we get down to this point where this constitutional republic gets closer to being a pure democracy. And a pure democracy is best described as, you will remember the Greek city-states where all eligible males of age could go and vote and that was their definition, and each vote counted the same, so that was as close as we've seen in history to a pure democracy.

But a democracy by definition, Mr. Speaker, and I'll give this definition, is the equivalent of two wolves and a sheep taking a vote on what's for dinner. You know what's going to happen. The sheep is going to be for dinner. So just having the majority doesn't make it right. That's why we have the Bill of Rights. That's why we have protections

for people that are guaranteed in the Constitution, because if it were a pure democracy, it would have been easy to set up a pure democracy. The Founders saw that. They studied the Greek city-states. I recall going to the National Archives and walking through a display where they had the pottery from the Greek era, from, say, 2,500, 3,000 years ago, and how they actually would banish a demagogue from the Greek city-state because he was so effective in selling the things that he believed in that the people got all swept up in the demagoguery—that's where the term comes from—and they would vote something that was perhaps irrational but they believed that they were in the momentum and they would cast the votes and the city-state would go the wrong direction. When they recognized what the demagogue had done to sell them the bad package, then they had the black ball system, whereby each one who could vote in the city-state could walk by with a white marble and a black marble, one piece of pottery, one vessel, was to vote in and the other one was to discard. And if a demagogue, one that was labeled to be a demagogue received three of those black balls, then he was banished from the Greek city-state for 7 years. They did that to protect themselves from those skilled orators that could move the populace. When they saw that, that's the thumbnail sketch of the studies of the Greek city-states in the pure democracy, our Founders concluded they wanted a constitutional republic, not a democracy. That's why we have this constitutional representative republic today.

But in order to get the republic established in the Constitution, they had to write in the protection of the rights, the Bill of Rights. Those rights are there to be constitutionally protected, because the Founders knew that two wolves and a sheep taking a vote on what's for dinner wasn't going to yield a nation that could subsist very long. Well, if our constitutional republic, our representative form of government, has now devolved down to the point where it is more a democracy and it is less a constitutional republic and if Members of this Congress don't see their job as a duty to stand up for those principles and those rights and have a long-term vision on what's good for America, but if they simply vote their constituents and come what may with any kind of long-term plan or based upon any principles, or if they can come here to the floor and vote for something that they know to be unconstitutional because that's what their constituents want, Mr. Speaker, I will submit this republic will not very long last.

As I see what's happening with the alternative minimum tax and we are taking from those that produce to spread those dollars across others who are, I think, pretty well taken care of at the time, we've taken away the incentive to produce and we've reduced this down into a pile of spoils in the

middle, the general fund, that's being squabbled over by an ever divergent group of minority classes that are lining themselves up to demand more from the taxpayers of America.

It has only been just a little over 40 years since John F. Kennedy said, ask not what your country can do for you but ask what you can do for your country and here we are squabbling over how we're going to run a tax increase for \$82.5 billion, permanent, in order to say we did something about the alternative minimum tax right within this same period of time that we're dealing with an SCHIP program and having passed off of this a 400 percent of poverty benefit, negotiated it down thankfully out of the Senate to 300 percent of poverty, that's still way too much, that is irresponsible and again pits Americans against Americans and the depth of the debate that the other side can go on SCHIP is, it's for the kids.

Well, that's nice that it is for the kids. We're all for the kids. So what's your other point? I'd like to hear it. Is it more than for the kids? Yes, it's for the politics, Mr. Speaker, as well as the kids. And those who believe that they should lay the cornerstone of socialized medicine and see to it that children in America are all covered by the taxpayer's dollar rather than the responsibility of the parents and with the help of, in most cases, their employers.

If this becomes a responsibility and entitlement for the taxpayers to fund health insurance for kids, then pretty soon there's no distinction between a health insurance subsidy out of the taxpayers and just simply funding the health care for children. The distinction blurs and at some point there's no distinction, then, between Medicaid, which provides for those kids in poor families and adults, and providing health care for all kids in America. If you pay their insurance premium, you're paying their health care.

This majority on the Speaker PELOSI side of the aisle wants to pay for almost all, if not all, of the health insurance premiums for the kids in America. And if you do that, you know that there will not be private health insurance any longer in this country, and you know that eventually there will not be, either, insurance plans. It will just simply be government-funded health care for all kids in America.

Bill Clinton knew that. He knew that when he stood on this floor on September 22, 1993, and addressed a joint session of Congress and laid out his strategy and health care plan. And if you'll remember from that address that he gave to the Nation—it was essentially unprecedented, a joint session of Congress to speak about health care—from that address to the Nation, he convened the Hillary Hearings and those meetings, some of them in public, some of them in private. And that was another case, Mr. Speaker, where the American people started to pay attention. They didn't get to see everything that went on. A lot of it was be-

hind closed doors and a lot of the staff work that went on was certainly behind closed doors. We still can't get that information. It's still locked up in the Archives and we're still waiting for President Clinton to issue a letter request to release that information so we can evaluate what went on behind the scenes.

But the American people knew this. They did not want socialized health care in America. They understood what happened in places like Great Britain and Canada and they want to have a private system that will allow individuals to make some of their own and they should be able to make all of their own health care decisions. And so the American people rose up even then and rejected the plan that came out that has become known as Hillary-care. That's another example of a national conversation, Mr. Speaker, that went on at that time not with the benefit of very much e-mail, not with the benefit of the Internet in an effective way but with the benefit of television and radio and print media and telephones and conversations that were going on at church, at play, at work and across this country. The American people came to a consensus and said, we don't want Hillary-care, rejected it, and so preserved a measure of the private care that we have today. Another example of how a national conversation comes together.

We are engaged in this right now, Mr. Speaker. The alternative minimum tax is not a fix, all in the same environment as the SCHIP debate which is designed to lay the cornerstone of socialized medicine, bring people over to the dependency side of this and whenever we make people more dependent, they become less self-reliant by definition and when that happens, we lose the vitality of the American people. We need to understand why we have this vitality. The vitality of the American people comes from a number of things. I call them the pillars of American exceptionalism. Some of this vitality is because we have an excellent educational system in this country. Perhaps I'll return to that a little bit later, Mr. Speaker.

But I would point out, also, that we have a culture here, a culture where we raise our children to study hard, to work hard, to save, to invest, to be creative, to be risk takers, to be entrepreneurs. All of that fits within the umbrella definition of working to achieve the American Dream. Each of us has a different definition of what that American Dream means to us. My sons have a different view than I had. I have a different view than my father had. But that's something in our culture that we raise our children to. And I will define this American Dream this way: to leave this country and this world a better place than when you found it. To always build, build, build, work to improve, grow this economy, improve the infrastructure, build the systems here that give our children

more opportunity than we had. And every generation of Americans have had that opportunity that's been greater than the opportunity that their parents had, which was better than the opportunity that their grandparents had and so on back to the beginnings of the Founders. That's the American Dream, to create and build a country that's better than it was.

So this vitality that we have, it's tied into our Judeo-Christian values, it's tied to western civilization, it's tied to free enterprise capitalism and property rights, not just the property rights to own your house but the right to invent a widget or a gadget and take it to the patent office and get it patented, to protect your copyrights, to protect your trademarks and those things. Solid currency, property rights, constitutional rights, a tradition of free enterprise capitalism, all of that ties together to make this the best place in the world to do business and the best place in the world to raise your children. And when we pass policies that diminish that, that would punish people for producing and then reward people for not producing, yes, it's good to take care of the kids but those kids don't need that help when their parents are making \$103,000 a year. And they probably don't need that help if their parents are making \$77,000 a year. And they may be doing just fine if their parents are making \$51,625 a year. They're not coming to me saying, I can't make it on only \$51,000 a year.

But we would push them off their private health insurance, we would crowd them out and we would say to their parents, Don't work so hard because we're going to tax you if you produce too much.

So I submit, Mr. Speaker, we need to get to a tax policy that recognizes the merits and the uniqueness of American exceptionalism, a tax policy that recognizes that when 51 percent of Americans are no longer paying taxes but they're voting for the people that will give them benefits out of the public Treasury, maybe on that day our constitutional republic will cease to exist.

But maybe we've passed that point now and maybe there's a way to get back. So I'll submit here's a way to get back. Let's pass the FairTax. Let's take a look and understand this. Ronald Reagan once said that what you tax, you get less of. He also said what you subsidize you get more of. So if we subsidize dependency, we're going to have more dependency. But if we tax production, we're going to have less production.

And this might be a revelation to some people on the other side of the aisle, Mr. Speaker, but the Federal Government has the first lien on all productivity in America. If you walk into your factory and punch the clock at 8 o'clock next Monday morning, as soon as you punch that time card in there, Uncle Sam's hand goes out and he's standing there waiting to get his

due. He taxes your work, your labor, your productivity from the first second of the first day of the week and he will tax it until such time as he gets his due. Then he puts it in his pocket and you can go off and go to work for the State, then for the county, then perhaps for the city, and some time pretty late in the week you get to make a little bit of money to feed your kids.

The first lien on all productivity in America is Uncle Sam, hand out, you punch the time card. Maybe you put that savings that you have that's left out of what he doesn't tax and you put that in a bank account or invest it maybe in the stock market, maybe in a mutual fund. Well, there's the interest. There's the dividends. Guess what. Uncle Sam's hand is out for that, too. Maybe you invest in a business. You decide you're going to manufacture automobiles or widgets or computers, or sometimes we say in my part of the district, layovers to catch muddlers. If you do that, Uncle Sam is there to tax the profit on it and he'll tax the labor that goes into it.

We have a real misunderstanding here when we decide we're going to tax corporations or businesses that provide goods and services, because something that we know, Mr. Speaker, is that business, and particularly corporations—let me put those both together without drawing a distinction between them—businesses and corporations do not pay taxes. They have to pass those taxes along to people. Consumers pay taxes.

But the government has a first lien on all productivity. So we tax that productivity, whether it is capital gains, if you buy a farm for \$1,000 an acre and sell it for \$2,000 an acre, Uncle Sam wants to tax that thousand dollars profit. And if you sell some stock shares and you paid \$5,000 and they had a good earnings and you collect \$10,000 for them, Uncle Sam wants to tax the difference, the \$5,000 in profit.

□ 1500

And he wants to tax your passbook savings account, and does. And he has a first lien on your Social Security income, on your pension income, earnings, savings, investment dividends, capital gains. He taxes everything that is indexed to productivity in America. A first lien on all productivity in America. And why?

Don't we understand here in this Congress that what you tax you get less of. Why wouldn't we consider the idea of taking the tax off of all productivity in America and put it on consumption? I won't say that we have too much consumption, because that keeps the economic wheels turning; but we have too little savings and investment. If we tax consumption, we will get more savings and more investment and we will have more capital and we will be better positioned to take care of our own retirement and our own health care through our working years and perhaps on through retirement.

If we do this idea of totally reforming our Tax Code and shifting it over to a fair tax, a national sales tax, a consumption tax on all goods and services in America, why would we not do that? That would be the fairest way. I am reluctant to use the word "fair" because anybody who has raised two or more children knows there is no such thing as "fair." You will begin to understand that fairness is in the perception of the one who utters the word.

Going to the fair tax, the national sales tax, H.R. 25 does this: it untaxes the poor and it makes everybody in America a taxpayer at the same time. It preserves our constitutional Republic because every little kid growing up in America, when they buy their baseball cards or Barbie Doll clothes, they will have to put a couple of dimes up for Uncle Sam.

If you wonder how this works within the mind-set of young people, I will tell you a story of a young little man, Michael Dicks. And he can be very proud of his father. He was 8 years old when I heard this story so I suspect he is 9 or 10 right now.

He had saved money to buy some Skittles. He went into the store with his money, 89 cents. That was the price. He got the candy Skittles off the shelf and put them on the counter. And the lady rang it up and said, 96 cents.

He said 96 cents? But I only have 89 cents. They are 89 cents. It says on the box.

Yes, but you have to pay the tax, so that is 96 cents.

The tax? And he turned to his father and said, Dad, I have to pay tax on Skittles?

Mr. Speaker, yes, this young man, Michael Dicks, learned he had to pay tax on Skittles because that is the sales tax in Iowa because we do tax candy and not other types of food. So he understood it costs money to fund the government. The 7 cents that got added on was a 7-cent lesson that rang up in the mind of Michael Dicks who now knows you have to fund the government. He learned at the age of 8. He will probably remember for a lifetime.

I don't know the balance of the story, but the next time he reaches in his pocket to buy something, he will know he has to pay the tax. That factors into his transaction on whether he will spend the money.

I will submit, Mr. Speaker, if every little kid growing up in America has to reach into their pocket for a couple of dimes for Uncle Sam, if they have to dig the 7 cents out for the tax, if they turn to their father and say, Dad, I have to pay tax on Skittles, these young men and women will grow up understanding that government is expensive and they will put less demands on government, and they will put less demands on their Members of Congress, less demand on their Governors and State Representatives and State Senators and less demand on their county and city governments, and they will be more personally self-reliant and they

will be more generous in their contributions to society because they understand it is not somebody else paying the tax, it is they that are paying the tax. They have to dig in their pocket to pay the tax.

And those billions of transactions laid across millions of kids growing up eventually percolates into this Congress where we will have people who come down to this floor and understand that government is not the solution to everything. It is not the be all, end all. It is not the place to fight out class envy battles. It is the place to ask for more personal responsibility. It is the place to show spending restraint. We need some restraint on spending.

It is not a place to grow and blow this budget, to create more of a dependency class. It is not a place to say we want to take some funds here that seem to be anonymous coming out of somebody else and spread them across somebody out here that we claim has a need for the purpose of moving us closer to socialism, and it does, Mr. Speaker.

No, this is the kind of country that is great and was made great by individuals who took personal responsibility, who were creative entrepreneurs, who were wonderful mothers and fathers who understood the dream of our Founders and this gift that God has given this country, that is reflected through the work that our Founders did in the Declaration and the Constitution.

Mr. Speaker, we are going backwards in this 110th Congress. We are creating more dependency, not less. SCHIP is one, and the alternative minimum tax is another.

While all of this is going on, we passed several pieces of energy legislation that takes us in the wrong direction again, that makes us more dependent, not less.

There has not been a piece of energy legislation that has come across the floor of this Congress that did anything except increase the cost of energy, that made energy more scarce, that made the cost of a Btu higher than it was before.

I have listened to all of the debates and the arguments, and nobody really stood up over there and said I think it is a good idea to increase the cost of gasoline or heating oil for the homes.

But what they really say is a convoluted argument that gets this goal. As I listen between the lines, I have become convinced that there are significant Members on that side of the aisle, Mr. Speaker, that really do want to see energy prices higher, energy prices higher, more cost per Btu. Why? Because they believe if energy is higher in cost, people will use less of it. They will park their car and ride their bicycle. And meanwhile, some of the people who are advocating such a thing are living in mansions with large carbon footprints, way beyond anything I could make in my meager life here.

So the idea of more expensive energy, you need to come clean on that. If you

believe in that, stand up and say so. I believe you believe in that.

So as energy gets more expensive, we are going the wrong way. The right way to go with energy is to grow the size of the energy pie. There are X number of Btus on the market. If you think of that in a pie chart, coal, nuclear, solar, gas, and diesel fuel. And then we look into some that I like even better, ethanol, biodiesel and wind, those renewable energies that get attached to solar, and I think hydroelectric should be considered a renewable energy as well because it is very environmentally friendly and we could make more of it if we could get there politically.

If you add up all of those pieces of the pie and envision them as slices of the overall pie, and there is another slice, and that is energy conservation. But we don't need a pie this big, we need a pie this big. We need to add to the Btus on the market, the overall energy, and change the overall proportion so it is a larger slice for ethanol, a larger slice for biodiesel, a larger slice for wind, and where we can make a cash flow, a larger slice for solar. And clean-burning coal technology has a home here that we have to be supportive of for a long time to come.

All of those things add more Btus to the market. When you do that, the laws of supply and demand, and maybe some people on that side of the aisle believe they have repealed since they have taken over the gavels in this Congress, I will submit it is always supply and demand in the end.

Unless you can repeal the law of supply and demand, we will see the Btus get cheaper. The overall cost of our energy per unit of energy will get cheaper if we put more of it on the market.

So we increase the volume of energy we are producing, we put it on the market and that will slow the increase in the cost. And if we do it effectively enough, it will reduce the cost of our energy.

I will submit this, Mr. Speaker, we need more gas. We need more diesel fuel. We need to drill in ANWR and the Outer Continental Shelf. We need to work some kind of transactions so we have access to the developing oil fields in the world. The Chinese are doing that in an effective fashion. They have built a pipeline from Kazakhstan into China. The Chinese are in the Western Hemisphere drilling for oil that we won't go get. While we prohibit drilling offshore in places off the Outer Continental Shelf within the 200-mile range. Some say with Chinese assistance, they are drilling closer to America than we can drill to America. I haven't verified that, but I intend to verify that particular thing.

So we need to grow the size of the energy pie. If we do that, the cost will be cheaper, not greater. It will take down some of the prices of our energy. Energy is interrelated. The cost of gasoline is related to the cost of diesel fuel, is related to the cost of ethanol to bio-

diesel, to the overall cost of natural gas to the propane component that is there. And the more energy we can put on the market, the better off we are. And the more we can increase the conservation, the less demand there is for that energy.

We need to have a coherent energy policy in this Congress, not one that is haphazard or one that has a subliminal wish over here that is unspoken that we should increase the cost of energy because then we will have less people driving cars and more people riding bicycles. That takes us back to pre-Garden of Eden standards of technology, and I reject that.

And I will raise the issue, to rebut Cornell University and the University of California Berkley who have rolled out a study that argues that ethanol consumes more energy than it creates. That is simply not a fact, Mr. Speaker.

I wouldn't know why anyone would go to a place like Cornell or University of California Berkley to get their ethanol facts. Come to Iowa. We are the number one ethanol production State in the Union. The United States of America has surpassed Brazil in ethanol production some 2½ years ago. People think you should go to Brazil to pick up on their technology. I wasn't all that impressed with what I saw there. But we can be impressed with what we developed in the corn belt. And it is not just Iowa. Minnesota took a good lead, and it is flowing into States like Nebraska and Illinois.

We have state-of-the-art technology, and we are improving on it yet that brings us a significant amount of efficiency in converting corn to ethanol. There will be a limit to the number of gallons we can produce. But it works like this. Cornell and UC Berkley took a position that it took substantially more energy to produce a gallon of ethanol out of a bushel of corn than you got out of the gallon of ethanol.

Mr. Speaker, it is important that we understand that energy needs to be in the kind of composition that we can utilize it. And so if we have gasoline that is liquid and we can put it into our tank and drive down the road, we can utilize it.

If we have coal in the ground and it is 100 feet below the surface, it is not easy to utilize. But we mine it. Sometimes we mine it and sometimes we open pit it. We do harvest that coal. Then we convert the coal. We run it through a grinder and run it through a series of plates that pulverize the coal and inject it into a fire to turn it heat so we can turn the heat into steam and the live steam then is converted into kinetic energy which spins the generator that sends the electricity down the wires that goes into the electric motor. That is a long way from coal underground in Wyoming to spinning an electric motor in some place like Georgia. By the way, that coal from Wyoming does get to Georgia to do just what I said.

But that is converting an energy source into a usable form. The usable

form turns out to be the electricity way on the other end of that process. And look how far gasoline has to travel to get into the tank. You have to drill a hole and get down into that crude oil. You have to pump out that crude oil and send it to the refinery and crack that gas out of that crude oil into a form that you can get it up to the gas station and into the pump, through the nozzle so you can get it into your tank so you can burn the gas to turn it into energy to drive your car down the road.

□ 1515

We do the same thing with ethanol. So this energy that's required to convert ethanol, there are several ways to measure it but it comes to this. It takes energy to get a barrel of crude oil to the refinery, let's say in Texas, and it takes energy to get a bushel of corn to the gates of the ethanol plant in Iowa. But once you set that barrel of crude oil down at the refinery or that bushel of corn down at the ethanol plant, now it takes energy to get it out.

People say that it takes more to get the energy out of ethanol than you get out of it. Mr. Speaker, I'm here to quote into the RECORD the real numbers, and it works out to be something like this. There's something about 110,000 Btus of energy in a gallon of gasoline, and there's something like 76,100 Btus of energy in a gallon of ethanol. It's about a .7 factor. There's less energy in a gallon of ethanol than there is a gallon of gasoline. We know that. We factor that in.

But if you think of a gallon of gasoline or gallon of ethanol, of each containing 100,000 Btus, that's kind of in the ballpark of the energy you get out of a gallon, and if you compare the Btus straight up, then to get 100,000 Btus out of a barrel of crude oil, one of those \$96 barrel of crude oil, if you factor the energy it takes to convert the crude oil to 100,000 Btus of energy, it will take 130,000 Btus to convert that crude oil to get 100,000 Btus of energy. It takes 130,000 Btus to get 100,000 Btus out of a barrel of crude oil in the form of gasoline. More energy required to crack it out and turn it into gas than you get in the gas itself.

But on the other side, at the gate of the ethanol plant, if you have a bushel of corn, the energy required to convert that corn into 100,000 Btus of ethanol, roughly a gallon equivalent but matched up exactly to the gasoline, is 67,000 Btus of energy to get the corn into 100,000 Btus of energy in ethanol.

So those numbers work out this way. Two jugs here, one with ethanol in it, one with gas in it, each with 100,000 Btus of energy. The gas jug took 130,000 Btus to produce that. The ethanol took 67,000 Btus to convert that to 100,000 Btus of energy. So it's roughly twice as much energy to turn crude oil into a gasoline equivalent yield result as it is to turn corn into ethanol. That's the fact. That's the facts that places like Cornell and University of California

Berkeley don't seem to understand so well, Mr. Speaker.

I want to make sure that went into the CONGRESSIONAL RECORD, but overall is this, we need to grow the size of the energy pie. We need to drill in ANWR because that's our oil, and there's no better place it could be. We need to go to the Outer Continental Shelf and drill the Outer Continental Shelf where we have 406 trillion cubic feet of natural gas. And that natural gas, by the way, is 90 percent of the feedstock that's required, 90 percent of the overall cost to produce nitrogen, which is the fertilizer foundation for the food we eat. We should not be dependent upon the Venezuelans or the Russians for their fertilizer that would essentially slow down or potentially control the food in the world.

We should pass a fair tax so that we can take our tax off of all production and put it on consumption. And we should not do class envy things like a temporary patch for this alternative minimum tax that turns it into a permanent tax increase of \$82.5 billion. We should not pay for temporary tax cuts with permanent tax increases.

We should not be subsidizing health insurance for kids and families that are making \$103,000 a year or more. We should be rewarding those that work better than those that don't so we can maintain this vitality of American exceptionalism.

And we should be downright grateful that we have had in the past, but not today, a logical immigration policy that was designed to enhance the economic, the social, and the cultural well-being of the United States of America and reached out across the world, and from every country, from every civilization, we received the cream of the crop. The people that came here had to overcome burdens and hurdles and difficulties to get here. That meant they had to have a dream. They had to have a dream that sometimes they sold themselves into servitude to come here and maybe for 7 years they worked to pay off their passage into the United States.

I have a great-great-grandfather, multiple greats back, that did that and landed in Baltimore as an indentured servant. But the people that had a dream found a way to come here, and those that sorted themselves out from their societies, and maybe it was for religious freedom and maybe it was for economic freedom, and hopefully it was for both, they came here and established a culture that's a Judeo-Christian Western civilization culture that recognizes that this is a great country that protects individuals' rights.

And we have, because we've skimmed the cream off of the Nations in the world and brought their vitality here and because we have the rights that are identified in the Bill of Rights and in our Constitution, because we have a Judeo-Christian Western civilization, Protestant work ethic culture that the Catholics have done a great job of

jumping on board with and a number of other denominations as well, we have this vitality here that makes us the unchallenged greatest Nation in the world.

And it's our duty, Mr. Speaker, to preserve and protect and promote that great blessing that we have inherited here. That's our duty on the floor of this Congress. That's what should come to the floor as the policy unfolds, not class envy but lifting each of us up and keeping faith with God and with our Founders.

I thank you, Mr. Speaker, for the privilege to address you and the floor of the House.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 3 o'clock and 21 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 1600

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mrs. JONES of Ohio) at 4 p.m.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. MCCOLLUM of Minnesota (at the request of Mr. HOYER) for today from noon to 2 p.m.

Mr. HOBSON (at the request of Mr. BOEHNER) for today on account of official business.

Mr. JONES of North Carolina (at the request of Mr. BOEHNER) for today on account of personal reasons.

SPECIAL ORDERS GRANTED

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

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

Mr. CUMMINGS, for 5 minutes, today.

Ms. WOOLSEY, for 5 minutes, today.

Ms. WATERS, for 5 minutes, today.

Mr. DEFazio, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mrs. MCCARTHY of New York, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Mr. HOLT, for 5 minutes, today.

Mr. SPRATT, for 5 minutes, today.

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

Mr. POE, for 5 minutes, November 16.

Mr. JONES of North Carolina, for 5 minutes, November 16.

Mr. PENCE, for 5 minutes, today.

ENROLLED BILL SIGNED

Ms. Lorraine C. Miller, Clerk of the House, reported and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 3222. An act making appropriations for the Department of Defense for the fiscal year ending September 30, 2008, and for other purposes.

ADJOURNMENT

The SPEAKER pro tempore. Without objection, the House stands adjourned until 10:30 a.m. on Tuesday next for morning-hour debate.

There was no objection. Accordingly (at 4 o'clock and 1 minute p.m.), under its previous order, the House adjourned until Tuesday, November 13, 2007, at 10:30 a.m., for morning-hour debate.

EXECUTIVE COMMUNICATIONS, ETC.

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

4067. A letter from the Congressional Review Coordinator, Department of Agriculture, transmitting the Department's final rule — Emerald Ash Borer; Quarantined Areas; Maryland [Docket No. APHIS-2007-0028] received October 9, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

4068. A letter from the Under Secretary for Acquisitions, Technology and Logistics, Department of Defense, transmitting the Strategic Materials Protection Board's report from its July 17 meeting, pursuant to Public Law 109-364, section 843; to the Committee on Armed Services.

4069. A letter from the Chief Counsel, FEMA, Department of Homeland Security, transmitting the Department's final rule — Changes in Flood Elevation Determinations — received October 4, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

4070. A letter from the Chief Counsel, FEMA, Department of Homeland Security, transmitting the Department's final rule — FLOOD MITIGATION ASSISTANCE [Docket ID FEMA-2007-0003] (RIN: 1660-AA00) received November 2, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

4071. A letter from the Chief Counsel, FEMA, Department of Homeland Security, transmitting the Department's final rule — FLOOD MITIGATION GRANTS AND HAZARD MITIGATION PLANNING [Docket ID FEMA-2006-0010] (RIN: 1660-AA36) received November 2, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

4072. A letter from the Counsel for Legislation and Regulations, Department of Housing and Urban Development, transmitting the Department's final rule — HUD Office of Hearings and Appeals Conforming Amendments; and Technical Correction to Part 15 Regulations [Docket No. FR-5137-F-01] (RIN: 2501-AD32) received October 4, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

4073. A letter from the Department of Labor, transmitting the Department's final