

higher. While we increase American oil production and lower our gas prices, we should also pursue technological developments and good old American know-how that will allow us to take advantage of the energy resources we do have here and are available.

We should not forget conservation efforts, and this has been one area where Congress has gotten it right by passing commonsense fuel efficiency requirements for automobiles and conserving this scarce resource.

We need to also be good stewards of the environment and ensure that we are doing all we can to use our resources wisely and not wastefully.

Finally, we need to pursue alternative energy solutions that will ensure our future energy production is secure. We need to start now to utilize and develop energy production methods that will work alongside of oil and gasoline to power America's economy into the future, sources such as, as I mentioned a moment ago, clean coal, nuclear energy; even biofuel and wind can be part of the answer to the overall fuel and energy mix our country needs.

But we need to give all of these potential power sources a free and open chance to develop and to reach their potential in the marketplace. We must encourage American innovation and technology to help us develop the ability to use these in a way that is compatible with a good environment.

We must be careful not to play favorites, as unfortunately we have, and are now seeing the consequences come home to roost and turn these industries into political tools. Different energies will work better in different areas, and all of them can work together to provide America with cost-efficient energy and the strong energy industry we need in order to fuel our growing economy.

But our future energy production starts today with removing the roadblocks that this cartoon indicates that Congress has thrown in front of every opportunity to increase energy supply and bring down the cost ultimately to the consumer.

We cannot make up for lost time, but we can start today by recognizing the mistakes of the past and what that has actually done to run up the cost of gasoline at the pump and made us even more dependent. We need to act now to build a strong American energy policy, bring down the price of gasoline, and free ourselves from foreign oil-producing nations, many of which want to do us harm.

Every day we delay brings a heavier burden on American families with the cost of gasoline. We cannot ask the American people to foot the bill for our inaction any longer. It is time for Congress to take responsibility for gas prices in America, by allowing our industries to utilize the American resources that are available to us that will eventually help bring that price down.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Republican whip.

TAXING THE RICH

Mr. KYL. Mr. President, I wish to compliment my colleague for his cogent analysis and remarks just now. He is absolutely right about the way we need to deal with our energy crisis today.

I wish to talk very briefly about another subject, frankly the challenge and a refrain that we have often heard from the other side; that is, that the so-called rich are an endless well that can be tapped to fund limitless spending priorities.

My colleagues across the aisle frequently argue that the 2001 and 2003 tax cuts were a giveaway to the so-called rich and that that should be allowed to expire, in effect, raising the tax rates to their pre-2001 level.

The marginal rate cuts enacted in 2001 and accelerated in 2003 reduced the tax burden for all Americans. In fact, the effective tax rate for the middle fifth quintile of taxpayers dropped more than 2 percentage points, from 16.6 to 14.2 percent as a result of these cuts.

Let's assume that the other side would not only let the tax cuts expire but actually repeal them this year. How much would taxing the so-called rich raise? The 2005 Internal Revenue Service Statistics of Income report notes that those earning over \$349,700, putting them in this top marginal tax rate of 35 percent, earned a total of \$1.1 trillion. Of that amount, \$565.4 billion was taxed at the top rate.

These 950,000 taxpayers, or the top .9 percent, paid a total of \$315.4 billion in taxes, \$198 billion at the top marginal rate. So if the 2001 and 2003 tax cuts were repealed today, taxes on those filers would increase \$26 billion, an increase of \$27,300 per top marginal taxpayer, not an insignificant sum for those taxpayers, but clearly not enough to offset the cost of the Democratic spending plans.

What about broadening the definition of the "rich" by including those taxpayers in the upper middle class, or those in the second highest tax bracket of 33 percent? Would that bring in enough money?

Well, these 1.5 million taxpayers, or 1.4 percent of filers, paid \$92.4 billion in taxes; \$26.1 billion was paid at the marginal rate. If you increased their tax rate from 33 percent to the pre-2001 level of 36 percent, it would raise \$2.4 billion in additional taxes.

Reinstating the 39.6-percent and 36-percent tax rates for the taxpayers in those two top brackets raises \$28.4 billion more than under current rates, still just a fraction of what my colleagues on the other side of the aisle want to spend.

What if one reaches down a little deeper and includes the middle class by increasing taxes on people in the 25- and 28-percent tax brackets?

The ACTING PRESIDENT pro tempore. The Republican time has expired. Mr. KYL. I ask unanimous consent for 1 additional minute.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KYL. A back-of-the-envelope calculation using the same data shows that raising the top four marginal rates would increase taxes for 28 million Americans, increasing revenue on a static basis \$37 billion this year and \$111 billion over the next 5 years, not even enough to offset the cost of the additional discretionary spending assumed in the Democratic budget resolution.

When someone claims to want to increase taxes only on the rich, taxpayers should view such a proposal with a healthy dose of skepticism. Our experience with the AMT should convince us of that. Taxing the so-called rich never raises as much revenue as the other side claims and usually manages to hit a lot more taxpayers than just the rich. Invariably, when one talks about raising taxes to pay for new spending, a lot of people who would otherwise not consider themselves to be wealthy end up paying more in taxes.

The PRESIDING OFFICER (Mr. CARDIN). The Senator from North Dakota.

CONTRACTING IN IRAQ

Mr. DORGAN. Mr. President, I wanted to discuss two things today. One is a hearing I have just concluded of our policy committee, and then I want to talk about the price of gasoline and oil.

Let me talk first about the hearing I just concluded of the Democratic policy committee. It is the 13th hearing I have done on the issue of contracting in Iraq and Afghanistan, especially waste, fraud, and abuse of contracting in Iraq. I have held a good many hearings. I am not easily surprised any longer about what I hear at these hearings of the unbelievable waste and fraud and abuse in Government contracting, where American taxpayers are being fleeced and where our soldiers are being disserved by waste and fraud and abuse.

I do get surprised, even though I say it is hard to surprise me. Today I hear about the stealing of artwork and rugs and crystal, the stealing of gold in Iraq in some of the palaces by contract employees, the stealing of gold and melting down of gold to make spurs for cowboy boots—something I hadn't heard before—the charging of a 100-percent markup on a little thing like a laptop computer. There is testimony today of the purchase of 300 laptops to be delivered to DynCorp in Iraq. They were purchased for \$1,400 apiece, and then the Government is charged \$2,800. That is a 100-percent markup.

A witness told us that a colleague of his was killed in a car in Iraq in a high-risk area. He was on an official assignment in an unarmored car and that car