

plants in California. It was revealed in the San Francisco Chronicle on Sunday, with interviews with some of their plant operators, that the plant operators were linked by telephone to their commodity trader speculators and the commodity trader speculators watched the charts and when the price of energy went up, they said crank up the plants. When the price of energy went down, they said crank down those plants. They did this on as frequently as 10-minute increments.

That destroys the plants, obviously does not provide reliability or keep the lights on for the people in California and the Western United States, but it is incredibly profitable; 1,800 percent runup in profits in one year. But there is no manipulation.

The hear no evil, see no evil, speak no evil folks at the Federal Energy Regulatory Commission appointed by President George Bush, Mr. Hebert, the chairman; the Secretary of Energy; the vice president of the United States, they do not think there is any market manipulation or profiteering or price gouging going on here. It is normal for a company to increase its profits by manipulating the market and driving up its profits 1,800 percent one year.

Now today in the Los Angeles Times, closer to the gentleman who preceded me, we have, "Executive tells FERC Hearing of Collusion on Natural Gas." Natural gas produced in Texas, El Paso Natural Gas, bought the pipeline capacity to ship gas between Texas and California. It is used for electricity generation and to heat homes and run businesses. Guess what? They bought the capacity but they did not use it, and they would not let anybody else use it so they could drive up the price of energy.

There is extraordinary, unbelievable market manipulation, price gouging, going on in the Western United States, which is imperiling the entire economy of the Western U.S., not just California. The Pacific Northwest is at risk, too. We are having a drought and we are paying more in the wholesale energy market than are Californians because of these manipulated prices, because of this unbelievable profiteering.

What is the response from the Bush administration? Drill ANWR. Well, we do not use oil to generate electricity. I have said that to the vice president. That does not matter. They want to drill ANWR. Their bosses, Enron, Exxon, Chevron, Reliant, El Paso Natural Gas and others, they want something here. Let us manipulate this. Let us pretend the crisis is caused by, as the gentleman before me said, the environmental rules, and let us pretend that they are not obscenely manipulating the market and profiteering. Blame someone other than those really responsible.

That is the agenda of this administration. That is the agenda of their energy policy, and I do not believe that it is going to sell with the American peo-

ple, and I certainly hope it does not sell here in Congress.

LACK OF PLANNING AND NO DOMESTIC ENERGY POLICY HAS LED TO THE ENERGY CRISIS

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

Mr. COLLINS. Madam Speaker, I could not help but get a little bristle on the back of my neck sitting in my office listening to all of the rhetoric that is being said here on the floor this morning.

The complaints about the marketplace, the complaints about charges, the cost of goods based on supply and demand in the marketplace and, yes, the prices are too high. It is costing too much for families to pull up to the gas pump for the purpose of either commuting to work, visiting family or taking a vacation.

Why is it like this? It is because of the lack of planning and having a domestic energy policy for this Nation.

The previous administration avoided the issue, stayed away from the issue, did not want to address it, and over the last few years we have become more and more dependent on foreign oil, and that is wrong. But it is not only just the oil. We cannot even handle the refinery of oil for gasoline and fuel and other products.

What we do not hear them talk about is the price that Congress charges for gasoline and fuel, and the gentleman from Ohio (Mr. TRAFICANT) is well aware of this. Yes, we charge, we the Congress of the United States, charge for every gallon of gasoline and diesel fuel that is used in this Nation. Eighteen cents a gallon for gasoline; 24 cents a gallon for diesel fuel, fuel that is used to transport products all over this Nation that we each buy as a consumer.

People do not think that adds to the price of those products?

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We charge 4.3 cents a gallon for aviation fuel. You do not think that does not add to the price of an airline ticket? 4.3 cents to the railroads. You do not think that does not add to the product they carry? 4.3 cents for barge service. You do not think that does not add to the price of the product that they carry? It does. But you do not hear anything about that from this well. But those are charges that are administered by the Congress of the United States.

But, you know, there are a couple of good things about that though. We all pay that same rate, and those rates and those prices and those funds that come into the Congress are used for transportation products, for infrastructure, highways, bridges, things that we need, must have.

Of course, we have a few environmental laws that prevent us oftentimes from putting in the projects that are

needed so we can commute without sitting in long lines. We all experience that. But we pay the same price for those things, and the funds are put to good use.

You do not hear them talking about the overcharge that we are levying on every working person that is in this country to operate this government, and we have different charges to operate this government. You and I can pull up to the gas pump, we will pay the same price. You and I can go into the same store, buy a like item, we will pay the same price for it. Anyplace in the marketplace that we go together, stand side-by-side and buy the same product, we will pay practically the same price for it, no matter who you are, what income level you are at.

But when it comes to paying for the operation of government, it is different, much different. We do not have the same price. In fact, we charge five different prices to individuals to operate this government; five prices. Yes, five prices we charge working people across this country to operate their government. Those five prices are the five marginal tax rates based on income.

They talk about the rich. Yes, the rich make a lot of money. But they pay a lot of tax too. A low income person, \$30,000, \$45,000 a year, they pay 15 percent. They are in that 15 percent bracket. That is a lot of money too. But it goes from 15 to 28, to 31, to 36, to 39.6 percent, based on the levels of income. Is anything fair about charging five different prices for the operation of government?

You never hear anything about that. I do not think it is fair. That is what we are trying to address with the tax bill in the conference that is going on today, is to reduce the charge that we charge for operation of government and try to make it a little more fair. Five prices to operate the government, charged by the Congress of the United States.

HISTORIC TAX RELIEF

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

Mr. PENCE. Madam Speaker, today we stand on the brink of an awesome opportunity, the opportunity to lift the burden of taxes off families, small businesses and family farms, the opportunity to pass the largest tax cut package in over 20 years. We have a moral obligation to act on this opportunity and remove Uncle Sam's hand out of the pockets of hard-working men and women.

Under the current tax system, Madam Speaker, the average dual-earner family will pay more than \$26,000 in taxes to the government. This equals out to be the first five months of their annual salary. This is more than the family will spend on food, clothing and shelter combined.

Madam Speaker, we often talk about the progress we have made. Yet, according to the Washington-based tax foundation, taxes at all levels now consume 39 percent of the average dual-earners' family income. This is more than the amount that serfs were obligated to pay to their mid-evil lords. This, simply put, is wrong.

As we enter into the final stages of the bill's passage that is being debated in conference committee today, I implore the Congress to stand firm in our commitment to working families. The House bill was a great start, but it is the bare minimum of what we can and should accomplish.

The decision to scale back tax relief over the next 10 years means that less than 25 percent of the surplus will be returned to taxpayers. Therefore, it is not only important, but imperative that we lower marginal rates on income if we are to improve the economy's lagging performance.

It does not matter how you look at it, Madam Speaker; the tax burden is excessive and tax rates are too high. Now is the time for across-the-board reductions in the rate of taxation.

While some argue that a 3.5 percent reduction in the top tax rate is adequate for what ails our economy, history tells another story. Woodrow Wilson once said, "The Congress might well consider whether the higher rates of income and profit taxes can in peace times be effectively productive of revenue, and whether they may not, on the contrary, be destructive of the business activity and productive of waste and inefficiency. There is a point at which, in peace times high rates of income and profit taxes discourage energy, remove the incentive to new enterprise, encourage extravagant expenditures and produce industrial stagnation with consequent unemployment and other attendant evils."

Woodrow Wilson was right. During the 1920s, Wilson's leadership led to massive tax rate reductions. Amazingly, revenues actually increased. This is a fact that continues to resurface throughout the taxation history of this country.

The tax cuts which President John F. Kennedy passed in the 1960s ignited a huge economic expansion. The economy grew by more than 40 percent and tax revenues climbed by more than 62 percent.

The effects of the Reagan tax cuts, Madam Speaker, were just as impressive. The economy was pulled out of a severe downturn and a 7 year economic boom of record growth took its place.

During the 1980s, the goal of tax reformers on the left and the right was to reduce marginal rates as much as possible. At the beginning of the 1980s, the top marginal income tax rate was 70 percent; by the end it had fallen to just 28 percent. Support for low marginal tax rates was so widespread that virtually every major nation followed the United States and cut marginal tax rates in the 1980s.

The reasoning behind this phenomenon is simple: If history has taught us anything, it is that a high top rate reduction seldom produces much revenue. The principal effect is to make higher taxes on the poor and the middle class more palpable. In fact, because of inflation and real growth in the economy, in just a few years tax rates originally imposed on the rich often apply to those with middle incomes. The rich, meanwhile, often evade higher rates by making increased use of deductions and other legal tax shelters. In short, Madam Speaker, higher rates tend to encourage the government to add new deductions to the already too-complex Tax Code.

Tax relief, Madam Speaker, could not be a more bipartisan issue. President Franklin Roosevelt warned of an increase in rates when he said, "Taxes are paid in the sweat of every man who labors because they are a burden on production and are paid through production. If those taxes are excessive," President Roosevelt said, "they are reflected in idle factories, in tax-sold farms, in hordes of hungry people trampling the streets and seeking jobs in vain."

Madam Speaker, we must pass this tax relief for all Americans.

TRIBUTE TO FALLEN HOUSTON LAW ENFORCEMENT OFFICERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Madam Speaker, I rise this morning with a heavy burden for the Houston community and Harris County. I want to offer my deepest respect and sympathy to the families and friends and community of two very brave law enforcement officers, who lost their lives in Houston, Texas, Harris County, this week.

First, Harris County Sheriff's Deputy Joseph Dennis, 35 years old, was shot to death just a couple of days ago. Then, following his tragic death, Albert Vasquez, along with officer Enrique Duharte-Tur, were shot. Officer Duharte-Tur was injured and is now in critical condition, but, sadly, we lost our brother, Albert Vasquez.

It is important to realize that as we are a Nation of laws, we commit ourselves to being law-abiding, and respect the fact that our officers are there every day, men and women, to protect us. And we recognize that though we may have discussions on the best way to uphold the civil liberties of all Americans, we certainly do not in any way take away from the ultimate sacrifice that these brave men and women are willing to commit.

So let me offer to the families, there are no words that can replace a loved one, particularly one who has gone off to do his or her duty, in the line of danger, and does not return home to wife and children, and mother and father, aunts and uncles and cousins. These

were tragic incidents, ones that I am appalled at.

It certainly speaks to the issue of where we go in this country; the proliferation of guns, the tragedy of young people who have lost their way and would be, if you will, directed to, inclined to, do such violent and terrible acts.

We hope the perpetrators are quickly brought to justice in this community. But as we move into Memorial Day, I would offer to say that these very fine gentleman should be acknowledged, appreciated, and their families prayed for.

Might I also add that this is Memorial Day weekend, and I would like to say to America, but particularly my community, because I am so much reminded of the men and women out of the Houston area, the 18th Congressional District and the State of Texas who gave up their lives in the line of duty in the militaries of the United States of America.

So as we leave this place, I would say to all, there may be those who are about to join their families for a good time, but I am very much aware that we should also be joining our families and appreciate the freedom that we have in this country. We have it because of the men and women who gave the ultimate sacrifice, whom we should be honoring on Memorial Day and every day, as those men and women gave their lives for us.

Freedom is not free, and we hold these truths to be self-evident, that we all are created equal, the men and women who have offered themselves in service and ultimately did not return to us, that we appreciate this Memorial Day weekend.

It is my privilege to serve in the United States Congress, but that honor and the right to engage in democratic principles and debate is all because military men and women serve around this Nation, even today, but, more importantly, that they fought in wars, like World War I and World War II, the Korean War, conflicts, and Vietnam.

So it is my special privilege to be able to say to them, thank you, thank you, thank you, for ultimately we all are better off because you lived.

Might I finish, Madam Speaker, because this is a serious time in our country, many have watched the happenings of the last era, or the last 24 hours, and they watched it with surprise. But might I say to the American people and to my colleagues in particular, bless us for having a democracy that allows change to occur peacefully.

I am disappointed that we would take this wonderful time in these few closings moments of this Congress before the Memorial Day holiday to deal with issues like tax cuts, that really do not address the people I have just spoken to, the people who need. I would have hoped we would be addressing the questions of protecting and providing better energy services for our country.