

web site for more background, [www.protiumenergy.com](http://www.protiumenergy.com).

In closing I once again want to thank you for your consideration efforts in moving this idea forward and would wholeheartedly urge the House to pass this important supplement to the ongoing Department of Energy Hydrogen R&D program which must continue. My thanks to you and your colleagues for considering this request.

Sincerely,

VENKI RAMAN, PH.D.,  
*President, Protium Energy Technologies.*

Mr. SOUDER. Mr. Speaker, I rise today in support of H.R. 5143, the H-Prize Act of 2006, a bill that represents a significant step towards our Country's energy independence.

The recent rise in gas prices has only magnified the United States' overwhelming reliance on oil. We cannot allow our economy to be held captive by nations such as Saudi Arabia and Venezuela, whose manipulation of the world oil market can cause massive price disruptions at home. Obviously, we need another way.

The forecasts of future high oil prices make possible other options, and to further transition our economy away from its dependence on foreign oil we must pursue all of them—nuclear, renewables such as ethanol and biodiesel, wind, solar—and expand our domestic oil supplies by drilling in ANWR and offshore. One of the most promising of these alternatives is hydrogen power. Hydrogen's huge advantage is that it can be created from virtually any energy source, both conventional or unconventional. Indeed, in my district a company is planning to build a "green hydrogen" plant that will use waste materials that often end up in landfills. Broadening the materials that can be used as primary energy sources increases our chances at reducing our energy imports from overseas. And furthermore, by lowering emissions of pollutants and greenhouse gases, hydrogen power is good for the environment, too.

By establishing a national prize competition for innovations in hydrogen power, the H-Prize Act will summon our Nation's best and brightest to the challenge of overcoming the technical hurdles that stand in the way of the hydrogen economy. Government initiatives are no match for the entrepreneurial power of the private sector to discover a way to make hydrogen a viable alternative to oil.

Mr. Speaker, I commend Messrs. INGLIS, LIPINSKI, and BOEHLERT for their hard work on this bill, and urge my colleagues to support it.

Ms. JACKSON-LEE of Texas. Mr. Speaker, the need for hydrogen energy is vital in a time when our dependence on foreign oil is placing a heavy burden on our economy. H.R. 5143, the H-Prize Act of 2006 will establish a prize competition to encourage the development of breakthrough technologies that would make hydrogen a practical alternative to foreign oil in our transportation sector. Hydrogen holds out the promise of being a non-polluting fuel since water vapor is the only byproduct of consuming it.

Currently, much research is needed in order for hydrogen to be stored, economically distributed, and used efficiently in cars. In order to facilitate this research, prize programs such as this one encourage more work to be done on the matter without putting much money up front. Thus, monetary awards offered for hydrogen production, storage distribution and utilization creation of a working hydrogen vehicle

prototype research are essential to promote research in these areas.

Private entities invest far more in research to win a prize than the government pays out in the prize reward. However, making this contest open to all people, especially minorities, women and disadvantaged enterprises, can help contribute significantly to these efforts.

Hydrogen technology seems ideal for a prize contest as long as it is advertised to a diverse segment of the population which includes minorities, women, small and disadvantaged businesses. Since, hydrogen technologies hold the promise of enormous reward, it is wise to encourage all to compete and provide them tools that assist in this area. At the end of the day, the Hydrogen Prize Act will help promote innovative results from a diverse community that will reduce technical and others barriers to the advancement of hydrogen technologies and the betterment of America.

Mr. WELDON of Florida. Mr. Speaker, I rise in strong support of this bill. For several years now, I have been supporting hydrogen research efforts at Kennedy Space Center and at the Florida Institute of Technology. We are making progress, but still have a long way to go if we are to utilize hydrogen as a common source of energy.

The H-Prize Act of 2006, which will advance the research, development, demonstration, and commercial application of hydrogen energy technologies, is a critical initiative in our national efforts to make hydrogen a viable energy alternative.

Hydrogen is a very promising source of energy that is both renewable and environmentally friendly. Most importantly, it is also an energy source that can be generated domestically without relying on imported energy products from unstable regions of the world.

I fully support the format for this initiative, which will award prizes based on the technologies developed. The prize format will save American taxpayers money as compared to the standard funding of research and development programs. Also, The cost to the American taxpayer from the H-Prize program is very minimal as compared to the returns that could be realized through a domestically renewable energy source.

By delivering feasible technologies in the areas of hydrogen production, storage, distribution, and utilization, the H-Prize program will solve the most problematic issues in making hydrogen a workable solution. In addition, the H-Prize program will advance the crucial efforts to develop prototypes of hydrogen-powered vehicles and, eventually, production vehicles.

Taken together, the technological advancements born out of the H-Prize program will deliver transformational changes to our energy and transportation sectors. Creative initiatives like the H-Prize will help us move toward energy independence.

Mr. INGLIS of South Carolina. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. CONAWAY). The question is on the motion offered by the gentleman from South Carolina (Mr. INGLIS) that the House suspend the rules and pass the bill, H.R. 5143, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of

those present have voted in the affirmative.

Mr. LIPINSKI. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this question will be postponed.

#### WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 4297, TAX INCREASE PREVENTION AND RECONCILIATION ACT OF 2005

Mr. HASTINGS of Washington. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 805 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

#### H. RES. 805

*Resolved*, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 4297) to provide for reconciliation pursuant to section 201(b) of the concurrent resolution on the budget for fiscal year 2006. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

The SPEAKER pro tempore. The gentleman from Washington (Mr. HASTINGS) is recognized for 1 hour.

Mr. HASTINGS of Washington. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Florida (Mr. HASTINGS), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

(Mr. HASTINGS of Washington asked and was given permission to revise and extend his remarks.)

Mr. HASTINGS of Washington. Mr. Speaker, House Resolution 805 waives all points of order against the conference report and against its consideration. The resolution also provides that the conference report shall be considered as read.

Mr. Speaker, in 2001, 2003 and 2004, Congress enacted responsible tax relief to help create jobs, grow America's economy and allow workers, families and small businesses to keep more of their hard-earned money to save, invest and spend for their future. I believe individuals and families are best able to make these decisions, not the Federal Government.

These tax relief policies are clearly working, Mr. Speaker. Over the last 5 years, tax relief has helped spur economic and job growth. The economy has expanded for 18 consecutive quarters, reaching 4.8 percent growth in the first quarter of this year alone, and the forecast for continued growth is positive.

Since enacting tax relief, national unemployment has dropped over a full

percentage point and is now down to 4.7 percent which is lower, Mr. Speaker, than the average of the 1960s, the 1970s, the 1980s and the 1990s. We have experienced 31 consecutive months of job growth, and during that time more than 5 million new jobs have been created.

The Department of the Treasury reported that Federal revenues for fiscal year 2005 totaled \$2.15 trillion, the highest level ever; and the increase is 15 percent over last year, which amounts to over \$320 billion this year alone. Homeownership is at nearly 70 percent, and the stock market is soaring. Yesterday, the Dow Jones Industrial Average surged within 85 points of its record high, which was reached in January of 2000. A new all-time high could happen any day now.

It is clear that encouraging investment leads to significant job growth which leads to a more prosperous America for America's working families.

The Tax Increase Prevention and Reconciliation conference report before us today protects families, small businesses and investors from tax increases and provides taxpayers with additional certainty. This certainty is vital to continued economic growth.

I would like to take this opportunity, Mr. Speaker, to highlight a few provisions in the conference report that allow small businesses to grow and hire more workers, encourage investment by extending capital gains and dividend income tax relief, and continued relief for millions of middle-income taxpayers from the alternative minimum tax.

Mr. Speaker, small businesses are the backbone of our economy, employing over half of all private sector employees, paying 45 percent of total U.S. private payroll, and generating 60 to 80 percent of net new jobs annually over the last decade.

In 2003, Congress allowed small businesses to keep more of their money through enhanced business expensing. It is vital that we extend tax relief to small business in order for them to grow and hire more workers. This conference report provides small businesses that tax relief.

The alternative minimum tax was originally enacted to ensure that all taxpayers, especially high-income taxpayers pay at least a minimum amount of Federal taxes. However, the alternative minimum tax is not indexed for inflation, and more and more middle-class families are adversely affected by this tax.

In 2001, 1.8 million taxpayers were subject to the alternative minimum tax. And it is estimated, over the next 5 years, 33 million, or one-third of all taxpayers, will be subject to this tax.

This conference report will extend the alternative minimum tax exemption levels through the end of 2006 and at a higher level than 2005. It also will allow taxpayers to claim nonrefundable personal tax credits such as de-

pendent care credit, the credit for the elderly and disabled, and the credit for interest on certain home mortgages against the alternative minimum tax. This will help families continue to receive the full benefit of these tax credits.

This conference report extends reduced tax rates on capital gains and dividend income for an additional 2 years. This extension will continue to encourage investment by lowering the tax burden of 24 million families, including 7 million seniors who depend on dividend income to pay their bills.

□ 1130

Mr. Speaker, the Tax Increase Prevention and Reconciliation Act Conference Report before us today is part of a commitment we made to taxpayers last year when Congress passed a responsible budget that called for spending restraint, slowing the currently unsustainable growth of automatic spending programs and extending tax relief to families and small businesses.

However, let me be clear that this conference report is not our final commitment to taxpayers. Last year, the House and Senate approved extending additional tax provisions that are not part of this conference report, including State sales tax deductibility for those States that do not have an income tax.

I look forward to working with my colleagues to quickly bring a bill to the floor that will extend this important provision as well as others that have expired, such as tax incentives to enhance affordability of higher education and spur innovation in our country through research and development.

Mr. Speaker, I urge my colleagues to support House Resolution 805 and the underlying conference report.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume, and I thank my good friend and namesake from the State of Washington for yielding me the time.

Mr. Speaker, I rise in strong opposition to this closed rule and the underlying legislation. At the outset, Mr. Speaker, let me just say that I truly do not question the motives of my Republican colleagues who genuinely believe, in my judgment, that the legislation they might pass later today will make for good public policy. I do not impugn their motives or question their determination regarding this issue, but I do quite frankly question their fiscal sanity.

It is my belief that cutting taxes to the tune of \$70 billion at a time of war and staggering human needs is, well, just financially crazy for a governmental body.

Last week, we debated port security on the floor of this House, and I heard many of my Republican colleagues say that we did not have the money to inspect all incoming containers. Well,

here apparently is some extra money for that purpose.

We hear almost daily from the President that the so-called war on terrorism costs a lot of money. In fact, we face emergency spending bills on a near monthly basis in this place. Maybe instead of having the Chinese bankroll us until they call in their chips we should use some of the \$70 billion that we are prepared now to give to the wealthiest Americans.

Today's headlines in all three of the biggest papers in south Florida that is represented by Republicans and Democrats, half and half alike, those papers announced the need for more Federal dollars, not a curtailing of services which this bill will ultimately mandate.

The Miami Herald front page says, "Miami Dade 911 System Experiencing Difficulties." Maybe they could use a few of these \$70 billion to help upgrade critical emergency communications in the Nation's eighth largest county.

Mr. DREIER. Mr. Speaker, will the gentleman yield?

Mr. HASTINGS of Florida. I yield to the gentleman from California.

Mr. DREIER. Mr. Speaker, I thank my friend for yielding and, Mr. Speaker, I think my friend makes an extraordinarily good and important point about the need to ensure that we have the resources that are necessary to fight the global war on terror and to make sure that we are able to meet all of these pressing demands that are there.

The point that I think needs to be made here, and I am going to make it in my remarks in just a few minutes, but when the gentleman was talking about it, it led me to come to my feet.

We have seen a surge in revenues to the Federal Treasury in the areas that we are talking about here, in the area of both capital gains and in dividends with that reduction that has taken place, and I know conventional wisdom in the earliest part of this decade was that if we cut taxes we would see a diminution in that flow of revenues, but between 2002 and 2004 we have seen a 79 percent increase in the flow of revenues to the Treasury because of the capital gains cut and a 35 percent increase because of the dividend cut.

So I think, though, my friend makes an excellent point about the need to make sure we reduce the deficit and have the resources to meet the pressing needs in the global war on terror and all, but the best way to do that is to keep the economy growing, and that is exactly what this package is doing.

I thank my friend for yielding.

Mr. HASTINGS of Florida. Mr. Speaker, I would respond to the chairman simply by saying that you ignore the fact that the deficits are sky high in this surge of revenue of which you speak, and the needs, I might add, of those that are most vulnerable in our society have not been reduced. The poor and the near poor are feeling the effects of us, and what we are really

doing is we are taking care of the wealthiest people in our society. As a matter of fact, we fall in that category. Those of us that make \$165,000 a year here, we are getting the benefit, and the people at the bottom that we are going to cut the services to are getting hurt.

Mr. DREIER. Mr. Speaker, if the gentleman will further yield, just to take each of the points my friend has mentioned, and I thank him for yielding to me on this.

First, if you look at this issue of the deficit, I do not know if my friend is aware of the fact that we last month saw a monthly budget surplus in the months of December and January, we actually saw a monthly budget surplus, more money coming in than was going out for that month. That is even though we have to deal with the war on terror, the war in Iraq, because of Hurricane Katrina and those very important needs which my friend has addressed so well.

Obviously, meeting the needs of those who are less fortunate is something that is important. I would argue that those in the upper income brackets are paying more, and it is not just my argument. It is actually the facts, and this was pointed out in an op-ed piece the other day.

Americans who are earning in excess of \$200,000 a year saw nearly twice, actually more than twice, the amount in tax payments than all other Americans earning less than that, meaning that their payments to the Federal Government, even though they got this tax cut, they were paying more in taxes because of the economic growth that we have seen. Actually, it was nearly 20 percent, and so what has happened is the rich are paying more in tax payments to the Federal Government, and so they are not the great beneficiary of this.

Yes, they are encouraging more investment, but we have seen an increase in the Federal revenues.

Mr. HASTINGS of Florida. Mr. Speaker, reclaiming my time, I have been very generous in yielding, and I hope at some point in the future you will do likewise.

Mr. DREIER. Absolutely.

Mr. HASTINGS of Florida. Mr. Speaker, I hear you, but what you ignore is the fact that when President Bush took office we had a surplus in this Nation and now we have deficits. I mean, we cannot keep swiping the Chinese, Japanese, Saudi Arabian card to pay for the war. You cannot have guns and butter, and I think we have proved that more times than one in this Nation.

Insofar as your argument about the wealthiest paying more taxes, let me just give you today's Washington Post and the analysis that they put forward and just use as a "for example" someone making \$40,000 to \$50,000. Their average tax savings under this particular measure will be \$46. That amounts to just a little bit more than a tank of gas

if you ain't driving an SUV, but someone who makes \$500,000 to \$1 million gets \$41,000. The persons, Jane Lunch Bucket and Joe Lunch Bucket, who are in the category of \$20,000 to \$30,000 get \$9. They cannot even buy 3 gallons of gasoline.

The Palm Beach Post front page reads today, "Farm Workers Still Waiting on FEMA Aid," and I know that all too well from the calls in my office every day. So maybe some of my constituents in Bell Glade and Pahokee and Clewiston and South Bay and Canal Point might like to see a slice of this \$70 billion kickback we are giving to the most well off in this country.

In the South Florida Sun-Sentinel, a large newspaper where CLAY SHAW and DEBBIE WASSERMAN SCHULTZ and I represent that area, are reports on a theft at a homeless shelter which led to \$3,000 worth of spoiled food. So while we give roughly \$42,000 tax cuts for those in the country making more than \$1 million, a footnote right there: People making \$1 million have not been flooding our offices with calls saying give me some more money. They are willing to share. But what we have gotten into is an argument here that seems to make it sound like we do not like rich people. All of us wish we were rich people, but what we are saying is that rich people have the same responsibility as all of us do in sharing and caring about the least of us in this society. People in south Florida and throughout this country are going to go hungry tonight while we go about our business here allegedly fixing their problem.

My Republican friends have and will continue to argue all today that these irresponsible tax cuts establish a strong economy and are necessary to continue this myth of growth. That is just plain old hocus-pocus, and the money that you talk about is funny money, phony money, because the deficit absorbs it any way you look at it economically.

Mr. Speaker, I beg to differ. Facts can be stubborn things, but I think we ought to discuss them anyway. Since this President began to work with this rubber-stamp Congress, 1 million more Americans are unemployed today than there were in January 2001.

Last night, I said to the chairman, if this economy is so good, why is it I feel so broke, and I make \$165,000 a year, like every other Member of the House of Representatives, and am barely able to have minimum discretionary income.

5.4 million more Americans live in poverty today than they did 6 years ago, and 6 million more Americans are without health insurance. Some 45 million Americans in all are uninsured.

And these are things we should be proud of? These are signs of a strong economy? Where is the shame? Better yet, where is the decency to those that are the least among us in this society?

How dare we absorb resources to our wealthy selves and cut spending when

people here and all over the world expect better of the United States of America.

Some of the same money could be used to take care of the impoverished conditions and the significant number of people that have been pushed into lower than middle class or you could argue intent to eliminate the middle class in this country.

Mr. Speaker, I recognize that others want to speak on this critical issue so I will not go on longer right now. I think, however, that the distinguished Senator in the other body, Ms. SNOWE from Maine, summed it up perfectly yesterday when criticizing this bill. After reflecting on the fact that the preponderance of the benefits of this bill go to upper income people, Senator SNOWE said simply, "It's a question of priorities."

Indeed, it is, Mr. Speaker. We should prioritize those Americans who have the greatest needs, not those who have the greatest wealth, and when I hear the rest of what my colleagues are going to say, they are going to say all the things we are going to do before we get out of here and go have our death grip fight in November about we are going to fix it for the poor. In the meantime, some more poor just got poorer and some more rich just got richer.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield as much time as he may consume to the gentleman from California (Mr. DREIER), the distinguished chairman of the Rules Committee.

(Mr. DREIER asked and was given permission to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, I have to say that my friend in his opening remarks said that he did not question our motives, and I appreciate the fact he did not question our motives. He basically said he thought we were insane. He questioned our sanity. I understand that means slightly insane, but the fact is my friends on the other side of the aisle, Mr. Speaker, appear to be fearless in the face of the facts because the facts clearly are that no matter how you try to obfuscate it we are enjoying tremendous economic growth because of the tax cuts.

I am a proud Republican. I am a proud Republican, and by virtue of being a Republican I was born to cut taxes. I am proud of the fact that I was born to cut taxes because I believe that not only should people be able to keep more of their own hard-earned money, but I believe that cutting taxes is what generates the kind of economic growth that will allow us to deal with the extraordinarily pressing problems that my friend from Fort Lauderdale mentioned.

□ 1145

It is clear we want to do everything we can to help the underclass, the poor,

those struggling to get onto the first rung of the economic ladder. There is no doubt about that. I do not believe we do anything at all to help those who are struggling by trying to penalize the job creators.

The founder of my party, Abraham Lincoln, said it best, although I guess he didn't actually say it, but he is always credited with saying that you can't pull up the wage earner by pulling down the wage payer.

So the standard old argument of class warfare, us versus them, is a tired, worn and failed argument. I believe we need to do everything we can to again look at the facts. The facts are that the first quarter of this year saw a 4.8 percent gross domestic product growth. Virtually unprecedented, very strong, bold, dynamic growth. We are going to see the Federal Reserve have a 250 basis point increase in interest rates. Why? Because they are making sure we do not go into inflation. I am not a proponent of seeing the 16th consecutive increase in rates, but the fact is we do have a growing economy.

As we look at those who are struggling to get onto the first rung of the economic ladder, it is very important to note that they are individuals who frankly are enjoying a higher standard of living than has been the case in the past.

Last night in the Rules Committee, Mr. HASTINGS and I engaged in a discussion on homeownership and the savings rate. We know it is regularly discussed that Americans are not huge savers. We do not have as high a savings rate as some other countries do, but when you look at the level of homeownership in this country, the highest level of minority homeownership that this Nation has ever seen, in excess of 50 percent of those in the minority community own their homes. On a nationwide basis, it is nearly 70 percent of the American people own their own homes. That is forced savings. As people pay down their mortgages, they are seeing their asset, their savings increased. Obviously as we see the increase in value of property, we are also seeing those savings increased. So that is taking place today.

And to the argument, Mr. Speaker, of this lack of revenues to the Treasury, as I said to my friend just a few minutes ago, during the month of April we actually saw a budget surplus. We saw a budget surplus for the month of April that has come about because of the economic growth that was put into place through these tax cuts.

Now we want to encourage investment. We hear Republicans and Democrats alike talk about the need to encourage investment. Frankly, one of the reasons that this measure is so critically important is that we look at the problem of uncertainty out there.

The reduction of the rate on capital gains and dividends to 15 percent is, if we do nothing, set to expire in 2008. What does that mean? It means there will be a tax increase that clearly will

slow the economy if we do nothing. So what is it that we have found by making sure that we keep that rate low and extending it for at least 2 years? I and a majority of this House would like to make it permanent. Unfortunately, because of rules in the other body, we have not been able to make it permanent. But we need to make it permanent and at least extend it for these 2 years. Why? So the job creators out there can plan and save for the future, so they can make long-term investments that will create more jobs and opportunities for the American worker.

Mr. Speaker, if you look at what has happened, again we have seen an increase in the flow of revenues to the Treasury because of what it is that we have done here.

My friend raised concern about middle income Americans. That is one of the reasons that we addressed the so-called alternative minimum tax. The alternative minimum tax, because it was not indexed, is a tax that has not just hit the rich, but has hit middle income wage earners. That is exactly why we will be providing relief to millions and millions of middle income workers in this country with the AMT provisions included in this bill.

I think it is also important for us to note that there are some real specifics we can point to that we have seen by virtue of these tax cuts that were put into place.

In the early part of this decade, time and time again we heard our friends on the other side of the aisle say if you cut taxes the economy is going to go right into the tank and we will see the deficit go sky high when in fact the opposite has been the case in both instances. Between 2002 and 2004 we were able to see a 79 percent increase.

Mr. HASTINGS of Florida. Mr. Speaker, will the gentleman yield?

Mr. DREIER. I yield to the gentleman from Florida.

Mr. HASTINGS of Florida. When you speak of the middle class, what is the income of the middle class?

Mr. DREIER. The income of the middle class, that is people earning \$40,000 to \$70,000 a year.

Mr. HASTINGS of Florida. If the chairman will continue to yield, in the calculations under the AMT as he proposes they will get between \$9 and \$14. That person in the middle class, how in the world is that helping them?

Mr. DREIER. Mr. Speaker, I thank the gentleman for his question. It is very clear that we are providing relief to middle income wage earners who would get no relief at all under the AMT provisions that our colleagues were very supportive of putting into effect in the past.

We are providing relief because we are seeing their standard of living increase. Obviously we have a lot of problems. Gasoline prices, we want to do everything we can to help us attain self-sufficiency by increasing refinery capacity, dealing with boutique fuels and other problems that are out there.

But we have seen the standard of living for the American people improve dramatically because of these tax cuts.

As I was saying, we have seen a 79 percent increase in the flow of revenues to the Federal Treasury between 2002 and 2004 because of reducing that top rate on capital gains to 15 percent. Similarly, from the dividend tax relief we have seen a 35 percent increase.

Again, I would harken back to the arguments that were made in the early part of this decade when President Bush came forward and this Republican supported the notion of reducing taxes to increase economic growth, and the argument that was made was it would ruin us.

We know we have tremendous costs out there. We have costs like dealing with the war, and thank God we are seeing this week under Mr. Malicki's government a new cabinet go into place in Iraq. We are seeing progress there.

Similarly, if you look at the fact that we have tremendous costs related to Hurricane Katrina, unanticipated. We do have responsibilities there. And yes, as my friend from Fort Lauderdale said, it is essential that we do all we can to provide assistance to those who are truly in need and to help them get onto the economic ladder. That is why when you have a 4.7 percent unemployment rate, virtually full employment in this country, we are doing all that we can to find more opportunities, and that is what this measure is all about, and generating the kind of growth that will allow us to have the resources to meet these very pressing needs is essential as well.

If you don't vote for this bill, you are voting for a tax increase, you are voting for a tax increase on those middle income wage earners who are getting relief from AMT and on the job creators out there who are successful.

So I believe we have a win/win. I hope very much we will see Democrats join with Republicans to keep our economy growing, help us meet the pressing needs that are out there, and make sure we can have the kind of success for which the United States of America is known.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume and remind the chairman just one thing: I think everybody in America knows the difference between \$9 and \$42,000, and under the AMT provision, persons making \$40,000–\$50,000 get \$9. Under the AMT provisions, people making between \$500,000 and \$1 million get \$42,000. That is not rocket science. That is real money that is not going to middle class people.

Mr. Speaker, I yield 5 minutes to the gentlewoman from New York (Ms. SLAUGHTER), the ranking member of the Rules Committee, who can talk about industrial circumstances in her district.

Ms. SLAUGHTER. Mr. Speaker, let me first say something about the rising standard of living in America. We have

lost over a million manufacturing jobs that were paying good wages with good futures, and many people employed in those jobs, lucky enough to find a second job, found on average they are making \$9,000 less a year, plus little or no benefits.

There is no way in the world that can ever translate out to other than a falling of the standard of living in America. Sure, it is better for the guy who retired from Exxon with \$400 million, but we are not in that class in Rochester.

Mr. Speaker, leadership is about choices. When this Republican leadership allows a bill to be debated on this House floor, they are in effect telling the American people that this is the most important challenge we face in America today. Why? Because they have chosen this over everything else.

I can tell you with certainty that if Democrats controlled the agenda in the House we would make different choices. Instead of passing yet another tax cut bill that benefits millionaires, billionaires and giant corporations, Democrats would be voting to raise the minimum wage. We would be leading the way to fix our broken health care system, or creating a comprehensive, consumer friendly energy policy.

Today, Democrats would be passing legislation that would ensure a degree of accountability, transparency, integrity and competence in this government, all of which have been missing far too long.

But today, for this leadership, none of these issues which affect the lives of hardworking Americans are as important as providing even more tax cuts for the super-rich, and indeed their record of failure on each of these items I have mentioned is a telling indicator of where their priorities really lie.

There is a widely used saying in the business world that I think is particularly salient this morning. It says the definition of insanity is doing the same thing over and over again and each time expecting a different result.

We have been down this road before and all one needs to do is look around to see exactly where it has taken us. For years this leadership has passed bills that have raised our deficits and increased our staggering debt. And while they give away big tax breaks for the wealthiest corporations in the world and provide more obscene tax relief for the wealthiest 1 percent of Americans, and the rest of America gets left behind holding the check, my friends on the other side will no doubt tell you that this will provide needed tax cuts for the working class and middle class, too. Isn't that what they always say?

But the facts, as usual, tell us a different story. Under this legislation the middle income households receive an average cut of \$20, which is less than half a tank of gas.

According to the Brookings Institute which gives figures we use very often here, while 0.02 percent of the house-

holds, those with incomes over a million, would receive an average tax cut of \$42,000, the bill represents a classic example of what economists call trickle-down economics. By cutting capital gains and dividend taxes and reducing the revenue that the Federal Government receives and redirecting it to the coffers of big business and the super-wealthy, the majority tells us they are going to spur investment and create more jobs.

They told us the same thing in the 1980s, too, and it didn't work. Instead of investing that money in our economy, corporations and the super-rich sent our tax dollars overseas, along with our jobs. We ended up with out-of-control deficits and the largest debt in American history, superseded only by the debt we have today.

Ironically, the very man who originally labeled trickle-down theory as "voodoo economics," our current President's father, lost his own Presidency because of the stagnating economy and staggering debt that became the legacy of trickle-down economics in the 1980s.

So why would they be proposing that failed policy once again? Today's Washington Post may have the answer. It described what has truly befallen this majority: a "bankruptcy of ideas."

With Republicans, it is the same story again and again no matter the results. What they have given us, Mr. Speaker, is a commitment to a legacy of failure. The only difference is today the American people's eyes are wide open.

Mr. HASTINGS of Washington. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER), the chairman of the Rules Committee.

Mr. DREIER. Mr. Speaker, my friend from Pasco understands this very well, and he has done a great job of providing leadership on these economic growth issues.

Mr. Speaker, my friend from Rochester and my friend from Fort Lauderdale are two people for whom I have the highest regard. I really do. I enjoy working with them on the Rules Committee, and I just had the thrill of participating in the Canada-U.S. Interparliamentary Conference with my friend from Rochester, dealing with areas of concern as it relates to our neighbor to the north.

But I have to say, as I listen to the arguments that are being propounded by both of my friends from the other side of the aisle, they represent little more than what I describe as the ideological baggage of the past.

□ 1200

Now, my friend from Rochester has just talked about the 1980s. It is true that we saw a tremendous increase in spending during the 1980s, a lot of increased spending in the area of national defense. And we saw the demise of the Soviet Union. The Cold War came to an end.

During the 1980s, Mr. Speaker, because of the 1981 Economic Recovery Tax Act, I think I am the only Member on the floor now who was here at that time, and I am very proud to have voted for that. We put into place across-the-board tax rate reductions, marginal rate reductions. And Mr. Speaker, what happened? We saw a doubling of the flow of revenues to the Federal Treasury during the 1980s.

People continue to try and rewrite the history of the 1980s, somehow implying that we saw the U.S. economy go right into the tank. We saw a surge in economic growth and a doubling in that flow of revenues to the Treasury. And so I think that this notion of class warfare, us versus them, is a tired, old, failed one.

Now, my friend just referred to the tax reduction that an American who is earning \$40,000 will get juxtaposed to someone who is earning hundreds of thousands of dollars a year, who will get a \$41,000 tax reduction. And he referred to the fact that someone will earn \$40,000 and get a very small tax cut, and that person in the upper bracket will get a \$41,000 tax cut.

I mean, I would ask my friend, does he advocate that the person earning \$40,000 a year get a \$41,000 tax cut?

Mr. HASTINGS of Florida. Mr. Speaker, will the gentleman yield?

Mr. DREIER. I yield to the gentleman from Florida.

Mr. HASTINGS of Florida. Absolutely not.

Mr. DREIER. The point that I am making, Mr. Speaker, is the fact that if you look at someone who is paying taxes, you look at what their tax liability is, and again I get to the point that we raise that we have seen the American people who are earning in excess of \$200,000 a year, Mr. Speaker, having a tax payment to the Federal Treasury that is twice that of all other taxpayers, twice that of all other taxpayers, the rate of growth of that.

And so I think that we need to realize it is the job creators who pay taxes and it is the job creators who, with tax relief, will be able to create more opportunity in this country to make sure that those who are less fortunate, those about whom my friend from Ft. Lauderdale and I are concerned.

And to somehow imply that there is not concern on this side of the aisle for those who are trying to have opportunity in this country is a preposterous argument. We care even more, I would argue, because we are the ones who are guaranteeing everything possible to provide them with opportunity will be met.

And so I say, Mr. Speaker, that we are in a position where this measure is going to allow investors to plan and save. It will provide a little certainty. And we need to remember that more than half of the American people, 91 million Americans, are today members of the investment class. One of the things we need to note is that many people who are earning \$40-, \$50-,

\$60,000 a year, in fact, the income for the median shareholder in this country is \$65,000 a year, not considered to be very rich, but they will be the beneficiaries of keeping this capital gains rate and the dividend rate at 15 percent.

And so that is why, Mr. Speaker, I believe that this is a measure which is going to be beneficial all the way across the board.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume, in large measure to respond to the distinguished chairman from California, who is my friend.

The arguments that Chairman DREIER makes, among other things, are that Ms. SLAUGHTER's and my arguments are tired in the sense that from an ideological point of view, we somehow or another don't understand the dynamics of wage payers providing for wage earners.

Mr. Speaker, we don't have the time to go into every nuance of persons who make a lot of money. But a lot of people that make a lot of money that are going to benefit from this tax don't hire anybody because they don't own any businesses. They have been legatees. Some of them were born rich, and all they have ever had to do is invest. But some people were born poor and have never had an opportunity to get out of that.

In essence, I believe that most Americans are willing to share. Evidence the fact that until very recently, we have been the greatest givers to charity, not the government, but individuals, and that is small and large contributors to charity. We know that there are great moral standards in this country, and among them is the fact that we, as a community, care about each other.

But you cannot convince me that you have been good economic stewards of the revenue that has come into this country. And, Mr. Chairman, you can't have it both ways.

If, as some would argue, the distinguished late President Ronald Reagan's economic policies were successful, and they were successful, those, in part, would argue because of a reduction in taxes, and at that particular time, you argue everything that happened, and you somehow skip over the success of the 1990s, I question whether or not you are mindful that during that period of time taxes were increased.

I was here, you were here when Marjorie Margolis Mezvinsky walked down this aisle in tears and cast her vote and didn't come back here. But the economy in this country took off, and we had a dynamic surplus when Bill Clinton went out of office.

Now, I don't know how you account for the trickle down of Ronald Reagan and then the fact that there was the gap that you don't allow for. But I am asking you to, at the very least, allow for the success during the Clinton administration that nobody can deny. And you can't deny that when you came into power with this President,

we had a surplus, and today we have deficits as far as the eye can see.

The American public will eventually understand that we are going to pay for this stuff. And you know where President Bush is going to be? He is going to be back at his ranch. He is going to be doing good things for America as a civilian in 2009 when the baby boomers hit and all of this stuff hits the fan.

Just one more thing. This chart reflects, and I ask you to refute it if you can, Mr. Chairman, that income in dollars, 2005, the average tax saving for people making 10,000 to 20,000 is \$2; 20,000 to 30,000, \$9; 30,000 to 40,000, \$16; 40,000 to 50,000, \$46; 75,000 to 100,000, \$403; 100,000 to 200,000, \$1,388; \$1 million, \$41,977.

Now, millionaires have a right to have all the money that they can. But if you ask them, I believe that they want to share it with the poor. I believe they want to see that other 50 percent who do not have affordable housing have affordable housing. I think they want to help to cure the problems of AIDS. I don't think that they want to see people pushed out into the streets in nursing homes. I don't think that they want to see the suffering that is going on in the insufferable triumvirate of inadequate jobs, inadequate education and inadequate housing.

There may be this big boom on Wall Street, but on Main Street, there is hell to pay.

Mr. DREIER. Mr. Speaker, will the gentleman yield?

Mr. HASTINGS of Florida. I yield to the gentleman from California.

Mr. DREIER. I thank my friend for yielding. And my friend has made several very important points, Mr. Speaker. And let me just go back to his earlier argument about the Clinton years.

The gentleman is absolutely right. We saw a surge in economic growth during the Clinton Presidency. It was economic growth that actually began before he became President. Virtually every economist has acknowledged that economic growth.

Mr. HASTINGS of Florida. Reclaiming my time to ask a question. Are you saying that those tax cuts didn't help this country?

Mr. DREIER. The tax cuts, yes. The tax increases did not help the country.

Mr. HASTINGS of Florida. And are you saying that those tax increases that you voted against and I voted for did not cause this economy to boom?

If we use that argument, my mom used to say something to me that was really interesting. She said, All you all do is go up there and say that the other people did it if it is bad, and if it is good, you did it.

If you use the doctrine of relating back, then if Bush didn't cause the deficit and Clinton didn't cause the surplus, and former President Bush didn't cause anything, and Reagan caused the economy to take off, by that standard, George Washington did it. My goodness gracious, man. The 1990s were real.

Mr. DREIER. If the gentleman would yield, I was just building my argument to talk about the great policies of President Clinton.

Mr. HASTINGS of Florida. I yield to the chairman.

Mr. DREIER. I thank my friend for yielding.

And, Mr. Speaker, what I was arguing is the fact that the economic growth that we saw during the 1990s began before Bill Clinton became President. Virtually every economist has acknowledged that.

Now, in 1993, we saw the largest tax increase at that time in our Nation's history. It was put into place, and I voted against it. I said, I am a Republican and I was born to cut taxes. I am proud of the fact that I voted against that tax increase.

I will never forget, late one night, Bill Clinton, in giving a speech to business leaders in Houston, Texas, said that he believed that that tax increase in 1993 was too much. He said he raised taxes too much. He later regretted that. He said that his mother told him he shouldn't, when he was tired, give a speech like that.

But the fact is I believe the truth came out in that speech that he delivered in 1994. I don't remember exactly when it was. But the tax increase went into effect in 1993.

Then we need to look at what happened in the 1990s. A year after the largest tax increase was put into place by President Clinton, what happened? For the first time in four decades the body that, according to article I, section 7, of the U.S. Constitution has the responsibility for taxing and spending changed hands. And what happened? In 1994, we won our majority, 12 years ago. And we immediately began our quest to cut taxes.

Mr. HASTINGS of Florida. Reclaiming my time, Mr. Chairman.

Mr. DREIER. It was a joint effort with President Clinton is what I am saying.

Mr. HASTINGS of Florida. A joint effort speaking well for divided government, and the precursor to what is coming in November when doubtless we have divided government again.

Mr. DREIER. God forbid.

Mr. HASTINGS of Florida. And we have secured the deficit that you created, or maybe it was George Washington.

Mr. Speaker, I yield back the balance of my time.

Mr. HASTINGS of Washington. Mr. Speaker, this has been an absolutely fascinating exchange between my friend from Florida and the distinguished chairman of the Rules Committee, and I have been enjoying it. This is exactly, I think, what our Founders thought the House should be is a time to debate great ideas and come to conclusions and so forth.

Let me make a few points here that were made and just kind of, hopefully, put things into perspective.

I think this rule that will support the underlying bill is a very good rule. I



think the underlying bill is a very good rule.

My friend from Florida talked several times about the deficit. I am concerned about the deficit too. But I think you have to put this into some sort of a historical perspective. Right after the war, Second World War, the percentage of the deficit as it related to GDP was extremely high. I think it was well in excess of 10 or maybe even 15 percent.

This year, according to CBO, the deficit as a percentage of GDP is 2.6 percent. To put that into perspective, during the 1980s it was in excess of 5 percent before the economy started to grow.

If we maintain this policy, and we certainly have a responsibility in this body to control the spending, not only discretionary spending, but mandatory spending, which we did last year in our budget resolution, and which we want to do again this year with our budget resolution, if we stay the course on that, the percentage of debt, as opposed to GDP, will be down to less than 2 percent. I think that is a trend in the right direction.

Mr. Speaker, I think this, as I mentioned, is a good rule. The underlying bill is a good rule.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. CONAWAY). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the yeas appeared to have it.

Mr. HASTINGS of Florida. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

□ 1215

#### GENERAL LEAVE

Mr. COLE of Oklahoma. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on House Resolution 806.

The SPEAKER pro tempore (Mr. JINDAL). Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

#### PROVIDING FOR CONSIDERATION OF H.R. 5122, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2007

Mr. COLE of Oklahoma. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 806 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 806

*Resolved*, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 5122) to authorize appropriations for fiscal year 2007 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2007, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Armed Services now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. All points of order against the committee amendment in the nature of a substitute are waived. Notwithstanding clause 11 of rule XVIII, no amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each such amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendments are waived. After disposition of the amendments printed in the report of the Committee on Rules, the Committee of the Whole shall rise without motion. No further consideration of the bill shall be in order except pursuant to a subsequent order of the House.

The SPEAKER pro tempore. The gentleman from Oklahoma (Mr. COLE) is recognized for 1 hour.

Mr. COLE of Oklahoma. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentlewoman from California (Ms. MATSUI), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, on Tuesday the Rules Committee met and reported a rule for consideration of the House report for H.R. 5122, the Fiscal Year 2007 National Defense Authorization Act.

Mr. Speaker, the rule is a structured rule. It provides 1 hour of general debate equally divided and controlled between the chairman and the ranking minority member of the Committee on Armed Services. It waives all points of order against consideration of the bill.

Additionally, it provides that the amendment in the nature of a substitute recommended by the Committee on Armed Services now printed in the bill shall be considered as an original bill for the purpose of amendment and shall be considered as read.

It waives all points of order against the amendment in the nature of a substitute recommended by the Committee on Armed Services and makes in order only those amendments printed in the Rules Committee report accompanying the resolution.

Furthermore, it provides that the amendments printed in the report accompanying the resolution may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole.

The rule waives all points of order against the amendments printed in the Rules Committee report, and the rule provides that after disposition of the amendments printed in the Rules Committee report, the Committee of the Whole shall rise without motion and no further consideration of the bill shall be in order except by a subsequent order of the House.

Mr. Speaker, today I rise in support of the rule for H.R. 5122 and the underlying legislation. This important legislation takes a number of dramatic steps to better the lives of our servicemen and women, increase our defense capabilities, and more aggressively conduct operations in the generational global war on terror that is now under way. It is a bill that fundamentally addresses many of the transformative challenges for the future and provides many of the interim steps to meet those challenges.

Mr. Speaker, as a member on leave from the House Armed Services Committee and a member of the Rules Committee, I firmly believe that this legislation takes the appropriate and necessary steps to better secure America's security and more successfully prosecute the war which we were drawn into on September 11, 2001.

To fully appreciate the significance of H.R. 5122, one must understand the four long-term challenges that we face in the 21st century security environment. Briefly put, these challenges are, first, responding to the dramatic procurement holiday we took in the 1990s; second, responding to the operational demands for the transformation of our forces; third, responding to the operational and strategic demands for increased end strength; fourth, shaping our military for a generational war, the global war on terror.

Mr. Speaker, these challenges are not options. They are requirements that the Armed Services Committee must address on a continuing basis. I am happy to report that there is a bipartisan agreement that the committee has done precisely that in H.R. 5122.

The gentleman from California, Chairman HUNTER, and the gentleman from Missouri, Ranking Member SKELTON, have worked in a good, bipartisan