

have here that come and discuss these issues. And it seems that the major problem that we have in this country is that we do not have any checks or balances. The House, the Senate, and the administration are all controlled by Republicans. So if you don't have any checks and balances, we will have zero balance in the bank account.

Mr. SPRATT. As a matter of fact, our Republican colleagues control the House. They have a majority in the Senate, and, of course, they control the White House. So they cannot escape responsibility for these fiscal results.

Ms. CORRINE BROWN of Florida. Thank you for giving me an opportunity to join you all this evening.

Rubber Stamp Republicans: There is a very good reason why 77 percent of the American public does not believe that the United States Congress represents their interests. Instead of debating a fair minimum wage bill, tomorrow we will be debating the Repeal of the Estate Tax for millionaires!

Instead of dealing with high gas prices, Republicans want to talk about gay marriage. Instead of providing the services that the veterans need when they return from Iraq, the Republicans want to talk about flag burning.

Just last week, seven House Republicans joined Democrats in supporting an increase in the minimum wage, but yesterday, when the measure came up in the CJS appropriations bill, they suddenly changed their minds, joining the rest of the Republicans in ignoring the needs of seven million hard working minimum wage workers.

So while ignoring the needs of hardworking low-income workers, House Republicans once again will vote to reward those who least need help!

Just as they rewarded Halliburton, they continue to award big oil companies huge tax breaks at the expense of hard working Americans paying over \$3 per gallon!

The White House is collecting our phone records and tapping our phones, yet has no interest in investigating the abuse and fraud by Halliburton in Iraq.

It is high time our country needs a change in direction! We need new energy policies, Iraq policy, higher education policy, health care policy, transportation, national security, and the list goes on and on and on! And this needs to be done in a fiscally sound way, not in a way that puts our children into more debt than they're piled in already.

Ms. WASSERMAN SCHULTZ. Thank you so much, Mr. SPRATT and Ms. BROWN. We are so glad to have you here with the 30-Something Working Group.

Mr. SPRATT. Does that mean I get to join the 30-Something Working Group?

Ms. WASSERMAN SCHULTZ. We will adopt you as a member.

And we would like to remind the Members, Mr. Speaker, that all of the charts and documents that we have talked about tonight are on our Web site, housedemocrats.gov/30something.

THE STRENGTH OF THE AMERICAN ECONOMY

The SPEAKER pro tempore (Mr. KUHLMAN of New York). Under the Speak-

er's announced policy of January 4, 2005, the gentleman from Iowa (Mr. KING) is recognized for 60 minutes.

Mr. KING of Iowa. Mr. Speaker, I certainly appreciate the responsibility and the privilege to speak to you in this House and to represent my constituents here.

I came over here to raise the issue on a number of bits of subject matter. And as I sat and listened, of course, the subject changed a little bit as I listened to the group here on the other side. And I think that it is important to edify Americans as to the difference between Republicans and Democrats. And I am just really grateful that when I was born and I was reared in a family, I began to build a certain attitude about life. And as that attitude unfolded, I was taught from the beginning to fend for yourself. You are going to have to get out there and make something out of yourself in this lifetime because nobody is going to do it for you. Your ship will never come in. Take control of your life. So at an early age, I realized that when I was born, my glass was half full and it was my job to get out of bed, go to work every day, and go ahead and fill that glass up.

I was not raised with an attitude and neither did I gather an attitude that my glass was half empty. I was always grateful that I was born here in America. And when I would ask my parents, what is the best country in the world to come from? They would always answer, The United States of America is the best country in the world. Eat your cold mashed potatoes. There are people starving in China.

That is kind of the composite of the upbringing that I had. But grateful for this Nation, and I would always ask why, what is the difference? And probe into these other countries. And, of course, the people starving in China part was what we talked about then. But country after country in the aftermath of World War II, we were the only surviving industrial nation, and this Nation that had preserved freedom for the world, for the entire globe, and had we not done that, we would not be standing here today speaking in English, for example, Mr. Speaker, but speaking in a free way with free ideas and having this free exchange.

I stand at the same spot on which Tom DeLay gave his last speech here in this Congress. And he made a point that I think is an important one. And that is that, yes, there is partisanship and, yes, we have sharp disagreements. We have those disagreements because we have a Constitution that protects our right to do so. But he made a point that was, you show me a Nation that does not have partisanship and I will show you a tyranny. So when we disagree, we need to be grateful that we can disagree, and we should base that on fundamental philosophical differences and highlight those.

But there is a difference in human nature. Part of human nature is like me that sees our glass half full. Part of

human nature is like the people on the other side of the aisle that see their glass and the glass of their constituents as half empty. And that is all right if you look at it from that perspective. But then you have to take it to the next level. And the next level is those that see their glass half full set about going to work to fill it, and we pull each other up the ladder because we know that as we all go out and work and produce and market and save and invest that that helps everyone, that this economy grows. This is not a zero sum game. It is not a goose that has so many golden eggs in it where we can just simply slaughter the goose and harvest the eggs. It is an economy that needs to have inputs. It needs to have capital investment, both intellectual capital and real dollars in a real way. We need to have entrepreneurs. We need to keep generating new ideas. This organism of our economy, has a lot of components in it, and it needs to be working and churning. And when we go in there and we tap into this organism of our economy and we start to take from it and not put into it, then it slows down the growth of our economy and it grows slowly.

But this was an economy that when Ronald Reagan was sworn in outside this building in 1980, the Dow Jones was below 1,000. I do not remember the exact number, but I know it was below 1,000. Today it is at 11,000. That is a good measure of what has happened with our economy, and that should be something that should tell, Mr. Speaker, the American people that when your glass is half full and you go to work to fill that glass up the rest of the way and you help your brethren up the ladder along the way that the sum total of the size of the pie, which is divided up amongst now 300 million Americans, gets greater and greater and greater, and that means when the pie is bigger, the size of the pieces can be bigger for each individual that is involved. This is not a matter of taking from the rich and giving to the poor. This is a matter which the argument that I am hearing really slows down this economy and that when you tax someone for the labor they do, you punish them for that labor.

Ronald Reagan also said what you tax, you get less of.

□ 1830

So we have a first lien on all productivity in America. The Federal Government has the first lien on all productivity in America. So we tax production. We tax earnings, savings and investment. We tax Social Security, we tax your pension, we tax your capital gains, your income tax, your corporate income tax, your partnership income tax. Also we tax your earnings on investments and your Alternative Minimum Tax. All those things are taxed.

Well, when there is a tax applied to anything, it is a disincentive to

produce. So the first lien on all productivity in America slows down the productivity in America, but it does gather dollars from those wages to run the Federal Government.

Now, if you think your glass is half empty and it is not a growing economy, but simply something, a same size pie every year that gets divided up differently depending on who has the political power, not depending on who produces into this economy, eventually what you are doing is you are killing the goose that lays the golden eggs, harvesting the eggs and thinking somehow there is going to be another goose come along.

Mr. Speaker, it will not. There will not be another goose come along. This is the one we are going to have to nurture. This economy that is growing, the one producing the golden eggs that are popping out here, it is because people have invested capital and taken risks and put in sweat equity and had a vision and made a sacrifice with their time and their dollars, and sometimes from their families, to make their businesses run or to go to their jobs to help their companies operate, or sit in the basement or up in the attic working sometimes working on inventions that become creative inventions that increase and contribute to this dynamic economy that we have.

So much was said about the national debt. My glass is half full and I am going to work to fill it up. Most Americans are doing that. That is why Republicans have control of the House, the Senate and the White House.

Some folks believe their glass is half empty, and if they sit around with their tin cup, then let me tell you, that cup will never be full. You have to take charge of your life.

Now, that doesn't mean that we don't have compassion. In fact, everybody in America has access to high quality health care. We have the highest percentage of personal ownership of their homes ever in the history of the United States, and, I would submit, in the history of the world. That home ownership was at 68 percent the last time I checked. If you go into the poverty regions, you have a higher home ownership there than ever before. This administration has been great for people who are on the lower income side of this, and I have got a proposal I will talk about that will make it even better yet.

But I want to give everybody hope, Mr. Speaker. I want to give them all hope that there is a reason to get out of bed to go to work and make your life better.

In fact, to solve the pathologies in the United States, it is a pretty simple equation, and that is simply this: For people who are going to have children, to get married and stay married, get a job and keep a job. Statistically that solves almost all of society's pathologies.

It is not a complicated equation. We need to encourage people to go to

work. Most do. Out of 300 million people in America, there are 7.5 million on the unemployment rolls. Those numbers have been actually inching down as new jobs have been created.

There is about another 4.3 million that are on welfare, and another 5.3 million that have exhausted their unemployment benefits that are still looking for a job but are not technically listed on the unemployment list.

That as a percentage of America isn't particularly large, but altogether, between the ages of 16 and on up through retirement, there are 77.5 million non-working Americans in this society. We have a large labor force there that we can go to when we need that labor force. But we have made good progress with the unemployment lists also there.

We haven't reached the lowest unemployment. I would point out that when people say we are at full employment at 5 percent unemployment, or 4.7 percent unemployment, I don't accept that number. The lowest unemployment that I can find statistically throughout, at least the last 100 years or so that we have kept records, is 1.2 percent unemployment, and that was during World War II. So I qualify that statement.

But that was when we had all hands on deck. If we really get in trouble, we can be all hands on deck again. We haven't needed to do that. So, we do have a large labor force that is here and we can draw from that.

But as I listened to the Members on the other side of the aisle, the group that has consistently been down here using the word "Republican" as if it were a four letter word, I don't know how to spell it with only four letters, but I know how they say it when it sounds like a four letter word. They talk about the national debt, they talk about a balanced budget and they talk about the balanced budget under Bill Clinton.

I can tell you, Mr. Speaker, there was a balanced budget under Bill Clinton, but there were budgets that were sent to President Clinton that were vetoed because he sent them back and demanded more spending, over and over again.

This government was shut down by a veto of Bill Clinton, not because he was insisting that we should balance the budget. He was insisting that he wanted more money. That was the issue here back during the Clinton years. I will admit that there was a partisan divide going on during that time, and I will say that the Republicans in this Congress presented those first balanced budgets that we had seen in decades, and they insisted that the budgets be balanced, and that is what happened. It wasn't because Bill Clinton was pondering on his podium asking for balanced budgets. He was demanding more spending.

Now, a decade later, I hear Members of his party come here on the floor it

take credit for the balanced budget during the Clinton years, when, yes, he signed them all right, he did not have a lot of choice, but this Congress, this Republican Congress, made him balance the budget. In fact, they balanced the budget and they required him to sign it.

Then, in the aftermath or in the latter months of the Clinton administration, we had this thing going on called the dot.com bubble. I don't know if we realized it was a dot.com bubble until it burst. But when you think about it, it had to happen. In fact, my instincts were telling me that it was this; that we had technologically, because of great inventions by Americans and the stimulation that we have here and the structure that rewards productivity, invented the technology that allowed us to store and transfer information more effectively, more efficiently and cheaper than ever before.

It was an amazing ride to see that dot.com bubble go up in our stock markets, because the people were investing in these dot.com companies on the anticipation that there would be a financial reward on the other end that would be in proportion to our ability to store and transfer that information more cheaply than ever before.

Well, it didn't work out quite that way, Mr. Speaker, because information has value, but it isn't measured just by the amount of information. It is measured by its commercial value, and information as a commercial value has to allow you to produce a good or service and that deliver that good or service more efficiently than before, otherwise as a business you don't have an interest for paying for that information.

In the case of the Internet would be a good example, it is also marketable that you can get people to pay for their Internet service so that they can have recreational information on the Internet service. So you can use that Internet for business purposes and you will pay for that, and people also pay for it for recreational purposes. That is the only two ways that information has a value in the marketplace. So we overspeculated on our ability to store and transfer information more cheaply and more efficiently than ever before, and that was the dot.com bubble.

Well, the lawsuit on Microsoft I believe was the lance that pierced the dot.com bubble. It would have burst anyway, because it was a growing bubble that was speculation. But when that lawsuit came and the lance of the lawsuit against Microsoft pierced the dot.com bubble, then we saw the stock market begin to contract. In fact, a lot of us will say we were moving into a recession, and I will say we were, and that was at the end of the Clinton administration.

On top of that, we inaugurated President Bush out here on the West Portico. When that happened, he was in the middle of this bursting of the dot.com bubble and the decline in our stock market and our economy.

We hardly got a handle on what was happening there, and along came September 11, the terrible damage to our financial institutions in the heart of New York City at ground zero, the Twin Towers, and, of course, the attacks on the Pentagon and the crash of the plane in Pennsylvania. That was an attack on our financial centers that sent it into a further downward spiral.

So we had two things working against this economy: The formerly balanced budget, running into the dot.com bubble that shut down the revenues here and dramatically reduced our revenues here in the Federal Government, and on the heels of that came the September 11 attack and the impact on our financials in the United States of America was dramatic.

Then on the heels of that we had to create a Homeland Security Department, that spent billions of dollars to protect 300 million Americans, and has done so very effectively. We have not been attacked on our own soil since that time in any effective way. And additionally, we had to appropriate money because we went to war in the global war on terror.

All of those things stacked against this economy, and, do you know, we are growing back out of this thing, because there was vision on the part of President Bush, there was vision on the part of his financial advisers and vision on the part of the leadership in this Congress, Mr. Speaker, that had the fortitude to come to this floor and propose tax cuts that stimulated this economy.

If President Bush had not had the vision and the courage to do that, if this Congress hadn't had the vision and courage to step forward and propose and initiate these tax cuts, the Bush tax cuts, as we know them now, we would have seen a depression, not just a recession, but a depression in this economy, Mr. Speaker, and that would have been the price we would have paid if we would have stuck with, I will say the philosophy that we have heard over here on how we ought to be running a balanced budget.

The people on the other side of the aisle, if they had been in the majority in this Congress, Mr. Speaker, would have proposed tax increases. They would have said, well, first of all, let's not take on these global terrorists. Let's figure out a way that we can curl up into a national fetal position, and perhaps we could have just put enough guards at every school and every bus stop and every theater and every church and maybe even every home and turned America into one great big, huge Israel, and somehow or another cowered away and apologized to the terrorists, and maybe they wouldn't have attacked us again. But they would have. They attacked us in the first place, didn't they?

So under the leadership of the other side of the aisle, there would not have been a proactive tip-of-the-spear effort in Afghanistan, there would not have

been a proactive tip-of-the-spear effort in Iraq. They would have turned the United States into one huge Israel, and that would be a defensive posture with enemies all around, wondering where they are going to come from next.

That is not the way I want to live, Mr. Speaker. I refuse to live that way. I insist that we exercise our rights to live in freedom, and freedom requires risk, it requires sacrifice, and there is danger involved. But it is worth it. It is worth it from the time Patrick Henry articulated it so well, it is worth it from the time that it has been articulated so well by my colleagues on this floor on this side of the aisle, Mr. Speaker, and I am honored just to be a part of that.

But we took on the war on terror. And it is interesting to me that before our troops went into Afghanistan, there was much objection to the foolhardy nature of mounting a military operation in a country that had never been invaded successfully and occupied before in all of history. And yet that took place successfully on the part of our United States military, working with our coalition forces, many of our coalition forces.

They said it couldn't be done. They said it was another Vietnam. They said the passes in the mountains would be impassable, and no one could sustain a military operation through there because they would be ambushed over and over again, and that the people in Afghanistan couldn't handle freedom. They had never had that freedom before. They had never voted there before. This wasn't the kind of people that could handle freedom.

Well, they were right about one thing, Mr. Speaker. They had never voted there before. But there were American soldiers and American Marines that were on the ground guarding the travel routes to the polling places, guarding the polling places, and I am very proud of the Iowa National Guardsmen that were there at that time on that soil that provided an opportunity for the Afghani people for the first time in the history of the world since Adam and Eve to go to the polls and choose their leaders and direct their national destiny of 25 million people, a huge accomplishment when that liberty bell rang across the globe. And the inspiration that comes from that carries over to the issue of Iraq, Mr. Speaker.

Now, this issue with Iraq, it is the same size country; 25 million people in Afghanistan, 25 million people until Iraq. The complaint I hear on the other side of the aisle is that Secretary Rumsfeld and President Bush didn't listen to the military advisers because the people on the other side of the aisle found a general that disagreed. I don't know if it was a Sunday afternoon or Monday morning quarterback, but they found a general that disagreed.

Well, I understand there are about 9,000 generals in our military, and if you can find one that disagrees, in fact,

I saw six that disagreed, and it takes a long time to gather those kind of people.

I will bet that some of those people will show up in the campaigns for the Presidency working for candidates by the year 2008. I expect I will see some of those generals that claim that they counseled for the opposite, working with and for Presidential candidates, for Democrats on the other side of the aisle. I am not suggesting that they have a motive, I am just suggesting that they have a different philosophy about the future of America, even though they are generals and even though they are literally a handful out of the 9,000 generals that we have.

□ 1845

But the advice that the President followed and the advice that Secretary Rumsfeld followed was the same people advising in Afghanistan for the most part as advised in Iraq. The same number of people, Mr. Speaker, 25 million people in Afghanistan, 25 million people in Iraq.

We heard the same arguments:

It's another Vietnam.

It's a quagmire.

You never can do that.

No one could go into Iraq and invade and occupy that country.

We didn't, really. We liberated them. We had an armored column go across Iraq to Baghdad in less time than ever in the history of the world. Baghdad, itself, was the largest city ever in the history of the world to be invaded and occupied by a foreign power. Absolutely a true statement. Berlin was the next largest that I could find, and that was far smaller than Baghdad.

But they only occupied it for a split second as they erroneously put up the American flag and then realized, This is the wrong message to send to the Iraqi people. We're here to liberate you. And they ran the Iraqi flag back up the flagpole. You haven't seen an American flag fly around there since then because the Iraqi people are liberated. They give me smiles, and they give me thumbs up when I go to that country because they are still grateful.

The gentleman from Pennsylvania that has been on the floor so many hours here in the last couple of weeks, he finds a different view. You can find whatever it is that you want to support your argument, Mr. Speaker. But in this case, I stand with our soldiers. I stand with our marines. I stand with the judgment that said, go to Iraq. And, in fact, there have been some announcements today that I could take up in a little bit.

I am very happy at this time to yield so much time as he may consume to my friend Mr. EHLERS for any remarks he may choose to make.

Mr. EHLERS. I thank the gentleman from Iowa for yielding.

I didn't want to interrupt your beautiful soliloquy, it was fascinating, but I came to the floor because I heard those who were speaking before you, and I

couldn't believe what I was hearing. They were members of the other party describing in great detail how horrible Republicans are.

Now, I don't know who they were talking about. They weren't talking about you. They weren't talking about me. They are not talking about any of my other Republican colleagues here. But you would literally think the world was ending.

I have to tell you, Mr. KING, how refreshing it is to come to the floor and hear you give this beautiful speech without condemning the other party, but simply outlining where you are coming from in a very careful, thoughtful way. I really, truly appreciate your expression of your beliefs about where the country should go and what is happening, without throwing rocks or mud or condemning anyone else, but simply outlining very beautifully what you believe.

Now, if I may, I would just like to add a few comments. You live in northwest Iowa. I was born in southwest Minnesota, just a few miles from there. I think we have come from the same framework. Maybe that is another reason why I appreciate so much what you have been saying.

You said when you were born, your glass was half full. Mine actually was about one-eighth full, simply because I grew up in a family with considerable poverty, poverty of money, but great richness of persons, of my parents and my siblings, great richness of faith. Frankly, that has always meant more to me than money. I am not a rich man. I never had very high incomes. The highest income I ever received is from the Congress of the United States.

My point is that there is more than money to this life. That is what you were illustrating as well. My cup was one-eighth full, also, because I had serious illness, and I wasn't ever able to go to school. I was home-schooled before there was such a thing as home schooling. Through the love of my family, the encouragement of my family and friends, I survived that situation, and I did well in college, I did well in graduate school, and I ended up getting a Ph.D. in nuclear physics and teaching physics until I ended up in the political arena.

So even though the glass was one-eighth full, it is overflowing and has been overflowing most of my life because of these circumstances.

If I may add one final thought in response to the comments you made about the dot.com bubble. There is no question about it. That dot.com bubble really was a tremendous economic boom to this country. If you look back over the past 50 years, most of the economic growth has come from our investment in science and in scientific research. The dot.com bubble is a good example of that. Development of the Internet. It is amusing because I was using the Internet before the rest of the world knew it existed. It was a wonderful thing. But we were using it

as scientists to transmit voluminous amounts of data back and forth around the world. And then someone gets the bright idea, hey, I bet the public would like to use this, too, and that was the start of the dot.com boom.

As a scientist, I believe it is absolutely essential for our Nation to continue supporting research, the basic research. In the old days of monopolies, AT&T had Bell Labs. They could do the research. IBM had their labs. They did research. In today's globally competitive world, that is not possible. The government has to do the basic research, and from that industry develops the products that become very, very useful to us.

And so I appreciate the point you made about that. I just want to emphasize, let's support the research that will continue having this country be the leader throughout the world in developing these products. I often find people saying, what do you need that research for? I remember when I was a graduate student, one of my colleagues at Berkeley developed nuclear magnetic resonance. It was a wonderful thing to investigate matter with. That is what he was doing. But, lo and behold, that is the basis of the MRI machine which has been the most powerful diagnostic tool that medicine has ever seen. Similarly with the CAT scan, developed out of some work we were doing at Berkeley. X-rays, discovered by a physicist. All basic research with very direct, practical implications for the world today.

I know this is a sidetrack from the point you were making, but this is what makes America great: the creative ability that we have. We worry about losing jobs to other countries, but our creative instinct is what is going to help us win that battle. We don't have the low wages they do. I am glad we don't. But the point is because of our creative juices in this country, we come up with these great ideas. The greatest country that this planet has ever seen, the greatest ideas of freedom for everyone, and the creative ability to meet the challenges and meet the needs of the people of this world today.

I thank you for yielding some time. I just wanted to add those few thoughts to your beautiful comments. Thank you very much.

Mr. KING of Iowa. Thank you, my friend, Mr. EHLERS. I appreciate your input on that. I would say with regard to that, that I believe that there is a unique American character, a unique American culture; there is a vibrancy within this overarching American culture that causes us to sometimes challenge the rules, sometimes look into the science, sometimes wonder why cannot that be, why can't we accomplish that. There is a creativity that comes within this culture, this vibrancy that we have, and it is based and rooted in our freedom and in our property rights and in the reward that comes from that, when, say, a Bill Gates comes up in our lifetime and in

a matter of a couple of decades turns himself into the richest man in the world. And what a thing he has done for the standard of living and the quality of life for everybody on this planet.

Mr. EHLERS. If I may, if the gentleman will yield.

Mr. KING of Iowa. I would yield.

Mr. EHLERS. I would just like to add a little comment to that because I speak to a lot of high school students. Of course, as you know, they look down on nerds. And so I start out by asking them, What type of person is the richest man in the world? That comes out. I say, He's a nerd. I say, And I'm a nerd.

Isn't there a message here? Nerds can succeed in this world. And then I tell these high school kids, look, it is very important to think about the courses that you are taking in high school, because that is going to determine your life. And then the coup de grace, and, of course, I am partial to this. I used to always tell them, If you aren't a nerd, you're going to end up working for a nerd. So I tell them to get busy, study their math and their science, and they will be successful in this life, too, in many ways.

Thank you very much.

Mr. KING of Iowa. Reclaiming my time, you and Mr. Gates both are giving nerds a good name.

Taking up from there, the issue of the balanced budget by the people on the other side of the aisle. I spoke to what happened here in the nineties to balance the budget and what happened to the economy when the dot.com bubble burst and the 9/11 attacks came, and we had to invest billions and billions into homeland security and invest billions and billions into the overall global war on terror. Things will go fast on you in a hurry when you have got to do quick reaction, but the tax cuts have brought a lot of that back. We are moving in the right direction.

I am willing to balance this budget. The people on the other side of the aisle are willing to balance the budget if they can raise somebody else's taxes, not their constituents' taxes, but perhaps my constituents' taxes. But I would balance this budget. It is a simple equation. And we always should know what it takes to balance the budget and know whether we are willing to do so or not and have a debate here on this floor, Mr. Speaker. That really hasn't happened a lot of times.

But I would submit that if we were to balance this budget, this one that we are in the process now with doing our appropriations bills for the 2007 fiscal year, what it would take is, we have the entitlement spending for Social Security, for Medicare and Medicaid. That goes on. Unless we change the policy there, those expenses are already locked in, and they grow year by year. Interest is something that as long as there is debt, there will be interest. That is also locked in, and it will grow. Those are the entitlements, the automatic spending, if you will. We

also have defense spending, which is necessary.

I would take that defense spending off the table as far as something that I am willing to cut. I want to make sure that our military have all the best equipment, the best training, the best protective devices, and that they are properly taken care of and well fed and well housed. I believe we are doing that better than any military ever in the history of the world.

So what is left is called discretionary spending, these items where we could actually go in and cut some of this spending, this spending that is not on autopilot, and what it would take to balance the fiscal year 2007 budget, when you take nondefense discretionary spending, and that is that smaller piece of the pie, and I have forgotten exactly the percentage that is, but take what we spent in 2006 and cut it 5 percent. If we simply spent 95 percent of the money that we spent on nondefense discretionary spending, that part that we can actually control, if we cut that 5 percent and spent 95 percent of what we spent in 2006 for 2007, we would have a balanced budget, Mr. Speaker. In fact, we might have a balanced budget with a little bit less than that because our revenue has been coming in more than we anticipated, significantly more, because the economy is doing better than we anticipated. That is part, also, of the climate that we are working in. And part of it is also because the dynamics of the Bush tax cuts. The two rounds of Bush tax cuts are the reasons why the economy is going better than we anticipated.

So we will get there over time. I think we should be more aggressive in cutting our spending. I have been working to do that. Many of us have. We don't have the votes in this Congress to do that. But the people on the other side of the aisle are not willing to cut a dollar anywhere. They are only willing to raise taxes on somebody else's constituents. And then they say, Give me a balanced budget. That equation doesn't work, Mr. Speaker.

The equation that will work is cut the spending. It is the spending, not the taxes. If you raise the taxes, you lower the overall revenue because people will stop doing business. What you tax, you get less of. That is the equation.

And the concern about the national debt, let's get to this balanced budget. In fact, let's get to a surplus budget, and let's start paying down the national debt. We did some of that in the middle nineties. If we can do that, we can work this national debt down. It is not a matter of the difference so much of which country that might be holding that United States paper. You see that on the map that Japan holds a lot, China holds a lot, but that is not the issue so much as it is the size of that debt and the willingness to pare down our spending, and the willingness to stop creating new programs and elimi-

nate the programs that are no longer necessary and get rid of this unnecessary funding for the programs that would embarrass a person to have to vote for them and rolling them up into an omnibus spending bill or into a conference report without having a chance to strike them out by line item.

□ 1900

Those are the things we need to do, Mr. Speaker, and so we can get to a reduction of our national debt. We are going to have to do that with a dynamic economy and reducing the growth in our spending.

I would submit also that we need to do some overhaul in Medicare and Medicaid and in Social Security, and this is another way that we get a handle on this budget. Otherwise, Social Security grows and becomes out of control. It was not the people on this side of the aisle, Mr. Speaker, that pulled down the effort to overhaul and reform Social Security and give people control of some of their own retirement funds. It was the people on that side of the aisle, and that is another reason why we do not have control over this budget. But it is not imminent, and if it is not in imminent threat, that means that politics and this democracy as some call it, I call it a constitutional republic, will not operate unless there happens to be an imminent need and urgency to get that accomplished.

Let me also, Mr. Speaker, speak about the balance of trade, and we have a negative balance of trade. A year ago it was a minus \$617.7 billion. We got the report out near the end of February this year, and I do not have the exact number in front of me, but it was in the neighborhood of minus \$725 million, growing at the rate of about 20 percent a year increase in the negative balance of trade, meaning that we are buying more goods from other countries, goods and services from other countries, than we are selling to them.

We are to the point even where agriculture, which always used to be a big surplus for us, is narrowing down to where there is hardly a margin at all for agriculture, and the way it is going it is probably going to be a trade imbalance. It could be in the red just for agriculture in a few years at the rate that it is going.

But if we are down to minus \$725 billion a year in this balance of trade, that means that we are buying \$725 billion more of goods and services from foreign countries than we are selling to them, and that has got to be turned around. That is a sign that we are not manufacturing as much as we should, we are not marketing as much as we should, and it should tell us that we need to do some things with our tax structure so that we can adjust our taxes and provide those incentives to be able to produce and market in foreign countries in a more competitive fashion.

Perhaps, Mr. Speaker, I will come back to that in a little bit, but before

I had the colloquy with Mr. EHLERS, I was talking about Iraq and about Afghanistan and Iraq and the global war on terror. I would like to take us back to that, that global war on terror, and specifically the battlefield, the theater of Iraq, which is a major component of that. We know that that is the central battle in the war on terror.

We know that Zarqawi wrote a letter a couple of years ago that was about 17 pages long, as I read it, and he said in there that they were having a great trouble, that Iraq was essentially their last need out; that they did not have mountains or forests to hide in; that they had to find a way that they could hide in the homes of the Iraqi people; and that the Iraqis that were willing to take them in, the terrorists, the al Qaeda that had been operating in Iraq now since liberation of Iraq, the Iraqis that were willing to take them into their homes, which is the only place to hide, you do not hide so well out there in the desert, were as rare as red sulfur. Mr. Speaker, as rare as red sulfur. Now, I am going to have to do some research sometime to determine how rare red sulfur is, but I expect that is quite a rare commodity and the Iraqis who would take them are rare.

Well, they are even more rare today than they were then when Zarqawi not too long ago, a couple of weeks ago, was sent to meet his Maker by two bombs from two different F-16s. When he was sent to meet his Maker in the rubble of the so-called safehouse, now there is an oxymoron is it not, Mr. Speaker, a safehouse that Zarqawi was hiding in turned out to not be so safe because intelligence had gotten information to our military and our military had targeted the house and dropped a couple of bombs in on him, killed Zarqawi. In the rubble were computer hard drives and paperwork and a lot of intelligence, and a lot of intelligence has led us to other intelligence, and a lot of other intelligence that we had were dots out there that got connected by the intel that was within this so-called safehouse that was turned into rubble.

From all of that intelligence, the body of that intelligence as it has been released to the public and our intelligence people have pored down through it, the body of that intelligence says that al Qaeda and the terrorists in Iraq are in a very difficult situation. They are having trouble recruiting fighters. They are having trouble getting military supplies and munitions. They are having trouble with their communications. Their operations are being disrupted, and that the effectiveness of the coalition forces, and I will say in particular American forces, and especially the effectiveness of the Iraqi troops that are now in uniform defending Iraqis and taking on these terrorists in the midst have al Qaeda in disarray.

All of the information that came, all of the data came, all of the intelligence that came, all pointed to the same

thing. This is a desperate enemy and a desperate condition with a very limited amount of supplies to work with, a limited amount of recruitment ability to be able to recruit troops and a limited ability to affect life in Iraq.

We are winning, Mr. Speaker, and it has become very clear as the intelligence unfolded.

I would point out also that Saddam's trial is nearing its end, and we are going to see a verdict in Saddam Hussein pretty soon, and it has been drug on now for about 8 months. That is plenty long, but in the meantime, Mr. Speaker, I would submit that we are going to get a verdict. I happen to know that if he is found guilty of crimes against humanity that in that section of the Criminal Code of the Iraqi law, and I have actually sat there with the judges in Baghdad and discussed this with them, and they spoke English to me so I could understand it directly and not be dependent upon an interpreter, but in that section of Iraqi law, crimes against humanity only provide for one penalty. If you are guilty, there is only one penalty, and that penalty is death.

Now, there have been three of Saddam's attorneys that have been murdered throughout the process of this, and some of the other people involved in this have been as well, but the punishment that may come if Saddam is found guilty is only one punishment. He has been, of course, an active person there, I will say, since there is a case before the court in Iraq. We know the evidence, Mr. Speaker, and I am going to let the evidence speak for itself at this point.

But I would say that Iraq is coming along. They are making good progress. They now have a sovereign government. They now have a full cabinet. They now have a prime minister. When you get a sovereign government, they can make decisions. They can make decisions about like what to do if Saddam is found guilty, whether they will bring another trial for other crimes against humanity, whether they will mete the punishment should he be found guilty, what they should be doing for their citizens.

I hope they do this: open a bidding process globally so they can bring in oil companies that have the capital and the technical ability to sink more wells into the vast oil fields in Iraq and build some pipelines and some refineries and get more oil coming out of that country so they can get cash coming in.

It is a shame to have \$70 oil in a country that is starved for cash and that has oil sitting underneath its sandy desert and not having that turning into cash at \$70 a barrel for them. I want to see that happen. This was not American blood for oil, but this was American blood, coalition blood and Iraqi blood for freedom, for freedom, Mr. Speaker, and they will have the freedom to do with their oil as they choose and to cash the checks for that

oil, and they need to get it flowing out of there. That would be the first order of business besides the security issues that come before this government, if I were the prime minister or in the parliament of Iraq.

So this military security situation is making good progress, and the intelligence that we have gathered and after the death of Zarqawi, their leader, and they have taken on a number of their leaders in the first and second tier who were very close to Zarqawi, but after that, all the intelligence says they are in desperate condition.

Now, why would we do what has been proposed here on the other side of the aisle, why would we pull out? Why would we cut and run? Why would we want to redeploy to the horizon, Mr. Speaker, when this war is making progress and we have people who have this opportunity to be free?

I sat down with Benazir Bhutto shortly after the September 11 attacks, and she happened to be giving a speech in my district at the Buena Vista University in Clear Lake, my hometown. Benazir Bhutto is the former prime minister of Pakistan. She served at two separate segments of time there in Pakistan and is a very respected leader of the Pakistani people and has a sound judgment, which is the reason that she has been able to be in power in Pakistan.

I asked her a question and I was trying to understand at the time our enemy, how do we conduct a war that we could finally get to the point where we can declare victory, what would victory look like and how do we get to that point so we could declare victory. We need to define it and we need to get there.

We were talking about radical Islamists, that perhaps 10 percent of the Muslim world are lined up against Muslims, as well as Christians and Jews and an attack on Western civilization to some degree, and how do we finally defeat them. Her answer was, this hatred comes out of having no hope. It comes out of not having an opportunity to build a better life for their families, for their homes and their communities. She said, you have got to give them freedom; you have got to give them a chance at, she used the word, democracy.

If they have that freedom, like we have here, then they turn their focus to hatred and murder and barbaric slaughtering like they did of our two soldiers a couple of days ago in Iraq. They turn that hatred over, and they put their efforts towards their families, their community, their churches, their mosques, their countries. When that happens, that energy that is within all of us is used for a constructive good. There is a culture change. That culture of hatred that breeds terror that is in the heart of poverty and hopelessness that is in many of the cities, especially in the Arab world, can be replaced by freedom and hope and prosperity.

That is the definition for victory, Mr. Speaker. That is the definition that

was given to me in a very private conversation, without any reservations I would add, by Benazir Bhutto. I appreciate that from her. I respect that from her, and I think she laid that out in a way that indexes in, links in very well with the Bush doctrine.

President Bush understands this. He came out with this philosophy within weeks of September 11, and he stuck by this philosophy all along. He has defined victory. He is leading us to victory. We need to stand with him on that issue, and I do, and standing with the President also stands with our soldiers and marines, and it stands with them and it stands with their mission. Those two things, Mr. Speaker, are linked together.

If you are going to support your marines, you also have to support the mission that they are on because some of them have given their lives. Some more of them will give their lives for global freedom and for the freedom and safety of the American people. They have to believe in their mission. I believe in their mission. The President believes in their mission. The American people believe in their mission, and some of the people on the other side of the aisle do not, and they claim that they can support the troops and oppose the mission.

I would think that there is not a soldier in this country that would say send me off on a mission that you do not support but tell me you support me. No one could be asked, and you cannot ask anyone to put their life on the line for a mission that you do not believe in. That is the crux of this debate: Do you support the troops and the mission. And that is not negotiable.

Then, as I talked about balancing this Federal budget, there is also this imbalance in trade that I was talking about, \$725 billion imbalance in trade. What we need to do with that, Mr. Speaker, is fix that. We need to fix that by changing the tax policy. The tax policy that we have now taxes all productivity in America. I spoke about that a little bit earlier, and in fact, we can change that around totally and utterly.

I came to this conclusion in 1980 after the IRS had audited me one too many times in a row. When they did that, I went back to work after 4 days of pulling papers out of my files and handing them over to the IRS and sitting there throughout this audit. When it was finally done, it cost me some money, and I believe to this day I did everything exactly legally and technically correct. It was my intent to do so, but they I believe had to justify their 4 days in my office. So they made a Monday morning quarterback decision, and I had to accept the result of that if I were going to stay in business because I could not take anymore capital out of my business or anymore time away from our productivity to go fight the behemoth system of the Federal Government.

So I went back to work, and as I went back to work I began to start with this conclusion: I would like to eliminate the Internal Revenue Service. I would like to eliminate the IRS code. I would like to see to it that no one has to go through what I went through ever again.

□ 1915

I would like to have people have a voluntary tax system so that they can decide when they pay their taxes. And as I worked this system out, Mr. Speaker, and I really put together a fairly complete proposal on my own as I was sitting in the seat of a bulldozer meditating for 10 or 12 hours a day, and there is plenty of time to think there, I thought about this policy, and this policy today is called H.R. 25, The Fair Tax.

Now, I couldn't find anybody that knew anything about this issue in 1980, but as I worked my way through that, throughout that decade, I found a little more information and a little more information, and by about 1991, I found a book written by Daniel Pilla, a former IRS agent, called *Fire the IRS*. He had worked for the IRS for years, and in that book he had done the data, had pulled the data together and done the research that supported the conclusions that I had drawn just simply from working my way through this policy. I didn't do the math, but he did. He did the analysis, and his analysis fit my philosophy.

We linked together at that point. I don't know if Daniel Pilla ever recognized that, but I want to thank him for the work he did on that book. It was inspiring to me and confirmed my conclusion and helped move me into public life.

I believe that we should take all tax off of productivity. I think as a fundamental change, if we do that and put it on consumption, then people can volunteer to pay taxes. They will do that when they make a decision to purchase. We take all the Federal tax off of all productivity. That means you get to keep all the money you earn, with the exception of whatever State taxes might be there.

People in America would get another 56 percent more into their paycheck. If they got a \$1,000 check for that week, they would have \$1,560 more they would get to take home. If it was a \$100 check that week, it would be \$156 more they would take home. That extra money, that 56 percent more, is money that would be saved and some would be spent, but people would make a decision on paying their taxes themselves without having the IRS stand there, or more figuratively Uncle Sam standing at the time clock on Monday morning.

You know, America gets up, takes a shower, shaves, goes to work, and walks through to punch the time clock, and as soon as they punch that time clock, Uncle Sam's hand goes out. He's going to take every dollar that you make that day until he is satisfied.

When he is satisfied, he puts that money in his pocket, Mr. Speaker, and then you can go to work for the State for a little while. They put that in their pocket, and then you are on your own for the rest of the day.

But we can change that entire dynamic where Uncle Sam is no longer standing there. The image won't be of Uncle Sam by the time clock any longer, it will be the image of your being able to get all the money you earn and then be able to decide when to pay taxes with it.

Alexander Tyler said, when a majority of the people figure out that they can vote themselves benefits from the public Treasury, on that day democracy ceases to exist. Well, we are very close to that because 44 percent of Americans don't pay any income tax right now.

I heard a number the other day, and I have to qualify it because I haven't verified it yet, but it was that 3 percent of the people pay 97 percent of the taxes. I don't know if that is true, but the philosophy is there. A small percentage of people at the top of the income bracket are paying a large percentage of the income tax on the other side. And many, many people, millions of people are absolved from tax liability whatsoever.

They are not paying taxes, but they are voting, and they are writing letters to their Congressmen and putting demands on government to provide them services. So their incentive is to push people to grow government and to lay back and use more government services, rather than have the incentive be to go out and go to work and grow the size of their own pie, fill their cup, so to speak, feed the goose that lays the golden eggs.

That is what we need to do, Mr. Speaker. We are underproducing in this country. What kind of a Nation would be having a debate about an immigration policy that would take in, they are saying with a straight face, 10- to 12 million people?

I remember when under the Clinton administration, prior to the 1996 elections, they accelerated the naturalization process for a million people, a lot of them in California. Some of them made their way to Iowa, and some of them made it clear what they thought their agreement was, and I will speak about that another time perhaps, Mr. Speaker, but a million people came in prior to the 1996 Presidential elections.

I was appalled that a million people could come into the United States like that, without having a real policy established here in this Congress, but just simply let across the border, naturalized, legalized, and given an opportunity to vote. But we are, and as appalled as I was by a million people in 1996, the United States Senate now is speaking openly about 10- to 12 million people, and I think they know what I believe and what my senior Senator believes, and that is that the number is not 10- or 12 million, it is more like 20-

or 22 million, or a number greater than that. And we are talking seriously, Mr. Speaker, about legalizing all of those people that are here in the United States, or all but a relative handful of the people here in the United States illegally.

Now, the justification for it would be because we don't have enough Americans that are willing to do the work that needs to be done. Mr. Speaker, I object to that kind of thinking and that kind of talk. It is an insult to the hard-working Americans that are out there, those that took pride, like Mr. EHLERS, who grew up with his cup one-eighth full. I said mine was half full, and not because of wealth, because we weren't well off, but because of family, and because of our work ethic, and the culture that I grew up in was a tremendous head start to be anchored in that way.

But here we sit now with the argument that Americans won't do this work. Well, they may not do it for 4 bucks an hour. No, Mr. Speaker, in fact, they may not do it for \$5.15 an hour. But there is supply and demand in the labor force, and the labor in this country has been altered and distorted by 10- or 12- or 20 million people in this country. And all of them are not working, it is a percentage of them. That number is somewhere over 50 percent, or about seven-twelfths would be one way of looking at that.

All of them are not working, but perhaps 6.3 to 7 million, according to a CIS study, are working. And so let's say it is 7 million people. I referenced earlier in my remarks, Mr. Speaker, that there are 7.5 million unemployed in America. There are another 5.3 million that have exhausted their unemployment benefits that are still looking for a job. So you get up there to 12.8 million. That is already more people on unemployment, at least by the statistics the Senate is dealing with, who are here illegally. It is almost two to one for those working that are here illegally.

And then, if we look at those who are on welfare, there are about 4.3 million of those. If we take a look at teenagers, and teenagers need to be busy. One of the good things about raising kids is if you can keep them busy, if they have energy and you keep them busy, they will be all right, but you have to work them a little to do that. And so of those between the ages of 16 and 19, there are 9.3 million of them who are not in the workforce in any way, not even part time, not even flipping burgers down at the hamburger stand or picking up a check whatsoever. 9.3 million. Some of them presumably could be hired to do some of the work they claim Americans aren't doing.

Then if you look at the, I will say the young senior citizens, between the ages of 65 and 69, there are about 4½ million of those. Some of those would like to be working, but we have a few disincentives in place so that they do not. That is a universe to go and hire from; 7.5

million and 5.3 million and 9.3 million, and then the 4.5 or so million that are the young seniors.

But in between the ages of 20 and 64, that real working age, none of those people have been addressed yet, except for the welfare folks that I am talking about. There are 51 million not working Americans there.

But even if I pare this down and take those that are over 70, actually I haven't spoken to those at all, but those over 70 out of it, those over 65 out of it, and if we go down and take those under the age of 16 out of this equation, and we roll this all back together and think what is the universe, what is the size that we hire from for our workforce, that force, Mr. Speaker, that workforce is about 61 million.

That is a reasonable number to look at. And we are trying to hire perhaps 7 million people to replace? If we did that, we would hire maybe one out of nine of the nonworking people that are of primary working age in the United States. We surely should be able to do that.

In fact, Mr. Speaker, we could also replace some of these jobs with technology, but we will not do that as long as there is a very cheap labor supply to go to. Cheap labor causes employers to de-adopt technology, and that is a retrogression of our economy when that happens. We need to be driving technology not de-adopting technology. That technology would reduce some of the demand for that labor.

No one, no one I know of, has addressed the subject of how much of this 7 million people that are doing this work, which is only 2.2 percent of the gross domestic product, in other words the illegals are about 4.6 or 7 percent of the workforce, and they are about 2.2 percent of the productivity, that work-

force is not all necessary work, Mr. Speaker.

I will conclude this statement on another evening, but I appreciate the privilege to address the House, Mr. Speaker.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 5638, PERMANENT ESTATE TAX RELIEF ACT OF 2006

Mr. PUTNAM (during Special Order of Mr. KING of Iowa), from the Committee on Rules, submitted a privileged report (Rept. No. 109-517) on the resolution (H. Res. 885) providing for consideration of the bill (H.R. 5638) to amend the Internal Revenue Code of 1986 to increase the unified credit against the estate tax to an exclusion equivalent of \$5,000,000 and to repeal the sunset provision for the estate and generation-skipping taxes, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4890, LEGISLATIVE LINE ITEM VETO ACT OF 2006

Mr. PUTNAM (during Special Order of Mr. KING of Iowa), from the Committee on Rules, submitted a privileged report (Rept. No. 109-518) on the resolution (H. Res. 886) providing for consideration of the bill (H.R. 4890) to amend the Congressional and Impoundment Control Act of 1974 to provide for the expedited consideration of certain proposed rescissions of budget authority, which was referred to the House Calendar and ordered to be printed.

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 Mr. McDERMOTT) to revise and extend their remarks and include extraneous material:)

Mr. CLYBURN, for 5 minutes, today.
Mr. EMANUEL, for 5 minutes, today.
Ms. WOOLSEY, for 5 minutes, today.
Mr. DEFazio, for 5 minutes, today.
Mr. PALLONE, for 5 minutes, today.
Mr. BROWN of Ohio, for 5 minutes, today.
Mr. GEORGE MILLER of California, for 5 minutes, today.
Ms. KAPTUR, for 5 minutes, today.
Ms. BERKLEY, for 5 minutes, today.
Ms. LEE, for 5 minutes, today.
Mrs. CHRISTENSEN, for 5 minutes, today.
Mr. McDERMOTT, for 5 minutes, today.
Mr. FILNER, for 5 minutes, today.
Ms. MCKINNEY, for 5 minutes, today.
Mrs. MCCARTHY, for 5 minutes, today.
Ms. CORRINE BROWN of Florida, for 5 minutes, today.

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

Mr. POE, for 5 minutes, June 28.
Ms. HARRIS, for 5 minutes, today.
Mr. BISHOP of Utah, for 5 minutes, today.

ADJOURNMENT

Mr. KING of Iowa. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 25 minutes p.m.), the House adjourned until Thursday, June 22, 2006, at 10 a.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports concerning the foreign currencies and U.S. dollars utilized for speaker-authorized official travel during the fourth quarter of 2005 and the first and second quarter of 2006, pursuant to Public Law 95-384 are as follows:

(AMENDED) REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, HON. MIKE THOMPSON, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 26 AND JAN. 30, 2006

Name of Member or employee	Date		Country	Per diem ¹		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency ²	Foreign currency	U.S. dollar equivalent or U.S. currency ²	Foreign currency	U.S. dollar equivalent or U.S. currency ²	Foreign currency	U.S. dollar equivalent or U.S. currency ²
Hon. Mike Thompson	1/26	1/28	Kuwait		812.00		(3)				812.00
	1/28	1/29	Iraq				(3)				
	1/29	1/30	Germany		304.00		(3)				304.00
Committee total					1,116.00						1,116.00

¹ Per diem constitutes lodging and meals.

² If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

³ Military air transportation.

MIKE THOMPSON, Chairman, May 23, 2006.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, HON. MIKE THOMPSON, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 26 AND JAN. 30, 2006

Name of Member or employee	Date		Country	Per diem ¹		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency ²	Foreign currency	U.S. dollar equivalent or U.S. currency ²	Foreign currency	U.S. dollar equivalent or U.S. currency ²	Foreign currency	U.S. dollar equivalent or U.S. currency ²
Hon. Mike Thompson	1/26	1/28	Kuwait		812.00		(3)				812.00
	1/28	1/29	Iraq				(3)				
	1/29	1/30	Germany		304.00		(3)				304.00