

Let me just remind you that when this authorization to use force was presented to the Congress, Mr. SPRATT, as was said earlier, offered an alternative resolution, and I offered an alternative resolution, which basically said that, look, the United Nations has the responsibility for the inspections process to occur. Let the U.N. process move forward. We received, I believe, about 72 Members, some of which came down and spoke tonight on my resolution. And many Members have told me now that they wish they had voted for that resolution because we would not be in the mess we are in now.

Finally, let me just say once again to Ms. WATERS, thank you for your leadership. I want to thank you for your voice and for making sure that the debate finally is occurring in this Congress, and I urge members of the public and others who believe that what the American people said in November gives us our marching orders to move forward, that they know that we are hearing.

We are going to continue with this debate. Many of us are going to say no to this escalation and no to this \$100 billion supplemental. We want our troops home, we want them protected, and we think the funds should be used to do just that.

Ms. WATERS. I thank the gentlewoman from California for all the work she is doing.

We heard earlier from Members who had voted for the resolution to go to war, who have since changed their minds. Fifteen Members signed up for tonight, but some had to leave. They waited as long as they could. And so we will continue to bring to the floor those Members who have changed their minds.

Tonight not only do we have Ms. LEE, who just joined us, but we have Representative KEITH ELLISON from Minnesota, one of our newer Members who has been consistent on getting out of Iraq. I yield to the gentleman from Minnesota.

Mr. ELLISON. I thank the gentlewoman from California. And I was told early on, Madam Speaker, that the gentlewoman from California wanted to feature Congress people who had voted for the war in Iraq and then had subsequently changed their minds. I was persistent in trying to be a part of tonight's special order, and I thank the gentlewoman from California for allowing me to, because I just wanted to point out that back in 2003 I had no idea that I would ever be standing in the halls of Congress, but I did know in 2003, in March, that this war was wrong and we needed to stand absolutely against it.

But I respect those Members of Congress who came forward tonight and pointed out that this war is wrong, was wrong, and we have to get out of Iraq now.

Today—after 6 long years of subsidies to big oil companies with outrageous profit margins—we made a bold change for America.

Today we gave America an energy policy that will move the Nation towards a day in which no young American will ever again have to fight another oil war for any President—especially this one.

The President finally admitted last Wednesday night what most Americans have known for a long time.

His Iraq policy is a failure.

I rise today to strongly oppose this President's solution to that failure—a surge of American troops.

Surge in Bushspeak is plain and simple—an expansion of the same disastrous policy in Iraq.

The vast majority of our country's top military and foreign policy experts disagree with the viability of the President's approach.

This list includes the current Joint Chiefs of Staff, current military commanders in the region—General Abizaid and Casey, the Baker-Hamilton commission and former Secretary of State Colin Powell.

Republican Senator CHUCK HAGEL told it like it is last week: "I think this speech given last night by this President represents the most dangerous foreign policy blunder in this country since Vietnam." As a Vietnam Veteran he should know.

Our military leaders state we must view Iraq policy as a three-legged stool.

Each leg of the stool represents a key strategy to support reconstruction of Iraq—one leg represents our military strategy, one economic and one political.

All 3 legs have to be present, and strong, to ensure Iraqi success. If one strategy is over-emphasized—and others don't even exist—the stool and our strategy falls apart.

The President's plan is—at best—a one-legged stool—our military involvement. A one-legged stool cannot stand.

Nor should it—when it is built on the lives of 22,000 young Americans.

I am not a military expert, but experts of counterinsurgencies look at Iraq and recommend a military force of a quarter million, to a half million troops for any hope of success. [Let me be clear I am not for any increase in our troop levels in Iraq]

But, 22,000 troops don't even come close to making this critical military benchmark.

Ted Carpenter of the Cato Institute stated last week:

... A lesser deployment would have no realistic chance to get the job done. A limited surge of additional troops is the latest illusory panacea offered by the people who brought us the Iraq quagmire in the first place. It is an idea that should be rejected.

This is a reckless and irresponsible proposal. To allow the President to place these selfless young Americans in a virtual shooting gallery is wrong.

Since last night, 3,012 of America's most promising young men and women have lost their lives in Iraq—and over 22,000 more have been grievously wounded.

We have squandered more than \$350 billion of our Treasury in Iraq with no end in sight.

Three hundred fifty billion dollars would fund 48 million kids a year of Head Start; it could provide 17 million students 4 year scholarships at public universities; we could build 3 million additional housing units; or we could hire 6 million more public school teachers for one year.

Instead, we've dug 3,012 graves and mortgaged our children's future. Enough is enough.

Monday, we celebrated Dr. Martin Luther King's life and work. In one of Dr. King's last speeches in which he criticized our Vietnam policy, Dr. King stated that: "a time comes when silence is betrayal."

That time has come—and our continued silence will be our Nation's betrayal. The immediate withdrawal of our troops is the only new way out of Iraq:

Lt. Gen. William Odom, of the Hudson Institute said, (and I quote): "The wisdom and moral courage to change the course for strategic purposes is what we need today, not mindless rhetoric 'about staying the course.' 'Cutting and running' from Iraq is neither cowardly nor imprudent. It is the only way to recover from what is turning out to be the greatest strategic mistake in American history."

I concur wholeheartedly.

I thank the gentlewoman from California for her courage and persistence in the pursuit of peace; the pursuit of a saner and safer world for our children, and all the children of the world.

ENERGY INDEPENDENCE

The SPEAKER pro tempore. Under the Speaker's announced policy of today, the gentleman from Texas (Mr. CONAWAY) is recognized for 60 minutes as the designee of the minority leader.

Mr. CONAWAY. Madam Speaker, it is great to be here tonight.

Wow. I came here planning to talk about H.R. 6, which was passed this afternoon, but not knowing how much time our colleagues across the aisle were going to take, I was instructed to get here quite early in order that if they quit ahead of time that we might lose our hour. So I have sat here for the last, almost 45 minutes, and listened to my colleagues.

It must be great, it must be wonderful to be so smugly self-confident to know the answers unequivocally. Things going on in Iraq are anything but clear-cut. We have some tough things going on ahead of us. I think there is a phrase that describes what really bothers me the most, and that is the classic, if I had known then what I know now, I might have taken a different course. Well, who wouldn't say that?

It is just amazing to watch folks flee to the sidelines of this fight and say it is all yours, Mr. President, this is all your deal; and we are smugly confident to know that you are doing it the wrong way and our plan is to flee Iraq immediately. And all of the evidence to the contrary, that Iraq would become a disaster of biblical proportions, they simply ignore with a cavalier attitude that just amazes me.

They continue to ignore the fact that since 9/11 we have not had a terrorist attack on this country, and I think that comes from several factors. One, we have some really wonderful men and women standing between us and the bad guys. Whether it is in uniform, whether in the intelligence services, or whether it is in the black operations all around this world, there are great men and women putting their lives on

the line so that that has not happened. And they have done a great job.

We are working real hard here at home at Homeland Security and elsewhere to make sure that doesn't happen, but I am afraid we have also been lucky that that has not happened.

We heard some comments this morning from an expert in jihadists. She breaks down the Muslim religion and Muslim group into moderates, who make up about 80 percent of the Muslim population of the world, and 17 or 18 percent would be referred to, in her vernacular, as Islamists, who are kind of in between; and then there is that 1 or 2 or 3 percent she referred to as jihadists. Those are the ones that perpetrated 9/11, and may not have had a hand in 9/11 but cheered and danced in the street. And those are the ones whose intention it is to kill Americans.

They hate us for who we are and the freedoms that we have. And they are still coming to get us. And all of the rhetoric to the contrary that this would be a great wonderful world if we would just simply grab hands and sing Kumbaya is like the little guy walking by the cemetery in the dark, late at night, whistling to beat the band just to try to keep himself from getting his pants scared off.

It is unfortunate we are at this point with respect to the debate, and I am quite frankly saddened by it. It is unworthy of us to be setting ourselves up to say I told you so; the Monday morning quarterbacking. The second-guessing is just legion among the squad who is, with hindsight, with the ability to know things didn't work, yet who at the time supported the program and supported the President, to now come back and cast these horrible aspersions against him and his intelligence squads and all the other things.

Yes, mistakes were made. No doubt about it. Mistakes are made in every war. But, you know, I think I will move on to something that is maybe a little better to talk about.

Another sad day. Today, on this floor we did something I didn't think was, A, possible or legal, but we did it, and I will walk you through it. We passed H.R. 6 with about a 100-vote margin, which I suspect the folks who voted for it will crow that it is a giant bipartisan bill to make this country less dependent on foreign crude oil and natural gas.

In fact, the preamble to the bill says that the intent of H.R. 6 is "to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources," et cetera, et cetera, et cetera. Quite frankly, it doesn't do any investing in that.

This bill's preamble is false because it simply sets aside the money taken away from the folks who are trying to provide crude oil and natural gas to this country and puts it into a slush fund to be spent by who knows who in the future on things we don't have a clue about. But their intent is, I sus-

pect, straightforward when they talk about that.

Would that this bill even came close to doing even that modest a statement. It doesn't.

The one thing that most of my colleagues and I on both sides of the aisle agree on, and most Americans, most folks in my District 11, who I represent, is that we are far too dependent on foreign sources of crude oil and natural gas.

I grew up in west Texas, and still make west Texas my home. It is one of the oil and gas capitals of the United States, and so I am unabashedly in favor of crude oil production and natural gas production. It feeds my family, in some instances, and fed me growing up. So I don't make any apologies for being in support of crude oil and natural gas.

I heard a new phrase today during the debate. One of my colleagues on the other side talked about foreign and polluting sources of crude oil and natural gas and fuels. What I would say to my colleague is that his righteous indignation would be a little more sincere if he would come to me and say, I have committed to either getting to and from my district by walking, I am going to ride a horse, a bicycle, a horse-drawn carriage, or I have come up with some new conveyance that does not use any fossil fuels, non-electric cars, some sort of a new non-fossil fuel way to get here as the first step on making that happen, because I feel so offended by the use of fossil fuels that I am going to begin to take those steps.

If my colleagues would begin to say that, then their disdain for the oil business and all the wealth it has created in this country, all the solutions it has provided would be a little more understandable.

Yes, there are problems with it, and we ought to be dealing with those in a straightforward manner. But that seems to be lost on the folks who on the one hand drive their cars, ride in their airplanes, and at the same time insult the domestic oil and gas industry of this country.

And it is an insult, quite frankly. Just look at the title to section 101, the short title, "Ending Subsidies for Big Oil Act of 2007." What is Big Oil? It is not defined in the act. It is just one of those pejorative terms thrown out there by the folks who drafted this bill, which, by the way, had no Member input into this bill.

And I am going to try to keep the whining about process to a minimum and just whine about the bill itself, but this is a staff deal. So at least the staff think the name Big Oil is pejorative, maybe the Members don't, but those who voted for it certainly agreed to that. So they are disdainful of the oil and gas business.

Back to what we agree on. From the President down to anybody that you talk to, all of us want to be less dependent on foreign sources of crude oil and natural gas or, in fact, totally independent of those sources.

□ 2045

Well, that road to independence is decades away. And between here and there, that road is paved with fossil fuels. That road is driven by crude oil and natural gas, and it is going to be a combination of domestically produced crude oil and natural gas and foreign sources of crude oil and natural gas because we consume 21 million barrels a day of gasoline, and whatever our imports are, about 65 percent of that is foreign sources. So I think most folks recognize that an immediate cessation of importing foreign crude oil and natural gas is not in the cards, not only in the short term, near term or really long term as we go about trying to become less dependent on fossil fuels, less dependent on foreign sources of that crude that we are headed to that path.

I would also argue that every single barrel of domestically produced crude oil and every MCF of natural gas makes us less dependent on foreign sources. That is just one more barrel that we didn't have to import. That is another 50-plus dollars that we didn't send to some country that may hate us. It is another \$6 an MCF of natural gas that didn't go somewhere else.

And so, why, for goodness sakes, would we want to intentionally inflict financial harm on the folks that are producing the crude oil and natural gas from domestic sources? It is counterproductive in the extreme.

And so when you talk about reducing our Nation's dependency over some period of time, since we recognize we are going to have to have crude oil and natural gas, then by reducing the domestic production of crude oil and natural gas, you have, in fact, increased the foreign source requirements of that crude oil and natural gas. And so that is what this bill does.

Now, does to do it in a way that is going to destroy the economy or destroy life as we know it? Not likely. This economy, these producers, are incredibly resilient and in spite of all of our predictions of doom and gloom on the one hand, in all likelihood this will have an impact on it. But there will be great men and women working hard every day in the oil business to overcome the challenges that we have put in front of them tonight with the passage of this bill in the House. We will see, of course, whether or not our colleagues in the Senate take this up.

The one disappointing thing about this bill is that as it talks about, they call it clean, renewable and alternative energy sources, it clearly ignores clean-burning coal technology, as well as nuclear power. Most folks who understand the need for energy in this country and understand the scope of energy and the scope of how that energy is produced would acknowledge that clean-burning coal and nuclear are two major and significant sources of energy for this path that we are on to try to get to where we have weaned ourselves off of crude oil and foreign crude and foreign natural gas. It is ignored in this bill.

Now, I know I heard earlier this afternoon, the chairman of the Natural Resources Committee, in his mind, alternative energy sources is coal, but it is a fossil fuel; and I am hard pressed to understand that clean-burning coal fits into the generally accepted definition. So I am disappointed that he was not able to, well that is right, this didn't go through his committee. So he had no opportunity to make that clarifying statement in the committee where the chairman has great sway, whether you are the Republican or Democrat. If you are the chairman of a committee, you have got great control over the bill. And had it been through his committee in the regular order, my guess is, given West Virginia's coal production, that my good friend would have clarified that the money that is confiscated from producers out of this bill would have been used in the clean-burning coal arena to help us wean ourselves from crude oil and natural gas.

Let me talk a little bit about the specifics of what this bill does. Back under the Big Oil category, let me talk about what that did. That is simply a tax increase. Most businessmen and -women understand that taxes on businesses go up and they go down, they go up, they go down, so a 3 percent increase in the tax rate on businesses is not something that is going to destroy any single business, I wouldn't expect. But it is cash flow that would have otherwise gone into their business. And in this instance, their business is producing crude oil and natural gas.

Statistics show that the small producers who are impacted by this provision reinvest about, in 2005, reinvested 617 percent of their profits back in the ground. Let me make sure you understand that. If they made a dollar out of their businesses, they borrowed \$5 and put \$6 back in the ground.

Now I would give you the statistics from 1999 to 2005, but it is embarrassing. It is 898 percent. And so these are folks that take that money that they earn, taking the risks of drilling for oil and gas. And I am going to be joined here in a few minutes by a colleague who fed his family for a while owning a service company in the oil and gas business, taking the risks that are inherent with all the oil and gas exploration, all of the regulatory burden with trying to produce crude oil and natural gas and making money with it and turning that money back into additional activity.

That 617 percent provides additional jobs, because you spend that with drilling contractors; you spend it with service companies, some large and some small, some mom and pop organizations. In fact, my dad and mom owned an oil field service company for the last 25-plus years of my dad's career. They spent it with folks like him, who he also hired folks, and so that is how that system worked.

What section 102 does is to change a section of the code, section 199, which, back in 2003 when America was losing

jobs, particularly manufacturing jobs, the Republican Congress in place at the time said, we need some way to incent manufacturing jobs because most manufacturing jobs have better benefits and better pay than service jobs, particularly entry-level service jobs.

Now, you know, lawyers and accountants and doctors and others are in service business and they make really good money. But the bulk of service jobs are such that they don't make as much money. But manufacturing jobs, by and large, really are important to this economy on a go-forward basis.

In fact, back in 2003, Speaker PELOSI said manufacturing jobs are the engines that run the economy. These are good jobs. They give working families high standards of living. So even our current Speaker agreed that to incent manufacturing jobs to stay in this country was an important thing to do. So that is what section 199 of the code was intended to do.

The net effect was to take the corporate tax rate which, on C corporations is 35 percent, and over its implementation time frame would lower that rate about 3 percent to somewhere between 32 and 33 percent, meaning that those manufacturing jobs would have that 3 percent taxes that instead of coming to the Federal Government and having the 435 of us spend it, the companies would spend that money themselves. And with respect to the oil and gas business, they would take that money and multiply it by, from 200 percent to 600 percent for the small companies with additional activity, additional jobs.

Now, by definition, oil and gas production was considered to be manufacturing under the definition that was put in place. Now, under the ending subsidies for Big Oil, every single oil company, the companies that produce the largest average daily production down to the smallest daily production, if they are a C corp, are impacted by this. So I guess by impact, we will have to assume, my colleagues on the other side's definition of Big Oil includes every oil company, just because that is how this impact will be. This impacts every single oil company that is in that business.

And again, I said taxes go up, taxes go down. But the net effect on this is that there is less money for these companies to spend in the oil business drilling, producing, completing all the things that go on to produce additional crude oil and natural gas which, again, as I said earlier, limits our need for imported crude oil and natural gas. Every single barrel is a barrel that we have not had to buy from somebody who really hates us.

There are a couple of other tax provisions that, whether the amortization period should be 5 years or 7 years or 3 years, reasonable people are going to differ on that and it is unfortunate that we have made that change, but that was not one that I think anybody is necessarily going to fall on their sword over.

Let me talk a little while about the most insulting piece of this entire piece of legislation, and that is referred to under section 201 as the Royalty Relief for American Consumers Act of 2007. Now, just the title would mean that apparently American consumers are paying royalties. That is not the case, and so the title is flawed.

I had introduced an amendment that was not made in order for reasons you will see here in a minute when I quote it. My better title, my amendment would have given this thing a little more descriptive title to the bill than the Royalty Relief for American Consumers Act, which is meaningless, except the individual terms have meaning, but in context of this bill they don't have much meaning.

The title is far more descriptive of what the impact of title II does on our oil producers, is the Congressional Abrogation of Contracts Using Blackmail Act of 2007. That is much more descriptive of what section or title II in these following sections do as a result of this.

Let me set a little bit of the history for you. There are always going to be ups and downs in the oil business, not to be confused with drilling for oil and gas, but nevertheless there are swings in the economy. There are swings in oil and gas, and sometimes it is great to be in the oil business and other times it is not really good to be in the oil business.

One of those times that was particularly bad to be in the oil business was 1998, 1999 when the price of crude oil, sweet crude was about 10 bucks a barrel. Sour crude was \$7.50 or less per barrel. And so at that point in time, companies were coming to the Federal Government to lease offshore leases in the Gulf of Mexico.

Now, again, the price was 10 bucks a barrel, 12 bucks a barrel. Contrast that and today. This is 1998 and 1999. I lived through that time in west Texas. We had a march on the Capital led by some folks who demanded that the Texas legislature do something to try to help the oil business. There were thousands and thousands of jobs lost in the economies of west Texas and throughout the oil business as a result of those low prices. It was almost impossible to make money at that price, and folks were being laid off. Rigs were being stacked and not utilized, and it was one of those bottom down times in the oil business that happens from time to time.

So against that backdrop, the Clinton administration, led by Secretary Bruce Babbitt, who I assume is a competent Secretary of the Interior, offered up leases for the oil and gas companies to drill on.

Now, when you are trying to decide how much bonus money to pay the leaseholder, in this instance the Federal Government, obviously the price of crude, the price of natural gas is a significant piece of what you are trying to do. Another piece of it is what your

share of the crude oil will be if you find crude oil or natural gas in the ground. Most leases provide for a royalty to the mineral owner. In this instance the Federal Government is the mineral owner. But given the circumstances of the day, there is some fuzziness as to why this happened. But the leases issued in 1998, 1999, which would have normally had a royalty associated with them, did not.

Now, I have to assume that there are competent lawyers, maybe some of them still there at the Interior Department who worked on behalf of the Interior Department to negotiate, in good faith, with the companies who were actually wanting to buy these leases or actually wanted to pay the Federal Government for the right to drill in the Gulf of Mexico in an environment which is very difficult to drill.

I have to assume, since we have not seen any malpractice suits, we have not seen anybody lose their law license, that these guys were doing the job they were told to do. The companies were represented by reputable lawyers, and a deal was struck. In effect, the Federal Government shook hands with these companies and said, here are the leases. Here are the terms. Here is what you need to do. And go forth and drill. 1998, 1999. \$10 a barrel crude oil.

Well, today, crude oil has been much higher than it is right now. But it is still over 50 bucks a barrel last time I checked, although it may have dropped some yesterday, and circumstances are radically different. Well, the opportunists on the other side see this as a chance to, in their view, in their mind, correct something that was done wrong in 1998 and 1999.

□ 2100

The truth of the matter is, a deal was struck in good faith by the Federal Government, by other companies. These companies should have been able to rely on those written contracts to conduct their business.

This Congress, though, has seen fit to step into the breach to do something I didn't think was legal for us to do but nevertheless are doing. Most times, when you have a contract conflict or a conflict over the terms of a contract, our judicial system is where that is ferreted out, where facts are drawn, where rational arguments on both sides are presented, where you have a trier of the fact, you have a judge, and everybody comes to whatever conclusions.

That is not how this works on this floor. On this floor somebody came up with a good idea that we ought to go get this money, and 260 of our colleagues agreed to that idea. I am not sure that everybody fully understands that these were contracts that companies should have been able to agree to, should have been able to rely on. Most companies can deal with taxes going up and down. What companies hate to deal with is dealing with a customer, dealing with a partner that you cannot trust.

We have now placed the United States in that category. We are now in league with the conduct of Hugo Chavez, the conduct of Evo Morales in Bolivia in terms of how we treat contracts with this Federal Government.

From this day forward, as far as the House is concerned, and, again, this may not happen in the Senate, but as far as the House is concerned, we are told, at least people in the oil and gas business, if you sign a contract with the Federal Government, too bad. Now, we are going to hold you to every single term in there, but we on the Federal Government side, if we don't like the deal, if the deal changes, if the deal looks like it is too good for you, then in addition to taking tax money away from you, we are going to impose either a fee or we are going to force you to renegotiate these contracts.

Here is some language that is just unpalatable in the extreme. Section 202, the Secretary of the Interior shall agree to a request by any lessee to amend leases. A request by a lessee to come in and change a contract? That is not going to happen. Since when do you have to demand that the Secretary of Interior accept that?

This is only happening because this law is, in effect, a gun held at the head of these lease owners to come in and renegotiate. There are some mechanical flaws in this thing that I am not sure was an intended consequence. One is that if you are a holder in due course of one of these leases, and you sell it to somebody else, you sell all of your right, title and interest in it. Then unless that new leaseholder agrees to these terms and agrees to this, nonsense, then you are forever tainted. You cannot get another lease. That is where the blackmail comes in. Unless you renegotiate the lease, you cannot get another lease from the Federal Government to drill on Federal lands.

I know there are a lot of folks who hate the oil and gas business, and never drilling on another Federal land is an acceptable public policy, but it is wrong-headed if you think that we can continue to import foreign crude oil and get to where we want to with respect to the energy independence.

Another problem that is, in all likelihood, is a Republican problem as well, back in June we passed a similar concept, a conservation fee that is triggered at \$34.73 a barrel. Here are the mechanics. If the price is above \$34.73 a barrel on average for a year, then you owe a \$9 fee on that production. If it is less than that, then you don't owe that fee. So you are the business guy, you are the guy that is producing crude oil and natural gas, you have been rocking along all year along at \$34.70 on average, and so you are not paying that fee. You built your business model based on that number.

Then you get a \$.10 increase in the average price over that timeframe, and you are now making \$34.80. You now owe a \$9 fee, which drops you back to a \$25 gross revenue on each barrel of oil that is sold.

There are many places in the world where business people have to deal with that kind of a 25 percent haircut just because something went up over a particular threshold.

A couple of amendments that I offered, then I am going to turn to my colleagues for whatever time they would like to take that I offered up that seem to be a little more straightforward than my first one. The first one would have said there is plenty of uncertainty as to what the impact this is going to have on domestic crude oil and natural gas production. We all agree that for every barrel that is produced domestically is a barrel we don't have to buy from somebody else.

Given the uncertainty, given the rush to judgment that this was, let's have the Secretary of Energy and the Secretary of Interior document what the impact is going to be and tell this body for sure and for certain that this will not reduce the investment in crude oil and natural gas and will not reduce the domestic production that we rely on to help wean ourselves off of foreign production. I got turned down on that.

Then the second one was if our goal is to increase domestic production while we bring on these other technologies that are decades into the future, then let's not penalize the people who are taking the money and putting it back in the ground. Let's only have these penalties apply to people who are taking the money and giving it to shareholders or, you know, some nasty thing like that.

So folks who reinvest over 75 percent of their net profits would not be affected by this. For those folks who are taking the money, putting it back in the ground, they wouldn't be impacted by this law; those folks who are taking less than 75 percent of their profits and putting it in the ground, then they would have to pay these penalties, and they would be associated with that.

I meant to say early on that the chairman of the Rules Committee had told us in advance that none of these amendments would be made in order and that we were wasting our time and breath, but it seemed like something I ought to do.

I am joined tonight by STEVE PEARCE from New Mexico. He and I share the New Mexico border along a good long stretch. He is also the Congressman for my three grandsons, and I am particularly interested in him doing a good job on behalf of my three grandsons and my son and daughter-in-law.

Mr. PEARCE, would you share with us some of your thoughts?

Mr. PEARCE. I would thank the gentleman from Texas for bringing this important item up tonight and will enjoy the opportunity to address it.

First of all, as we went through the discussions today, we were told, I heard that it was not the intent to lower production. It was not the intent to harm the American consumer. It was not the intent to defraud the contracting process. But I would share with my colleagues that the same kind of language

had to be used in the first item that came to the floor.

That item, the majority placed an element into the new rules package which said that a Member, Delegate Or Resident Commissioner may not use personal funds, official funds or campaign funds for a flight on a nongovernmental airplane that is not licensed by the FAA to operate for compensation or hire.

Now, when it came up for their own colleagues, they came to the floor and just declared in their comments that this was not the intent of the provision. But it is the effect of the provision, because they absolutely outlawed, they made it illegal to use even your own funds or campaign funds or MRA, that is the Congressional delegation funds, for private aircraft. So you had then Mr. HASTINGS of Florida say, I want to assure my colleagues that this is not the intent of this provision.

Now, either we are bumping into people who were not quite prepared to present legislation to the floor, who are maybe getting bad advice, maybe thinking a little bit too quickly, maybe being driven by an agenda to bring stuff to the floor, to bring legislation to the floor that is a little bit narrowly constructed without the opportunity to go to committee.

But let's take a look at what happened today in this energy bill. The first thing they declared was that energy companies are making so much profit that they must be declared immoral, that we must take back some of that money. We heard that over and over and over again today.

But I would like to take a look at a chart here that begins to break down the cost of petroleum versus the cost of some of the other items take we have.

The cost of oil, today, is \$52 per barrel. The cost of bottled water is \$409.50 per barrel. The cost of American beer is \$448 per barrel. The cost of ice cream is \$934 per barrel. Nail polish rings up an amazing \$75,264 per barrel.

So we have to ask how it is that we are declaring too much profit is being made? I heard today that oil companies, the top oil companies made \$96 billion in profit. Yet when I look at Microsoft in just this past year, it was \$36 billion just by itself.

If we are going to make it wrong, if we are going to simply set up the class struggle between companies that make extraordinary profits, we should look at those that have no investment in large capital.

When I look at the elements of producing oil that we are describing today, I see an investment in a rig that is almost like \$1 billion to \$1.5 billion. Now each one of these components that is made on this rig creates jobs, they create cash flow, they create profits for a whole range of companies.

So when my colleagues were saying we need to go up on the taxes for these pieces of property, I think that the American consumer is smart enough to realize that investors just might

choose not to put their money into this project.

If that is the case, then we are going to find that our colleagues, in trying to assure energy independence, will, in fact, ensure energy dependence.

Because in America, in the United States, we are driven further and further offshore, further and further down into the ground in order to produce oil.

Saudi Arabia produces from a very shallow depth. Some of the wells in our district may be 20,000 feet deep. Saudi Arabia could be producing from as shallow as 1,000 feet deep. Saudi Arabia already has significant cost advantages over the United States production. We have tried to encourage this kind of drilling, this kind of production, to see that we have as much oil and gas as possible from internal sources.

Now, our friends have said that they wanted to create incentives for the renewable fuels. Then they declared that the previous Congress for 12 years did nothing. I don't think they absolutely intended to mislead the American public on that, but they certainly did.

Just because of the effects of the Energy 2005 Act that we passed from the Republican House, let me read a list of renewable projects that have already started or are already showing results.

First of all, because of that legislation in 2005, 27 new ethanol plants have broken ground, 500 million gallons of new annual ethanol production is online already, 1.4 billion gallons of ethanol production are online by the end of 2006; 401 E-85 pumps, those are the pumps that can give you 85 percent ethanol if you pull up and have an engine that will burn ethanol; 25 new nuclear reactors are planned, 25,000 megawatts of electricity will be generated by 2020 if all 25 plants are built, 15 million households can be powered from the electricity by the 25 plants; 116,871 new hybrid vehicles have been purchased since January 1 of 2006, so the last calendar year, over 116,000 vehicles that are hybrids; there were 2,000 megawatts of new wind power.

Many of those wind generators went into the second district of New Mexico that I represent. Many others lie just outside the district. Wind generators are not suitable for all parts of the country, but New Mexico is one of the few States that could be self-sufficient on wind energy. Very few States are capable of doing that; 493,000 homes will now be powered by new wind power.

Three billion in economic activity is spurred by the wind power production. There is 7 billion pounds of CO2 offset by new wind power production, 1 million homes that can be powered by new wind power by the end of 2006, 100 percent increase in California and New Jersey and the applications for photovoltaic systems, 30 percent increase nationwide are solar, thermal collector installations. We had 15 new efficiency standards implemented for large appliances and 50,000 megawatts of energy saved by 2020 because of the 15 new efficiency standards.

Now, our friends today said frequently that they were giving comments like clean energy policy starts today. Well, they are making the implication that nothing was done previously, and such is just not the case.

Mrs. BLACKBURN. If the gentleman would yield, I would like to refer back to something that he was saying on the alternative fuels development, draw attention to that. I know that the gentleman from Texas will agree with me, just as the gentleman from New Mexico has.

□ 2115

What we are doing is recapping much of what took place in the Energy Act of 2005, and in that act, the \$8 billion that was set aside and designated for alternative fuels development, the reason that was done was because the Republican House leadership knew and the Senate agreed and the President agreed that beginning some alternative fuels development was very, very important. It was something that needed to be done. Great ideas needed to be brought to the table.

I think what the gentleman is saying is so very significant, and I want to highlight it because I appreciate so much the fact that you are bringing it forward, that whether you are looking at the blended fuels and ethanol and biodiesel, all of that is coming on line.

If I understood the gentleman correctly, what we have seen over the past 18 months is generation capacity of these alternative fuels, fossil-based fuels and blends. What we are seeing is hundreds of millions of gallons available at the retail level every year. This will increase every year.

We will hear more this evening from our dear colleague from Maryland about developments in other alternative energies and getting outside of the box and thinking outside of that paradigm. But I appreciate so much the gentleman highlighting the provisions that were there and shedding a little bit of sunlight on the statement that was made today over and over and over on the floor of this House, an untruth, whether they are misinformed or misdirected or misguided or whatever, that clean energy policy would start today. Then what did they do when they voted for the energy act that we passed in 2005, because we got that out of Energy and Commerce Committee on a bipartisan vote.

We took significant steps at that point in time, and, as the gentleman is seeing, results are being yielded and brought forth.

Mr. PEARCE. Madam Speaker, I thank the gentlewoman for her comments. One of the distressing things about the vote we took today was that not only were we setting up kind of an undisclosed fund, a slush fund for things that had already been done, the \$8 billion referred to by my colleague from Tennessee was in the Energy Act of 2005 and was very specific. It had incentives for wind, solar, biomass, geothermal, hydrogen and nuclear. It had

incentives for many of the renewable fuels. Those incentives are taking place and those incentives are causing developments to take place that are very significant.

But the very damaging thing about this bill today was it violated a constitutional provision that prohibits the Federal Government from taking private property. That occurs on page 10 of the bill. Again, I would read the excerpts from the bill, line 4 on transfers. Basically the language says: "A lessee," and some language in between, "shall not be eligible to obtain the economic benefit of any covered lease or any other lease for production of oil or natural gas in the Gulf of Mexico" unless they voluntarily back away from, agree to undo these contracts written in full faith.

If you can imagine an investor, or even a stockholder, having to walk away from an investment like this because the government changed its standards, the government changed the contracting basis, you would understand then why The Washington Post said: "This House bill would break the deadlock," meaning the deadlock in this contracting process that has been so messed up. "The House would break this deadlock by imposing heavy penalties," that is the heavy penalty of walking away from that investment without economic return, "on firms that do not renegotiate on terms imposed by the government."

"This heavy-handed attack on the stability of contracts would be welcomed in Russia, Bolivia and other countries that have been criticized for tearing up revenue sharing agreements with private energy companies."

I would like to share with my colleagues, before I yield back, the things that this Washington Post is referring to. For instance, in Venezuela in 2006, Hugo Chavez caused royalty rates to be increased from 1 percent to 16 percent without renegotiation. In 2005, Venezuelan President Hugo Chavez mandated that private oil firms cooperate with new contractual changes. Those firms that did not agree had their assets nationalized.

Now, we are not nationalizing these assets, but we are saying you have to sacrifice any potential to make economic benefit from that. That does not seem American. It does not seem like the way that we want to run business in this country, and yet it is what the majority presented to us today. They said, well that is an unintended consequence, which brings me back to my initial point, that maybe they just should have sent these things to committee before they came to the floor with such outlandish provisions.

Bolivia in 2006 threatened to expel oil companies that refused to agree to new government terms on already existing contracts. That is very similar to what this language in this bill did. If you don't agree to the terms in the language here, then you do not get to make economic impact from an investment such as this.

In May of 2006, President Evo Morales in Bolivia suspended negotiations and nationalized his country's energy industry. These actions were done for short-term increases in revenue from taxes and royalties, but foreign investors have canceled almost new projects, which will likely lead to massive economic problems in the future.

Now, if they are going to cancel economic projects in Bolivia because of the overturn of existing contracts, I will guarantee you that they will do the same in the United States, and they will cancel future contracts.

Russia found the same thing. President Putin made firms agree to change existing leases that had been in existence for several years. He threatened to pull these leases for suspect reasons. Now he is willing to hold all of Europe hostage as he takes these nationalized assets. I will tell you that companies will not invest in Russia in the energy business in the future.

These are all problems that this bill today that was passed off the floor of the House of Representatives are going to cause. So if my colleague would give me one more second, we would run through a chart showing what American consumers can expect from this bill.

First, it sends American manufacturing jobs overseas. The second thing that it does is lower domestic energy production, so we are going to use more foreign oil, not less. It is going to provide higher prices at the pump, \$3, \$4, \$5. Hugo Chavez, the Iranian Government and the Russian Government get the handouts at the expense of the American consumer.

American voters need to understand what has occurred in the House of Representatives today. I think that they are going to rise up when they begin to see the effects on jobs, when they see the effects at the pump, and when they see that the contractual basis, the full faith and credit of the United States, has been undermined by this piece of legislation.

I thank the gentleman for yielding. If he has additional time, I have other comments. But I thank the gentleman from Texas for bringing this important issue up.

Mr. CONAWAY. Madam Speaker, I thank the gentleman for joining us tonight. It just occurred to me that the Federal Government has contracts with investors all over the world, where we have borrowed money from them at interest rates that may or may not be advantageous. I wonder if those holders of those bonds and T-notes out there all around the world are noticing tonight that if interest rates go the wrong way, that this Federal Government set a precedent of simply changing them at will. That ought to put a chilling effect on the purchase of this money.

Mr. PEARCE. That is a great point. Let me make one additional comment. The very amusing thing is the people that are so critical of the contracting

process, the negotiation process, are exactly the same people that said we should trust the Federal Government, who negotiated so badly here, to negotiate in good faith on our prescription drugs. I will tell you, it is not congruent. It does not fit any sense of logic that I understand.

Mr. CONAWAY. Madam Speaker, we are also joined tonight by a good colleague from Tennessee, MARSHA BLACKBURN. I yield to the gentlewoman.

Mrs. BLACKBURN. Madam Speaker, I thank the gentleman so very much. The gentleman from Texas, being an accountant and understanding what is at stake when you talk about changing contracts and changing rates of taxation, it is so wise to point these things out for our colleagues tonight, and we appreciate that, and also the expertise in the energy industry that our colleague from New Mexico holds.

I have dubbed this the "hold-on-to-your-wallet Congress," and indeed I believe it is. To the Americans who are watching us, you just better be hanging on to that wallet, because if you are not, they are coming to a pocket near you to get every single penny out of it that they can wring out of it. They are off in their 100 hours to quite a start.

As we talk about the energy bill tonight, the gentleman from New Mexico was recapping what this means and the impact this is going to have on the American people, and he is exactly right. The bill that the Democrats in the House passed today does not put one more penny toward alternative energy development or exploration or alternative fuels. It doesn't do it.

It will not make gas cheaper. Contrary to what you heard on the floor of the House today, this is not going to make gas at the pump cheaper.

It will not increase U.S. production. As a matter of fact, it is going to make it more difficult to produce fuels and gas and heating oil in the United States.

Now, the foreign gas production companies and foreign refineries probably love the action that was taken here today, because they saw House Democrats saying we don't have enough faith, we don't trust the U.S. oil industry enough; but we are going to put our attention on foreign investment and foreign oil, because indeed what they did was make us less dependent on U.S. oil and more dependent on foreign sources of oil.

The Washington Post, the Wall Street Journal and the Washington Times, three publications that very seldom agree, all agreed today that the bill, H.R. 6, the Democrat bill, was not a wise move for the people of this great country.

So to the gentleman from Texas, and Madam Speaker, I will commend to you that indeed this is the hold-on-to-your-wallet Congress. As we have heard in this first 100 hours that our friends across the aisle have been in charge of

this majority, we have had no regular order. We have no rules. They did go in and make a change to make it easier to raise taxes.

As I said, hold on to that wallet because they are coming for it. They actually made it easier to raise taxes on the American people.

They even want to get into committees and not record votes so that you will not know what they are doing in the Rules Committee and in some of the committees so that you can play both sides of the aisle on these issues.

In addition to the energy bill that was passed today, they also passed a bill dealing with student loans. It is not going to do one single thing to help get one student into college. They were dealing with interest rates after, after, you leave college.

They decided they wanted to rework a Medicare prescription drug plan. Well, do you know what? Over 75 percent of the seniors are satisfied with the prescription drug plan; and here they go, they are wanting to make that one more expensive.

With the 9/11 Commission, we heard from our transportation industry, from companies large and small that transport goods and merchandise that it would be a cost of billions and billions of dollars to the American public.

The minimum wage bill that brought about Tunagate, my goodness, \$5 billion to \$7 billion worth of added cost to the small businesses, plus our fiasco with Tunagate that was carried forth by the gentlelady from California.

So it has been an interesting 100 hours. They did pass their energy bill today; and as has been said, it is not a bill, Madam Speaker, that is going to make gas cheaper at the pump, more affordable, or make the U.S. less dependent on foreign oil. It will make it more dependent on foreign oil.

I yield back to the gentleman from Texas.

□ 2130

Mr. CONAWAY. I thank the gentlewoman for coming back from her previous engagement this evening to join my colleague from New Mexico. We are just winding down. Does my colleague from New Mexico have another point or two he wanted to make?

Mr. PEARCE. Yes. I would comment to my colleagues that a government depends on the confidence of the people. We make promises all the time, and we are expected to honor those promises if we are going to be a good government. We make promises to our seniors. We make promises to our veterans. We make promises to our young men and women who serve in the military that we will watch out for them, that we will take care of them.

But like the gentleman says, we also make written contracts and written agreements. In this bill today, we have undermined the contracting process. We have declared that previous agreements simply must be renegotiated or you give up all future rights, and when

we as a country choose to do that, not only do we offend and compromise our constitutional protection of private property rights, we undermine the confidence in our Nation and in our government.

This is such a very serious step. It is a step that other Nations take very easily and yet is so significant, and yet this major step, this change in American policy was done without one single committee hearing.

This bill that was in front of us today, H.R. 6, should have gone to four different committees. Instead, it went to none, not one committee hearing, and there were new provisions in this bill. There were new people on the floor who were elected just this year who have not heard the old provisions. I do not disagree with my colleagues who wanted to make us energy independent, but they failed in that task, and in the process, they have begun to undermine the confidence of this great Nation and the great reputation it has for treating fairly those people who invest and those people who trust the government.

Who else will be undercut by actions from the floor of this House and the Democrat majority that is willing to take any step to try to enforce a new standard while declaring it to be a new way? Instead, it is an old, tried way that many other Nations have tried in the past. It is unfortunate to see now this Congress and this majority taking steps that Russia or Bolivia might have taken.

I thank the gentleman for yielding time to me.

Mr. CONAWAY. I appreciate the gentleman from New Mexico being with us tonight.

On the campaign trail and in the town hall meetings throughout my brief career, I have talked about Social Security being basically a contract with ourselves, a promise with ourselves, that we would not break that. From now, every time I talk about that, I will have to think about this legislation, have to think about the fact that, wow, here is a written contract, much like the written provisions of Social Security, much like the written provisions in our veterans' benefits, that we tend to keep but here is one that we did not.

I appreciate both my colleagues coming tonight. Here is one final thing. I go through the long list of co-sponsors on this bill. At the end of it, it says they have introduced this bill and it has been referred to the Committee on Ways and Means, Natural Resources, Budget and Rules for a period to be consequently determined by the Speaker. I do not think there is a stopwatch fast enough that could measure the amount of time that this bill laid before those committees because they did not work. So how those committees did meet, how they were able to get it through all four of those committees without anything happening, without any meeting is one of those well-kept

secrets about how this process works when you do not have a transparency that a full committee process will have.

As I told them earlier this afternoon, I hope that my colleagues on the other side are not so intoxicated with this power that they now wield that they continue this process of not having committee hearings, not taking regular order, not moving things through in ways where at least we can point out the flaws in a format and in an arena in which it can be perhaps have an impact on the ultimate legislation.

So I want to thank the Chair for having us in here tonight.

PEAK OIL

The SPEAKER pro tempore (Mr. MURPHY of Connecticut). Under the Speaker's announced policy of today, the gentleman from Maryland (Mr. BARTLETT) is recognized for 60 minutes.

Mr. BARTLETT of Maryland. Mr. Speaker, last evening we were here just about this time talking about this same subject, the subject we have been talking about for the last hour. We had been discussing the phenomenon known as peak oil. That is the term given to a prediction that a geologist made, M. King Hubbert, working for the Shell Oil Company in 1956. He gave a speech in San Antonio, Texas, which I believe within a decade will be recognized as the most significant, most important speech given in the last century.

What he predicted was that the United States, which at that time was king of oil, we were producing more oil than any other country. We were using more oil than any other country, and we were exporting more oil than any other country. M. King Hubbert had the audacity in San Antonio, Texas, in 1956 to predict that in just a bit less than a decade-and-a-half, by about 1970, he said that the United States would reach its maximum oil production, and after that, inevitably, no matter what we did, oil production would tail off.

That prediction came true. Surprisingly, in 1970, some may say 1971, we peaked in oil production. In 1969, using this same analysis technique, he predicted that the world would be peaking in oil production about now. So last night we had come in our discussion to the point that we were looking at the potential for the alternatives that we and the world would need to turn to as we slide down the other side of what is referred to as Hubbert's peak. We noted that there were some finite resources, some nuclear resources and then the true renewables.

There are three justifications one might use for moving to alternatives. One is peak oil, and we will transition from fossil fuels to alternatives. Oil, gas and coal obviously will not last forever, and as the earth at some point runs down the other side of what we call Hubbert's peak and there is not enough oil, gas and coal to meet our