

If that happens, then there will be less oil on the market, not more. The price will be higher, not lower. The energy will be more scarce, not less. Because of these policies that have come forth in the beginning of this 110th Congress, we see the action that has taken place here. We see what has happened from the very first day, Mr. Speaker, of the new 110th Congress, the day that NANCY PELOSI took the gavel, and it became clear that there was going to be an energy scarcity policy. Gas went from \$2.33 over 15 months to over \$3.51 a gallon, perhaps more than that today. That is a 50 percent increase in just 15 months. I have stipulated the reasons for that. Energy is more scarce, it's less certain. This economy is also in a decline.

It's interesting to me that I don't hear a lot of discussion about the real reasons for that, Mr. Speaker. I look at it this way. When the new hands took over and picked up the gavels here to be chairs of the committees in Congress, in the House and the Senate, and we had the chairman of the Ways and Means Committee, Mr. RANGEL, from New York, who a long time had waited to become chairman of the Ways and Means Committee, we had pushed pretty hard to make the Bush tax cuts permanent, those tax cuts that slowly the authorization expires and will automatically kick in as dramatic tax increases in the next couple of years. I watched as the chairman of the Ways and Means Committee went on the talk show circuit all over television, and I presume radio too, and he was constantly asked by the pundits, What will you do with the Bush tax cuts? Will you make them permanent?

□ 2330

Are there some there that you will commit right now that you will want to save and protect of those tax cuts, or will you just simply want to see them all expire and have that automatic, huge, unprecedented record tax increase?

Well, the chairman didn't address that subject matter, by my recollection, one at a time or in groups. But eventually as he did enough of the talk show circuits, the talk hosts would ask the question, and by a process of elimination, the capital investment in America pretty much concluded that no part of the May 28, 2003, Bush tax cuts would the chairman of the Ways and Means Committee want to see made permanent.

Capital saw that and realized that by about late January-early February of 2007, just about the time gas prices started to shoot up here, Mr. Speaker. That is the time that the capital investment of America understood that capital was going to be more expensive, because the Bush tax cuts were not going to stay or be made permanent.

When capital gets more expensive and it is looking down the line, it tightened things up. And you can go back and look at the record, Mr.

Speaker. You saw industrial investment decline indexed directly to the period of time that NANCY PELOSI became Speaker, CHARLIE RANGEL became the chairman of the Ways and Means Committee, and that gas began to shoot almost straight up here on this chart, going on to its 50 percent increase in prices over a 15-month period of time.

At that same time, capital got more expensive, and because of that more expensive capital, industrial investment declined. That was the first indicator that we were going to have an economic problem on our hands. That was the lack of investment in industry that led all of this. Along behind it came the subprime mortgage component of it, which in the grand scheme of things isn't as big a hit on our economy as the higher gas prices.

Then, as ADAM SMITH said, there are two components to the price of everything. One is the cost of the labor and the other is the cost of the capital. The capital price went up, then the cost of goods and services went up, and capital investment went down.

We can expect this decline in our economy because of a number of things: Energy prices are skyrocketing because the policies that are coming out of this Congress are taking energy off the market, and capital prices are going up because the tax cuts are unlikely to be made permanent between now and 2010. So automatically those tax increases will kick in, and the investment markets see that.

Those are the reasons that are watching this economy decline today. The subprime is a small part of it. But it is such a small part of it, when you think of what the subprime really is, it is about a \$150 billion loss. We will burn about 142 billion gallons of gasoline. Those 142 billion gallons of gasoline, \$1 a gallon for one year would pay for the subprime.

So let's keep our rules straight. Let's understand we can't suspend the laws of supply and demand. Let's put some energy on the market. That includes conservation.

#### REASONS FOR ENERGY AND FOOD CRISES FACING AMERICA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 18, 2007, the gentleman from Minnesota (Mr. WALZ) is recognized for 28 minutes.

Mr. WALZ of Minnesota. Thank you for this opportunity to speak on the floor and to give this Chamber a demonstration of what is so great about this country. The previous gentleman's district actually borders mine, but you may not find a more diametrically opposed view of what is happening in this country than you may get in the next 28 minutes.

You hear a lot of statistics and you hear a lot things thrown out. You hear a lot of economists talking about different things. The one thing I have

found, and I think maybe it comes from being new to this business of politics, coming from a high school classroom, coming out of what most middle class Americans are experiencing is, is that many of those things do not matter to people.

What matters to them is the reality in their everyday lives. And that reality doesn't take a whole lot of background from them. It doesn't take a whole lot of statistics. It doesn't take a whole lot of anything, other than for them to make some simple judgments.

One of those judgments that the American public is going to ask themselves, and they are going to get to ask themselves in November, after 12 straight years of Republican control of the House of Representatives, after 6 years of total control of both branches of the legislative procession, the American people got a chance to see by the fall of 2006 the direction that those policies had taken us in.

In watching that, they made a decision come November. They chose about 45 new Members of this body, many of them without elected office experience, but many of them who came from the ranks of middle class working people, many of them like myself that never had a salary over \$50,000. Teaching for 18 years, my salary when I left my teaching position was \$48,000 a year. My insurance costs coming off the top of that were \$7,200 a year, and then the taxes that came after that.

One of the things the American public will ask is, were they better off before that time when President Bush and the Republican-controlled Congress took over, or were things going in the wrong direction? Were decisions made that were affecting their lives negatively, and what were those decisions doing to them?

What was happening, as you saw the previous speaker talk about, what was happening to the price of fuel? Why was gas going up and who was benefiting from it? Why was the cost of their produce, why was the cost of groceries going up, and who was benefiting from that? What was happening to the cost of tuition? What was happening to their paycheck? What was happening to insurance costs?

Those were questions that they don't get to stand here and theoretically talk about and come up with some cute alliteration that I always hear. My colleagues are wonderful at the alliteration, and somewhat weak on the policy that impacts people's lives.

So as I listened this week and I watched a concerted effort, and one of the magazines on Capitol Hill wrote about that our friends in the minority have decided they are going to try and pin the energy policies on the new majority, understanding that President Bush will veto any attempt we make to change policy.

The policies that we are operating under in this economy are the ones that were put into place by the minority and put into law by the President.

The changes that have been attempted and those that have been made, such as CAFE standards, the fuel efficiency standards and improving them for the first time in 35 years, are so overwhelmingly accepted by the American public, those could not be ignored.

The ideology being expressed by the previous speaker I think is reflected in some. You don't need the polls when you go out and talk to people, but if you want to get to the data you are hearing them talking about, 72 percent of the American people disagree. Twenty-eight percent of the American people agree that President Bush's economic policies are the right direction for this country.

So when I hear talk about supply and demand, as if it is gravity, as if there have not been decisions made to influence either the supply chain or the demand by interests, by the growth, the astronomical growth of lobbyists, especially energy lobbyists at this place, it is bordering on the ridiculous. And when I hear about ADAM SMITH being talked about, the only "invisible hand" that is operating in our energy markets is that invisible handshake that happened in the White House between the oil company executives when they created this current energy policy.

I would like to take a chance here to illustrate what has happened on energy as it impacts the economy.

Now, again, speaking to the American people, when they are going and filling up, they are rightfully disturbed. They are rightfully concerned, and many of those people are understanding a larger portion of their disposable income is being eaten up in fuel costs, transportation costs.

The policy that was put into place that has driven this upward climb and that was so conveniently taken out here, about right in here and shown, has been a steady upward trajectory. And they are right. Several things are happening here.

There is no doubt that supply, world supply for fuels, especially with the rise of China and India, is having an impact in this. The only question I would ask on that is, who didn't know that back here? Who couldn't anticipate those changes and start planning ahead, instead of being reactive to everything that has happened?

This administration has been wrong on almost every single indicator economically around the world, socially, and they have not gotten any of it correct since they have come to office. So the trajectory is pretty steady, almost exactly what could have been expected on that.

But there are several other things at work here. One of the things is about this energy policy. I would love to show you and read from that energy policy to tell the Speaker, my colleagues and anyone in America that would like to know what that energy policy is. But the problem is, the White House claimed executive privilege, and in 2004 the Supreme Court upheld that executive privilege.

So that meeting that took place, we do have some reports on who was there, by the way. One of the first visitors on February 14, 2001, just 2 weeks after the inauguration and the President took office, was James Rouse, the vice president of ExxonMobil. He was also the major donor to all of the festivities that happened here with the inauguration of President Bush.

A week later was a long-time friend of President Bush and a supporter, Kenneth Lay, then, of course, head of Enron. They had two meetings. By March 5, the country's biggest utilities, Duke Energy and Constellation Energy, were in the White House. Then British Petroleum came on March 22. And that was followed by 20 oil and drilling companies to get meetings. At this point, to this day, none of that documentation is public. None of it has been out there. None of it has shown what happened. And what we saw was a steady increase and a policy that put this entire Nation's energy needs in the hands of oil company executives.

Now, I could almost get lucky in my district out in southern Minnesota. There is somebody who was in the room, somebody who knows. That somebody now lives in my district—well, temporarily. That someone is the vice president of Enron, Jeff Skilling. He is in the Federal Penitentiary in Waseca, Minnesota, in my district. He was with Enron. He understood what happened here, and he ended up, after going to court, in Federal prison for 24 years.

The policies here have nothing to do with supply and demand. They have everything to do with special interests and corporate interests over the national interests of this country.

So as you hear the previous speakers speak, and they talk about us trying to take energy off the market, the fact of the matter is, as I said, the previous speaker's district borders mine, I am very proud that in southern Minnesota my district is one of the Nation's top four producers of wind energy. We have beautiful wind generators going up and down the district. We have small towns, like Minnesota Lake, that are taking their town's energy and deriving over 75 percent of the energy for the town through the use of clean, renewable wind generation.

We are also one of the leading producers of alternative fuels and biofuels. And let me be very clear about this. As people talk about, well, biofuels are driving up the cost of food products, of commodities, there is a definite moral argument to be made of the idea of taking food, such as corn or soybeans, and turning it into fuel. The fact of the matter is, most economists agree that the impact on that is negligible, compared to the impact of the price of oil.

There is something I would like to quote here, and I would like you to see a couple of things here. When President Bush was asked prior to the election during the campaign back in 2000, he was asked what he would do to help

control energy costs, he said, "What I think the President ought to do when gas prices spike is he ought to get on the phone with the OPEC cartel and say I expect you to open your spigots, and the President of the United States starts jawboning with OPEC members to lower the price."

Well, in April 2005 there is a pretty famous picture here of the President holding hands with that. That is about the point where oil went up. This is from an ally who has promised to help us pay for the war in Iraq and has yet to pay 7 percent of their total cost.

Now, if they can't make it on \$118 a barrel, it makes it pretty difficult for me to understand when they are ever going to get jawboned into doing something about this.

The next thing that I think is a bit of a fallacy here in this whole free market thing and this supply and demand, as if it is going to come down and drop upon us and be in perfect order, is why in the world did my colleagues on the other side of the aisle continue to vote for \$18.6 billion in subsidies to the oil companies? At \$40 billion in profits for one oil company alone last year, over \$100 billion in profits for the three major oil companies, they haven't got it figured out how to run their business to make a profit without the subsidies?

And what is at stake here is this isn't about class warfare. This isn't about, as the previous speaker from Michigan talked about, not being a friend of the oil companies or being their enemies. The fact of the matter is they have an unfair advantage on a unlevel playing field. If my wind generation and my cellulosic ethanol producers could get the same amount of subsidies driven back into research and development that we are putting into oil and natural gas exploration, I guarantee you we would compete on that.

I guarantee you we would have renewable energy sources that would take several things away. One is the dependence on foreign oil. That driver or that magnet of conflict around the world would be taken out of the equation. We would also start to create rural jobs and rural green collar jobs that would resuscitate the economy.

This President and this energy policy that has created these prices that have been on a steady upward climb also took an economy that went from a manufacturing base and a base of middle class workers, who could figure it out. And this is all they are asking for. They go to work, they work hard at their job, they make the right decisions, they work 40 hours a week, maybe a little overtime.

Here is what they are asking for. All they want in return is the ability to have a home, the ability to have transportation to get to and from their job and maybe partake in their recreational activities. They would like to have health care for themselves and their children that is affordable and they can go when it is needed. And they would like to get to the point

where perhaps they could save enough money to send their children to college to ensure their future.

□ 2345

The American people aren't demanding a lot. They are not asking for a lot. But let me give you a couple statistics.

Since President Bush has come to office, guess what has happened. We have lost 1.4 million jobs. We need to be creating jobs. We need to be creating about 180,000 jobs a month to keep pace with population growth. Manufacturing jobs have increased by 3.4 million.

Income is down on an average, so the person going to work 40 hours a week, the person making the right decisions, the person trying to fulfill the American dream is getting further behind no matter how hard they are working.

The number without health care insurance has increased 8.6 percent. We now have 50 million American people without health care insurance.

And I guess the debate can be supply and demand: There is a big supply, there is big demand for it, not quite enough to pay for it, so your child doesn't get to go to the doctor.

If that is the type of country we are choosing to live in, then go ahead and follow the policies that have been put in place the last 8 years. If we think there is a better way to do this, perhaps we can start having a vision that extends to the next generation, not the next election.

Of course, we hear about gas prices doubling. College costs have gone up 36 percent. Foreclosure rates have hit an all-time high.

This President created an economy totally predicated on consumer spending. He drove that spending by the only way people could do it under the economy that was dropping their wages, by borrowing on their homes. And then they were given risky loans, and those risky loans—here is the thing in my district; I trust the bankers in my district; I trust those people to make loans. And do you know what? There used to be a contract in this country. As a borrower, you were expected to repay. I still believe that is true. But there is another part of that equation: As a lender, you actually used to want to get repaid. We have people now who are speculating, who are giving loans with no intention of ever caring what happened to the loan, selling it off into speculation, put in some exotic investment vehicle outside of any regulation, because we can have no regulation.

This economy predicated itself on consumer spending, on consumer borrowing. And the driver here was, if we regulate companies, how could they make money? If we ask them to take lead out of toys for children, that would cut into profit. And how dare we think we would do that. If we actually asked that our food be safe before we fed it to our children, we were over-regulating and messing with that invisible hand.

Well, that is not the way the world works. It is not the way the people of America want things to work. What they want is a sense of fairness. They want that chance to be able to work hard, save a little money, get a house, take care of their family, and let their children have an attempt at living a life equal to or better than their own.

There are statistics out there now, for the first time in American history after 7½ years of this Presidency, that the majority of Americans do not believe their children will live the type of life that they had, that they themselves had a chance to live. That is absolutely criminal. It is absolutely immoral. It is absolutely not the principles this country was founded on. And those that would say by us asking for alternative energy sources, by us asking to try and improve the ability of efficiencies in our automobiles and our building designs, that those of us who are asking oil companies to not be able to take \$18 billion, and to think that you are going to drill your way out of this—they just tell us world demand is up. How in the world is drilling going to be a long-term solution? It is beyond me. With those things happening, though, the American people can be glad to know that is the minority opinion.

The majority in this House of Representatives is representative of the majority of the American people. Fully 72 percent disagree with the past policies we are on. Only 28 percent of the American people would espouse to believe that the policies you heard from the previous speakers are the direction that we should go in.

We should have a civil debate on this House Floor, we should talk about the implications of our policies, but we should also realize what we are talking about is the livelihood and the quality of life of the American public, and we have got work to do in that regard.

I wanted to just talk about a couple of things here, too. One of the things that is most striking to me is, is the President's and the rhetoric that happens on this House floor, that disconnect again with the American public, that disconnect of what a person is going through. And you can tell them all of these facts, all of these figures, all of the things that are out there, and they will still come back to the reality as it affects their life.

And I want to talk to you, as many of us saw, just for a minute, Mr. Speaker, as many of us were predicting for several years, they felt the fragileness in this economy, they felt they were saving less, they felt costs were going up, they saw that the ability to get their children to college getting further and further out of their reach. We saw policies that when those people of my generation had the opportunity to go to college, fully 80 percent was on the idea of Pell Grants and different types of grants, 20 percent in the forms of loans. We have almost exactly reversed that. And then we took those loans from

being low-interest government guaranteed loans to being government guaranteed loans to private lenders with high interest rates. We have absolutely not made an investment in the future a priority.

And when you hear people talk about the so-called tax cuts, I ask everyone out there to see if, since 2001 and President Bush's tax cuts, are you better off? Have they fulfilled their promise? Have they filled your pockets with wealth? Have your streets gotten better? Have your schools become more productive? Has everything gone exactly the way they told you they would do? Because the bottom line in this country is, we have seen the single largest shift of wealth to the smallest percentage at the top than we have seen since the 1920s. We have the greatest disparity from those in the middle class and those in the top 1 percent than we have seen in the past 100 years.

The policies that were put into place did exactly what they were supposed to do: They shifted that wealth. And in the ideology, and I don't deny that my friends across the aisle believe this, those people in their benevolence were going to reinvest it all, creating great jobs here, and spurring the American dream.

The problem was this: They found out that they could invest in manufacturing jobs in places that didn't have worker standards, that didn't have environmental standards, that didn't care if there was lead in the toys. And, as they invested in those countries, their profits rose, and the jobs in America, according to I guess Adam Smith, the invisible hand pulled them and grabbed them to China. And when they couldn't do it in China anymore, they pulled them and grabbed them to Vietnam. And when they couldn't do it in Vietnam, they pulled them to Bangladesh.

I am unsure where they will go next, but I can tell you this, there is a lot of people sitting throughout the Midwest through Ohio and Michigan that sure wish some of those jobs were here. And they are not asking for a fortune, they are asking for a living wage. Well, that living wage, and every time we ask for it: That is going to hurt business, that is going to hurt the profits.

The bottom line on this is, this country was founded and predicated and was so successful because the middle class was successful. We are the most productive people in the world. Our productivity of workers in America is at an all-time high.

Now, the question I ask is, how can that be and real wages are decreasing? How that can be when their buying power has decreased? Unless something is fundamentally wrong with the economy? But if you ask President Bush, all is peachy clean. There are a couple quotes here, I don't know if it would be fair, but it sounds an awful lot like Hoover in the 1930s.

But here he was on October 17. Here was the economic news: The Commerce Department reports that housing starts

in September fell to the lowest levels in over a decade and a half.

Here are President Bush's words: When you got more houses than you got more buyers, the prices tend to go down and we are just going to have to work through the issue. I am not a forecaster, but I can tell people that I feel good about many of the economic indicators here in the United States.

The subprime crisis was right on top of our heads, and yet we are hearing this type of rhetoric. It is not based in reality, it is not based on the people who were already behind in their mortgage payments. It is not based and behind some of those exotic investment vehicles that were going to come crashing down. It is not that we didn't see that the Bear Stearns thing was on the horizon. Most people did, including his former Fed Secretary in Alan Greenspan. But, nope, it didn't bother the President. It doesn't matter the people here who for 6 years rubber-stamped every single piece of legislation written by K Street by the lobbyists and sent down here. Everything that was done behind closed door by Ken Lay, by Jeff Skilling, by the rest of them, sent down here, voted on against the objection by the minority party, our party at that time, that, you are heading for disaster, do not do this. Oh, no, no. We will create jobs, we will create wealth, we will create energy.

Now, all of a sudden, we have a slim majority in the House, we are equal over in the Senate, and the President vetoes anything that we utter over here. Now all of a sudden all of this is the responsibility here.

Well, I have one thing to say. The American people, come November, don't care what side of the aisle you are on, they care about, what are you going to do about it?

Here are a couple more from the President.

December 17, former Fed Chairman Greenspan, as I was just saying, suggested a tax break or other government help for home owners facing the mortgage crunch.

Here is what the President said: This economy is pretty good. There are definitely some storm clouds and concerns, but the underpinnings are good, just fine.

February 28, reports show that new home sales in January fell to the lowest level in 13 years, and orders for big ticket items such as cars and refrigerators slumped dramatically.

Well, I don't think we are headed into a recession, but no question we are in a slowdown.

And then, just yesterday: No recession. No recession.

The bottom line on this is, you have got your head stuck in the sand for so long, you tell yourself for so long that these policies are going to work. The American public again, as I said, doesn't care what the economists say. The American public and the average person that is out there, middle-class worker, doesn't care what the exact

number of foreclosed homes are. They don't care about the derivatives in these exotic vehicles that were created on the subprime. They don't necessarily care where the oil is coming from or where the energy is coming from. What they know is they have got to get to work in the morning, and that takes gas. And that job is not paying any more. It might not be there tomorrow. They are not saving enough.

And I heard the person before me speaking on this floor talking about how great this oil investment is in the 401(K). Well, I should probably get some of his advice, because mine like many others in this country showed a downturn last year because of all of the other drops in stocks and investment vehicles.

So, Mr. Speaker, we have opportunities, there is no doubt. This country does, as the President said, have the underpinnings to perform better than any economy in the world. But the one thing the President fails to realize is the most important underpinning of that economy is middle-class American workers, the ones who for 12 years of Republican rule, 6 years of total rule by this ideology have suffered and seen their quality of life decrease dramatically.

The good news is, it is starting to change. College is becoming more affordable under the new Democratic Congress, gas prices will start to be adjusted as we start to put research dollars in to moving towards cellulosic ethanol, fast growing poplar trees, switch grass, things that are out there that we can get to. These are the types of things that are going to happen. Our manufacturers in Detroit have already caught on. We are seeing hybrid vehicles now that you can actually buy. We are starting to see Detroit want to compete again. And, guess what? Where was that invisible hand? Where was that market when we were creating cars that got 15 miles to the gallon? When they start competing with everybody else in the world, we will start being able to get to where we need to go.

This is an economy that can come back from this, but it will not come back with special interest policies that care nothing about what happens to the middle class, care nothing about the everyday things that people are going through.

And the last thing I would say on this is, when I listen to what President Bush says, it reminds me of the time, and I think about this, when his father went to the supermarket about 2 decades ago. And I remember this very clearly, I was in high school, and it was a big story on the news because the first President Bush was fascinated that they had scanners to scan the price. Now, every American in the country had seen that since the early 1970s. They had seen them in their local supermarkets for a long time. But the President was flabbergasted that that would happen.

My suggestion would be, there is a Safeway not far, the one I shop at down here, that the President get out there. He can take some security down there and he can go through there, and he can start to see what people are going through. On the way back, he needs to fill up. And then he might want to swing by and check the tuition costs at a university, even a State-run school. And then he would start to understand, saying things like: This economy is fine and that it is a little bit bumpy.

Losing your home is not bumpy. Not being able to go to college is not bumpy. Not having a retirement account that you can retire with dignity is not bumpy. That is a fundamental failure of leadership. It is a fundamental failure to have a national economic policy that benefits the vast majority. And, as Justice Brandeis so clearly told us at one point is, you can have a wonderfully strong democracy or you can have the concentration of wealth in the hands of few, but you cannot have both. Well, we tried their way. I would like to go back to having the wonderful democracy.

With that, Mr. Speaker, I thank you for the opportunity to speak on this great floor. I thank you to give a different interpretation of what is happening in America.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. EVERETT (at the request of Mr. BOEHNER) for today after 4:30 p.m. and for the balance of the week on account of medical reasons.

Mr. WELLER of Illinois (at the request of Mr. BOEHNER) for today on account of personal reasons.

#### 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 Ms. WOOLSEY) to revise and extend their remarks and include extraneous material:)

Ms. BERKLEY, for 5 minutes, today.

Ms. WOOLSEY, for 5 minutes, today.

Ms. CLARKE, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

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

Mr. POE, for 5 minutes, April 30.

Mr. GARRETT of New Jersey, for 5 minutes, today and April 24.

Mr. JONES of North Carolina, for 5 minutes, April 30.

#### BILLS PRESENTED TO THE PRESIDENT

Lorraine C. Miller, Clerk of the House reports that on April 22, 2008 she