

strange place.” He said, “A man stands up and says absolutely nothing, no one pays any attention, and then everyone disagrees.”

They say there is a little bit of truth in the best humor, and I guess there is some truth in that humor. But David McCullough was kind enough to go on from there and say, but if he had a chance to live his life over again and he could choose what he wanted to do, he would choose to be a member of that wild and raucous bunch known as the United States House of Representatives.

I think today, because of some of the television talk shows, that many people around the country think that we all dislike each other or that we hate each other at times, or that Democrats and Republicans just don't get along at all. But that is not true at all, and I think for the great, great majority of Members, all of us get along really well with everyone, regardless of party, and all of us consider it a great privilege and honor to serve in the United States House of Representatives.

We are losing many, many good Members from both sides of the aisle this year because of retirements, running for other offices, or for all sorts of reasons, and there are many other Members, both Democrat and Republican, who are good friends of mine who are leaving to whom I should pay tribute. But I rise tonight to pay special tribute to a very special man, and that is Congressman JAMES OBERSTAR from Minnesota.

In my entire 22 years in this Congress, I have served on the Transportation and Infrastructure Committee. I had a couple of chances in my early years to move to other committees, and I think people were surprised that I didn't take either one of those offers. But I enjoyed serving on the Transportation and Infrastructure Committee, originally called the Public Works and Transportation Committee, in part because it was considered to be the most bipartisan, or nonpartisan, committee probably in the Congress. It was often said that there is no such thing as a Republican highway or a Democratic highway; and on many, many things people on both sides of the aisle on that committee worked together to help build America.

Certainly, Congressman OBERSTAR was one of the great leaders of that committee through his entire time in the Congress. JIM OBERSTAR served for 11 years on the committee staff, rising to the position of staff director. He then began his service in the House and continued to serve for the past 36 years.

It is an astounding figure to think that a man worked on this one committee for 47 years of his life, but he has done so with great honor and distinction. In fact, I think almost everybody knows that there is no one in the Congress and probably never has been anyone in the history of the Congress who has known transportation issues

and understood them and worked on them longer and harder and with more effectiveness than JIM OBERSTAR has.

At one point, he was chairman of the Aviation Subcommittee. In 1994, after the election, the Republicans took control and I had the honor of becoming the chairman of the Aviation Subcommittee, and I served for 6 years in that position, which was the maximum allowable on our side.

When I took over as chairman of the Aviation Subcommittee, I had frequently heard JIM OBERSTAR referred to as “Mr. Aviation.” So I went to him and asked for his help, and he helped me and guided me and gave me advice that to this day I appreciate very much, and he did that in a very kind and humble way.

Then, of course, in the last 4 years, he reached the pinnacle and became chairman of that committee, a committee that he loves. He has been a great chairman, and I think he has tried to help everyone on both sides of the aisle.

So I just wanted to rise and pay tribute to a man that I consider to be a great American and a great Member of Congress, Congressman JAMES OBERSTAR.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Ms. WOOLSEY) is recognized for 5 minutes.

(Ms. WOOLSEY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

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

(Mr. GOHMERT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

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

(Ms. JACKSON LEE of Texas addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

#### PEAK OIL—ARE WE THERE YET?

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, the gentleman from Maryland (Mr. BARTLETT) is recognized for 60 minutes as the designee of the minority leader.

Mr. BARTLETT. Madam Speaker, let me first note some press clippings today that caught my eye, kind of signs of the time. One of them talks about a 1,900-page omnibus appropriations bill that is being prepared. You know, there will be no one person in the country that has read all of that bill, and I think the American people are not supportive of bringing these

huge bills to the floor that nobody has had a chance to read.

But that wasn't what caught my eye so much as the subheading: “Earmarkers feast on pork one last time before diet.” And then in brackets it says it includes the Joint Strike Fighter second engine.

□ 1930

I would like to make a couple of comments on earmarks. I know that they are symbolic of frivolous, wasteful, out-of-control spending in Congress. Even though the total amount of money in earmarks is pretty small, they still are symbolically a very big and important issue.

I can live without earmarks. I've had earmarks. I publish them all on my Web site. None of them have sought to aggrandize me.

When I first came to Congress, I thought that robotics ought to be of increasing importance to the military, and so I supported what is called earmarks. We call them, in Armed Services, plus-ups. I supported a little company in Carroll County. They now are owned by General Dynamics, and they are now the largest military robotics manufacturing company in the United States; that probably means the largest in the world. And they will tell you that, if it weren't for my earmarks, they might not be here.

I would note that the unmanned aircraft were earmarks. I would also note that the Pentagon fought the aircraft carrier when it was first suggested, and it was Congress who pushed the aircraft carrier.

I would like to reflect for a moment on the plus-ups in the military, which are really fundamentally different from earmarks other places. You see, if you do an earmark on alternative energy—and everybody wants to look green, and so just about everybody who does earmarks will have an earmark or two on alternative energy. And that money all comes out of the program money for a little alternative energy lab in Golden, Colorado. They never know how much money they're going to have. They never can really adequately plan or execute a program because their money gets taken with these little green earmarks that so many of our Members like to have.

That's not what happens in Armed Services and Defense. Defense is a bit more than 50 percent of all of our discretionary spending—\$600 or \$700 billion. Whenever you have that many programs with that much money involved, there are bound to be some of them that don't go as planned and the money doesn't get spent. And so, near the end of the year, that money is gathered together and we have, in the past, gone to the chairmen of the services and asked them, If you had more money, what would you buy? And they respond, Gee, we would like to have this and that. We call these “unfunded priorities.”

Then, the Members turn in their lists of requests, and these are all judged

against some standards that everybody has agreed on. You don't get all your earmarks. I publish all of mine on my Web site. You certainly don't get them all. I can live without earmarks. But I would just like to note that the President's budget is one long series of earmarks—spend money for this, spend money for that, spend money for the other thing—put together by people that you have never seen, that you will never see, that are not accountable.

Now, I understand the psychology of earmarks, and I'm very supportive of doing away with earmarks. But I would like to make a point about plus-ups in Defense. You see, the President's budget is at least a year old. It takes a long time to put together that big budget—some parts of it are a couple of years old—which means that all the new technology of the last year can't be in the President's budget. Traditionally, we have used plus-ups in Defense to make sure that we don't fall behind our potential enemies. So if you would like to make sure that we're always potentially 1 year behind the Chinese and the Russians, then just don't have any plus-ups in Defense.

I am a big supporter of doing away with earmarks because I think that symbolically they have become poison and they tell the American people that we are out of control and irresponsible. But, at the same time, I would like to note that we have got to have something to permit us to introduce the latest technology to our military, because it can't be in the President's budget. So let's call them plus-ups or something and ban earmarks elsewhere, but make sure that we don't fall behind in Defense.

Another thing that was in the news was the leadership is not going to bring a separate Defense authorization bill, but they have taken one small part of that bill out—the Don't Ask, Don't Tell. One may wonder at the priorities. For the first time in many, many years, we're probably not going to have an authorization bill. And if we have an appropriations bill, it will be a part of this big 1,900-page omnibus. One might wonder a little bit about priorities when we're engaged in two wars and we face a resurgent Russia and a booming China that it is maybe not important to pass the Defense authorization bill, but it is really important to bring to a separate vote Don't Ask, Don't Tell.

Then there are a couple of articles that I was really pleased to see—and we'll talk a little bit more about those later—from the National Defense Magazine: "Navy Takes Biofuels Campaign Into Uncharted Waters"; and the second headline is that the "Air Force Tells Biofuels Industry to 'Bring It.'" They want to buy these alternative fuels. There were two articles; one by Beidel and one by Grace Jean. And a little bit later, we'll have an opportunity to look at biofuels and their role and why the military is focusing so much on these.

And then an interesting article in the L.A. Times, "Pressure builds in the

House to pass tax-cut package." A little bit later, we'll have an opportunity to look at taxes and should we cut them. We really have a huge debt, getting bigger every day. Getting money from our people to bring down this debt is important.

So what are the arguments for cutting taxes? Benjamin Franklin, in 1787, came out of the Constitutional Convention, and he was asked—and one of the stories has it that it was a lady who asked him that. I like that story—Mr. Franklin, what have you given us? What have you wrought? And his answer was: A Republic, madam, if you can keep it. A very short response: A Republic.

But I thought we lived in a democracy. At events we do that Pledge of Allegiance to the flag, and you come to that part that says, "the Republic for which it stands," and then we get up and talk about this great democracy that we live in. What is the difference between a republic and a democracy?

Before reflecting on that and why it is important to understand that difference, I would like to spend just a moment looking at Benjamin Franklin's hope: "if you can keep it." I wonder what he thought the biggest threat to this Republic, this Constitution would be. I kind of think he wasn't all that concerned about foreign powers that got here across a big ocean in sailboats. I'm sure he had some concern about threats from outside the country. But I kind of think that he might have been more concerned about threats from within: A Republic, madam, if you can keep it.

□ 1940

What is the difference between a republic and a democracy?

I'd like to use a couple of examples of a democracy to help us understand that two wolves and a lamb voting on what they are going to have for dinner would be a democratic process; the majority wins in a democracy.

So what do you think is going to happen if the body is made up of two wolves and a lamb, and they are voting on what they are going to have for dinner?

If it is a democracy, there will be lamb for dinner because the majority wants that. If it is a republic and the constitution, or whatever they call the body of laws that they live by, says you can't have lamb for dinner, you won't have lamb for dinner, no matter whether the majority wants it or not, because, you see, it is against the law. In our country, we would say it's unconstitutional.

I really kind of hesitate to use this next example of a democracy, but I hope you will understand.

A lynch mob is really an example of a democracy. Isn't the will of the majority being expressed in a lynch mob? Aren't you glad you live in a republic where it is not the will or the whim of the majority that controls but the law that controls?

I remember back a number of years ago when, I believe it was, Harry Truman nationalized the steel mills. They

were going to strike. Back then, it mattered that we wouldn't have any steel made as we had some manufacturing in those days. It wouldn't matter a whole lot now, would it? The economy was already in trouble, and it was going to be in even bigger trouble if they did that, so Harry Truman nationalized the steel mills. That was a very popular action. A huge majority of the American people applauded that because that made them, you see, Federal employees, and as Federal employees, you can't strike. That was a hugely popular action—an executive order. The Supreme Court met in emergency session. In effect, what they said was, Mr. President, no matter how popular that is, you can't do it, because it's unconstitutional.

Now, why is this important?

Congress is doing a lot of things that are not specifically permitted by the Constitution. Four years after the Constitution was ratified, there was the Bill of Rights. They started with 12 amendments, and 10 of them made it through the process: two-thirds of the House, two-thirds of the Senate and three-fourths of the State legislatures. We call them the Bill of Rights. There was a lot of argument that they really didn't need to do that, because every one of those rights so explicitly enumerated in the Bill of Rights was implicit in the Constitution, itself.

We in the Congress today involve ourselves in almost everything that affects citizens of the country. We use two different things in the Constitution to justify doing that. One of them is "promote the general welfare." That's in the Preamble to the Constitution, itself. It is also repeated in the preamble to section 8, which specifies what the Congress can do. The Preamble of the Constitution simply says: "promote the general welfare." But in the first paragraph of article I, section 8, it says to promote the "general welfare of the United States."

What they were talking about was the responsibility of making sure we had a strong country. Words change their meanings, and their use of the word "welfare" didn't even come close to our use of the word "welfare" because, when we think of welfare, we think of a big organization that handles a lot of money and that takes care of people who are in need.

Then, in the Bill of Rights, there are the last two amendments, which are seldom referred to. The Ninth Amendment simply says that essentially all the rights belong to the people, and the people have chosen to give a few of those rights to the government.

A few days ago, I was privileged to spend an hour or so with one of the Justices on our Supreme Court, and he gave a very interesting example. He had a piece of paper like this, and he tore off a little corner of it:

These are all the rights that we have—and he tore off a little corner of

it—and we're going to give this much to the Federal Government.

Just a little.

So the Ninth Amendment reiterates that. It says that essentially all the rights belong to the people except for those few that they give to the government.

Then there is the 10th Amendment. This is the most violated amendment and the least referred to amendment in the Constitution. The 10th Amendment in everyday English—it's written in Old English and legalese—you've got to kind of interpret. What it really says is, if you can't find it in article I, section 8, you can't do it.

Now, we do a whole lot of things that you can't find in article I, section 8. We use two things to justify that. One is the "promote the general welfare." If it helps people, if it makes things better, we can do it. The second thing we use is called the commerce clause, which says that Congress has the responsibility and the authority to regulate commerce between the States. Now, there is nothing that doesn't pass over a State line, so you can argue that, therefore, we can concern ourselves with anything and everything—and we do.

But then I asked myself the question: If that were how they wanted us to interpret the Constitution, why did they put all that detail in article I, section 8—like duties and imposts and excises, and borrowing money and regulating commerce?

Well, that's the one they use.

Establish uniform rules of naturalization, laws for bankruptcy, coining money.

Somehow we gave that away to the Fed without amending the Constitution. I'm not sure how.

Provide for the punishment of counterfeiting, to establish post offices and post roads, to promote the progress of science and useful arts, this is, copyrights and patents to constitute tribunals inferior to the Supreme Court.

That's our lower Federal courts.

To define and punish piracies and felonies committed on the high seas and offenses against the law of nations.

Then all the rest of it deals with just two things—to declare war, grant letters of marque and reprisal, and then the military.

The last paragraph, of course, relates to the seat of government, what we call the District of Columbia.

Then it ends with a paragraph that is used to justify doing anything and everything we want to do: "to make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States."

But the 10th Amendment says, if you can't find it in article I, section 8, you can't do it. Now, there are three big things that we do—more than three, really, but there are three big things we do that I can't find there. One is our involvement in education. Another is

our involvement in health care, except for our military, and the third one is philanthropy.

By the way, Madam Speaker, if you will do a Google search for Davy Crockett—he was a Congressman from Tennessee and a farmer—you will find a very fascinating discussion of philanthropy. We don't have time here today to go through it, but you will be fascinated by it. Then he gave a speech on the floor, talking about philanthropy.

Now, these are good things. We support the National Institutes of Health. We support the National Academy of Sciences. None of these things are in the Constitution, and we do them all without amending the Constitution.

Since these are good things and they help us, why should I be concerned?

□ 1950

They're not explicitly permitted by the Constitution, and we haven't amended the Constitution so that we can legitimately do it. Let me tell you why I am concerned.

This little country—and we're little, one person out of 22 in the world—and we have a fourth of all the good things in the world. And I ask myself the question, why? What is so special about us that just one person in 22 has a fourth of all the good things in the world? We no longer are conspicuously the hardest working people in the world. We no longer have the highest respect for technical education. This year, the Chinese will graduate seven times as many engineers as we graduate. About half of our engineering students are Chinese students. And we no longer have the most respect for the nuclear family. This year, almost 50 percent of all of our children will be born out of wedlock.

Why then are we so darn fortunate, that just one person out of 22 has a fourth of all the good things in the world? You may have other reasons, Madam Speaker, but I think that our enormous respect for our civil liberties established a climate and milieu in which creativity and entrepreneurship can flourish, and I think that if we put at risk these civil liberties, we put at risk who we are.

If we can rationalize that because it's a good thing to support the National Institutes of Health or provide health care or have a Department of Education, that you can then just kind of ignore the Constitution, that sets, I think, a very dangerous precedent because, in the future, it may be that a majority of our people will feel that a minority of our people should be denied some of their civil liberties. And if we can just rationalize that we don't have to pay any attention to the specifics of the Constitution and these other things, why couldn't that happen to our civil liberties? And because I am so convinced that these civil liberties are such a huge reason that we are such a favored country, I'm very concerned that we shouldn't just ignore the Constitution because what you're going to

do seems okay and popular and going to help.

I remember back when we were congratulating ourselves because we had a budget surplus. We had to raise the debt limit ceiling. Kind of jokingly I asked our leadership, what are you going to tell the American people—all these months you've been telling them we have a budget surplus and now we're voting to raise the debt limit ceiling? Why would we have to raise the debt limit ceiling if we've had a budget surplus? We did have a budget surplus, and we did pay down a debt, but it wasn't the national debt. It was the public debt.

I suspect, Madam Speaker, that there are not a large percentage of the American people that know the difference between the public debt and the national debt. The public debt is the Wall Street debt, the debt we owe to people who have bought our securities, who have loaned us money. The national debt is the sum of the public debt and the trust fund debt.

You see, we have about fifty trust funds. Two of the biggest ones are Medicare and Social Security, and we have been running surpluses in those fortunately because when the baby boomers all come on line, we're going to really need those surpluses, but there's no money there.

You see, this budget surplus was in what we called the unified budget, when we put the trust funds on budget, and then we made the perfectly irrational statement that the Social Security surplus offset the deficit. Well, if you have taken the money that you have taken out of the paychecks of our citizens for Medicare and Social Security and you spend it, which is exactly what we've done, you have incurred another debt.

So what we did when we had this surplus, we paid down the national debt; for every dollar of national debt we paid down, there was another dollar increase in the trust fund debt. The sum of those two debts is the national debt. And if we kept our books on the accrual method, which we require of every business with more than something like a million dollars in transfers of money during the year, there never was a moment in time, I'm told, that the national debt really went down.

Now I talk about this tonight because we're going to talk about taxes and what we haven't done and what we should do, and I just wanted to point out that when Congress tells you what the deficit is, add several hundred billion dollars to that, now less this year than other years because this year for the first time there was no surplus in Social Security, but there was a whole lot of surpluses in other areas.

So, remember, it's the unified budget and the public debt that they're talking about, but it's the national debt that we need to fund, and that's the debt that determines how much money we owe and what the interest on that money will be.

Madam Speaker, I've thought a lot about taxes. If we had a zero percent tax rate, we'd collect no money. And then if we had a 100 percent tax rate, we'd collect no taxes because nobody would work if you're going to take all their money. So I thought a lot about what's that magic number: somewhere between zero percent where you collect no taxes and 100 percent taxation where obviously you'll collect no taxes because nobody's going to work. Somewhere in there is the magic number where you're going to collect the most taxes.

Now obviously if taxes are too high, 100 percent, nobody's going to work; and if you come down from 100 percent, people are going to drop out. It's not worth working; the government takes so much money. So what is that magic number where we will not depress the economy and, therefore, have the biggest revenue from our taxes?

I submit that it is probably less than where we are now, because Tax Freedom Day, I think, is sometime in April. I haven't seen the number for this last year. But Government Freedom Day—that's when you can work the first day so that you can have money to buy your car and pay your mortgage and send your kids to college—that's sometime in July. For a year or two, it was just about July 4th, and I thought, How nice. That's the second freedom that we now have. We have the freedom to use the money that we've made for ourselves; government's not going to take it.

Tax Freedom Day is sometime in April; Government Freedom Day is in July. You may have a different perspective, but I think that that's kind of a pretty big burden. As a matter of fact, we may be collecting less revenues from taxes because the taxes are that high.

I want to spend the time remaining in talking about these last two articles that I mentioned, biofuels and our defense focus on energy. I have some slides here that will help to illuminate this. Of course, the thing that we're all concerned about now is the economy and taxes, and I think that if you don't factor energy in, oil particularly, you won't have considered all of the inputs that are going to determine what our economy will be.

□ 2000

The first slide that we have here, the first chart, it's several years old as you can see, 2008, a couple of years old, and you will see the highest price for oil there was less than \$100 a barrel. It really went a little after this to \$147 a barrel. These two lines here are the lines that are compiled by EIA and IEA. One of those is a creature of the OECD, to which we belong, and the other is a part of our Department of Energy. And they have been pretty consistently agreeing with each other. This, starting in 2002 and ending in 2008, represents the amount of oil that the world has pumped. And you'll see,

for about 3 years before the recession, the supply of oil was constant.

Now, with a constant supply of oil and increasing demands, this year, China sold more cars to their people than we did in our country. China has now become the largest CO<sub>2</sub> emitter on the globe, not yet the largest energy user, because they are not as good as we are at reducing the CO<sub>2</sub> footprint. But what this says is that 3 or 4 years before the recession, the supply of oil was constant and demand was going up in our country.

We like to grow. The stock market has a lot of trouble if you only have about 2 percent growth, you may have noticed. And the Chinese are growing. India is growing. Brazil is growing. So there were increased demands for oil. And so the price you can see going up here. It went from \$50 to \$100 to nearly \$150 a barrel. And then the recession.

Now, what does the future look like? Because unless you have some concept of what the future is going to be like, you won't be making rational decisions about taxes and spending, because energy is a huge, huge part of our lives. We live better than any civilization has ever lived at any time, largely because of the enormous supplies of this energy.

This next chart is world oil production, looking to the future and where will it come from. The dark blue here is conventional oil. That's the kind of stuff we have been using for a lot of years now. We started using it way back in the early 1900s, and we are producing more and more and more. And now, as this chart shows, we have reached a peak. It's called peak oil.

By the way, that happened in our country in 1970. It was predicted 14 years before that by M. King Hubbard, who was relegated to the lunatic fringe and ridiculed. But right on schedule, as he predicted, in 1970, we reached our maximum oil production in this country. The world, this chart says, has reached it now; and apparently that is so, because, as you just saw from the previous chart, both the EIA and the IEA had oil production flat for the last 4 years.

Now, what will the future look like? This is their projection of what the future will look like. They say that we are going to get from this light blue area a lot of oil. By 2030, we are going to be getting as much oil from fields yet to be developed as we are getting from all of our developed fields now. That may or may not happen. But even more speculative is this interesting red area: Crude oil, fields yet to be found. And that's almost as big in 2030 as the fields we now know and the fields we have discovered and are yet going to develop.

Now, the brown area is enhanced oil recovery, live steam and CO<sub>2</sub> and pushing a lot of seawater down there if you are near it. These are ways to get some more oil out or, you know, opening up the fields down there and shale and so forth can get more oil out. So this is

the additional oil we will get from fields that we now have. That's their guess as to how much that will be.

Nonconventional oil, that's like the heavy sour from Venezuela, and it's like the tar sands of Alberta, Canada, which are very interesting, about a million and a half barrels a day. Bitumen, I think, is what they call it. It won't flow, so you have to cook it and then add some volatiles to it so that it will flow.

I am reading a very interesting book, written by a Canadian, with a long discussion of the Alberta tar sands. They soon will have mined all that you can do by surface mining, and then it kind of ducks under an overlay that is too big to remove economically. So what they are going to have to do then is develop it in situ, which means, like, you know, pumping live steam down there to make it 1,000 degree temperature to soften up the stuff so that it will flow.

But this is a guess as to how much unconventional oil we will get. And then with natural gas—and we are using more and more natural gas—there are some liquids that will come with that, so they will increase.

I think that both this light blue area and the red area and maybe the others, too, are kind of wishful dreams. I think that we will be more than lucky if this top line here is level. I think we will be more than lucky if we can make up through developing fields that we have already discovered, discovering new fields, and enhanced oil recovery and so forth, we will do very well if we can make up for the oil we are not going to get from the fields that we now know.

The next chart shows that in a very different way. If you had only one chart that you could look at that would help you decide what you need to do about your economy and what you need to do with taxes, I think this would be the chart. There is a lot of information on this chart. The vertical bars here are the amount of oil that we found in each of those years. And you can go back to the thirties a little and the forties and, wow, the fifties, and then it exploded in the seventies and through the eighties. And we just found a lot of oil, a whole lot more than we were using, because this solid line here represents the oil that we were using. Of course, the area under that will be the total amount of oil that you have used. And if you draw a curve over these, the area under that curve obviously represents the total amount of oil that you have found.

So up until about 1980 or so, we had, every year, found more oil than we had pumped. But then after 1980, look what happened. We are using more and more and finding less and less. Now, this chart is about 5 years old, as you can see, because the lightly shaded area there, which was a projection for the future, begins at 2005. And they were projecting a peak at about 2008 or 2009. That's precisely what happened, as you saw from the first two charts.

Now, the discoveries for the future are not going to be that very smooth

ever less and less. It's going to be up and down like this. But it's not going to be this kind of magnitude. The oil that we are finding now is in very difficult places. A major find in the Gulf of Mexico is under, what, 7,000 feet of water and 30,000 feet of rock. That is way down there.

An oil discovery of 10 billion barrels of oil, we heave a sigh of relief. Ten billion barrels of oil. Why do we worry? Why do we still worry if we've found that oil? And we may find several fields of that size. That is because, in the math, it's pretty simple. Every 12 days, we use about 1 billion barrels of oil. We use 84 million barrels a day. I think 84 goes into 1,000 a little less than 12 times. So every 12 days, we've used a bit more than 1 billion barrels of oil. So that big find of 10 billion barrels will last 120 days. That's it.

Notice the discontinuity in this use curve, a very interesting phenomenon. Notice the date back in the seventies.

□ 2010

The Arab oil shocks back then, it changed the world. In a way they were fortuitous and good, because look what happened, or look what would have happened if we didn't have those oil shocks.

This is the rate of increase in the use of oil. Had that exponential curve continued, we would be off the charts. That was a big wake-up call. And we, and most of the rest of the world, became very much more efficient in the way we use oil. Your new freezer and refrigerator and air conditioner is very much more efficient than those of the seventies and early eighties.

Exponential growth is a poorly understood phenomenon. Albert Einstein was asked, when they were talking about nuclear energy and what that was meaning to the world, what was going to be the next big thing that we'd find? And he said the most powerful thing in the universe was the power of compound interest.

If you just think about that, 2 percent growth doubles in 35 years. And 2 percent growth is not much. It's kind of feeble. Our stock market doesn't like 2 percent growth. It wants more than that. But 2 percent growth doubles in 35 years. It's four times bigger in 70 years. It's 8 times bigger in 105 years. It is 16 times bigger in 140 years; 16 times bigger in 140 years. Obviously, we're not going to be using 16 times as much energy in 140 years from now as we are using now.

So when you're thinking about spending and taxes and what we ought to be doing you need to keep in the back of your mind this reality. Gas is now a bit more than \$3 a gallon. Oil is what? Pushing \$90 a barrel. And the world is struggling to get out of this recession.

There are many economists who believe that when the world comes out of this recession it's going to demand a lot more oil. But we're up against a peak. We can't produce oil any faster.

So when you have this demand for oil, and it cannot be supplied, the price is going to go up.

And you know, we, in this country, attributed this recession that we're trying to recover from to the housing bubble. But it was kind of the perfect storm. At the same time that we were doing grossly irrational things with financing these houses, we were also hit by peak oil. And I guess it's an economist debate as to whether it was the cost of energy effect or the housing bubble that was most responsible for bringing us to our knees.

Now, you can make any projection you want about the future, but one thing is absolutely certain. You can't pump oil you haven't found and developed. And the probability that we're going to be pumping meaningfully increased amounts of oil in the future is very, very small.

The next chart is one you need to be looking at when you're thinking about our taxes and our economy and what we ought to be doing, because this is the world according to oil. And the premise here is, let's draw a world where the size of the country is relative to how much oil in reserve that it has. What would the world look like? And then let's color it, so that those who are using a lot of oil show up as yellow, and then blue and then on down to lesser amounts of oil.

Well, you look at us over here. A couple of really interesting things. We don't have much. And we're the only country colored yellow. So we're big users of oil, and we don't have much. Well, we don't. We have only 2 percent of the world's reserves. We use 25 percent of the world's oil, and we import about two-thirds of what we use.

Our largest exporter is Canada. Wow, they don't have probably as much oil as we have, and they don't have very many people either, so they can export oil.

Until very recently, our second-largest exporter was Mexico. They also have less oil than we. But their people are too poor. They have a lot of people. Their people are too poor to use the oil, and so they're exporting the oil.

Within about a decade, by the way, the rate at which they are using the oil and the decline in the rate at which they are producing oil, and that's about a decade, maybe less, Mexico will be an oil importer.

Venezuela. Hugo Chavez dwarfs us and Canada and Mexico and all the rest of South America. Huge relative to this side of the Atlantic, huge supplies of oil.

Saudi Arabia represents 22 percent of the landscape, if the country was sized relative to the amount of oil it has because it has about 22 percent of the reserves of oil in the world.

Iraq and little Kuwait, it looked to Saddam Hussein like an errant province down there on the southeastern border. Tiny. Qatar, even smaller United Arab Emirates, hard to find them on the map, isn't it? Look how big they are as far as oil is concerned.

And Iran, a present and growing problem.

Now, look at China over there. China's next to the biggest user, blue, next to the biggest user of energy to us.

By the way, this lighter blue here in Iran. With their present curve for exporting oil and their present increasing use of oil, within a decade, Iran will cease to be an exporter. And this is one of the problems that we face in the world. All these developing countries have increasing populations that, through the miracle of communication, know the benefits of industrialized society, and they're saying, hey, what about us?

There are 900 million people in China, three times our population, that live in rural areas that are making just that request of the Chinese government: What about us? So China has a huge challenge in supplying the energy needs of this developing population.

And there's Russia. They are vying now with Saudi Arabia to be the biggest exporter of oil in the world. They have more than us. About the same as Venezuela. They don't have anywhere near as many people as we have, and they don't use, per capita, as much energy as we use. So Russia is a big exporter. As a matter of fact, as I said, they're vying with Saudi Arabia to be biggest exporter in the world.

India. Can you find India on the map there? A billion people, growing rapidly. Buying oil.

So you can see the challenge that this presents. And the recognition that we have got to look at our taxes, and we've got to look at our economy relative to the world situation and energy and what is likely to happen to the price of gasoline, because about 70 percent of all oil is used for transportation, and 90 some percent of all transportation is oil.

Relative to this is an interesting statement from Condoleezza Rice, former Secretary of State: We do have to do something about the energy problem. I can tell you that nothing has really taken me aback more as Secretary of State than the way that the politics of energy is, I will use the word "warping" diplomacy around the world. We have simply got to do something about the "warping" now of diplomatic effort by the all out rush for energy supply.

I don't have the chart here, but China is now buying oil all over the world. Why would China buy oil when it doesn't make any difference today who owns the oil? The person who comes to the auction with money, as we do every week, because we have only 2 percent of the oil, we use 25 percent of the oil; we simply buy the oil from those who have it because we come with the money to do that.

Your government has paid for four studies. Here are the four studies that they paid for starting in 2005, two of them in 2005, 2006, 2007. And one of them had two reports, but there were four studies: The DOE report, the

Hirsch study, Army Corps of Engineers, and Government Accountability Office. Oh, and the National Petroleum Council also did a study, but two of these are from the same study, just was reported later. All of these said essentially the same thing, that peaking of oil is either present—we didn't know then; you never know until you look back that it's peaked—or, imminent, with potentially devastating consequences.

I just wanted to spend the last few minutes we have in looking at some of the statements in these four reports.

□ 2020

I think that we paid for the second, third, and fourth because we weren't happy with what the first report said. That was the Hirsch report. But they ended up all essentially saying the same.

Let's just spend the last few minutes we have together looking at some of the comments that were in these reports.

This is the Hirsch report: World peaking of oil is going to happen. It is obvious. Oil is finite. One day it will be gone. But before it is gone, we are going to reach our maximum ability to produce oil. Peaking of oil is going to happen.

Then they say that the world has never faced a problem like this. Unprecedented. The world has never faced a problem like this.

From the same report: The peaking of world oil production presents the U.S. and the world with an unprecedented risk management problem. As peaking is approached, liquid fuel prices and price volatility will increase dramatically—\$147 a barrel—and without timely mitigation—which we have not done—the economic, social, and political costs will be unprecedented.

Now, we need to be thinking about this when we are thinking about taxes and spending. We are going to face some huge challenges.

By the way, I find facing a big challenge and meeting it successfully is very exhilarating, so I see these reports as challenging and exhilarating.

This next one is from the Army Corps of Engineers' study: Oil is the most important form of energy in the world today. And, if you think about it, this is really true. Historically, no other energy source equals oil's intrinsic qualities of extractability, transportability, versatility, and cost. The qualities that enabled oil to take over from coal as a frontline energy source for the industrialized world in the middle of the 20th century are as relevant today as they were then. As President Bush said, "We are hooked on oil." That is true.

This is a quote from Gene Laherrere, a very early pioneer in this, with Colin Campbell, a Frenchman and Scotsman, I think. But they were a number of years ago predicting that this was going to happen and the world should be paying attention.

We have had very optimistic projections of how much oil there is going to be in the future. These people have come down from that, by the way, way down from those hopeful projections. But this is Laherrere's assessment of the USGS Report: The USGS estimate implies a five-fold increase in discovery rate and reserve addition, for which no evidence is presented. Such an improvement in performance is, in fact, utterly implausible given the great technological achievements of the industry over the past 20 years, the worldwide search, and the deliberate effort to find the largest remaining prospects.

So Laherrere said that what they were proposing was utterly implausible. Now they have come way down from those projections.

As we are thinking about our taxes and our economy and what we need to be doing about that, this is a reality that we need to pay attention to. This is the top ten companies on the basis of oil production and reserves. The left one is production.

Now, we have some big giants like BP and ExxonMobil and Shell. They have 22 percent of the production. Companies that are owned by—well, they aren't companies, really. They are owned by a country. They have 78 percent of all the production.

Now, when it comes to reserves, our three big guys don't even show up among the top ten. They aren't even there. Ninety-eight percent of it is from countries like Saudi Aramco, National Iranian Oil, Iraq National Oil, Kuwait Petroleum, and so forth. LUKOIL, which is kind of private, Russia, is 2 percent.

As you are thinking about our taxes and our economy and what we ought to be doing, you really need to factor this in because it is a geopolitical reality that is going to make cutting taxes and reducing spending so that there will be something to buy this energy with, which is really going to go up, or our quality of life is going to plateau and turn down and our economies are going to sour quickly with very difficult recovery.

All these charts, by the way, you may have noted, are from the Government Accountability Office, a very respectable nonpartisan organization.

Worldwide Proven Oil Reserves by Political Risk. How much of it can we really count on and how much of it has some political risk involved? Well, let's see.

Low political risk, 413.

These are billion barrels, by the way, and these are going to add up to a bit over 1 trillion, which is a generally accepted number of how much oil is out there. Now, we will add a little to it, but it is not going to be a huge amount we add to it.

Medium risk, 314. And high risk, 389.

What this says is that only roughly one-third, a little more than one-third of the oil that is out there has low political risk, we could really count on in

a pinch that it is going to be there. The other may not be there because there is medium and high political risk.

This same dynamic is shown in the next chart here, and this is by investment risk. Where can the big oil companies invest their money? Where can we invest our money? Where do we have low risk? Where do we have high risk?

Well, in 384 billion barrels, there is no foreign investment. They own it all. They don't need any money, so there is no foreign investment there. Only 165 billion barrels have low risk; 164, medium; 402, high. So just a whisker over one-fourth of the oil that is out there has low and medium risk.

I have been privileged to spend this hour talking about our economy and the impact energy is going to have on that.

#### HONORING CONGRESSMAN JIM OBERSTAR

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, the gentlewoman from Minnesota (Ms. MCCOLLUM) is recognized for 60 minutes as the designee of the majority leader.

#### GENERAL LEAVE

Ms. MCCOLLUM. Madam Speaker, I ask unanimous consent that all Members be given 5 legislative days in which to revise and extend their remarks on the topic of this Special Order.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Minnesota?

There was no objection.

Ms. MCCOLLUM. Madam Speaker, tonight I rise with the sad honor of recognizing the retirement of my friend, colleague, Congressman JIM OBERSTAR. He has served the residents of Minnesota's Eighth Congressional District with distinction for more than 36 years.

JIM is the dean of the Minnesota congressional delegation, and all of us, House and Senate, are deeply grateful for his commitment to our State.

To many people in Washington, DC, he is Chairman JAMES L. OBERSTAR of the powerful Committee on Transportation and Infrastructure, but to most Minnesotans, he is JIM OBERSTAR from Chisholm, the heart of Minnesota's Iron Range.

For those of you who don't know about the Iron Range, it can be a tough place to grow up—lots of cold weather and a lot of hard work. But it has lots of great people.

The hard lessons of his early years served JIM well in Washington. He knew how to fight for people and causes that he served, and he always worked for progress in a way that honored his principles.

During his time in Congress, JIM made a career out of creating good jobs and building America.

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His priority was investing in the future prosperity of his country, literally