Mr. Speaker, this Member appreciates the privilege

to address you, Mr. Speaker, and to stand on the floor of the people's

House, the United States House of Representatives, and convey some

thoughts that I think need to be shared with you, Mr. Speaker, and

hopefully picked up by the American people.

As I listen to the presentation and delivery that continually comes

here on this floor night after night, Mr. Speaker, and as I analyze the

tone and the attitude and the lament that flows continually from the

other side of the aisle, I hear this constant strain, this constant

strain of, and this is a quote, ``It would be different if we were in

charge, but we are not in charge,'' meaning the minority party.

But I am going to say this, that the members of the minority party

have the same individual responsibilities as the members of the

majority party. Each one of us is 1/435th of this task that we have

here, 1/435th of the total voice of the American people, designed by

our Founding Fathers, written into our Constitution, drafted in such a

way that we do redistricting in America and we do so every 10 years. We

draw new lines. We make sure that each of us represents pretty close to

the same number of people, approximately 600,000 people. And the voice

when you hear me speak, Mr. Speaker, is the voice, hopefully, of the

600,000 people in western Iowa that I have the honor to represent. And

I would like to think that when the voice of any of us steps down here

and speaks, it is the voice of the collective opinions of their

constituents within the districts of all the Members of this House of

Representatives.

If one listened to this debate here on the floor night after night

after night, one could easily, an uninformed person, come to the

conclusion that if you are a member of the Democrat Party, if you are a

member of the minority party, you are really powerless to do anything

about this.

Take, for example, the case in point, the alleged $9 billion that is

wasted in construction in Iraq. And I would point out, Mr. Speaker,

that I came to the floor the night before last, and I spent perhaps 55

minutes outlining the effort in the Middle East, the effort in Iraq,

and particularly the construction projects that have been initiated

there. I led a CODEL over to the Middle East and particularly into Iraq

for the very purpose to identify, follow through, observe the projects

that had been initiated, those that had been constructed, to go in and

probe and ask questions and get a sense of where those dollars, that

$18.5 billion that was part of an overall appropriations bill, where

they went, how they were spent, under what conditions, and what are the

projects that have been initiated and the projects that have been

completed.

I did not bring the poster over here tonight that has that chart on

it, Mr. Speaker, but I do bring it in my memory. And as I discussed

this with the United States Army, who had a responsibility for

somewhere in the neighborhood of $13 billion in those projects, they

have initiated over 3,300 projects with those dollars. They have

completed over 2,200 projects with those dollars, and there remains

another 1,100 projects that are either in the process of construction

right now, soon to be completed, or they will soon be initiated, and

the last projects will be completed some time after the first of next

year. They will be the last pieces of that fallen place.

And I heard the statement on the floor the night before last that all

of that money was wasted. All of it. So if it is not even going to be

qualified that one single dollar out of $18.5 billion went to something

good, I wonder how much value one would put on the rest of the

statements that are made by that side of the aisle and by that

``informative'' team, and I put that in quotes, Mr. Speaker.

So I watched as they were nearing completion on the mother of all

generators up by Kirkuk, a project that has 750,000 pounds of generator

and turbine to drive that generator mounted there and is up and

generating electricity for the people in that area.

We have heard the complaint that Iraq's oil production is not up to

where it was at the beginning of the war, that there is less

electricity available and less electricity production than there was

before the war. Or before the liberation, I prefer to say, Mr. Speaker.

And I can categorically inform you that that is simply not true. The

oil royalties before liberation in March of 2003 that came into the

Iraqi Government were $5 billion a year. The royalties for the oil that

was exported and collected, royalties for the last year were $26

billion.

Now, one cannot conclude that oil production is down with five times

the royalties being paid to the Iraqi people to help fund their overall

budget. And, yes, we have put money in that and resources in that. We

have put minimal dollars into oil development and production, and we

have done so because we have said the United States is not in this for

the oil.

We are in this for freedom for the Iraqi people. We are in this to

erase the habitat that breeds terror, and there has been extraordinary

success that has been accomplished there. But to own the oil or to

invest United States taxpayer dollars into that oil infrastructure and

then turn around and turn it back over to the Iraqis was never part of

our plan. We did suggest that oil revenue in Iraq would go to pay for

the reconstruction in Iraq. And after we had been there for 6 or 7

months, it was apparent that that kind of revenue just was not going to

flow, that the infrastructure in Iraq was so dilapidated, that it had

not been reconstructed, had not been modernized in at least 35 years.

So think, for example, of massive oil fields that have significant

quantities of oil, oil so rich that it seeps to the top of the ground

up by Kirkuk, but yet not drill a well. Or not drill wells in

significant numbers. I should qualify that statement. To not build

pipelines, to not build refineries, to not build a system to extract

that oil, refine the oil, and distribute the oil to the rest of the

world so that you can continue to increase your production while world

consumption is going up, those are things that did not happen under

Saddam Hussein's regime.

So the production that was there 35 years ago simply diminished

gradually in increments as Saddam took those resources for his own uses

and starved the Iraqi people. But the production of oil is up. The

production and generation of electricity is up, Mr. Speaker. An average

day of electricity before the liberation, and I will pick a month,

early March, 2003, would produce over 2,000 megawatts of electricity.

Today, it is over 5,000 on peak days, and it falls off maybe 1,000 on

your average days. But it is still significantly more production.

Now, the statement will be made on the other side of the aisle, if

they are paying attention and if they are astute, they will say, but

Baghdad has less electricity than they had before liberation.

Mr. Speaker, that also is true. And the reason for that is because

Saddam focused his electrical resources into Baghdad. Baghdad had 10 to

12 hours of electricity every day under Saddam Hussein's regime. The

rest of the country got very little at any time, an hour or two a day.

Now it has been shifted so the distribution of that electricity roughly

doubled the generation of electricity by setting up new generation

plants, setting up new transmission systems and new distribution

systems. And one of the things that is a constraint there now is not

being able to wield that power anywhere in Iraq where it is needed, not

having a central terminal where switches can be thrown and you can send

electricity to Mosul or Kirkuk or Tikrit or into Baghdad, into sections

and zones that need it. That is also going to be rectified within the

next half a year or so so that the need for electricity can be targeted

to the regions of Iraq where it is going to be the most valuable.

And the predictability that has been established there, it used to be

unpredictable under Saddam for the outlying cities, more predictable in

Baghdad because he took care of Baghdad. Today, it is predictable in

most areas of Iraq. But the areas of Iraq outside of Baghdad have gone

from one to two hours of electricity a day to 10, 11 and 12 hours of

electricity a day, at predictable times, so people that are running a

business or doing a little manufacturing or maybe there is someone

doing their laundry, they can plan their lives around having a stream

of electricity.

We don't know what that is like, to have to think about managing our

lives so that when the electricity is on we turn on the washing

machine, plug in the iron, turn on the air conditioner and go start the

pump to pump water for our livestock or even our irrigation. We don't

think about that. But that has been a fact of life in that part of the

Middle East from the beginning of electricity.

So all of the country of Iraq is far better off in access to

electricity and consistent supply, substantially better off, four to

five times better off, with the exception of Baghdad.

Baghdad is about one-fourth of the population of all of Iraq, excuse

me, I should say one-fifth of the population of all of Iraq, and their

daily electrical supply is down from what it was. It is no longer 10 to

12 hours a day, it is 2 to 4 hours a day. And that needs to be ramped

up, Mr. Speaker, and it will be. As soon as they are able to wield this

power in a more efficient fashion and get a couple more generating

systems up on line, then Baghdad will be moved up into the level with

the rest of the country and provide some stability for that city as

well.

But it is important that Baghdad be brought into the level of

electrical supply as the rest of the country. As Baghdad goes, so goes

Iraq. With that kind of a population of about 5 million people, it is

the core of the country. It a large metropolitan area, of course, Mr.

Speaker.

But they made significant progress. Some of that money went to great

good. Some of that money went to security. When you are going in to lay

a sewer plant because there are children playing in raw sewerage in the

streets of Sadr City and you have insurgents shooting at your

construction workers, some of that money needed to go for security, and

some of it did.

But if there is some money missing over there, and Paul Bremer says

it is not, and if the Inspector General says it is, then I go back to

the King law of physics, and that is everything has to be somewhere.

So if it is alleged that $9 billion are missing, Mr. Speaker, then my

challenge to the people that make that allegation would be, where is

it? Did it disappear into thin air? Whose hands did it go into? Was

there graft and corruption? If so, what? Be a little more definitive.

Don't throw out just some wild allegations that here is some money that

is missing and it is somebody else's responsibility to address this.

We all have the same responsibility, 1/435th of the responsibility,

all of us responsible to the people of the United States of America.

And to stand here and admonish night after night after night that if

they were just in the majority somehow they would do their job, but

they are in the minority so they don't have to do their job, that their

job is to criticize people in the majority, well, that is a bitter pill

to swallow for those of us who get out of bed here, go to work, work

late and do the research, and our staff goes to work in our district

and here on the Hill, and we have a network with people around this

city, around this country and in our districts and in our States and,

in fact, around the world.

I have watched my colleagues over here on this side of the aisle age

in the few years I have been here. I can look at them today and see

lines that weren't there 3 and 4 years ago. I see hair that is

absolutely gray that had a trace of it 3 and 4 years ago. They are

working hard for the people of this country. And things happen around

the world, and anything you can find to criticize can't be laid at the

feet, not everything, of the people on this side of the aisle that work

hard for the people of the United States of America.

In fact, I don't agree with all the decisions that are made by the

majority of this Congress, and who in the world

would? If you agreed with the decisions that were made by the majority

of the United States Congress and you served in this place, or you are

someone who hopefully aspires to come serve in this body someday, if

you agree with the majority opinion, that means you are not thinking

for yourself.

Of course, we are critical among ourselves. We are critical among

ourselves as a Republican majority. We are critical on the other side

of the minority's opinion. But in the end we have to stand on our own

integrity, use our own intelligence, use our own research and be

objective, open up our eyes and ears, read, listen, hear, think,

analyze and resolve to do the right thing for the American people in a

bipartisan fashion that brings us toward a conclusion and towards a

successful conclusion. And that success is not defined as if the

Democrats were just in the majority in the House and in the Senate and

had the White House the world would be a different place. Yes, I am

convinced it would be a very different place, Mr. Speaker. But that is

not how you define success.

You have to lay out a plan and vision for the American people. You

need to stick to that plan. It has to have vision. It has to have

foresight. It has to have a short-term, midterm and long-term vision.

It has to be something that the American people can subscribe to and

believe in, something they can work for and work towards. In fact, Mr.

Speaker, it needs to be something that the American people can

sacrifice for so that they know that the delayed gratification can one

day turn this country into a better country, tomorrow, next week, next

month, next year, next decade, next generation, next century, and on

and on into the future of this great Nation, the United States of

America.

So I would submit, Mr. Speaker, that it is not that ``it would be

different if we were in charge.'' No, it won't be different. You will

still hear complaints. What makes things different is if you lay out a

vision.

So, in the brief time that is here on the floor of this Congress, Mr.

Speaker, I don't propose to be able to lay out a complete and total

vision for America. I would touch a few subject matters that were

raised here and then move on to the subject I came down here to talk

about.

One is the issue of foreign debt. I would agree, we are borrowing

money from foreign countries in order to provide for the funding to run

this government, and that is because we have deficit spending.

I am one that stands here and says I am for a balanced budget. I am

for a balanced budget without taxing the people of America any more

than we are today. In fact, the Bush tax cuts that were passed in 2002

and in 2003 were tax cuts that don't affect the bottom line of our

deficit in a measurable fashion. But what they did do was stimulate the

economy.

I would back us all up to the day, Mr. Speaker, that we had a

recognizable, identifiable dot.com bubble. We saw great growth in this

economy. It was speculative growth in the economy for the most part.

People said, well, we are in the information age. We have gone

through the stone age, we have gone into the industrial age, and now we

have transformed ourselves into the information age, and the

information age is an era by which the ability to store and transfer

knowledge in and of itself apparently had a lot of value.

Because whenever we would come up with a microchip that could store

and transfer information more effectively and more software programs

and more creativity that had to do with all of the intel industrial out

there, the investors of the world looked at this and said, my gracious,

I can't wait to jump on that, I can't wait to buy some shares of this

intel company, because it is going to grow, and I am going to double

and triple and quadruple my money, and I will be a rich person someday

because we are in the information age. Surely, this company can store

and transfer information faster and better than ever before. That has

to have value.

So that created this dot.com bubble, because we forgot something. We

forgot that the marketability of everything that we have has to come

back down to something that has substance, that is sustainable, and

that is this, and it has always been the case in the economy, you have

to produce a good or a service that has a marketable value.

Now, what does information have for a marketable value? Well,

companies will want to be able to purchase information and the ability

to store and transfer and sort that information because it makes them

more efficient in their decision making process and in the delivery

process of their products or service.

So if I am in manufacturing, I will have sales and I will have

inventory coming in and I will be manufacturing things and my inventory

will be going out. We will have our marketing and distribution. All of

those things happen to be working.

Now ways that I can use the dot.com industry on that, this

information age, is that if I can sort my inventory better, if I can

order more efficiently and precisely, if I can get better bargains

because I am doing an Internet negotiation auction as opposed to a

purchasing agent sitting there on an old black dial telephone, yes,

information has value then.

If it allows me to store just-in-time inventory so I can bring the

trucks of my raw materials in just in time, so I cut down on my own

inventory, that capital investment, turn it into a product and turn it

out the door more efficiently, and if it helps my sales people get out

there and market that product, and if I can get that product made with

computerized equipment so that it is done with better precision and

more cost-effectiveness and better quality and get that on the truck

and get it delivered to the customer in just-in-time delivery time,

reliable, all of that information has value.

So we paid for those things because information had value. But we

created our ability to store and transfer information way beyond our

ability to utilize it within our economy. In fact, we created it to the

point where information itself had a recreational value, and that

recreational value became in some components of the Internet.

So here is the day today where a vast majority of the households in

America have Internet access, including mine, wireless. I was one of

the first ones wireless, one of the first ones with high-speed Internet

in my office. Actually I was the first one in the telephone service

company where my construction office is and my campaign office. That

office was the very first customer for high-speed Internet services for

that telephone company.

Out in the country where Marilyn and I live, it is another telephone

service company, we were the very first customer there to have DSL

high-speed Internet services in our house, because we also ran the

business out of the house and we needed access to high speed. So I love

technology. It has value.

But, in the end, when you pay for all of this information and this

technology and even when you market it to people for recreational

purposes, that means their disposable income, people say I have an

extra 25 or 40 or 50 dollars a month that I want to put into this

Internet. Even though I can get along without it, I really like the

convenience of being able to send out the e-mails to my friends and be

able to find the answer to any question I want to ask just simply by

going up on the Internet, do a search, and here it is.

So we marketed that as well off of the information age. But we

produced the ability to store and transfer information way beyond our

ability to market it. That was the dot.com bubble. You knew I would

come back to that, Mr. Speaker. That was the dot.com bubble.

So this bubble in our economy was the speculative bubble that was

created because there was investment made in the information age that

went beyond the amount of information that could be sustained by the

economy. And, like any bubble, bubbles will burst, and that bubble did

burst, and it burst about the same time, just before we had a

transition from President, from President Clinton to President George

W. Bush.

The bursting of the dot.com bubble, Mr. Speaker, and we forget that

so often, and as we saw our economy take the downturn and plummet and

try to adjust for the bursting of the dot.com bubble, we also saw two

planes go into the Twin Towers on September 11, 2001,

right dead center into the financial center of America and the world.

At the same time, a plane went into the ground in Pennsylvania and into

the Pentagon.

We were all of a sudden from a nation that was scrambling to recover

from a dot.com bubble, we were thrust into a worldwide war on terror,

with our financial centers crashed down around us and left just a

smoking hole in the ground at the Twin Towers. Our economy went down

with that. It already was headed down, and as it ran down the hill, it

was pushed off the cliff by September 11.

So what did we do here in this Congress? A number of things to react.

And the decisions that were made were astonishing in their efficiency.

I look back on that era and I commend the people in this Chamber and

across in the United States Senate and the President, Mr. Speaker,

because two big decisions were made and made fairly quickly.

One I will just briefly reference, the PATRIOT Act, the need to be

able to protect us from an intelligence perspective from those who

would wish to do us harm and protect the privacy rights of the American

people at the same time.

I have sat through 12 hearings of the PATRIOT Act. We need to

reauthorize that, Mr. Speaker. That piece of legislation is far better

in its quality, and we have improved it some, more than anyone had a

right to expect, considering the pressure that this Congress was under

at the time to make those changes.

But the PATRIOT Act has sustained itself, and to this date, not a

single critic, not in the United States House of Representatives, not

in the government function, not in a hearing, even under specific

requests of the witnesses that were there in the hearings, not a single

critic has been able to name an individual who has had their privacy

rights and constitutional rights usurped by the PATRIOT Act. Only

hypotheticals, Mr. Speaker, and as we know, hypotheticals don't get you

very far in this world.

So that was one thing, one action that was taken by this Congress

that was an amazingly efficient action, and we are to this day 4 years

beyond, and we have not suffered another attack on American property or

people on this soil since that period of time.

So the PATRIOT Act was extraordinarily effective. The Bush tax cuts

came right behind that, because we knew that with the bursting of the

dot-com bubble, and the attacks of September 11 and the crashing down

into a smoking hole with 3,000 American lives along with it, was our

financial future.

Now, if we had listened to the naysayers on this side of the aisle at

that period of time, we would have said, gee, we got to have a balanced

budget here, so let us raise taxes. That is how we will get ourselves

out of the smoking hole of the Twin Towers. We would have raised taxes

so we had enough money to do what? Arm this huge police force to go out

and serve warrants and try to identify these al Qaeda people that wish

us ill and go around the world and work with Interpol, and maybe we can

bring them to justice in handcuffs.

Some of them said we are not really at war here, and some of them

said, well, no, you need to understand them. Some of them said that one

man's terrorist is another man's freedom fighter. Those words were

spoken here, Mr. Speaker. And I think they were completely and utterly

wrong.

I think the people who have pledged to do us ill mean it. I think

they have proven it. And I think it is up to us not just to protect and

defend ourselves in this country, but carry the battle to them; and we

need to do that with a strong economy.

The Bush tax cuts provided that. And in spite of the criticism, in

spite of the things that have been laid out in opposition that say that

the deficit is because of the tax cuts, can you go back and calculate

the loss of revenue because of the tax cuts and will you see there has

been an increase in revenue that came from the growth in our economy.

The number is over 14 percent over anticipated revenue over the last

year, Mr. Speaker, and the deficit that was projected is significantly

reduced, and that is because we have had tax cuts that stimulate

business.

So I do not think I would want to have people in charge that do not

believe in free enterprise or people that believe that you could tax

your way into prosperity. These are the kinds of people that if you

give them the goose that lays the golden egg, they wouldn't think you

could feed the goose, but they do think you can cut the goose apart and

take the eggs and then go on and live in happy prosperity with that

basket of golden eggs the rest of your life.

That is the attitude that comes. At some point it goes backwards on

you. We have to have a revenue stream. We need a low broad tax scale so

that we can stimulate this economy.

With regard to the foreign debt, if we can balance this budget, we

can eliminate the increase in foreign debt. If we can produce a

surplus, we can pay down the national debt, which reduces the foreign

debt. But we have debt to American domestic indebtedness, as well as

foreign debt. Both of those concern me. The foreign debt concerns me

more than the American domestic debt.

We also have, Mr. Speaker, a negative balance of trade. That number

should come out fairly quickly, within the next 30 days. As I recall,

it was about this time last year when the 2004 balance of trade number

came to us, $617.7 billion negative.

That meant that we purchased $617.7 billion more from foreign

countries than we sold, than we exported to them. And some say, yeah,

and it was all purchasing oil that was part of that, that was most of

that deficit. But, Mr. Speaker, it was a significant portion. I do not

deny that. It was over $200 billion that we spent in purchasing oil

from foreign countries that added to this $617 billion in red ink trade

deficit.

And I submit that we can fix that a number of ways. One of them is

drill in ANWR, get that oil coming down here. That will be at least a

million barrels a day. That will reduce our dependency on foreign oil.

We are bringing in liquefied natural gas that has got to be

compressed in the Middle East and brought over here on a compressed

tanker and brought into a terminal and converted back to gas again and

delivered up here into the United States.

We sit on enough natural gas under the non-national parks, Federal

lands in America, to heat every home in this country for the next 150

years. And we can drill natural gas wells, but we cannot get the

distribution systems laid, we cannot get the roads built, because the

environmentals are in the way.

They seem to think that we should not develop our natural resources,

that this Earth is for every species except homo sapiens, Mr. Speaker;

and I submit that we are here to have dominion, to manage all of the

species. But these resources are here for us.

We got that message clearly from God in Genesis, and I stand by that

need for us to develop our natural resources. So we should drill on

Federal lands for natural gas and oil. We should do it in an

environmentally friendly fashion.

We should build a distribution system so we can heat our homes in

America and run our factories and produce our fertilizer. Being from

the Corn Belt, Mr. Speaker, I have to say that corn uses more nitrogen

to produce it than any other crop. All crops use nitrogen. Corn just

uses more than any other. And the production of nitrogen fertilizer

uses natural gas.

It is essential in the production of nitrogen fertilizer. In fact,

the very cost of the fertilizer, the composition of that cost, out of

every dollar of nitrogen fertilizer, 90 cents out of that dollar is the

very cost of natural gas.

So if we can cut the cost of natural gas in half, we would nearly cut

the cost of nitrogen fertilizer in half. But instead, we have watched

fertilizer go from $2 up to $15 in America because we are not drilling

on our federally owned lands. We cannot get access to get the gas out,

if we can get in there to drill.

We are not drilling on the Outer Continental Shelf because there are

environmentalist extremists in the way. These are people that argue,

well, if you drill a natural gas well on the Outer Continental Shelf,

it will pollute our beaches. So I simply say, please

submit to me a single case in all of history when a natural gas well

polluted anything.

If you have a natural gas leak, what happens to it, especially

offshore in the ocean? The gas bubbles up to the top of the ocean and

dissipates. It does that whether you drill wells or whether you do not,

because a significant amount of that natural gas just percolates up out

of the ocean floor anyway.

So it would not be measurable if we had a natural gas leak, but the

gas does not pollute anything; it just dissipates into the air. So

before it all does that, we should go get that gas, tap into that gas,

pipe it in here to the United States, and put it into these States that

can use it for fertilizer.

And so those things, those things alone would go a long way, Mr.

Speaker, towards reducing our dependency on foreign oil. Reducing our

dependency on foreign oil helps our balance of trade. But these are

components of the fix, Mr. Speaker, and I would say there is one more

step we need to take, and then I will go back to how we repair this

balance of trade and how we eliminate the foreign debt, how we

eliminate the domestic debt of this country and get us on sound fiscal

foundation.

One more component, before I go to that solution, Mr. Speaker, and

that component is to produce a balanced budget. Produce a balanced

budget so we do not have deficit spending, so we do not have to borrow.

If we produce that balanced budget without raising taxes so that we

diminish the production in this country, then we can have this robust

economy that we have today.

And this robust economy that we have is an economy that has grown at

a rate of more than 3 percent increase on its gross domestic product

each quarter for the last 10 quarters at a minimum. It has reduced the

unemployment rate to under 5 percent over that period of time. By

anybody's measure, that is the longest, most healthy economic growth

period since the early part of the Reagan years. So more than a

generation has passed since we have seen this kind of growth.

And I would point out that during the Reagan years we had high

inflation, the early part of the Reagan years. Before we got it under

control, we had high inflation, we had high interest rates. So that

kind of economic growth and that kind of lower unemployment ratings,

there was not as good an environment as it is today, because we have

got gradual growth, we have got controlled growth, we have got not too

hot in our economy, we have got not too cold in our economy, Mr.

Speaker, we have got just right.

It is cruising along here at a more than 3 percent growth, less than

5 percent unemployment. It is not as good as it can be. Unemployment

can be better than this. By historical standards, it is a high

standard. So I would say let us balance the budget without raising

taxes. Let us get our spending down. Let us tighten our belts, Mr.

Speaker; let us get our house in order.

If you were running a company or running a business or taking care of

your family budget, and you realized that on the portion of your budget

that had discretion on the parts that you were going to spend, now we

all have fixed costs, we have to make our house payment or rent, we

have to keep the lights on, we have to keep the heat up some, maybe we

have some other fixed costs there, we have to buy some groceries, and

this cost of living, you can make a minimal budget on the amount that

is a fixed cost.

That is the equivalent to the entitlements in this Federal budget,

those things that are fixed today that are very difficult to change,

those items in our budget such as Medicare, Medicaid, Social Security,

and even to a lesser degree interest. They are all fixed costs. They

are growing, entitlement costs. We have to have national defense,

certainly, in this time. So if you would reduce those things down to

eliminating the nondiscretionary spending, which is Medicare, Medicaid,

Social Security, and you eliminate the Department of Defense, and by

the way I would reduce Homeland Security's funding, they have raised

that budget out of sight without the accountability that I would like

to see.

But if we go to non-defense discretionary spending, those things that

we do have control over, those things that if it were your family

budget, your going-out-to-dinner money, your vacation money, your

recreational-tickets-to-the-ball-game money, going-off-to-golf money,

those kind of things that you would naturally tap into if your budget

got tight, the discretionary spending portion.

If you looked at your budget and said, well, I have got it in mind

for $2,500 this year that I am going to spend to make my life a little

richer, but I am spending too much, and one of the ways I can balance

my budget is simply take that hundred percent of your $2,500 for your

recreational discretionary spending, reduce it down by 5 percent, down

to 95 percent.

Now who would not do that if they were running a family budget, or if

you are running a company, Mr. Speaker? Would you not do that? Would

you not look at those items that you could control and simply say, I am

not going to take this procedure of spending the red, I am going to

tighten my belt? I am going to do without for a little while so I can

get my budget back under control.

Well, what I have described is all we really need to do in this

Congress, Mr. Speaker. We need only address the other spending, the

non-defense discretionary spending portion, and we need to reduce it by

5 percent.

Now I do not think this is the best way to balance the budget; but it

is a way, an understandable way to balance the budget. Reduce that by 5

percent and we have balanced this budget, and in fact it balances the

budget under current increases of the entitlement spending on out

another 15 to 18 years, which becomes almost as far as we can to

predict any economy, in fact beyond our ability to predict the economy.

So we can balance this budget. We do not have the will to balance the

budget, so we borrow money because the people on this side of the aisle

cannot get along without their programs. They are afraid somebody will

throw them out of office if they say tighten your belt.

There are some people on this side of the aisle who feel the same

way. They band together. It only takes about 10 or 12 people on this

side of the aisle to see to it. Everybody on this side of the aisle

will vote against the budget, I guarantee it.

There will be a budget come to the floor of this Congress within a

month, and that budget will be debated on this floor. It will be one

that is crafted to be as responsible as it can be. When it is done, I

will make the prediction that not one Democrat votes for a responsible

budget that comes here on this floor, not one, because it is a

political vote and it is not an economic vote.

And so the belt is tightened over here. We try to send the right

message. And then the criticism flows out of the other side. You cut my

program. You squeezed this out. You starved children. You froze old

folks. That is an old line. You hear it over and over again, Mr.

Speaker.

I have not noticed that it works with the thinking people that have

watched history flow. But we should balance this budget. I testified

before the Budget Committee the day before yesterday, Mr. Speaker, and

I requested that they produce a balanced budget. Whether they can

produce the votes to pass it or not, I do not think they can get the

votes to pass it, they need to put a target up on the wall so the

American people know what it would take to balance the budget.

And I will be supportive of that in seeking to produce and develop a

balanced budget. I cannot hide behind the Budget Committee and say,

well, my friend, Mr. Nussle, did not produce a balanced budget. He is

doing the best he can. He has got to get 218 votes, and it has been

astonishing his ability to do so. He can take a 2.4 or $2.7 trillion

budget and spin it around his head and calculate it all out, break it

apart in pieces and put it back together.

He can go out and get the votes that he needs to get that done. I am

impressed with the work that he has done. But I still challenged them

to produce a balanced budget so that we know what we have to do and

that will help inspire the American people to come forward and say, let

me tighten my belt. I am willing to tighten my belt if my neighbor

tightens his. Cut my program here, if you like, just do not cut me out

of proportion to the person over here. I will take my fair share of the

load as long as you do not

put the unfair share on me and give that other person a pass.

But we cannot get there in this debate, because the demagoguery gets

so heavy. And in fact last year we had reconciliation in the Ag

Committee. We needed to reduce the spending over 5 years by about $3.7

billion. We needed to find a way to do that. That is $3.7 billion out

of an annual expenditure of about 34 billion, by the way. So multiply

that by five and you are up there in this 165 or $170 billion range to

find $3.7 billion in savings there.

In the food stamp program alone there has been identified, even

today, by Secretary Johanns' announcement a 5.88 percent error rate in

handing out food stamps.

Now that error rate, I suppose it could be by that percentage that we

missed that many people that should have had food stamps, but I do not

think so, Mr. Speaker. I cannot imagine that there would be an error on

that side that we did not reach out and help enough people. In fact, we

are out there marketing those services to people in a fashion that I

think we are going to find them instead of them finding us.

I would submit that nearly all of that 5.88 percent of error rating

in the food stamp program is all on giving food stamps to people who

did not qualify, and this does not constrain some of the

qualifications. We could tighten those qualifications down, too.

For example, when people come into this country legally, we say you

have to be here for 5 years before you can access benefits, welfare

benefits from our Federal Government. We could raise that up by a

couple of years without too much pressure, raise the standards. But

5.88 percent of inaccuracy translates into over $2 billion a year in

waste. And that $2 billion a year over 5 years is easy math. $10

billion dollars could be saved there.

But, you know, even though the numbers were bigger last year, I could

not get one soul on that side of the aisle to support one dollar in

cuts when we had the waste lying right in front of us, Mr. Speaker.

And, in fact, there has been more waste there than they have even

alleged took place in Iraq. But that does not disturb them because the

waste is going into the households of some of their constituents and

they have to answer to them. It is not the matter of the waste that

concerns them. It is the opportunity to be critical.

So I actually came to this floor, Mr. Speaker, to talk about a

different subject matter, but, as I listened, it changed the subject

for me. So now I promised that I would come with a solution on how to

repair this deficit in foreign trade and how to fix the foreign debt.

I would lay out real clearly, there is a policy out here, there is a

bill, H.R. 25, the FAIR Tax. The FAIR Tax is a piece of legislation

that takes the tax off of production in America and puts it on

consumption. It is a consumption tax. It is a national sales tax, and

it truly is an aptly named bill, the FAIR Tax.

Now, the way we fix this foreign trade deficit with a fair tax is

simply this, that whenever anyone goes to buy something off a shelf, a

product, and pays retail price for that product, imputed into that cost

is the Federal tax composition. For example, if you are a corporation

and you are producing a widget, you are going to need to calculate into

that your corporate income tax, any other Federal excise taxes that are

part of that that you would have to incorporate in your share of the

wage withholding in the employees. There are a number of other taxes

into that. You build that tax all into the price.

Corporations do not pay taxes. Private companies, sole

proprietorships, partnerships, LLCs, they do not pay taxes. Mr.

Speaker, that may be a shock to a lot of the American people, but I

will explain this. That is that, no, corporations do not pay taxes

because they have to add those taxes into the price of the products

that they produce, the goods and the services, and pass that along to

the consumer. If they did not do that, they would go broke. How could a

corporation have any capital to work with if they were going to pay

that tax and not incorporate it into the price of what they sold? So

they pass that price along, and it is built into the pricing mechanism

of everything that they sell.

When that product reaches the retail level, it has in it when you

take it off the shelf, a person, and that $1-widget you lift off the

shelf has 22 cents of imputed Federal tax built into that, 22 cents. So

if we could pull the Federal tax out of those goods and services, the

goods would go down by 22 cents, so your $1 widget becomes an 88-cent

widget.

But if it is a service and you take the tax out of that service, it

is higher yet. Now your 1 dollar's worth of service that you pay your

plumber, say your $100 plumber bill becomes a $75 plumber bill because

25 percent of that is imputed price, is built in there to pay the

taxes, passed along to, no big surprise, Mr. Speaker, people.

People pay taxes. Corporations do not pay taxes. Businesses do not

pay taxes. They collect them. And the reason they do is because

government has found out that they are more efficient in collecting

taxes than government can be. So we put that on the burden of the

businesses to collect the taxes. They impute it into the prices of the

goods and services they are producing. They tack it onto that price,

and you, the consumer, go up to the shelf, pull that widget off of

there for $1, and it is really 78 cents.

Mr. Speaker, let me correct the earlier statement. I am doing my math

on the run here. It is a 78 cent widget as opposed to $1 on the shelf

because you get to take 22 cents out of that price.

Now, another truism, Ronald Reagan said, what you tax you get less

of. And we know that. If you have to pay taxes, it is a disincentive.

So if you were going to produce a product and we were going to tax you

for it, you would look at that equation and say, why should I do that?

I have to pay too much taxes on this.

How about if you are going to work an extra 10 hours a week and it

comes in at time and a half and it puts you in another tax bracket and

we come along and say, but Uncle Sam will get 50 cents out of every

dollar that you earn. Now your $30 an hour that you can make on

overtime becomes $15 an hour. Are you going to work or are you going to

say, hey, boss, I would like a little time to go fishing, maybe a

little golf and spend some time with the kids. I do not really need

this overtime because I do not get to keep it. No, the tax is a

disincentive to produce.

So when Reagan said, what you tax you get less of, Mr. Speaker, that

is the equation that is there. And yet the Federal Government in its

wisdom, I will say lack of wisdom, has the first lien on all

productivity in America, every bit of productivity in America. Whether

it is a good or whether it is a service, when Americans step up to the

time clock and punch their time card in at eight o'clock on Monday

morning, thunk, Uncle Sam holds his hand out like that and he gets the

first of everyone's productivity. And Uncle Sam holds his hand there

until you paid your taxes for that day. Then he puts it in his pocket

and then you can go to work for the State and that gets put in the

other pocket, your State, Uncle Sam, and the other various taxes that

come along with this. And then at some point late in the afternoon you

are working for you.

Or you can compute it the other way, and you can take a look at Tax

Freedom Day. I do not know the exact date. It changes a little bit year

to year. How many days do we work before we are working for ourselves?

Tax freedom day falls in April or May. I am not sure of the precise

date.

Uncle Sam has the first lien on your labor, he has the first lien on

the earnings from your checkbook or passbook savings account, and he

has the first lien on the delayed earnings of your 401(k) and also any

mutual funds you have invested, all of the interest dividend earnings,

the capital gains. You buy a piece of property and you turn around and

sell that property, the margin will be taxed, and Uncle Sam will be

there with his hand out. That productivity that comes from labor or

capital is the productivity that Uncle Sam taxes. He taxes it all.

What I am proposing, Mr. Speaker, is that we step in here and we

recognize that and we take the tax off of all productivity in America.

Eliminate the IRS, the Internal Revenue Service, eliminate the IRS

Code, wipe that

thing out all the way back to the early 1900s, 92, 93 or 94 years ago

that that began, Mr. Speaker, and pass the elimination of the repeal of

the 16th amendment so that we no longer have a constitutional authority

to put an income tax on our people.

That sounds really interesting and exciting and thrilling, and it is,

but we have to find a way to replace the revenue, and that is the

hardest question. I have asked a lot of different questions myself on

how to do that, but as I worked this policy out 25 or 27 or 28 years

ago, Mr. Speaker, I came to the conclusion then that the only way we

could fund the loss of revenue for eliminating the IRS would be to

produce a consumption tax, a sales tax, like 45 States have today.

The system is there. It is there to collect the sales off all of that

revenue. It is a very simple equation to say to the States, keep the

system you have in place, change the rates so we can fund the Federal

Government. We will pay you one-tenth of 1 percent commission for

collecting the Federal tax through your State Department of Revenue.

You send the check out here to the U.S. Treasury, and we will put that

into the general fund here.

It is an easy tax to collect. And the other five States that have to

generate a sales tax collection system, it has been done in 45 States.

It has to be a lot easier than having these 100,000 plus IRS agents

running all over here into our kitchens and our offices, prying into

our business, making Monday morning quarterback judgmental decisions on

the decisions of family and business that we have made and tried to do

things in an honorable and ethical fashion and still be dinged for

interest and penalty. When you cannot get two IRS agents themselves to

agree on this convoluted tax policy that is so confusing that I can

find no one on this planet, even the people on this side of the aisle

would not argue that if we had a chance to do this over that we would

construct anything that looks like what we have with the IRS Code

today. It is a disaster.

The cost of collection is beyond the comprehension of people who have

not drilled into this and put the pieces together and tried to add it

up. But I will give you the total on when you compile the costs of

collecting from the IRS.

Now there is some literature that is out there, and some of this has

come from Harvard University's Department of Economics, some of it is

coming from other economists, but it kind of works out this way, Mr.

Speaker. By the time we pay the IRS and fund their infrastructure and

build their buildings and maintain them, pay their travel and the

overall expenses of the entire agency, that 100,000 plus that are out

there every day, I am sure with a smile on their face, trying to

increase the tax revenue, and I give them credit for being good

servants, but I think they can do a little better in the private

sector. They are smart people.

By the time we fund the IRS and by the time we pay for our tax

preparers, our H&R Block people, if you will, Mr. Speaker, as a

euphemism. By the time we pay ourselves say $10 an hour to sit up half

the night on April 14, then you add to that the disincentives we talked

about on why people will not work that extra 15 hours of overtime

because the tax liabilities are too great.

When you open up the economy, when you accept the increase in

productivity that we will have if people are not punished in producing

and investing and saving, that adds up to a number that in 1991 was

over $700 billion and today it is over $1 trillion.

Think in terms of this. This economy, think of it as a huge cruise

ship out there sailing across the ocean in smooth sailing and this is

chugging along at maybe 10 knots. Because it is not going any faster

than that, Mr. Speaker, because we are dragging this anchor. This

anchor we are dragging is the IRS, the cost of compliance, the

decisions that are made to not invest, the disincentives for producing

because of the tax liability. You add that up to that trillion dollars

a year and think of that sitting in a treasury chest hooked to our

anchor chain, and we are chugging along in this economy at about 10

knots.

Now, we passed a FAIR tax, H.R. 25. We get to cut that anchor chain,

that trillion dollars we are dragging across the bottom. It floats to

the top. We throw it on board our cruise ship, and we get to invest

that in our economy. Right away the 10 knots turns to 20 knots, and we

are going along in 10 years in a doubled economy, at least doubled

economy from the freedom that comes from taking that anchor that we are

dragging and turning it into something that is productivity. It is

really that simple to take that economic incentive of the trillion

dollars and roll that back into our economy.

There is another perhaps $11 trillion in stranded capital that is

stranded overseas that cannot be repatriated into the United States

because of the tax disincentive that is there; and that money would

come back to the United States, too. The United States of America would

become the destination nation of choice for that capital that is

stranded out there in foreign countries. It is really naturally

American capital, $11 trillion. A trillion dollars a year that we are

dragging around in our treasure chest anchor across the bottom of the

ocean, the doubling of our economy that comes.

I would point out also, Mr. Speaker, that to get a handle on the

magnitude of a trillion dollars injected into our economy every year

that today is an anchor that turns into an asset, think in terms of, if

you will, Mr. Speaker, 1992 Bill Clinton was elected President. He was

elected President in part because he alleged and there were some

statistics that supported his argument, I do not agree with it totally

but there were, that our economy was in a downturn.

So when he took office and was sworn in on the other side of the

Capitol building, Mr. Speaker, one of the first things he did was to

ask for a $30 billion economic incentive plan. So he went to the

Congress and said, we need to borrow $30 billion, 30 with a B, and we

need to put it into make work projects, much like Americorps is today,

and once we put this $30 billion into the hands of these young people

that will go out and go to work in our communities to make the world a

better place here, that money will be spent. It will stimulate our

economy. It will get us out of this economic doldrums that it was bad

enough that it removed George Bush, Sr., from office.

That was some of the psychology of the voters of the American people

at the time. President Clinton came to Congress and asked for $30

billion. Congress debated and deliberated and they negotiated, and they

reduced the $30 billion, Mr. Speaker, down to finally $17 billion. It

would have been borrowed money. But, finally, they all looked at the

$17 billion dollars and said, it is not worth the trouble.

We are not going to go ahead and borrow $17 billion, put it into

make-work programs, try to get it into the hands of the people so the

money could be spent to stimulate the economy, because it was not worth

the trouble; but if it was even arguable that it was at $17 billion and

if it was a matter of consensus that it would have been at $30 billion

borrowed money, annual spending $30 billion, think, Mr. Speaker, what

$1 trillion of wasted money, $1 trillion of maintenance costs and

overhead costs that go because of the IRS for tax collection.

Think what that $1 trillion turned into the asset side of the ledger,

into the productive sector of the economy could mean. That $1 trillion

would stimulate this economy massively; and inject in behind that $11

trillion that sits overseas, and you can see, I think, with ease, Mr.

Speaker, what would happen to the economy in this country.

We would double this economy in 10 years. We see the soundness of our

dollar come back. We quit punishing people for savings and investment.

Why are you putting money in your savings account with after-tax

dollars? How can you get ahead doing that? Or when you make an

investment and it is trapped here in a real estate investment, a

capital investment, and you see an opportunity to make some money and

roll it into something else and meanwhile give an opportunity to a

young person to start a business or establish a residence and you sell

that property, why do we punish you for that? Why do we give you

incentive to hang on to that property until your inheritance right?

Because you are afraid of being taxed?

This frees up the capital in America that would not be a punishment

for transferring that capital into other

hands, that theoretically in every case will do something more

productive than it is today. Otherwise they could not afford to bid on

the value of that property. That is the theory.

So the things that we need to do in this economy that are good, Mr.

Speaker, are the things such as we need to incent savings and the fair

tax incents savings. We need to incent investment, and of course,

savings is investment. We need to tell people to put your dollars into

mutual funds and a company investment and capital investments and we

will not punish you for that. We will let you make all the money you

can make, and if you want to sell these shares and invest them over

here, then do so.

You can make the very best decision that you like, and we are not

going to be in here with Uncle Sam's hand in the way, grabbing

something out of every single transaction, not having a first lien on

all productivity in America, but incenting earnings, savings and

investment, research and development, Mr. Speaker, capital investment,

higher education. That is where this money is going to go. The future

of this capital would go into those three things, Mr. Speaker.

So I would point out that there is a divide in the House of

Representatives. There is a divide in our philosophy. There is a divide

that I believe is rooted in this philosophy that of all of us here on

this planet, if you could somehow shake us up, erase our institutional

memories, start us as unbiased people again, and scatter us all over

the globe, without having a network that is going to tell us how to

think or indoctrinate us, some of the people would see their glass as

half full, and they would begin filling that glass up in an industrious

fashion, in a faithful Christian fashion many of them, and filling

their glass up because that is the thing to do, go out and earn, save,

invest, buy, sell, trade, make, gain.

When we do that, everybody prospers. Pull everyone up the ladder next

to us and strive for a better future for ourselves and for the

succeeding generation, for our babies that we have in our arms and for

our children that are growing up and for our grandchildren. That is

what this does for the next generations that are here and across this

country, Mr. Speaker.

Half of the people, well, probably not half, a portion of the people

see the glass as half full, and they would seek to fill it up, and they

seek to help others fill their glass.

There is another percentage of the people, the ones that are on the

floor with their lamentations night after night after night that say,

but my glass is half empty; and you know, I have sat in here for a

lifetime and that person over there that was filling their glass did

not put a single thing in my glass the whole time. Never mind they did

not lift a finger themselves to do a thing, but they see it as a glass

half empty. They see it as the economy is a zero sum game. They see it

as a pie that is never going to be bigger, that only can be sliced up

and however you distribute that pie, it will always be unfair in their

mind's eye.

But we see this as a Nation of opportunity, individual rights and a

Nation of opportunity, and we challenge people to be the best you can

be, be as productive as you can be, and we struggle to put policies in

place and encourage people to be as productive as they can be.

That is why I support H.R. 25, the fair tax, because it encourages

everyone to do as good as they can, to produce as much as they can. It

punishes no one for productivity. It takes the tax off of productivity,

puts it on consumption, and thereby incents earnings, savings,

investment, higher ed, research and development, capital investment.

All of those things improve the productivity of the American worker,

and those things increase the overall revenue and income of Americans.

We really have a choice. We can accept the standard of living of the

rest of the world. We can watch them catch up with us. We are on this

treadmill. We are on the front of the treadmill, and as they catch up

with us, we can begin to accept their standard of living or we can go

faster and we can go faster with technology, with education, with

capital investment.

Those are the things that we need to do, Mr. Speaker; and so I would

point out that before I came over here on the floor I did not know if I

would use it, but I used some of this technology that I spoke of

earlier and tapped in and did a little search for ``the 10 `Cannots' of

Abe Lincoln,'' and Abe Lincoln had this figured out and laid it out in

10 Cannots, and many things he has gotten credit for that he did not

do. I have no idea if he actually did this or not, but I am going to

give him credit because I think a lot of the man. I would point these

points out, and I would like to drill them into the brains of everybody

that votes for the future of America on this floor and across this

country Mr. Speaker.

Abe Lincoln said 10 points. You cannot bring about prosperity by

discouraging thrift. The fair tax encourages thrift and savings. You

cannot bring about prosperity by discouraging thrift, Abe Lincoln's

statement. So we want to encourage thrift.

He said you cannot keep out of trouble by spending more than your

income. You heard me say, Mr. Speaker, balanced budget. We want to come

with a balanced budget, and we want to put a tax policy in place that

encourages more productivity so that we can spread this tax out among

more people and have a lower rate and more individual productivity. The

sum total of the strength of a nation's economy is the total

productivity of its people.

Item number three, you cannot establish security on borrowed money.

Brings us all to a pause, Mr. Speaker, because we are paying for

Department of Defense spending on borrowed money. It is necessary that

we have Department of Defense spending, but that is something that

causes me to want to back up, take a look and determine that we can pay

our way, pay as we go. That means tighten the belt; we are at war.

Item number four, you cannot help small men by tearing down big men.

A little bit different verbiage in those days than there is today. In

other words, you cannot help the poor by tearing down the weak. And I

think he actually says that.

Item number five, you cannot strengthen the weak by weakening the

strong. Use your strength, build on those, help others, ask them, come

on up the ladder with me; but do not pull someone down that has climbed

up a few rungs. I keep hearing it over and over again, let us pull

those people down; the oil companies made too much money. Why did they?

Because the environmentalists would not let us drill for more and the

price went up. They invested at least in the energy future of America.

They will quit doing that if we punish them. You cannot strengthen the

weak by weakening the strong.

You cannot lift the wage earner by pulling down the wage payer.

Another solid point that needs to be hammered home.

You cannot help the poor man by destroying the rich. It is important

that we have people that have a level of prosperity. They build new

houses. They move out of those houses and build a bigger and newer

house. They sell that house to someone that can afford it and on and on

and on until they get down a level of ways where you and I can afford.

So you cannot help the poor man by destroying the rich.

You cannot further the brotherhood of man by inciting class hatred.

Class hatred is incited every single night on the floor of the House of

Representatives, Mr. Speaker. It does not help the brotherhood of man.

It drives a wedge between the brotherhood of man.

You cannot build character and courage by taking away man's

initiative and independence. One of the ways that that is done is to

create independence, and I spoke about individual initiative and

individual responsibility and individual rights, and I pray that we can

protect and defend those rights for all Americans, rich or poor, weak

or strong, whatever color, whatever sex they might be. We need to

guarantee their individual rights and protect them and give them that

opportunity.

The tenth one, you cannot help men permanently by doing for them what

they could and should do for themselves. I remember that statement of

Lincoln's.

So all of these principles of Abraham Lincoln's, the 10 Cannots, have

been violated on the floor over here night after night after night. If

we could get back to those principles, Mr. Speaker,

if we could get to this point where we understood that individual

rights, individual responsibility, if we all could begin to climb that

ladder, if we could see our glass as half full and begin to fill out,

and as we did that, reached out and help our fellow man, if we could

take the tax off all productivity in America, we could prepare this

future for the young people, for the children, for those that are here

tonight, Mr. Speaker, and with that, I thank you for your indulgence.