

new dollars out of thin air to buy Treasury bills and keeps interest rates artificially low. But when new money is created out of nothing, the money already in circulation loses value.

□ 1945

Once this is recognized, prices rise, some more rapidly than others. That is what we see today with the cost of energy.

Exploding deficits due to runaway entitlement spending and the cost of dangerous militarism create pressure for the Fed to inflate the money supply. This contributes greatly to the higher prices we all claim to oppose. If we want to do something about gas prices, we should demand and vote for greatly reduced welfare and military spending, a balanced budget, and fewer regulations that interfere with the market development of alternative fuels. We also should demand a return to a sound commodity monetary standard. All subsidies and special benefits to energy companies should be ended; and, in the meantime, let's eliminate Federal gas taxes at the pump.

Oil prices are at a level where consumers reduce consumption voluntarily. The market will work if we let it. But as great as the market economy is, it cannot overcome a foreign policy that is destined to disrupt oil supplies and threaten the world with an expanded and dangerous conflict in the Middle East.

The SPEAKER pro tempore (Mr. CAMPBELL of California). Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

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

RECORD OIL COMPANY PROFITS

Ms. KAPTUR. Mr. Speaker, I ask unanimous consent to claim Mr. PALLONE's time.

The SPEAKER pro tempore. Without objection, the gentlewoman from Ohio is recognized for 5 minutes.

There was no objection.

Ms. KAPTUR. Mr. Speaker, I hope the American people are paying attention to the massive oil company profits being made off of the pocketbooks of our people. Gasoline prices have gone up 68 cents just since last year per gallon. Gasoline prices are soaring. I left Ohio this morning after casting my vote in the primary election. Gas was \$3 at the pump, and some of the brands were as high as \$3.85 a gallon.

Who are we making rich? ExxonMobil, they are number one. They declared a record quarterly profit of \$8.4 billion, 7 percent more than they made last year. Meanwhile, their chairman, Lee Raymond, is planning on his retirement. His package totals \$400 million when all pension payoffs and stock options are included.

I have often asked myself, what does somebody do with \$400 million? When is enough enough?

Now, this is the same Exxon that has yet to pay the \$4.5 billion in punitive damages awarded in the Exxon Valdez case 17 years ago. They haven't even paid off those they harmed.

Now, not to be outdone, ConocoPhillips said its earnings rose 13 percent, to \$3.29 billion, just in the first quarter of this year.

Now, Chevron Corporation's first quarter profits soared 49 percent, to \$4 billion, as the firm joined the procession of U.S. oil companies reporting colossal earnings.

Meanwhile, constituent after constituent in my district tells me they can no longer afford weekend family trips due to gas prices. People are only filling their tanks up halfway, hoping prices will drop and they will not have to pay these exorbitant prices.

Other companies like Halliburton, think about this. We have a Vice President. He got a tax refund of nearly \$22 million. Halliburton is an oil servicing firm that has gotten so many no-bid contracts from this government related to the war in Iraq and other oil-related expenditures. Come on. Can't we connect those dots? Can't we figure out what's going on here?

Farmers tell me that higher fuel costs mean their already ultra-slim margin of profit is likely to disappear.

Small businesses worry about whether or not they can impose delivery surcharges to make up for higher fuel costs.

Now, all the President of the United States says, listen carefully. He says we have to study this. Hmm. He says we have to study this. We have to study the profits.

Mr. President, we need to do something. The President says that these companies should reinvest their money in energy projects here. But keep in mind that Exxon officials told the staff of the House Energy and Commerce Committee this year that Exxon doesn't intend to spend any money in this country because of flat demand for petroleum products by the year 2030. So the President appears to be some days late and a refinery short.

Something the President could do, using his Presidential authority, is to change the Strategic Petroleum Reserve to a Strategic Fuels Reserve and begin converting this country to non-oil-based fuels. His agriculture bill didn't do that. We put a title IX in the agriculture bill to convert quickly. We can do ethanol and biodiesel right now. But guess who won't sell it? Every one of those oil companies.

Think about the communities you live in. Let's say you buy a Ford Taurus that is an E85, and you can put ethanol in the tank. Unless you are from Minnesota or Iowa, where are you going to buy the fuel? Guess who locks you out at the pump? Every single one of those companies, because they want business as usual.

At some point, we have to do what is right for the country before any single company's interests. This is in the na-

tional interest not to have the economy take a nosedive again because of our dependence on imported petroleum.

The other body is contemplating the cute idea of a \$100 tax rebate to every citizen. Well, what does that do about the price of gasoline? What does that do about converting the type of fuel you put in your tank and making America energy independent again? What does this do to end our presidentially decreed addiction to oil from unstable regimes? All it does is it transfers wealth to those very same companies that are locking out the new future for America, the new energy future we needed to embark upon in the last century and, sadly, we did not have the leadership to do it.

So profits are up again. Golden parachutes are being readied. The industry snubs its nose at the consuming public that can't afford these prices. The Bush government says, trust us, let's just study some more. That is all we need to do is study.

Is it any reason the American people are upset? They have a right to be upset. We need leadership in this government. No more followship.

[From The Blade: Toledo, Ohio, Friday, Apr. 28, 2006.]

QUARTERLY PROFIT TOPS \$8 BILLION AT EXXON MOBIL

ASSOCIATED PRESS

DALLAS—Exxon Mobil Corp. posted the fifth-highest quarterly profit for any public company in history yesterday, and with oil prices above \$70 a barrel it could go down as the company's weakest quarter for the year.

Exxon Mobil's first quarter was lower than its record fourth-quarter, when the world's largest oil company reported the highest profits ever for any publicly traded company. And the earnings, which rose 7 percent to more than \$8 billion, still fell short of analysts' estimates.

But, in what is sure to spur the growing furor over outsized energy industry earnings, Exxon Mobil's massive profits may only increase in 2006 as it benefits from rising crude-oil prices and production, analysts say.

"This is only the beginning," said Fadel Gheit, analyst for Oppenheimer & Co. "Let me tell you, it gets better after that. Oil prices will add huge amounts to earnings, at least a billion dollars."

The earnings report comes amid consumer outcry in the United States about soaring gasoline prices, which average \$2.91 a gallon nationwide, or 68 cents higher than a year ago.

It also lands as Washington lawmakers are looking to appease voters with various proposals to make big oil companies pay more taxes or provide consumers with some other relief. But everyone acknowledges that little can be done in the short term to bring down prices.

"If we had a silver bullet, we, would be proposing it to Washington, right now," said Ken Cohen, the company's vice president of public affairs. He said Exxon Mobil was investing a growing portion of its profits in new oil and gas production, and that the company is sympathetic to the added energy-price burden on consumers.

Still, he said consumers and members of Congress need to "take a deep pause and a deep breath" because market forces will eventually bring supply and demand back into balance. He said Congress could help

matters longer term by removing barriers to domestic drilling.

The increasing public scrutiny of Exxon arrives less than a month after the news that the company handed its former chairman and chief executive officer, Lee Raymond, a \$400 million retirement package, when all pension payoffs and stock options are included, that sparked headlines across the country and calls in Washington to justify the huge compensation.

In January, Exxon posted the highest quarterly profits of any public company in history: \$10.71 billion for the fourth quarter of 2005 and \$36.13 billion for the full year.

Howard Silverblatt, a senior index analyst for Standard & Poor's, said the latest profit figure still places Exxon fifth historically among quarterly earnings. Exxon also holds the first, second, and fourth spots; Royal Dutch Shell PLC has the third spot.

In the first quarter, net income rose to \$8.4 billion, or \$1.37 per share, from \$7.86 billion, or \$1.22 per share, a year ago. Roughly three-quarters of that profit came from the company's upstream division, which produces oil and natural gas.

Analysts polled by Thomson Financial were looking for a higher profit of \$1.47 per share for the latest quarter.

Analysts and company executives identified two major contributors to coming up a dime short: higher taxes on oil and gas produced abroad and reduced income from Exxon's refining business, which spent heavily on maintenance in the aftermath of last year's hurricanes.

HIGH GAS PRICES

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

Mr. KENNEDY of Minnesota. Mr. Speaker, as we well know, the rising cost of gasoline is a burden on hard-working families and on small businesses across the country.

Recently, the price of crude oil hit the historic high of \$75 a barrel. The average price of gasoline is now a whopping \$2.92 cents a gallon, and it shows no sign of dropping before the busy summer travel season.

While much of this is the result of increasing demand generated by our growing economy and increased instability in Iran and other oil-producing countries, Congress has a duty to take action.

Some in Congress like to play politics on this issue. The American people don't want cheap political games and stunts. They want and deserve solutions.

We provided good solutions in the strong conservation and renewable energy titles of the energy bill that we passed last year. Had it not been for political gamesmanship, these measures, which languished in Congress for 4 years after we passed it in the House, would already be reducing gas prices with more hybrid and E85 ethanol cars on the road and more biofuels to fuel them.

Instead, these policies are just being implemented now. Over time, I believe that last year's energy bill will help bring down the cost of energy for consumers, but, in the meantime, we must do more.

Last year, in the House, we passed the Gas Act that would not only streamline the process of expanding refineries but also provide, for the first time, a Federal criminal penalty for price gouging in gasoline or diesel fuel cells.

Additionally, Mr. Speaker, we ought to stop giving tax incentives to big oil and gas producers when they are already reporting record profits. That is why last year I introduced legislation with Congressman MARK UDALL to redirect \$2.5 billion in tax incentives away from the oil and gas companies, instead put it towards doubling incentives for E85 ethanol, hybrid and hydrogen vehicle production.

Renewable fuels are the key to our energy independence and to freeing drivers from the high cost of imported oil. We need only look to my home State of Minnesota, which has been leading the Nation in developing renewable fuels. Minnesota was the first state to require ethanol be sold in all gasoline and has been instrumental in the development of E85 fueling stations, with over 100 such stations throughout the State.

Mr. Speaker, the proof is at the pump. These policies have resulted in Minnesota gas prices being amongst the lowest in the country. It is common in Minnesota to see E85 being sold for 50 cents less than regular gasoline.

These savings should be enjoyed nationwide, which is why I am pleased to be an original cosponsor of H.R. 4357, which was introduced last year by my fellow Minnesotan Congressman GUTKNECHT. This bill would require that our country adopt Minnesota's model that all gasoline should contain 10 percent renewable fuels.

We must get beyond the partisanship and obstruction that is blocking these additional measures. We have now waited for a year. We cannot afford to wait for 4 years. We must act now.

But we also must, in the meantime, make sure that the high gas prices don't destroy the strong economic growth that is providing jobs to so many. One of the first things we should do is a temporary suspension of the Federal gas tax. Suspending the gas tax will produce an immediate 18.4 cent per gallon savings for motorists when they fill up their tanks. That is why I will be introducing legislation to suspend the Federal gas tax throughout the summer driving season.

Highway trust fund revenue lost from this temporary suspension would be paid back and the fund made whole by fixing an oversight that has allowed some oil and gas companies to escape paying what they owe under the law to the Treasury. Unlike other measures, we can do this now, providing immediate relief to drivers hurting at the pump.

Mr. Speaker, high gas prices hurt American families and threaten our growing economy. We have a duty to respond. Let's stop the politics and get to work.

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

(Mr. BLUMENAUER 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 Indiana (Mr. BURTON) is recognized for 5 minutes.

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

RECOGNIZING C. RICHARD VAUGHN

Ms. FOXX. Mr. Speaker, I ask unanimous consent to take Mr. BURTON's time.

The SPEAKER pro tempore. Without objection, the gentlewoman from North Carolina is recognized for 5 minutes.

There was no objection.

Ms. FOXX. Mr. Speaker, I rise today to recognize and congratulate my dear friend, Mr. C. Richard Vaughn of Mount Airy, North Carolina, for being awarded the 2006 Distinguished Citizen Award from the Old Hickory Council of Boy Scouts of America. This prestigious honor is given annually to one individual from Northwestern North Carolina who best exemplifies the ideals of scouting through contributions to community, State and country. In receiving this award, Richard joins an impressive fraternity of past recipients, including Senators Jesse Helms and Richard Burr.

I have had the honor and privilege of knowing Richard for the past 12 years and can honestly say that there are very few people as deserving of this award as he is. Richard is a true asset to the State of North Carolina and the Town of Mount Airy. The driving force in his life is a strong desire to serve others and make his community a better place.

Richard has truly exemplified the principles of Boy Scouting throughout his life from the time he was a young Eagle Scout. He has served our Nation as a First Lieutenant in the United States Army and has remained incredibly active in community and civic affairs throughout his adult life. He serves as Chairman of the Board of Trustees of Central United Methodist Church in Mount Airy, as past president of the Mount Airy Museum of Regional History, as past president of the North Carolina State Chapter of Sigma Nu Fraternity, as past vice president of the United Fund of the Greater Mount Airy Chamber of Commerce, as president of the Reeves YMCA Community Center, as chairman of the Mount Airy Board of Education, as an executive committee member of the Old Hickory Council of Boy Scouts of America, and as the former Scoutmaster of Troop 596 of Mount Airy.

He has also served as the Chairman of the Board of Directors of the North