be a state-of-the-art facility, and the foundation of this ballpark area will develop into an entertainment district over the next few years. The new stadium will feature a 15,000 square foot kids' zone, full-scale restaurant, 16 luxury suites, and numerous additional components that will make it a showcase for the city. The ballpark is the result of a public-private partnership in not only the town of Winston-Salem but also in Forsyth County.

Now, the people who own the baseball team thought that it might be an interesting time to consider a new name for the baseball team, and so they had a ''Name the Team'' contest in which they received over 3,000 submissions in just 2 weeks. After reviewing the suggestions and receiving over 70 submissions for one particular name, the people in charge selected ''Dash'' to be the new team name. The idea behind that is Dash is what brings the two words, Winston and Salem, together, and the vision of the owners is to make the stadium a family-friendly environment and gathering place for entertainment within the Winston-Salem community.

Now, the Winston-Salem Dash is a minor league baseball team which dates back its franchise to 1945. They're a class high-A team in the Carolina league, and they have been a farm team of the Chicago White Sox since 1997. They'll begin playing in the new Winston-Salem ballpark beginning in 2009.

With its family-friendly entertainment and plain old American style fun, I'm sure the Dash is going to be a great success. And just as importantly, the new name for the team and the new ballpark are going to be an anchor for future development as the team stadium is completed and the players take the field this spring.

I'm looking forward to visiting a home game this spring to enjoy this most American of pastimes and support this addition to the Winston-Salem sports team. And I invite all my colleagues to join me there sometime and see that I live in the best district in the country.

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.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman 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 Arizona (Mr. FRANKS) is recognized for 5 minutes.

(Mr. FRANKS of Arizona 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 Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO 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 California (Mr. SHERMAN) is recognized for 5 minutes.

(Mr. SHERMAN 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 Virginia (Mr. WOLF) is recognized for 5 minutes.

(Mr. WOLF 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 Arkansas (Mr. BOOZMAN) is recognized for 5 minutes.

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

THE ECONOMY IN AMERICA

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

Mr. AKIN. Mr. Speaker, we have an interesting topic that we're going to be talking about and developing over the next hour. I'm here representing the Republican Study Committee, and we would like to talk about the subject of our economy and the nature of the problems that we are facing but also what kinds of solutions are possible. I'm going to be joined by a number of other congressmen this evening, and I'm going to invite them to jump into our discussion. And, Mr. Speaker, I hope that you find the hour interesting and enjoyable.

Now, one of the problems with having Congressman AKIN here is I'm a former engineer and I get a little pedantic sometimes and I think it's important to exercise some discipline. And the discipline in this case is to define the nature of the problem in the economy in America.

□ 1945

So before you go offering legislation or try to fix something, it's good to know what it is you are trying to fix, and that will allow you to answer the important question whether or not it's going to work, which is not exactly a small question. Unfortunately, we have spent an awful lot of money without really defining the problem on solutions which have not worked. And so that's why we need to take a little bit of time to talk about what's going on.

As perhaps many people are aware, there are two quasi-governmental organizations called Freddie and Fannie, Freddie Mac and Fannie Mae, and they, of course, have home mortgages which they take care of financially for more than half of the different people in America that have homes. So these are huge organizations, but they are not quite government, and they are not quite private. They are sort of in a gray zone, and they were created, ostensibly, to try to provide decent home loans for American citizens.

The problem, though, with Freddie and Fannie, because they are not really government, they were also outside of the administration's authority to be able to deal with them.

So Freddie and Fannie started to get more and more innovative over the past years, and they started to make all kinds of loans to all kinds of people. As those loans were made, what happened was there was not good control to make sure that the loans were being given to people that could actually afford to pay the loans.

In fact, we had, intentionally, Congress started to pass laws and put pressure on these organizations, as well as banks, to encourage them to make loans to people who could not afford to pay. Now, how that would be called compassionate, I am not quite sure, but Congress did that.

So what started to happen, in combination, as this was going on, you have the Federal Reserve lowers the interest rate, so money is easy to get, and all kinds of people jump on the housing bandwagon, and you create this real estate bubble, people taking out loans, which they don't have jobs or the finances to pay off these loans. And pretty soon, as we got toward the more recent years, this bubble explodes and all of these loans, people are starting to default on them.

Now, those loans had been packaged up and cut in pieces by Wall Street, sold all over the world. And now you have got one whale of a mess on your hands. Now, the question should be asked, then, well, didn't somebody see this coming, didn't somebody know that Freddie and Fannie were doing things that they shouldn't have done?

Well, in fact, in the New York Times, the President, President Bush, the headline on the article in the New York Times, in case anybody wants to look it up, it's on September 11, 2003, well before any of this came down. It says here the Bush administration today recommended the most significant regulatory overhaul in the housing finance industry since the savings and loan crisis a decade ago.

So here you have the President saying Freddie and Fannie are out of control, we need to get regulations on them. Now what concerns me is people are saying, they are saying, well, this is a failure of free enterprise. There's no failure of free enterprise here, this is a failure that starts right here in Congress, a failure of Congress to regulate these institutions which we created, and which went haywire by making all kinds of loans to people who shouldn't have had those loans, and now we are starting to pay the piper on it.

So this is the President, in 2003, The New York Times, not exactly a right-wing oracle, you follow the article through, and we come toward the end and it says these two entities, Freddie and Fannie Mae, are not facing any kind of financial crisis, said Representative BARNEY FRANK of Massachusetts. Now this is interesting, because what this article is saying is that the Democrats were opposed to the further regulation of Freddie and Fannie.

They were opposed to it, and the man from this Chamber, who was on the floor no more than an hour ago, is quoted as saying, now, catch this, these two entities, this is BARNEY FRANK talking, Fannie Mae and Freddie Mac are not facing any kind of financial crisis, said Representative BARNEY FRANK of Massachusetts, the ranking Democrat on the Financial Services Committee.

So it wasn't that people didn't know, the President knew, but what it was, in the Senate, the legislation to try to regulate Freddie and Fannie was never passed. So we have, in a sense, a repeat of other financial crises because we in Congress did not do our homework, did not regulate and allowed these loans to be made.

Now, I am joined by some of my colleagues here and I am looking forward to chatting with them here. Just one thing I think that would also be helpful to know, we have defined the problem, and that is all of these loans that have been made and people got loans. That wasn't responsible, they couldn't pay the loans off. And so now these loans are being defaulted on.

That is happening enough. It is creating problems. The question is, how big a crisis is it? Well, just to give you some sense, about half of the loans that we expect are going to default have already happened. That says we have drunk about half the cup of poison and it has made the world's financial system sick, and we have got another half to go. Kind of an interesting thing.

I am joined by Congressman LAMBORN from Colorado, a very wise and helpful influence in Congress, and I yield to the gentleman.

Mr. LAMBORN. The gentleman from Missouri has laid a good background for what got us to the point. There is a lot of discussion going on right now today here in Washington about a stimulus package. It's been in the news.

The incoming President wants to deal with this, and I think by the middle of February we are going to hopefully pass something. I am concerned, though, that some of the elements in this program are not going to really solve the problem.

I haven't seen the bill. No one has seen the bill. There is no bill in front of us yet. There might be by next week. I hope so.

Mr. AKIN. That was a very important point that you raised. That is if we are going to propose solutions, the question is does the proposed solution actually solve the problem or does it just make people politically happy. Are we really trying to specifically tailor the solution to something that is going to work.

Mr. LAMBORN. Exactly. I know there is another representative here who can talk about H.R. 470, which is a positive approach to the stimulus, to what will kick start our economy.

Mr. AKIN. Before we get into the specifics of various solutions, let's just talk for a minute. You know, the question is, a lot of times people think Congress has some sort of a magic lever here in the Chamber. And when we pull this lever, it just makes the economy accelerate or something. You know, they say we are going to stimulate the economy, whatever that is supposed to mean.

Really what Congress can do is we can either tax people or not tax people. We can take the revenue and slop it around in different ways. That's about all we can do. We don't create any wealth at all.

So when it comes to the economy, the tools we have are, to some degree, limited just because of the fact that Congress really doesn't create anything. What happens is it's the economy that either pulls itself forward or stagnates because we have created some set of laws that's messing it all up. So as we talk about solution, we have got to be careful, don't we.

Mr. LAMBORN. Representative, you are exactly right. Two things that I have heard bandied about that will probably be in the stimulus package that I think should not be, one is bailing out States. There is talk about sending a lot of money to the States for Medicaid and other expenses that they are running. They are running deficits in the number of States around the country.

The trouble is, every person who is listening to our dialogue right now wears two hats. They are a taxpayer to the Federal Government, and they are a taxpayer to a State or a territory government, every single person who is listening.

So we are going to take Federal tax money and give it to the States to solve their deficit but, in the meantime, we are creating a larger Federal deficit.

Mr. AKIN. It seems like to me, gentlemen, what you are recognizing is an inherent problem with this whole bailout concept. The whole idea of the bailout seems to be reward the person who did the wrong thing economically at the expense of the person who did the right thing.

Mr. LAMBORN. It's like taking a credit card debt that you are labeling under and say how can I pay off this credit card? Oh, I know, I am going to take out a new credit card, and I will take thousands of dollars in my new line of credit and pay off this credit card. You are not any farther ahead.

Mr. AKIN. With all due respect, gentlemen, I don't think you are being quite fair in that. What you are really saying is when you don't have a credit card you can pay off, you are saying I am going to use your credit card and take it. I mean, why should people from the State of Missouri or Colorado pay for California?

Mr. LAMBORN. You are exactly right. So you are not any further ahead. In fact, you are behind, because the money has gone through the bureaucracy. It got sent back to Washington, it came back to the States. There's been overhead costs, you actually end up with less than you started with, so you are worse off.

But that's the part about the proposed stimulus, and I haven't seen the details, that I would really object to. That's going to be in the final proposal.

Mr. AKIN. I just noted that the gentleman, Congressman JORDAN from Ohio, is here, and I yield to him.

Mr. JORDAN of Ohio. Look, we all know we are in a tough economic situation, and the gentleman from Missouri has explained some of the reasons we got there. The question is, where are you going to look for the solution? Are you going to look to the government, the big Federal Government which, as the gentleman has pointed out, has already run up deficit after deficit. We are approaching an $11 trillion national debt.

So you are going to look to the same government that helped get us in the problem, or you are going to look to the people, not the economy, the people. It's the American taxpayer, American family, the American small business owner who can get us out of that situation we are in. That's who we should trust.

What we should do, is instead of spending and spending more, we should look for ways to reduce the tax burden, something we know that works every single time it's tried. When you let families, when you let small business owners, when you let the entrepreneurial spirit of the American people have more of their money to use it, to invest it, to put it back into their business, to put it into those things that have meaning and significance to them and their family, good things happen in your economy.

That's where our focus should be, and, frankly, that's the proposal we want to talk about a little bit later that we, the Republican Study Committee, unveiled today.

Mr. AKIN. What you have just said seems to make a whole lot of common sense. Just repeating what you said, the thing that's going to get us out of the recession is going to be the economy. It's going to be the small business people, the entrepreneurs, the hard working Americans. They are the ones who are productive, they create wealth, and they pull us up. You are saying that should be the direction of our solution.

Mr. JORDAN of Ohio. Yes, because, look, the other approach hasn't worked and hasn't worked in recent history. This bailout fever, as the gentleman from Colorado alluded to, this bailout fever that's grabbed Washington, we know that doesn't work. We have seen what's happened with the trillions of dollars we have spent.

There are all kinds of reasons we shouldn't continue down this road. So we know that doesn't work. What we do know works is letting families, letting taxpayers, letting small business owners keep more of their money investing back in their business and helping our economy.

Mr. AKIN. So I think what I am hearing you say is we just can't spend our way out of this with a whole lot of government spending. That would be a little bit like grabbing your shoe laces and try to fly around the Chamber.

I see my good friend from Georgia is joining us for the discussion as well, Congressman GINGREY.

Mr. GINGREY of Georgia. Well, I thank my colleagues from Colorado, Missouri, and Ohio, and in a few minutes my colleague from Louisiana, all here on the floor tonight, all here talking about this issue.

I agree with Congressman AKIN, this is really like almost a bizarro world. I was at the Rules Committee last night listening to Chairman BARNEY FRANK of the Financial Services Committee and Ranking Member SPENCER BACHUS.

Mr. AKIN. You are referring to the same guy that said there is no financial problem with Freddie and Fannie; is that correct?

Mr. GINGREY of Georgia. Well, you mentioned that, I think you had a direct quote back from a couple of years ago, I think that would be the very same person.

You know, of course, what Chairman FRANK was talking about last night in the Rules Committee in regard to this second tranche of this $800 billion, now, we are not talking about——

Mr. AKIN. Is a tranche and a slurp sort of the same, $350 billion, you are just kind of trancheing?

Mr. GINGREY of Georgia. Yes, a tranche, I am learning all kinds of things as we get into this. I guess a tranche is a slice, it's a portion, if you divide something up. Of course, we divided this pie in equal slices of $350 billion.

We have already spent $350 billion, and it was targeted toward certain, well, we know, of course, General Motors and Chrysler and GMAC. Indeed, we even made a bank out of them so that they could qualify for the money.

It is a bizarro world, and Ranking Member SPENCER BACHUS, the gentleman from Alabama, said last night at the Rules Committee hearing on this bill, he said, you know, it used to be, in this country, that banks lent money to people. Now, all of a sudden, the people are being asked to lend money to the banks to bail the banks out.

Mr. AKIN. That does seem like something that's a little upside down, doesn't it.

Mr. GINGREY of Georgia. Like I said, it's a bizarro world.

Mr. AKIN. The person that runs their household responsibly, the State that runs its budget responsibly, now we are supposed to be bailing out the banks instead. It is sort of an odd concept, but I didn't mean to interrupt you.

Mr. GINGREY of Georgia. No, indeed, it is an odd concept. And I think that Representative JORDAN and Representative SCOTT GARRETT from New Jersey, and, of course, our Chairman of the Republican Study Committee, our conservative Republicans of 75 to 80 strong on this side of the aisle, we have the right idea. I was proud to be a part of their press conference today on talking about this bill, our stimulus bill, talking points. We had a lot of members talking about this, but basically we are talking about the economic recovery and the Middle-Class Tax Relief Act of 2009.

□ 2000

Representative AKIN, you are familiar with it. We are talking about people getting a tax break at every level, a 5 percent across-the-board at every marginal tax rate, cutting the corporate tax rate from 35 to 25, keeping the capital gains at 15 percent.

Mr. AKIN. Before we list off a whole lot of these different specific solutions, if I could just cut in for a moment and sort of let's step back a little bit and be a little more professorial.

You know, we have this tranche, it sounds like something on an ACT test or something. You are a medical doctor, you are probably smart at knowing all the meanings of these words. But there are two general theories, aren't there, in economics.

One of them was basically called ''Keynesian'' because of this Little Lord Keynes that came up with this idea. It was something that FDR used to turn a recession into the Great Depression. Obviously it didn't work very well, and yet there are some people that still want to say, well, FDR got us out of the Great Depression using Keynesian economics. And the theory of Keynesian economics is take a whole lot of money away from all the taxpayers and go spend it all on a whole bunch of pork-type government projects. Maybe some are good, some are bad, dams across certain rivers to build hydroelectric plants, or building schools and stuff. It was politically popular stuff, but it didn't help. It made the Depression worse, and we ended up getting out of the Depression by getting into World War II.

Now, I would just as soon that we don't use that approach to get out of our depression this time around and get into another world war.

But that was called Keynesian economics. The idea was you just spend a whole lot of money and, wallah, something is going to happen. Well, if you think about that logically, we have got trillions of dollars in deficit, and if Keynesian economics worked we would be in a great economy right now. We have already spent much more money than we have. And yet that is one approach, and it has traditionally been something the Democrats do. It is politically popular, but it hasn't worked very well.

The other approach is what you are talking about, which is more commonly called ''supply side.'' It is the idea of not taking money, but allowing the businessmen and the people who create the jobs to invest and let that small business engine through productivity pull us out. That is what the gentleman from Ohio, Mr. Jim Jordan, a fantastic lineup of some different proposals to try to solve the problem of where we are in the economy.

But we have a gentleman from Louisiana. I would yield to you if you would like to comment on this.

Mr. SCALISE. I appreciate the gentleman from up north of the Mississippi River from my area in Missouri for yielding, and especially as you are talking about this latest effort that some people have to try to resuscitate Keynesian economics and reinvent history and try to make it out to be something it wasn't back when it was tried and failed decades ago.

But if you really look around and you look at what the taxpayers, the people who ultimately are the shareholders who I think are fed up with this whole mad rush to have bailouts and deficit spending, and then see more, trillions of dollars added to our national debt, what the people across this country are doing during these tough economic times, I think that is really the true indication of the direction Congress should be going, and, unfortunately, Congress is going in a different direction.

But people all across this country that are facing tough economic times, they are tightening their belts. They are making those tough decisions to live within their means.

Mr. AKIN. So the responsible people are saving money, yet the people in this Congress are talking about spending it when we don't have it. Go ahead. I yield.

Mr. SCALISE. Absolutely. And if you really want to go and look further into the States, each of our States, many are facing, I think a majority of the States are facing various budget shortfalls. My State of Louisiana is facing about a $1.3 billion budget shortfall.

But what our Governor is doing is what I think is the responsible thing that we should be doing up here. Our Governor is actually going in and making responsible cuts to our State's budget. We have a $30 billion State budget and there is a lot of room to make cuts in our State's budget, and that is in fact exactly what our Governor, Governor Jindal is doing. He is going and making cuts.

Many States across this country are doing the same thing. They are actually going and doing the things that the American taxpayers are doing. They are living within their means. They are making cuts and responsibly handling a budget shortfall, as opposed to what is happening in Washington.

Mr. AKIN. Could you imagine if you were the Governor and you talked to your State of Louisiana and you said, hey, we are in economic hard times, so I have decided we are just going to spend a whole lot more billions of dollars. What would people do to you? Would they lock you up?

Mr. SCALISE. I think they have institutions where those people would go. But I think if you look at what is really happening across the country is people are making their responsible decisions, but they really want Washington to make those same responsible decisions. And when they look at what happened with the first bailout and recognize the failure of the first $350 billion, I think what they would want us to do in Congress is to pull back and say, wait, that approach didn't work. Don't spend the other $350 billion, and surely don't have some secret stimulus plan being developed.

Mr. AKIN. Do you know what happened to the first $350 billion? Is it your sense that in the last month or two that that has really given a whole lot of value for that $350 billion?

Mr. SCALISE. I think most people would recognize that bailout didn't work, including many of the people who initially asked for it. And while those of us who voted against it said there was a better way and presented an alternative approach, that was much more based on cutting taxes and encouraging the private sector to make investment. There are trillions of dollars sitting on the sidelines right now that we could bring back into the economy to turn this economy around instead of using taxpayer money and adding another trillion dollars on to a national debt that is already too large.

Mr. AKIN. So we came up with a solution that cost a whole lot of money, when there was actually a much lower cost way to solve the problem. And we are in danger of doing the same thing again in the near future if we don't use the right kind of tools to turn things around. I hear what you are saying.

The gentleman from Ohio.

Mr. JORDAN of Ohio. I think it is important to also understand the gravity of this. Not only the bailouts haven't worked, but we have to understand how much in debt we are. We are getting into unprecedented levels of national debt.

Mr. AKIN. Unchartered waters.

Mr. JORDAN of Ohio. Exactly. We are approaching $11 trillion of national debt. The deficit we will run up in this fiscal year and last fiscal year, the last 2 years, $2 trillion we are going to add to the national debt. That is equal to what it took us from 1789 to 1987 to accumulate. So in 2 years we have accumulated as much, added to the national debt what it took us 200 years to get to.

Mr. AKIN. So the gentleman, what you are saying is from the time this country was founded to the 1980s, we had not accumulated as much debt——

Mr. JORDAN of Ohio. As we have done in the last 2 years.

Mr. AKIN. As we have done in the last 2 years. And you are talking $2 trillion.

Mr. JORDAN of Ohio. The month of November, we ran the largest single monthly deficit in history, $164 billion for one month. This is serious.

Mr. AKIN. If you allow me to interrupt you just a minute, let's put that in perspective. How much did the war in Iraq cost, that everybody was complaining about for the last 6 or 7 years?

Mr. JORDAN of Ohio. It didn't cost that much.

Mr. AKIN. It was about $800 billion. It is not even $1 trillion. So we got about $800 billion or $900 billion for the war in Iraq, and we are talking about just in a period less than a year, $1 trillion? This is an uncharted kind of area we are getting into.

Mr. JORDAN of Ohio. It is unprecedented. There are several reasons why we shouldn't go down this bailout road, I call it this bailout fever that has grabbed Washington. First and foremost, once you start, it is hard to stop. Everybody gets in line. We have seen it. Every single business now has their hand out. We had the governors and mayors that people talked about earlier this evening.

The second reason, as the gentleman from Louisiana pointed out, it doesn't work. We have seen what happened with the first $350 billion in the TARP program.

The third reason, the most compelling reason in my judgment, it is immoral. It is wrong to do this to our kids and grandkids. It is wrong to saddle this kind of debt to our children and grandchildren, future generations of Americans.

One of the things that makes this country special, that made America great, is the concept that parents make sacrifices for their kids so that they have life a little better than they did, and they in turn do it for the next generation and they in turn do it for the next, and we get to be the greatest country that there ever was.

The fourth reason is it is unfair. And I think we miss this sometimes. It is unfair that taxpayers bail out certain businesses. And the small business owner back home, he is not going to get help, she is not going to get help to run that small business.

More importantly, for those industries that are getting help from the government, that are getting help from the taxpayers, it is unfair to their competitors within that same industry who don't get help.

So there are all kinds of reasons why we shouldn't do this, but chief among them, chief among them is the idea that it is wrong to saddle future generations of Americans with this kind of debt. I have said many times to folks back home, who is going to bail out the bailout?

Mr. AKIN. Well, I really appreciate the Congressman. I know that you are disciplined in the wrestling sport. You understood that there are some rules that life works by, you work out hard, you wrestle a good match, and there are rules of economics as well.

We have a gentleman joining us tonight also, I think he is from Iowa, as I recall, just a bit to the west of Missouri, and Mr. KING, Congressman KING, I would recognize you if you want to talk a little bit along the same lines.

We have been talking about what you shouldn't do. The gentleman from Ohio is talking about the inherent unfairness, the injustice of basically taxing somebody to fix a problem they didn't create, of bailing out a big company when the little one doesn't get bailed out, this whole bailout fever, everybody with their hands out.

Now, is there a better kind of solution? What would a supply side kind of model be? What would you recommend? We don't want to sit here and criticize people that are proposing things without giving them an alternative that is better, and I think that is what you would like to talk about.

Mr. KING of Iowa. And I am happy to come here and present my version of my proposal for a solution. I would pick up on the gentleman from Ohio's statement of the deficit though in November being a minus $164 billion. I just punched the calculator and you annualize that, that is times 12, that is $1.968 trillion, almost $2 trillion in annual deficit at the rate of last November. And we are dealing with that, and we are dealing with handing a check over to the incoming President in excess of $1 trillion.

Now, all of this Keynesian that you talked about——

Mr. AKIN. You put that in context, that is a lot more than the Marshall Plan adjusted for inflation. That is more than the War in Vietnam adjusted for inflation. It is more than the Louisiana Purchase. I mean, it is more than anything we have bought before.

Mr. KING of Iowa. In fact, the only Federal expenditure that compares with this bailout is if you compare it in real dollars to World War II. This is a bailout that exceeds everything, including the interstate system in the United States. World War II is the only thing that cost more money, and that was, of course, national survival. This Nation was in peril.

So we can go down the path of the Keynesian, which you have discussed, and I reject that. There is no Keynesian proposal if you look back in history that can be supported.

I go to the other side, to the supply side of this. I look at the tax cuts throughout different presidencies we have had. It is clear when John F. Kennedy was instrumental in signing the legislation that cut taxes, we increased the revenue and grew the economy. Another two decades later when Ronald Reagan came in, we cut taxes, increased the revenue to the Federal Government and grew the economy.

When George Bush looked at the bursting of the dot.com bubble, which happened just before his watch, something needed to be done, and he offered the 2001 tax cuts. Those said we are on a little bit of a sugar high in this economy, it was a short bridge, they recognized it, and on May 28, 2003, the real Bush tax cuts took place. They are sunsetted eventually, but they also bridged this economy.

Those are some of the things that we need to do. But the free enterprise economy is this: Our job should be about increasing the average annual productivity of Americans, and at the same time that increases our opportunity to improve our quality of life. So if you want to provide the stimuli for people to produce more, the thing you do is to suspend the taxes on their production. Ronald Reagan said that what we tax, we get less of.

So the Federal Government has the first lien, taxes, on everything that is on the production side of this economy. They tax all of our productivity, our earnings, our savings, our investment. When you punch the time clock at 8 o'clock on Monday morning, you can hear a ka-ching, and Uncle Sam is standing there figuratively and his hand goes out, and you pay the taxes from the first minute you work until he gets the amount that he wants. That goes into Uncle Sam's pocket. And then you can start working for the Governor and the other people out there. That is true with earnings, savings and investment. So when we tax productivity, we get less productivity by Reagan's axiom and the one I agree with.

I propose that we take the tax off of our productivity, all taxes off of American earnings, savings and investment, and put it over on consumption, where it provides an incentive for a little savings, a little investment, and it lets a person choose when they pay their taxes when they consume. A national sales tax changes the dynamics of this. I don't want to go down into the depths of the details, but the philosophy I do.

Mr. AKIN. That is a very interesting proposal that you have and one that a lot of economists are taking a very serious look at and one that is really rising in popularity I think with a lot of scholarly people, Congressmen, and I appreciate your doing it.

I would like to dig into one little detail of what you said.

□ 2015

What we're not talking about is a lot of fancy theory here. This is stuff that's been tried. And we know that excessive government spending, way beyond our budget, has created a Great Depression and all kind of other trouble.

But what we're talking about, instead, is allowing small businesses to invest. And so, when we did that, we actually did that in the first quarter of 2003. And I have a series of graphs here that show the result of doing that.

Let's just take a look at this: The black vertical line on this graph is the first quarter, or part way into 2003.

Mr. KING of Iowa. If the gentleman would briefly yield, I suspect that line is May 28 of 2003. I happen to remember that's the day that President Bush signed the 2003 tax cuts, and really the only reason I remember that is because it's my birthday. It was a great present.

Mr. AKIN. The second quarter. I stand corrected. The second quarter of 2003 is the black line that you see here. And this first chart is Gross Domestic Product of the United States.

Now, if you take a look at the things on the left side of the chart that are in red, this includes a bunch of kind of nice tax cuts, which give better deductions for having kids and a lot of feel good kind of stuff. So it's not just any tax cut that makes a difference.

Your point is you're investing in productivity. When you get to the second quarter of 2003, we did one major tax cut, and that was dividend and capital gains, which immediately put money back into the pockets. It's not really put money back in. We just never took it out of the pockets of the small businessmen who made investments and took risk.

And take a look at what happens on the average. This is going all the way out to 2007. The average Gross Domestic Product, 1.1 percent before that tax cut, after it you see that the averages jumped a couple of percent on Gross Domestic Product. Now, that's an interesting chart.

Let's take a look at the next one. What happens to go along with Gross Domestic Product?

Let's take a look at jobs. This is job creation. Everything below the line means we're losing jobs, as we are right now in the economy. The second quarter of 2000—oh, you were right, May 2003. You take a look and you see all of this job growth. An average loss of 99,000 jobs in the first couple of years, as we inherited the recession in 2001, and a gain of 147,000 jobs following. That is the effect of letting small business, turn them loose and let them be productive.

Now, here's the thing that I find most amazing, and that is the fact that when you do this, the government cuts taxes; and guess what happens to the money we have, the revenue?

Well, take a look at the third chart. There again, May of 2003, a low point in Federal revenue. As the economy gets going, Federal revenue takes off like a skyrocket. So what do you solve?

Everybody is more wealthy. There are more jobs, and not only Federal, but State governments have more money to spend.

To your point, gentlemen, I thought some specifics though. This isn't theory. This is what JFK did, this is what Ronald Reagan did, and this is what happened under the Bush administration with that key tax cut, not just any tax cut, but the one that empowers Americans and gets the government's big fist out of their pocketbooks.

I yield to the gentleman. Continue.

Mr. KING of Iowa. Briefly, the gentleman from Missouri, thank you.

I'd point out here that we are sociologists in the end in this country, and these are definitive.

Mr. AKIN. I don't want to be any kind of socialist, gentleman.

Mr. KING of Iowa. We are definitive on the economic analysis that you have laid out. It is stark, it's clear, the lines vertical there on each one of those charts that you've showed. But what it really reflects is the sociology of human nature.

When human nature concludes that if they work and earn and someone else gets the proceeds of that, if someone else gets the benefit of the labor, then the reward for the labor is diminished; that means there's less labor that gets done. And as people figure that out, as the tax rates go up, the conclusion is I'll risk less capital and I'll put less effort in, and I'll spend more time with my family or my golf clubs or my fishing pole. That equation is demonstrated there in the red and in the green vertical bars that you have. And in the end, our effort again is back to get the maximum increase and get the maximum annual average productivity out of every American at the same time quality of life.

Mr. AKIN. Congressman KING, I think you've just given us a rather eloquent description of just basically saying, free enterprise does work, doesn't it?

Mr. KING of Iowa. Free enterprise does work. And I yield to the gentleman again.

Mr. AKIN. We have a fantastic doctor from Georgia, and I would yield to you if you had a thought on the subject here.

Mr. GINGREY of Georgia. Well, I thank the gentleman, and I do have lots of thoughts on the subject. I'll share just a few of them with my colleagues. And of course we've gotten into discussion now of a philosophical and practical discussion of why tax reform, cutting taxes, first and foremost, and if not doing that, going to a different system. My colleague from Iowa talked about a consumption tax. No more tax on productivity. No more tax on earnings and savings, but on consumption.

And I think you've shown very well, the gentleman from Missouri, with his charts, that that grows the revenue. And certainly, the tax cuts of 2001, 2003, under the Bush administration, even though there was a price tag put on that of $1.3 trillion, these cuts in tax rates would result, theoretically, the way we score, in $1.3 trillion less tax, but in dynamic scoring, as you presented in these excellent slides, we've proven that we grow the revenue.

But I'm going to tell you, my colleague, let me make this point if I can, and then I'll yield back to you because it is your time.

But Mr. Speaker, the thing that strikes me over and over again is, even when we're cutting taxes, even if we are able to pass the RSC bill, the Economic Recovery and Middle Class Tax Relief Act of 2009, I truly believe we will grow revenue, once again.

But we cannot continue to spend wildly. We desperately, my colleagues on both sides of the aisle, I think you would agree with me, until we get to the point where we have a balanced budget amendment and we do what the States do—my own State of Georgia right now has a $2 billion shortfall, and our governor is struggling, just like the other 49 States. But the legislature will deal with that and they will tighten their belt, just as we have to do on an individual basis, on a family basis. You know, instead of getting that $40 hair cut every 2 weeks, you get a $20 hair cut every 4 weeks. You tighten that belt.

And that's the one thing we have not been able to do up here. We just start writing checks, printing money. And that's, my colleagues were talking about, the gentleman from Ohio and the gentleman from Iowa, a $1 trillion deficit in 1 year? Yeah, that does lead to $13 trillion worth of debt and red ink.

And so I think it's important for us to make sure we stay on that issue of, we cannot, no matter what we do with our Tax Code, we cannot continue to spend money. And I don't want to be pejorative to our great sailors, but you know the old expression. We can't keep doing that. We've got to balance our budget.

Mr. LAMBORN. Will the gentleman yield?

Mr. GINGREY of Georgia. Of course I will yield to my friend from Colorado.

Mr. AKIN. I'll yield to you, and then we'll go to the gentleman from Louisiana.

Mr. LAMBORN. The Federal spending projected for Fiscal Year 2009 is going to be 25 percent of the Gross Domestic Product. Right now that's over $1 trillion, and that's even before we add the possible deficit spending of a stimulus package, which could be up to another $800 billion.

Now, 25 percent of GDP, to put that in perspective, that is the most, in our Nation's history, except for World War II.

Mr. AKIN. You know, we like to get into these numbers a little bit because we have to study it and live with it day by day. But let's try to make this practical for the average person on the street.

What we're talking about is, instead of treating a recession, we're talking about, if we don't do this right, we're going to create another depression. We're talking about an extremely serious condition for our country; is that correct?

Mr. LAMBORN. That's exactly right. The Republican Study Committee proposal, H.R. 470, is going to call for a modest spending decrease. Instead of this massive wave of spending, the bailout fever that Representative JORDAN referred to, we call for a 1 percent decrease of nonmilitary and veterans spending, of the discretionary spending.

That would be, if you were a family making $40,000, that would be a $400 cut in your yearly budget. If a family could find $400 to save, out of $40,000, that would be like the Federal Government finding a 1 percent decrease, as opposed to this massive up to $800 billion increase for a stimulus.

That's the kind of thing that we have to do, Representative, is to tighten our belts. If families have to do that, if small business has to do that, the government should do that as well. And you're right, Representative, when you say we can go in 1 of 2 directions. The government can spend more money to try to stimulate, or people can keep their own hard-earned dollars and spend it themselves. And I believe the second approach is the best.

And I'd like to yield to the gentleman from Louisiana.

Mr. AKIN. I think I'm the one supposed to do that. Congressman SCALISE from Louisiana, we'd love to hear your thoughts too along the same lines.

And thank you very much. I appreciate that, Congressman LAMBORN.

Mr. SCALISE. Thank you, Congressman AKIN. And you know, when you showed the chart over there about the revenue, the dip and then ultimately as taxes were cut, Federal revenues actually increased. The same thing happened under President Reagan when President Reagan cut taxes. I think one of the myths that is out there is that the deficit grew. Some people tried to attribute that to the tax cuts. But if you really go and look, you'll see a similar chart, you'll actually see an increase in revenue. Unfortunately, you had a Democratic-controlled Congress that spent even more money than the new money that did come in. But in fact, more money came in as taxes were cut. And so I hope we use history as a guide.

As you talked about earlier, there is no bill filed yet on this economic stimulus plan. We are expecting in the next week to possibly 2 weeks, there will be a bill filed. And unfortunately, right now what you've got is a bidding war. What started off as maybe a $400 or $500 billion proposal has now reached over $1 trillion where the proposals that we're hearing now are $1.3 trillion.

Mr. AKIN. Congressman SCALISE, did you say that basically we have already gone from 700,000 now to a trillion? Is that already that high?

Mr. SCALISE. We've gone from 700 to a trillion, and now more people are coming up with more ideas of how to spend taxpayers money; not today's taxpayers, but the next generations and the next generation after that tax money because we don't have enough money.

Mr. AKIN. So it's our grandchildren's money we're starting to spend.

Mr. SCALISE. It's our grandchildren's money. And if my daughter, Madison is watching, I'd ask her to turn away for a moment because I don't want to frighten her. But my 21-month old daughter, with a $1.3 trillion bill, will take on an additional $4,000 in debt, just my daughter alone. Every man, woman and child in this country, if we pass a $1 trillion deficit-laden spending bill, every man, woman and child in this country will take on another $4,000 each in additional national debt. And that's what this really means to people in this country.

Mr. AKIN. Now, Congressman SCALISE, you made a point that I think, and I think it is, it almost seemed counter-intuitive to me when I first heard this before I came to Congress, the idea that the government could actually cut taxes and raise more revenue. Doesn't that seem like making water go uphill?

Mr. SCALISE. On the surface it definitely doesn't seem to mesh until you look at what happened. And a real good example of that was something that those of us here that have been talking brought up, along with other colleagues of ours, when there was an alternative proposal to the original $700 billion financial bailout.

One of the things that was brought up was, back in 2005 they tried an experiment. Congress actually did something that I think was smart. They said, look, we're seeing that a lot of American companies that have operations overseas in other countries where they're making a profit, those companies aren't bringing those profits back here to America. And the reason they're not is because there's a 35 percent tax if they bring that money back, whereas they don't pay any taxes if they leave that money in other countries helping those other economies. So for 1 year, they relaxed that tax. They brought it down to, I believe, 5 percent for just 1 year. And you know what? They brought in over $300 billion in money, American companies' profits that they were not bringing to our country because they were going to be taxed on it. For that 1 year where they didn't get a tax they brought $300 billion back into our country.

So guess what Congress did in 2006 when that expired? Congress let it expire and didn't renew it, so guess what happened to that $300 billion? It went back out of the country and it's still sitting over there helping those other countries when it could be helping our country, by not raising the tax, by cutting the tax. By cutting the tax you bring the $300 billion back.

Mr. AKIN. Congressman SCALISE, I don't know if you were aware of it, but did you ever hear the story of what the Irish did? Their economy was in trouble about 15, 20 years ago, and they decided they were going to cut their corporate taxes really to the bone. They really cut the corporate taxes.

Now, in America we have the second highest corporate tax rate in the world. The Irish went the other way, cut their corporate taxes, and their economy took off like a skyrocket. And they've got more businesses starting and jobs, and their Gross Domestic Product has done fantastically.

There's a perfect case study of somebody who used this odd principle that by cutting taxes you can actually are increase revenue. Here's a chart of it. You can see we cut the taxes. Everybody said oh, the Republicans have ruined the economy because we cut taxes. But take a look at what happens to revenue.

□ 2030

Here is the way I was thinking about this. Tell me where it makes sense to you.

Let's say you're king for a day and your job is to put a tax on a loaf of bread. So you start thinking. You say, "I can put a penny on it. Well then, I'd have to sell a lot of bread to get a bunch of money or I could charge $100 for a loaf of bread, and then maybe nobody would buy any."

Well, wouldn't commonsense say that there is something between a penny and $100 that's sort of the optimum at which you can tax it? When you increase the tax, you actually get less money. I think that is what's going on here, which is, if we cut the taxes, the economy takes off, and we end up with more government revenue. That's exactly your point, and that's the whole idea of supply side economics.

You know, the Congressman from Louisiana is fortunate to have somebody who understands that basic idea, and that is the proposal that we're making. We're not trying to dump on somebody else. We're just saying, look, this massive spending bailout fever just is not going to solve the problem. Anybody who runs a household knows that if you're in trouble financially that you don't just start spending money.

As Ronald Reagan said, it's not fair to say it's like a drunken sailor, because a drunken sailor is spending his own money.

Mr. SCALISE. If the gentleman would yield.

Mr. AKIN. I will.

Mr. SCALISE. I've heard those analogies before.

Really, what's happening up here is an insult to sailors who drink, because they don't act irresponsibly like that in terms of spending.

One thing we can use is history as a guide because these aren't ideas we're just pulling out of the sky. What you have been talking about and what your charts prove is that these are all things that have been tested and proven. When you cut taxes, the income to the government actually goes up because people make better decisions. The Federal Government isn't going to tax people more. They're just going to go turn on the printing press and print up another $1.3 billion that doesn't even exist yet, and then they're going to go and spend it.

Does anybody really think that that $1.3 billion would be spent anywhere near as efficiently as if you had just gone and cut tax rates in areas where it's stifling growth and where it's keeping people from making good decisions so that their families can have basic education that they might want or so that their families might be able to get better health care or so that their families might be able to make better decisions in buying a car to help the auto companies rather than bailing out the auto companies for failed decisions?

Mr. AKIN. The little trouble with what you're saying is that it requires people to be responsible, doesn't it?

Mr. SCALISE. Absolutely.

Mr. AKIN. I mean, in politics, it's nice just to tell somebody, It's okay to be irresponsible. We'll just bail you out. The only trouble is that, when you allow that to grow to a certain level, the whole country crashes.

Mr. SCALISE. It's really sad to see. The people out there are being responsible. Our people all across our districts are making those tough decisions, those responsible decisions to cut back. Our States are making those decisions. It seems here in Washington that the Federal Government is the only entity that doesn't seem to get it. Hopefully, before anything does pass, because we do still have time, we can turn this train around and get it back on track.

Mr. AKIN. So we're basically saying that there are two courses before us. We're standing at a crossroads.

One of them is the old Keynesian theory that we're just going to spend a ton of money and slop it into everybody's pockets. The people who get the money may like us, but the whole economy is going to go down, not just into a recession but into a depression.

The other alternative is to get the government out of the way and allow the small businessman to make the investment to drive the economy.

Those are the two choices before us. We're not trying to criticize the Democrat Party for the past things—for creating the problem by making loans to people who shouldn't have gotten the loans, for refusing to regulate Freddie and Fanny—but now it is their responsibility because the voters have put them in charge, and they're going to have to take one of these two courses. We're standing here today, saying: You need to choose the responsible course, which is empowering small business to create those jobs.

Mr. SCALISE. One last thought, if the gentleman would yield.

Mr. AKIN. I will.

Mr. SCALISE. We are at that crossroad, and that's why it is so important we have this conversation now, because this is a bipartisan issue.

If you look at what is happening all across the country, it's not just Republican Governors, but it's Democrat Governors who are also making those same responsible decisions to cut back rather than to increase taxes and rather than to go into deeper debt. It is Republican and Democrat and independent families across our country who are making those tough decisions.

So I think that we, as responsible Members of Congress, can join on both sides, Republican and Democrat, and do what's right for the taxpayers and for the future generations so that they're not saddled with this extra $1.3 billion of deeper deficit spending.

Mr. AKIN. Congressman SCALISE, that is a great summary. We appreciate the wisdom that you've brought for us from Louisiana.

I am going to yield to a gentleman who ran his own small business successfully for many years, the gentleman from Iowa and my very good friend.

Do you have some sense from a small businessman's perspective, Congressman KING?

Mr. KING of Iowa. Well, I have some sense of that, and I thank the gentleman for yielding. I also have a reflection on a couple of things.

One is that I appreciate the gentleman from Louisiana's presentation on the repatriation of $300 billion of foreign capital.

One of the analyses out there is that there is, all together, about $13 trillion in U.S. capital that is stranded overseas because there is a capital gains that would be levied against it if it's brought back into the United States economy.

One of the things that I did after the September 19 debacle of the beginning of the downward spiral when Secretary Paulson came to this Capitol and asked for the $700 billion in bailout was to introduce legislation called the Rescue Act. One of the components of it was to suspend capital gains on all U.S. capital that's overseas in order to bring as much of it as possible back in. Now, I never expected that it would be $13 trillion, the whole package, but I did think it would be $300 billion, maybe $1 trillion, maybe even more than that, maybe even two or more trillion dollars injected into this economy. That's U.S. capital that's sitting there that we are never going to see as long as we penalize that capital for coming back into the United States.

So, instead, we look across the pond, and we see $13 trillion sitting there, invested in economies and in other parts of the world, and we go to Joe the plumber, to Joe six pack and also to some of the people who are making a better income in this country, and we say, Now, we're not going to tax you. We're going to give you a tax cut. We're going to give 95 percent of the working people in America, including the people who aren't paying taxes, a refundable tax cut. While that's going on, then we're going to tax your children and your grandchildren to roll one or two or more trillion dollars into this economy because the Keynesian theory of dumping capital into the economy stimulates the economy.

Well, if that were the idea, why wouldn't we then use U.S. capital that is helping other economies by suspending capital gains? We have a choice. We can suspend capital gains or we can pass the debt along to our children and probably in inflated dollars. That equation is so simple to me that it's infuriating.

I want to take this back to President-elect Obama's conclusions that he, obviously, has drawn from that Great Depression, and I agree with the gentleman from Missouri. Here is my analysis of that:

When I was a junior in high school, I was assigned to write a term paper. I had been educated throughout all of those years that Franklin Delano Roosevelt saved us from the Great Depression, and they gave us these programs—the CCC, the WPA. The list of those programs goes on and on and on.

Mr. AKIN. They were politically popular, weren't they?

Mr. KING of Iowa. Because you could market those to local officials, and they could get a photo op in the paper, and then they would build an edifice that was a monument to their spending, and it was popular.

In the end, what really happened is that I read every newspaper in our local town. Our newspaper was published twice a week. I went through that for the financial news from the crash of the stock market in 1929 October on up until the Japanese attacked Pearl Harbor. Now, people who were lined up for jobs, who were in soup lines, the advertisings and the stories told me things.

By the time I got to December 7, 1941 and I had prepared to write this paper in support of FDR, I sat back and looked at the ceiling. I can still remember all of those wooden rods with the papers hanging on them, and I said, ''Huh. You know, FDR did something.'' He established the principle that the Federal Government had a responsibility for the standard of living of its citizens. That crossed the line from free enterprise and free market, and it raced us down this path toward a socialized economy.

The lesson I saw was don't do that because it broadened and, perhaps, deepened the trough that the Great Depression was in. Barack Obama sees that as the salvation to a calamity, and now he's delivering to us the new New Deal. The old deal was a bad deal. The new New Deal is a far worse deal, and that comes from simple economics, from starting and operating a business for 28 years, from watching people, from reading history, and from wondering where in the world they got a lesson that would support the proposal that's out here in front of this Congress—in the House and in the Senate.

I yield back to the gentleman from Missouri.

Mr. AKIN. Congressman KING, we're kind of coming down the final stretch here.

We've had a chance to talk in some very broad terms about, first of all, what created the problem. The problem was created by this silly legislation, largely, that came from this floor over a period of different generations of politicians who encouraged people to be irresponsible and to take out debt that they couldn't pay.

Now, I don't know if that might have been sold as compassion, but I don't think it's compassionate to sell a man a loan that he can't pay back, that puts his whole family under stress as they labor under the economics of not being able to pay a loan.

So what happens is you get more and more people taking these loans, and the people who are writing the loans don't care because it used to be that a bank had to live with the bad loans they made, but these loans are just passed on to Freddie and Fanny, and you know the government takes care of all of those loans. So we make all of these loans that don't work, and pretty soon these things start sliding down the wall. The tragedy is half of them are still due. So that then throws the whole world economy into a shock.

So we're left here today at a crossroads. We are left at a fork. What are we going to do about this?

The irony is that the people who largely created this mess, particularly the senior Democrat on the Financial Services Committee, say Freddie and Fanny don't have any problems. Now the whole world economy is on its knees, and they're in charge of fixing it. They've got a choice. They can continue to spend a whole lot of money, which we've already spent a lot of money. If that were going to work, we would be in a great situation. The other thing is that they're going to have to trust the American economy to pull us out.

I see we have my distinguished friend from Colorado, Congressman LAMBORN. Did you have a thought?

Mr. LAMBORN. Yes, Representative AKIN. Let me make a last statement about the voice of small business.

A few weeks ago, I sent out an e-mail blast to the Fifth Congressional District of Colorado. I asked, ''How is this economic situation affecting you, personally?'' My heart went out to the replies and to the angst that I heard from small businesses and from individuals.

For instance, Carol, who is a bookstore owner in Leadville, Colorado, is going to have to lay off two or three of her four part-time employees.

A cardiologist in Colorado Springs says, ''We have already had to lay off some personnel.'' He is going to have to lay off more.

I'll end with Deborah. She expresses concern for the next generation. She says, ''My descendents will be on the hook for big money when the bill comes due. Federal spending needs to be more than Federal revenue, period.''

That is the voice of small business. We have to live within our means because business has to live within its means, and that's the principle we need to follow as we debate this stimulus package in the next few weeks.

I yield back to the gentleman from Missouri.

Mr. AKIN. Well, I appreciate your joining us, and I also appreciate the gentleman from Iowa. I think we've just got about a minute or so left.

I think the thing that we have to walk away with is that the cost of going from a recession to a depression could be severe. In the days of Jimmy Carter, things were a whole lot worse than they are right now. They had double-digit inflation, and they had double-digit unemployment. We aren't quite that far yet.

I would like to thank my friend from Iowa, Congressman KING, Congressman LAMBORN, also Dr. GINGREY from Georgia, Congressman SCALISE from Louisiana, and also Congressman JORDAN from Ohio, who have all joined us here this evening.

Congressman KING, the last word.

Mr. KING of Iowa. I thank the gentleman from Missouri. I'm watching the clock closely.

I wanted to put a quote into the RECORD here that I had not seen before just a couple of days ago. It's from Dr. Adrian Rogers, who said, ''You cannot legislate the poor into freedom by legislating the wealthy out of freedom. What one person receives without working for another person must work for without receiving. The government cannot give to anybody anything that the government does not first take from somebody else. When half of the people get the idea that they do not have to work because the other half is going to take care of them and when the other half gets the idea that it does no good to work because somebody else is going to get what they work for, that, my dear friend, is about the end of any nation. You cannot multiply wealth by dividing it.''

I yield back.

Mr. AKIN. Well, it sounds to me a little bit like what the French philosopher Bastiat wrote. He was a legislator. He called it ''institutionalized theft.'' If a thug hits you on the head and takes your wallet, we call it ''stealing,'' but what happens when the government takes money that legitimately it should not be taking? We call that ''institutionalized theft'' or sometimes ''socialism.''

Thank you very much, gentlemen, for joining me. I really hope that this has been informative.

Thank you, Mr. Speaker.

□ 2045

HISTORY OF ISRAEL-PALESTINIAN CONFLICT

The SPEAKER pro tempore (Mr. ELLISON). Under the Speaker's announced policy of January 6, 2009, the gentleman from New York (Mr. WEINER) is recognized for 60 minutes as the designee of the majority leader.

Mr. WEINER. Mr. Speaker and my colleagues, we are now into our 19th day of the war of defense on the part of the Israelis in the territory called the Gaza Strip, and there has been enormous amount of coverage in this 24-hour news environment that we are in. And yet there has been a great many questions that have been raised about the origin of this conflict, how it might end, and whether or not it is indeed necessary at all.

And the simple information that—to allow the public to understand this is that for the course of years, we have had a circumstance where residents in one small corner abutting the Nation of Israel—not part of Israel, not occupied by Israel, but the Gaza Strip—has been lobbying missiles, rockets, day-by-day, hour-by-hour, into their neighbors' territory killing people, injuring people, and terrorizing people. And it's gone on for a very long time.

Despite the notion that sometimes we pay attention to these circumstances, only every so often for the residents of small communities who have been the recipients of these rockets, this has been a terrorizing period of years. In fact, there have been thousands of rockets that have gone from the Gaza Strip and fallen in Israel over the course of the last several years.

Now, just so it's completely clear, the Gaza Strip is not occupied territory by any definition any more. The Israeli Government unilaterally decided after efforts had broken down to negotiate some type of a two-state solution, the Israeli Government and Israeli citizens said, ''You know what? We don't want to be in Gaza at all any more. We're leaving. We don't want to be in West Bank at all any more. We're leaving,'' and let the Palestinians in the territories essentially with what they wanted.

It wasn't the perfect outcome. It wasn't the outcome that the Israelis really wanted going in, and it was, frankly, probably an imperfect solution. But since that time in 2005, the territories have been under the control of the Palestinian people.

Now, the Palestinian people have made some decisions under a democracy that was remarkably well set up, and despite all of the concerns, the Palestinians have indeed made their choice about what they want. And what they did is they chose to have Hamas represent them in the Gaza Strip, and they chose to have Fatah represent them in the West Bank.

Well, in some ways, we now have the outcome that was almost preordained by that choice. Hamas, you see, is an organization that is not dedicated to improving the lives of Palestinians, is not dedicated to a two-state solution. They are dedicated to the destruction of Israel. And to many degrees, when they were elected as representatives of the people via a relatively free election in Gaza, they campaigned on a platform of saying, ''You know what we're going to do? We're going to be a constant, violent thorn in the side of our neighbors in Israel.''

And to some degree, what they did is exactly what they said they would do. Almost as soon as they got into office, they began using Gaza to launch weapons into their neighbors' backyard.

Now, throughout this entire time, you might believe that, well, if the Israelis or if any country—heck, let's make it the United States. If we had even one rocket fall from Canada, or if we had one rocket fall from Mexico, or if the residents of New Jersey had one rocket fall from New York—even one—it would be reasonable to expect that the recipients of that violence would react. Actually that hasn't happened.

Now, I shouldn't say there has been no reaction. There has been some outcry on the part of the Israeli people. The Israelis have gone to the United Nations and asked for help and asked for relief. The Israelis have pleaded to the Arab world—and this map shows some of the neighbors here. Says, ''See what you can do to help us with this problem?''

And this is not a fabrication. In fact, this is the pile of shrapnel of the rockets that had landed, the Katyusha rockets just in one town of Sderot. This is not something that's the subject of overblown rhetoric. You can actually see these landing and see, unfortunately, the havoc that they have brought with them.

So the question then becomes what does a country do?

Well, first thing that Israel did was they made their best efforts to get Hamas to stop in nonviolent ways. But that didn't bear much fruit. Then they tried appealing to the international community to rally around Fatah, who is the—who occupies and controls the West Bank. That didn't seem to work. And finally, over the course of time, it got worse and worse and worse.

For all of the discussion about whether or not Israel has overreacted to the attacks—this is a graphic visualization of attacks by Hamas before the war. This number here in 2008, this is before the war began. Look at this. Starting in 2005—I guess it was October of 2005—and Congressman BERKLEY, and she knows these facts better than I, October of 2005, elections happened, internationally supervised elections, and the Palestinians in Gaza choose Hamas to be their representatives.

For anyone to say after that moment that much is a surprise would be wrong. Hamas campaigned on a reign of violence against Israel, and to their credit, if that's the word for it, they carried it out.

You can see from this 946 rockets fell on Israel; 783 rockets fell on Israel in 2007. And this is the number—and I want to point this out. This has nothing to do with what might have happened recently. This is what happened in 2008. Even considering the fact that for a good portion of this 2008 there was a cease-fire that Israel agreed to engage in and Hamas agreed to engage in, and of course that was broken by Hamas when they started dropping rockets again.

So I guess the question then becomes—and I ask any critics of Israel how they would answer this question—What do you do when it's your job to protect your citizens? It's the ultimate authority of any government is to protect its citizens from violence. What do you do when this type of violence takes place?

But the question goes beyond whether or not Israel is within its right to defend itself. I think that's almost beyond dispute. But it does go to the responsibility of the other nations in that area.

Now, many people have asked how could it be that this tiny piece of land in Gaza, how could it be that they could even have thousands upon thousands of rockets to launch anywhere? Well, the answer lies in its neighbor, Egypt.

Egypt, through this very tiny passageway through the Sinai Desert, has permitted tunnels to be dug for thousands upon thousands of rockets to be brought in to the Gaza Strip.

Egypt, the second largest recipient of our tax dollars in foreign aid. Only Israel gets more; it's about the same amount. Since the Camp David Accords, we, the taxpayers of the United States, have about $3 billion a year in aid going to Egypt. Egypt is the place that many of these weapons are coming from into Gaza. Largely speaking, the area along the western border is Egypt's control and Egypt's supervision.

Then you've got to ask, well, what is Jordan doing? Many people have said, ''Well, why is it that the West Bank exists? Why isn't it part of Jordan's control? Who are the refugees refugees from?'' Well, you go back historically, where they came from is Jordan. And Jordan has said, ''We don't want them.''

For all of this talk about the new Arab World and all of the protests about who it is that should help out with the Palestinian problem, right now the only reason that they're the Israeli's responsibility is because Jordan has said, ''We don't want any part of these people.''

And where is it that Hamas is headquartered? Why is it that we read reports today that the citizens of Gaza are saying, ''We're okay. We would like to try to figure out a way to resolve this peacefully''? Well, the problem is