like it. Yet this jerry-rigged system has provided us with 911 emergency service, voice mail, instant global connectivity, mobile-phone lines, and the transformation from analog to digital communication. It has also been fantastically reliable, designed to have as little as two hours of total downtime every forty years. As a system that can't be turned off, the P.S.T.N. may be the ultimate in path-dependence. But that hasn't prevented dramatic change. The structure may not have undergone revolution; the way it functions has. The P.S.T.N. has made the twenty-first century possible.

So accepting the path-dependent nature of our health-care system—recognizing that we had better build on what we've got—doesn't mean that we have to curtail our ambitions. The overarching goal of health-care reform is to establish a system that has three basic attributes. It should leave no one uncovered—medical debt must disappear as a cause of personal bankruptcy in America. It should no longer be an economic catastrophe for employers. And it should hold doctors, nurses, hospitals, drug and device companies, and insurers collectively responsible for making care better, safer, and less costly.

We cannot swap out our old system for a new one that will accomplish all this. But we can build a new system on the old one. On the start date for our new health-care system—on, say, January 1, 2011—there need be no noticeable change for the vast majority of Americans who have dependable coverage and decent health care. But we can construct a kind of lifeboat alongside it for those who have been left out or dumped out, a rescue program for people like Starla Darling.

In designing this program, we'll inevitably want to build on the institutions we already have. That precept sounds as if it would severely limit our choices. But our health-care system has been a hodgepodge for so long that we actually have experience with all kinds of systems. The truth is that American health care has been more flotilla than ship. Our veterans' health-care system is a program of twelve hundred government-run hospitals and other medical facilities all across the country (just like Britain's). We could open it up to other people. We could give people a chance to join Medicare, our government insurance program (much like Canada's). Or we could provide people with coverage through the benefits program that federal workers already have, a system of private-insurance choices (like Switzerland's).

These are all established programs, each with advantages and disadvantages. The veterans' system has low costs, one of the nation's best information-technology systems for health care, and quality of care that (despite what you've heard) has, in recent years, come to exceed the private sector's on numerous measures. But it has a tightly limited choice of clinicians—you can't go to see any doctor you want, and the nearest facility may be far away from where you live. Medicare allows you to go to almost any private doctor or hospital you like, and has been enormously popular among its beneficiaries, but it costs about a third more per person and has had a hard time getting doctors and hospitals to improve the quality and safety of their care. Federal workers are entitled to a range of subsidized private-insurance choices, but insurance companies have done even less than Medicare to contain costs and most have done little to improve health care (although there are some striking exceptions).

THE AMERICAN ECONOMY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, the gentleman from Iowa (Mr. KING) is recognized for 60 minutes.

Mr. KING of Iowa. Madam Speaker, I very much appreciate the privilege to address you this evening on the floor of the United States House of Representatives. And I also appreciate the dialogue that takes place here on the floor. This is the most deliberative body anywhere in the world. And we have a privilege to be part of it. And as we engage in this debate, it is the circumstance that across this country, Madam Speaker, people listen in. And they're reading the newspapers and following the blogs and watching their cable news networks and also some regular TV. And as this conversation goes on here, Madam Speaker, it echoes out across the entire land. And as this conversation echoes across the entire land, it also becomes part of the national dialogue, this national dialogue that takes place in our schools, in our churches, at the workplace, in the coffee shop, in the break room, across the backyard fence, on the snowmobile and outside doing chores.

Over and over again, Americans interact with each other. And while that is going on, they talk about a lot of things that matter to them such as the aftermath of the Super Bowl, but also current events. And America is, at this point, transfixed on the current event of the—I think not aptly named—''stimulus plan'' that is being debated over in the Rotunda of the United States Senate, Madam Speaker.

And so as this American conversation takes place, they are moving towards a consensus. And sometimes we don't achieve that consensus, Madam Speaker. But the more dialogue we have, the more facts that are brought to play, and in fact many Members in this body know that if they can bring the emotional anecdote to play, it also moves people's opinions.

□ 1930

The things that move people's opinions bring us towards a consensus. When we arrive at a consensus, that consensus, if America's consensus doesn't match up with the Congressional census you will see many Members, Madam Speaker, in this Chamber will shift their position to realign themselves with their constituents.

Now, there are two ways to do this job. One way is to stand up and lay out the framework of the principles that we believe in as individual Members, and then hang on to that framework, attach to it the components of public policy that are compatible with the fundamental belief framework. That's what I believe I've done. And I very much like the input that I received from my constituents the people from my State and across the country, that adds to my knowledge base so that I can make a reasoned, informed decision. That's the approach I think the founders had in mind when they wrote this Constitution and established this constitutional republic, was that there would be representatives in this constitutional republic that would come here. We owe our constituents, all of them, our best effort. And more importantly, Madam Speaker, we owe them our best judgment. That's one way of doing this job here in the United States Congress.

The other is, Madam Speaker, to take a position that you're going to get in front of your constituents, see where they are going, check the wind speed, the barometer, so to speak, and then put up a vote and take a position that reflects the position of your constituents. That goes on in this Congress too often, Madam Speaker, and it troubles me. It troubles me because we are elected for our effort and our judgment, and we owe our constituents our best judgment. But if our judgment is just simply to check the wind, put our finger in the air, then we're not offering to the system we have here the things that we should have to contribute.

And I would bring a little anecdote of Robespierre to mind. He was pretty well established within the French revolution. He was an advocate for the effective and ruthless utilization of the guillotine to get rid of his political enemies and get rid of the aristocracy that he believed had drug the French down and brought about this revolution. But as the people marched in the streets Robespierre went to the window and looked out and saw the mobs marching through the streets in France. This would be about 1789. And he said, I'd better get in front of them and see where they are going for I am their leader.

Now, that's no kind of leader that just simply tries to lead the mob wherever it is that they happen to be going. And some months later Robespierre was one of about 16,000 Frenchmen and women that found themselves a head shorter. But that kind of leadership didn't work very well for Robespierre, and it doesn't work very well for the United States of America.

It's our task to have a vision for the future. We need to articulate that vision. We need to articulate the principles that we believe in and build policies around those tried and true principles that have created this great American Nation. It isn't going to be a giant mosaic of 435 Members that stick their finger in the wind and decide what position they're going to take that will extend their tenure here in the United States Congress, Madam Speaker. It's going to be the people who look into the future with a vision that they can sell to the American people and say, maybe you're not here yet. Maybe you're not ready to move where we need to go. But this Nation is too important to be a reactionary Member of Congress. We've got to be leadership Members of Congress. We're each elected for our leadership as well.

So let me submit, Madam Speaker, that I look back on last year's vote, that vote before the election. There

was a $700 billion bailout, without a prediction on the prospects of it's success, it simply was an emphatic request from then Secretary of the Treasury Paulson that he needed to have a checking account with $700 billion in it, all borrowed money, I might add, so that he could spend it at his discretion to pick up the toxic debt, as he described it. And that's how we ended up with the TARP fund.

And so we let the first half of that out, the $350 billion. And the second half was contingent upon the successful deployment of the first half. And I've seen not the signs of success of that first half. In fact, our stock market has continued to tank. Our economic indicators are going in the wrong direction. There's $350 billion that went into his hand that much of it did get expended, with the other $350 billion, and now this Congress has approved that it go there. It only took the approval of one body to do that. And the Senate did that. That's a start on this economic stimulus component.

But I did not hear a clearly articulated argument back then, back that started here on September 19 when Secretary Paulson came to this Congress and culminated in a vote that was in early October. I didn't hear clearly articulated principles that they would adhere to on how America was going to get back on track.

And so I look on this continuum of mistakes that have been made, and I take us back to a year, and it's my recollection, it's not confirmed date, but about 1978 when the Community Reinvestment Act was passed and became law. That's a component of the flaws that we have. It was legislation that I think was inspired for the right reasons. I think it was well-intentioned, but it turned out to be a large mistake. And it was because there were lenders that would redline certain inner city neighborhoods that they decided that the value of the real estate wasn't going to be sustained in those neighborhoods and sometimes the residents didn't have a very good credit rating. So, with the combination of those two things they just said these whole neighborhoods we're not going to loan money in. People there couldn't buy a house. They can't buy a house. That sent the real estate value spiraling downward. And a blanket decision like that, by drawing a red line around the map was the wrong thing to do, Madam Speaker. But the roots of problem were created out of the good intentions of trying to provide for loans for residences within those neighborhoods that had been redlined, and the Community Reinvestment Act was born. And it was refreshed again in the early '90s, I believe it was 1993, brought up to a little more modern language. But in it all, it held lenders accountable if they wanted to expand their lending operations, set up a branch operation somewhere, they had to meet the scrutiny of the regulators who would look at the Community Reinvestment Act and say, what are you doing to expand your loans into these neighborhoods? And if the answer was nothing, they were denied an opportunity to expand their operations, set up a branch or consolidate. They were essentially stuck in place unless they could comply with this regulation of really making bad loans in neighborhoods that the real estate value couldn't be sustained.

Once you lay down a foundation and a parameter like that, then you encourage the lenders to give bad loans. And when the lenders were giving bad loans in order to be positioned so that their portfolios were a certain percentage of those bad loans, doing so so they had the ability to expand, and we had an economy that was expanding, although, going to the '80s it was not. We had our farm crisis, our real estate crisis and our energy crisis all together in the '80s and we lost 3,000 banks in the United States. And I remember clearly the load and the difficulties that we had. My neighborhood and myself included, aged very quickly during those years of the '80s. So the Community Reinvestment Act from 1978 didn't turn out to manifest itself in its negative composition because we had an economic crisis in the '80s that was taking banks down and requiring the FDIC to come in and take over the banks and make some moves to prop back up our financial world. And they did some moves then in the '80s that we haven't done here in this particular era.

But in any case, by the time we got into the early '90s, the Community Reinvestment Act was re-established and refreshed; and at that point, things started to move. When we got into the late 1990s and the early 2000s, then we saw unnatural interest rates. We saw the money supply such that the interest rate was driven down. Part of the reason for that was to create an economy that would create a housing boom. So if you have a housing boom that's driven by low interest rates, people would look at that and conclude that they could build a new home or they could buy a high quality used home that allowed someone in that used home to build a new home. And the housing boom began. And it set up a market that exceeded the demand. And we reached the point where we had the highest home ownership of any time in our Nation's history. I remember President Bush announcing that we'd reached 68 percent of the people in America lived in their own homes. And I think that number got marginally higher after he had made that statement.

But in any case, as this came together we had a lot of those were bad loans. We had bad loans that were made into these neighborhoods under the incentive of the Community Reinvestment Act and facilitated in a very large way, by Fannie Mae and Freddie Mac. Fannie Mae and Freddie Mac, who had been set up as a quasi-government entities, later privatized, and then moved towards the quasi-government agencies again, and here on the floor of this Congress, when the problems began to arise and we saw that Fannie Mae and Freddie Mac weren't capitalized consistent with the other lending institutions, their competitors, and they weren't regulated in the same fashion as their competitor lending institutions, that gave an unfair advantage to the Fannie Mae and Freddie Mac institutions who were the secondary loan market. And they nearly cornered the secondary loan market, the mortgage market in the United States.

And we came to the floor in this Congress once in 2001, plus or minus a year on that one if you might, Madam Speaker. But again, and made the debate that we should regulate Fannie Mae and Freddie Mac more like other lending institutions because it was too high a risk for the taxpayers to take. Well, that amendment and that effort failed in those earlier years in this millennium, Madam Speaker.

And then, I remember the date, it was here on this floor and it took place from that microphone there and that microphone over there. It was an amendment that was brought to the floor October 26, 2005, by Congressman Jim Leach of Iowa, who was and remains very well respected among the banking community and the lending institutions. He brought an amendment that would have brought Fannie Mae and Freddie Mac into the similar capital requirements of the banks, and the similar regulatory requirements of the banks.

I think he stopped one step short with that amendment. I think he should have moved them towards the clear free market side of this. But in any case, as that amendment was debated, twice in this millennia, twice in this last decade at least we've had an opportunity to get Fannie Mae and Freddie Mac right.

They were, again, Madam Speaker, playing off and capitalizing on the language in the Community Reinvestment Act that said make bad loans in these neighborhoods that don't have a very good value of their real estate. But twice we turned away from shoring up Fannie Mae and Freddie Mac, tightening them up, putting them back into the competitive marketplace. And so we found ourselves in a situation, when AIG was ready to go under and the $85 billion got poured in there about in that era, that's a little bit before that, Fannie Mae and Freddie Mac became very unstable and we had to step in as the Federal Government and nationalize the balance of Fannie Mae and Freddie Mac. Now the taxpayers own Fannie and Freddie. And now Fannie and Freddie don't have any new regulation that requires them to meet those capital and regulatory requirements. But we missed an opportunity to privatize them and regulate them according to the other lending institutions.

The compound effect of the Community Reinvestment Act, mark-to-market accounting, the credit default swaps that were taking place, the lack of regulation on Fannie Mae and Freddie Mac and the defense that came from the now chairman of the Financial Services Committee, from Massachusetts, who stood at that microphone and debated Mr. Leach, who was at this microphone, and at a certain point the political center of gravity on that debate went towards the gentleman from Massachusetts, and I think the lobbying effect had an effect on the result as well, Madam Speaker.

But in any case, the Leach amendment went down. That was our last opportunity that I know on this floor to get Fannie Mae and Freddie Mac right.

So we had large financial indicators that were going in the wrong direction. And as this started to tumble it started to snowball down hill it took us to this point on September 19, when Secretary Paulson came to the Capitol and insisted that he have the $700 billion checking account to spend as he saw fit, and within those narrow parameters. Well, not so very narrow parameters, within a broad definition, a huge authorization/appropriation, and maybe the largest that had ever passed out of this Congress. And I'm not certain about that. But it was huge.

□ 1945

So it brought us to this point where there was a $700 billion bill on the floor of the United States House of Representatives, and that bill passed off the floor with, I think, too many Republican votes, and I would have been pleased if it had had none, but there were an awful lot of Democratic votes as well, Madam Speaker. That was the time that this Congress passed the Rubicon. It was the time we had a chance to draw back.

If cooler heads had prevailed and if we had gone back and had actually gotten a do-over on that, I do not believe the $700 billion bailout bill would have passed, because the American people have now seen what has unfolded. They expected to see the markets increase and stability come into our marketplace and to see capital that had been chased to the sidelines come back into the marketplace again. It has not done that. In fact, it looks like more capital has gone to the sidelines because money is smart, and smart money finds its way into the best investment at the time. Right now, that money has been scared out of the marketplace.

I listened to the gentleman from Minnesota, who left the floor a moment ago, Madam Speaker, and he talked about the surplus that we had in the year 2000. That happens to be the last year of the Clinton administration. It is true that we had a surplus during several of those years, and the gentleman from Minnesota, I will say, recognized that he was in the process of misspeaking and backed up to say that the budget surplus was an accomplishment of the administration at the time. At least that was the implication of his words. It was not a quote. I don't want it to be characterized as that, Madam Speaker. Then they go on and argue that this deficit is a deficit that comes out of the Bush administration, and so here we are.

We have a Member of Congress here who will argue and who has argued that the Clinton administration deserves the credit for the surplus that was in our budget in the year 2000 and that the Bush administration deserves the blame for the deficit that we have today. Well, all right. On the surface, maybe you can make that connection, and I would be happy to have this dialogue with the gentleman from Minnesota. Should he arrive on this floor, I would be happy to yield and have that dialogue.

The first point I would make is that all of this spending starts here in the House of Representatives. There is no President who can initiate spending. There is no Senator who can initiate spending. According to the Constitution, all appropriations bills start here in the House of Representatives. We start them here, and they cannot be authorized and they cannot be spent until the majority of the House of Representatives approves them. Sure, we start them here. We send them to the Senate. The Senate passes them. They come back to a conference. We conference, both vote and pass them. If they pass, then they go to the President for his signature. Yet the House, if determined and organized and unwilling to cave in to the Senate or in to the White House, controls every penny of spending that comes through this United States Government—every penny of appropriations. We do it here. It is ordered by the Constitution.

So it does not do for any Member of Congress or for the rest of the world to say, Madam Speaker, that the responsibility was in the hands of the President. Although, we recognize that the Presidents do exert significant influence on the judgment of Members of Congress and that they do present a budget to this floor and that they do negotiate those budgets, because they sit back with the veto power that gives an appropriate tension that helps bring out a negotiated solution most of the time.

Madam Speaker, Congress has the responsibility, and the President cannot initiate spending, and so I will submit this: this $700 billion bailout plan that passed last year was on our watch. It was on my watch, and it was on the watch of the gentleman from Minnesota. I voted "no." He can speak to how he voted. I believe I recall that was a "yes." The $700 billion, as big a mistake as I believe it was, was also a mistake that was made not just by the gentleman from Minnesota but by the current President of the United States, who voted for the $700 billion plan as a Senator of the United States, and that is attached to him as his responsibility. He needs to answer for the $700 billion bailout plan that gets attached to this huge stimulus package that he is partly the author of and the advocate of.

So, even though the stimulus plan passed out of the House with not a single Republican vote, when it came time to vote for this stimulus plan, so to speak, the "yes" votes by the Republicans were a big goose egg up on the scoreboard. Not one Republican thought it was a good idea to roll out this $819 billion in spending in the stimulus plan from the House, which was accompanied by $347 billion in interest liability that goes with it.

You have to pay interest on your debt. We are probably going to end up borrowing money to pay interest on the debt, and I can tell you that spirals downward pretty fast.

When added to the roughly $100 billion in the Senate, the $819 billion takes it up to about $900 billion. The interest rate that is out of the House side, $347 billion, is the low number. The lowest estimated number I can come up with, with the interest and with the Senate dollars in there, is $1.25 trillion in stimulus money. That number is $1.247 trillion. That gets coupled to the $700 billion that was the bailout plan from last year, the $700 billion that President Obama and the gentleman from Minnesota voted for. Now the $1.25 trillion that is being debated in the United States Senate is all his. The President owns that. When you add that together, it rounds pretty handily to $2 trillion.

Now we have a $2 trillion bailout/stimulus plan and a stock market that continues to tank and a financial world out there that lacks confidence that government has been doing the right thing since the election and, in fact, since before the election. We have watched our economy spiral downward. We have watched our market indicators spiral downward. We have watched our unemployment rates go up. Those indicators do not indicate confidence in the leadership that we have in the financial world.

So the financial world, the investment world, the people who are putting capital in that is used to expand the productivity and the distribution and the market share of our companies, are pulling their capital out. They are increasingly holding it. They are buying bonds. I am sure that some of it is sewn up in the mattress by now, that some of it is invested in gold, that some of it is invested in foreign currency as well. Although, I am a bit surprised that our dollar has held up as strongly as it has, and that is more an indicator of the weakness of foreign currency rather than a reason to consider there to be strength in this U.S. dollar today. In any case, the supply of U.S. dollars has gone up, and as it has, the instability goes with it.

So we have a $2 trillion stimulus plan that is 100 percent lock, stock and barrel owned by President Obama, who

said to us that it is one leg of a multi-legged stool that has to be built in order to get this economy back on track again.

Now let me submit that there are two ways to look at this economic situation. One of them is the Keynesian approach, which is, if government can pour enough money into the economy and get enough money into the hands of enough people who will take that money and spend enough of it, that it will stimulate the economy. So, if more people go out and buy a loaf of bread or buy a car or maybe go to the theater or to the ball game or maybe buy a ball glove themselves, that increased spending will stimulate a demand that will cause more manufacturing and more goods to be brought into our economy. That is the Keynesian approach.

The problem with it is that, looking back in history and at the times when we have done such things, the actual economic numbers do not support the idea that pouring money willy-nilly into the economy in an indiscriminate fashion results in the stimulation of our economy.

I will not argue, Madam Speaker, that there aren't some places where government can invest money that does stimulate the economy. One of those places would be investing in transportation links that open up development in new areas and that help goods and services move back and forth in a more efficient fashion. That does create economic development. Transportation has been the number one best tool to use to grow economic development throughout the history of all of humanity.

So I do not take it all off the table, but there is much that is on the table that I would take off. I would not put a dollar into the National Endowment for the Arts and call it economic development or stimulus.

Here is another piece that I was just looking at. Of the infrastructure funding within the stimulus package, there is language in there that bans that money from going into facilities that allow religious worship in them. To me, it looks like that is a first amendment violation in that we would discriminate against facilities that allow people to pray and to have religious worship. Maybe they've got a different definition of ''religious worship'' than I have, but I don't know of a single school where there isn't prayer that takes place, not just by students who are sitting there, taking a test, but by faculty/administration where prayer is also a part of their daily lives.

I can think of the public school where my kids graduated. On the Friday after September 11, the superintendent invited in all of the pastors in the community and brought together all of the students in the school, K through 12. They had a prayer service there for the victims of September 11 and for this Nation, which was in great peril at the time. It was an open, full-blown prayer session in the gymnasium of the public school. That is worship, Madam Speaker.

If none of those dollars could go to a public school like that because people prayed inside that building, I have to tell you I think there are folks writing this legislation who are praying on the constitutional rights of the American people. I would reject that thought process. I would find the person who put that language in there—I suspect it was a staff person more than a Member, but the Member must have facilitated it—and I would pull them out root and branch. We don't need those kinds of people in this Congress who are going to put America's religious faith as a target and write it into legislation and exclude facilities from public finance that allow worship in them. It is an outrageous thing. It is the most outrageous.

Among the other outrageous things that are in this bill or where there have been precedents set and parameters set: $400 million for education and for the prevention of sexually transmitted diseases. Economic stimulus plan. I wonder what economic guru and I wonder what department of economics would be sitting around to come up with an idea like that.

I know that President Obama has said that he is familiar with the College of Economics at the University of Chicago, where he taught constitutional law. I don't know that that would be the kind of a policy that would emerge from a think tank at the University of Chicago. I suspect not.

As for the places I have been and as for the people whom I have met, if I took them seriously, it would not come out of their economics departments either. I can't imagine the mindset of people, who have the public trust, drafting into legislation legislation that now is in the $900 billion zone, plus the more than $347 million in interest. I can't imagine what kind of a think tank would produce an idea that got past the first sentence where we would stimulate the economy by investing $400 million in sexually transmitted diseases. It may be a good program, but I can tell you, Madam Speaker, that the return on that investment with regard to a stimulus plan would no way in the world be measured in our economy by investing $400 million in sexually transmitted disease prevention. So that is one of those bizarre ideas. If that is a stimulus plan, that is not it, not for me, not for the taxpayers of America, and it ought to be out of there.

I will just read from this: ''In order to control and prevent sexually transmitted diseases, the Centers for Disease Control used its budget for the following purposes:'' This is within the existing budget of the Centers for Disease Control. ''A transgender beauty pageant in San Francisco that advertised available HIV testing.'' There would be an economic stimulus plan within the budget of the CDC, I presume. I would reject that as well. The Centers for Disease Control funded an event also put on by the Stop AIDS Project called ''Got Love: Flirt, Date, Score'' that taught participants how to flirt with greater finesse. This our Federal tax dollars.

It embarrasses me to read that for two reasons. One is this dialogue in this public sphere makes me a little uneasy. The other is that we have people who are entrusted, Madam Speaker, with the American people's tax dollars who would, with a straight face and maybe even under the light of day, take that money and divert it to these kinds of projects.

I have a list here. I cannot bring myself to read the rest of it because I think that it goes downhill from there. In fact, clearly, it does.

So a $700 billion bailout plan, coupled with a $1.25 trillion stimulus package. It is a $2 trillion approach here that is designed to supposedly stimulate and fix this economy. The President has said that he inherited a $1 trillion deficit. I do not know that it is $1 trillion—it may be—but he also owns a $2 trillion bailout/stimulus plan. It is his plan. He voted for the $700 billion.

□ 2000

He's advocated the 1¼ trillion, even though I think that the President's approach to this is slightly more reasonable than that of the Speaker of the House, Madam Speaker, in that there's at least been lip service paid to the idea that there should be a little more stimulus in it, a little more for small business, and there should be less in this wish list. But when I look at the wish list, it comes to me this way. It appears to be the huge wish list that's been produced by the activist liberals in this Congress, Madam Speaker, and they can't seem to restrain themselves from jumping on this and putting in everything under the sun that they couldn't get passed when they were held more accountable.

One of the former Members of the Congress who has been an effective leader on the other side of the aisle, from where I stand, said never let a crisis go to waste. Well, I have to tip my hat to that philosophy, however much I disagree with it. The Speaker, the leadership, the Chairs of the committees, both Appropriations, Financial Services and a number of others, have not allowed this crisis to go to waste. They've jumped on it with every opportunity to expand government, to grow government, to raise the baseline, to pour hundreds of billions of dollars and, in fact, cumulatively $2 trillion into this President Obama-owned $2 trillion bailout/stimulus plan that has no record of working.

And there's a belief over on this side of the aisle—and I'd love to do this debate on the floor of Congress one day, maybe even today, maybe even tonight. There's a belief that Franklin Delano Roosevelt somehow saved America from the Great Depression.

Well, I looked at that. I was taught that. I sat in the classrooms from probably eighth grade on where it was the mantra that FDR saved us from the Great Depression and won World War II. In fact, I didn't hear my parents rebut that either. It didn't come from the home when I began to look at it differently.

I will say FDR was very, very useful in fighting and winning World War II. He was great for the spirit of America. He held our will together, and it was a hard thing to do, and he provided a high level of confidence in American military and our Commander in Chief that was, I will say, essential in winning World War II in the way that we did, but that doesn't equate into giving him a pass into what went on in the 1930s.

And I'm not here either, Madam Speaker, to advocate that my Iowa President, Herbert Hoover, got everything right. He got almost everything right up to and until the time—in his entire life, he was a magnificent individual, an utterly brilliant man that sometimes the things he touched literally turned to gold, speaking of the gold mining industry in Australia. His life and his history was just a never-ending string of success, which gave him a sense, I think, of false confidence that he could manage an economy, support Smoot-Hawley, and use the government to get us out of an economic problem.

That set the stage for FDR to be elected in 1932, who came into this and began to kick off the New Deal, the New Deal that had within it a multitude of projects. Ones that come to mind are WPA, the CCC. There were a number of others. And as I watched that unfold, I went through the history of the New Deal, having been taught continually that the New Deal was what bailed us out of the Great Depression.

And so when I was a junior in high school, I was assigned the task of writing a term paper, and I don't recall clearly, but I believe I had to select from a list of possible topics, and I think we might have been able to offer our own. But in any case, I chose the New Deal and the Great Depression and FDR because I had been convinced by the educators that FDR got us through the depression, and it was his creativity and innovativeness that saved us from that economic crisis.

And so I began to do the homework to write that term paper, and I took it very seriously. It was a project for me and it was personal. It was personalized and it was internalized. And the big part of it for me was to go into the public library, the public library, the Carnegie library in Denison, Iowa, where I went to high school. I sat down in there and I began to pull the newspapers. The newspaper was a county seat newspaper, remains today, same newspaper, county seat of about 6,500 people today, and they published twice a week.

I began getting those old newspapers out, and I started when the stock market crashed in October of 1929, and I read that newspaper thoroughly, took my notes. There were no copy machines in those days, so I was preparing the footnotes for the term paper that I was writing. And then I went through newspaper by newspaper, turning the pages, reading the relevant articles that had to do with the financial situations, any layoffs that we had, any notices, advertisement by banks, interest rates, things of that nature.

I actually remember the cigarette commercials stood out to me as being far different than they were even at that time, and as I read through those newspapers and tracked the beginning, the discussion, the dialogue, the acts of Congress and the implementation of the components of the New Deal, I read it all the way through twice a week, newspapers from October 1929 all the way up until the Japanese attacked Pearl Harbor, December 7, 1941. At that point, all the news became war, and it was impossible to track the economics in any kind of a relevant fashion.

But it was a good study period to look at. October 29 to December 1941, every newspaper, took notes, wrote footnotes, wrote a term paper which I wish I had it today, and I actually looked for it and can't find it. But in any case, when I completed that study and was ready to put the term paper together, I remember sitting in the room, the newspaper room in the library, looking up at the ceiling and thinking, this is far different than I thought it would be.

I really didn't see evidence there that the New Deal had stimulated the economy. I didn't see evidence it had saved us from the depths of the Great Depression. I couldn't follow that huge vast government programs, government taking over entity after entity and managing an economy, I couldn't see the evidence that it had significantly reduced unemployment. I couldn't see the evidence that capital had come into the investment markets, and if you tracked the Dow Jones Industrial Average, that Dow stayed down and way down throughout the 1930s, and unemployment that was about 25 percent going into FDR's first term hung in there pretty tough all the way through. And I believe the lowest unemployment we had throughout that entire decade was 14 percent.

Now, those things that I saw, that I read, when I come into something with a conclusion that I'm seeking to ratify with evidence and walk away from that having turned 180 degrees, realizing that FDR's New Deal plan wasn't a plan that bailed us out of the Great Depression but at best, at best, it can only be critiqued and analyzed to have perhaps diminished the depths to which we fell in the Great Depression, at the great cost of delaying the recovery, all of that borrowed money and the tax money that came away from the private sector and was poured into growing government, that money that went in was money that scared other capital out of the investment business and kept private industry from growing. And so government investment made private capital hesitant, that that was left that wasn't taxed away, and Madam Speaker, it delayed the recovery from the Great Depression.

So even if FDR's New Deal diminished the depths to which we might have fallen if he would have done a hands-off, if he would have been a cool Ike, not a Hoover, if he had done that, I think we would have recovered quickly. I think we would have bounced back quickly, but that wasn't what happened.

Government spending brought about indecision and scared capital way from the marketplace, and it hired government workers, many, many government workers. The CCC camps would be among them, and I know what it's like to try to hire labor when government competes against you for that labor. Government will always pay when you're talking about blue collar jobs. Government will pay the highest wages. They'll pay the highest benefits. They'll give the most job security.

So if you're out there and you have a family to raise and you're unemployed, you're looking for a job, and you go out into the job market and you put out your applications and you stand in line and you begin to market yourself and you have a choice between going to work for Uncle Sam and going to work for the new entrepreneur down the road that just put together enough capital on a wing and a prayer to start up an entrepreneurial business that might grow into something magnificent, when government outbids the private sector for labor, they also, Madam Speaker, delay the recovery of a depression, of recession, or they diminish the growth during our bull markets in our good times as well.

And that is what happened during the Great Depression. The Federal Government competed with the private sector for capital, by nationalizing, by competing for labor. When that happened, it diminished the inspirations of the entrepreneurs. They hired workers away that might have been entrepreneurs themselves but took them out of the labor force and the private sector. Government grew, the private sector shrunk, the stock market sunk and stayed flat.

In fact, from that time in October of 1929, the Dow Jones Industrial Average did not recover to that level, not at all through the 1930s, not at all through the 1940s. Not until 1954 did the Dow Jones Industrial Average get back to the place where it was in October of 1929.

So one might even argue—in fact, Madam Speaker, I will argue—that not only did not the New Deal get us out of the depression, it might have helped bridge us marginally to get to the Second World War, but I'll argue the Second World War didn't take us out of it

either because we didn't get recovered. But what did happen was the Second World War destroyed the rest of the world's industry, and it left the U.S., having been on a huge growth boom in our manufacturing and industry here to meet the war effort for the world and for our 16,000, mostly men but also women, that served in uniform during that period of time.

So we found ourselves in a world that needed to be rebuilt, that was hungry for the products of industry, and with the only major industrial country in the world that hadn't been destroyed in the Second World War, and as our industry cranked out product after product, and as we exported overseas and as the greenback became the currency of the world, when all that happened, we were recovering economically. And that's why it took until 1954.

So the Second World War was a big stimulus plan. We spent a lot of big government money, but the private sector, as we emerged from the Second World War, is what put the real meat on the bones and brought us out of that and took us through the recovery that reached that level in 1954. And then that's the part of the economy that now that I remember in my life's experience, Madam Speaker.

But we should not fool ourselves into believing that the New Deal was a good deal. We should instead go back and replay history, reset that clock and play it out. What if Coolidge had remained President? What if we would have set a policy from this very floor of this Congress that we were going to have fiscal discipline and tax relief and get as much money into the hands of the productive sector of the economy as we possibly could? That would be a very interesting exercise to reset that clock and game-play that out.

I believe that we may have dropped deeper, but I also believe that we would have recovered much more quickly, and I believe we would be a stronger, more robust economy today if we had made those decisions then.

So this brings us now fast forward into 2009, this day today. We're here watching a stock market that has tanked, that hasn't quite lost half of its value, but it's juggling underneath and falling below the 8,000 floor. We have indicators that show that there are 10.5, 11 million people, maybe more, that are unemployed and looking for work; although, the real unemployment numbers are marginally a little more than half of that number.

We have economic indicators that mean capital is scarce and unemployment numbers going up. Investment capital is diminishing. Smart money is going to the sidelines. Demand for loans has shrunk substantially. It hasn't disappeared entirely. The marketing of these homes that were the toxic debt that Secretary Paulson talked about, actually there was a little bump in the transfer of those, but until we work our way through this, this economy is not going to be back on a solid foundation.

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We have to get it on a solid foundation by having solid economic theory here on the floor of this Congress, not the idea that a new New Deal is going to somehow be better than the old New Deal. And I would challenge, Mr. Speaker, our President to lay out some data, show me where the New Deal actually worked. And I understand his position that FDR didn't spend enough money, that if he had just spent more money, if he hadn't lost his nerve, if he hadn't been worried about fiscal responsibility, there would have been a lot bigger old New Deal that would have brought us out of the depression before the Second World War. I understand the President believes that because FDR lost his nerve on spending that it brought about a recession within a depression. That's something I had never heard before. I understand that's a belief. And I understand that the President of the United States believes that we have to construct a multilegged stool of New Deal-like programs in order to, in a Keynesian way, stimulate this economy, that we have a real political problem on our hands that is an economic problem on our hands that lays down a parameter here that will set a precedent if we go forward with this stimulus plan for the United States of America that we can never go back and fix again. Once you cross that line, once you write that mammoth check, once you obligate our children and our grandchildren to pay the interest on this debt—and Lord knows if they could ever pay the principal—once you buy into this huge, humongous, Keynesian, multitrillion-dollar bailout/stimulus plan which says that government is the solution and the only answer and that, yes, private sector can tag along but they aren't big enough to make a difference. Even though some of these companies are, quote, too big to fail, or, more accurately, too big to be allowed to fail. If the private sector can be too big to be allowed to fail, how can they not be big enough to work us out of this calamity? How can we draw a conclusion that we can create jobs out there from the government side of this argument when the very fact that those jobs haven't been created in the private sector says there wasn't a demand for them, they weren't economically sound or smart capital would have found a way to create those jobs in the first place. But what we have is a self-confident, overconfident, in fact, arrogant government that believes that they are the solution and that they can lead the private sector. And when I hear the statement come out that the CEOs of these corporations that receive bailout money will be limited to no more than $500,000 a year in compensation, it sounds like enough money to me, also, Mr. Speaker. But I will tell you that it's wrongheaded policy and it's what happens when you have the Federal Government engaging in providing capital into the private sector, they also begin to micromanage the private sector. When they micromanage the private sector, you get things like wage reductions for CEOs and boards of directors. And you get things like perhaps one day you'll see, well, a wage increase for the workers. Now when I hear that and I think the President of the United States wants to tell a company how much they can pay their CEOs and their board of directors, is there any principle there that remains that would keep, Mr. Speaker, the President of the United States or this Congress from telling these companies what they will pay their workers? If the President has enough influence in this Congress and holds the checkbook through the Secretary of the Treasury, and I'm pretty uneasy about him having our checkbook actually with his tax problems, but in any case, if he holds the checkbook and the directive of the President is that the blue collar workers on the line aren't making enough money per hour, if you're going to see a stream of capital come into the company, the lending institution, for example, then you're going to comply with the demands of the President. They don't have to be the law of the land. They don't have to be something that is legislation that is debated and voted up or down on the floor of this Congress. They only have to be the intimidation effect of we will make your life miserable, Mr. CEO and Board of Directors, if you don't comply with this verbal comment that was made by the President of the United States, or the chairman of a committee. That's how government gets in the business of managing corporations. That's how European socialism emerges in our private sector, a little piece at a time, sometimes in a veiled way and it seems to all be justified as it comes along and it sounds good to us because we don't want to be bailing out companies whose CEOs and boards of directors are taking out hundreds of millions of dollars in bonuses. I agree with that, that sentiment. I think I saw that the Wall Street executives only bonused themselves, in the aggregate, $20 billion last year. $20 billion? While we saw our stock market tank, while we saw all of our indicators go down and meanwhile while they're taking checks from the Federal Government. But it's very dangerous to be in the business, the Federal Government, of managing the private sector. So the alternative is we have to let some of them fail. There has to be a deterrent there to allow some of them to fail. And if we're not willing to do that, then European-style socialism at best here we come, faster than you can believe, fast enough that an historian will get whiplash watching what happens in this Congress.

And as I looked at the poster that was put up on the floor, Mr. Speaker, the poster that says Congressional Progressives, I was about ready to go to that Web site, cpc.grijalva.house.gov, and I will go there within the next few hours, Mr. Speaker, because I have

taken a look at these Web sites and it helps me understand what's going on in the minds of the folks that are voting on that side of the aisle of the United States Congress. So my little visit over last weekend to the Democratic Socialists of America Web site, and I would point out that is the Socialist Party of America, that little visit to that Web site tells me a few things. First, they make the argument that they're not Communists. You can get into the nuances of that, Mr. Speaker, and I would encourage you to look at that definitional difference. I think it's a nuance, the difference between their definition of socialism and communism, but it comes to this. They don't believe everything should be owned by the government. They think that there are small businesses that need to be run by entrepreneurs, supply and demand, barber shops and convenience stores, presumably, not the chains, just the individuals, maybe the doughnut shop down the road, some of those things need to be run by individuals, but by and large their statement very clearly is, large companies need to be run by the people affected by them. That is a dramatic departure from one of the huge foundations of what's made this country great, our free market economy.

So we would actually see a position taken on a Web site of the Democratic Socialists of America that the government should make sure that we run these corporations for the benefits of, well, let's just say the people affected by them. That would mean, then, that the telephone customers would be the ones who would call the shots. They would say, here's how it benefits me, and you would make those decisions according to my wishes, not according to me paying by bills willingly. Let's just say that you had a sports bar chain. Well, then you'd run that for the benefit of the people that are using it. So I guess the drinkers would make the call there, Mr. Speaker. That's the philosophy that they define as different than communism, and I think it's a nuance. But when I look at that philosophy and I see within that page that they call for the nationalization of the oil industry, the nationalization of the refineries and I'm watching out of this Congress come a call for the nationalization of our auto manufacturers and imposing regulations on them so that they do not have the latitude to clearly and freely make a profit without the government telling them what to do, then I read through the Democratic Socialists of America and they say we are an active political party but we do not advance candidates on our ticket because our legislative wing is the Progressive Caucus in the United States Congress. I'll say it again. Our legislative wing is the Progressive Caucus in the United States Congress. That's right off the Democratic Socialists of America Web site. So go there. I think that's the Congressional Progressives that was the poster that was here and that's what I want to check. But I know that on that list there are 72 Members of Congress, one Member of the United States Senate, a self-professed socialist, 72 Members in this Congress who constantly are advocating for the policies that I read on the socialist Web site. The link is there. They claim the link. The Progressive Caucus has the Web site and it names the people and the Members, and today they hold gavels and they're Chairs of committees, full committees, Chairs of subcommittees. These are the people that are advocating the policies that scared the living daylights out of the American people in the aftermath of World War II. And we quit saying words that are considered to be pejorative about folks who want to collectivize our American economy and assets.

And so, Mr. Speaker, I think it is important that you, all Members of this Congress and the American people go visit those Web sites, do a little research, dig into it themselves and then listen to the debate. Because once you understand the source of the ideas, then it's easier to understand where this is going. And we can see piece by piece, component by component, how this is being linked together, how Americans are losing their freedom piece by piece, how we're trading our freedom off for dependency one government policy at a time. A perfect example would be the SCHIP legislation that passed off the floor of this house today on its way to the President's desk. It may have been signed by now. I saw the giddy glee with which some people were applauding when that passed. I will tell you, it makes me sick at heart, Mr. Speaker. The SCHIP program, I describe it as Socialized Clinton-style Healthcare for Illegals and their Parents. And it is. It lays a foundation stone for socialized medicine in America. It was passed out of this Congress first in 1997. And I supported it as a State Senator. We took it up to 200 percent of poverty. I didn't have the understanding of how the machinery of politics churns us through year by year, decade by decade and generation by generation and brings us inevitably to a point where SCHIP at 200 percent of poverty, designed to help needy children and needy families that couldn't pay for the health insurance and made enough money that they didn't qualify for Medicaid, all under the right kind of motives, both sides, Republicans and Democrats, was brought first out of the floor of this Congress a little over a year ago, not at 200 percent of poverty but a family of four, all families that is a standard, at 400 percent of poverty, brought to this floor, passed off this floor with a straight face over to the Senate. 400 percent of poverty. That in my State would have paid a subsidy for health insurance premiums in families of four that made $106,000 a year, while we're charging people alternative minimum tax because that's taxing people that are too rich, and 70,000 families in America would qualify to pay the rich man's tax, the alternative minimum tax, 70,000 families, and at the same time qualify to have the health insurance for their children subsidized by the taxpayer. We've crossed the line, gone across that line over into a huge foundation stone for socialized medicine.

Well, it came back to this Congress, we shot it down, the President of the United States, President Bush, vetoed the SCHIP bill. Now it came back to us today, the conference report, that set simply a 300 percent of poverty to avoid the criticism. There are waivers in there that allow States like New Jersey and New York to go to 400 percent of poverty, or more, and the restraints are not there so that they can write more waivers and essentially it is health insurance for children and children of millionaires do qualify for this bill that passed the floor today. Children of millionaires will have their health insurance paid for by middle-income and low-income and upper-income taxpayers when it can't be justified. This bill that passed off of here today takes at least 2.4 million children off of private sector insurance and puts them over onto the public dole. And when you get to that point, you have reached a foundation stone for socialism, Mr. Speaker, and that's the essence of my discussion today.

I thank the Speaker for his indulgence, and I would yield back the balance of my time.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. STARK (at the request of Mr. HOYER) for today on account of medical reasons.

Mr. POE of Texas (at the request of Mr. BOEHNER) for today until 3 p.m. on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

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

Mr. DAVIS of Illinois, for 5 minutes, today.

Ms. WOOLSEY, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mr. SCHIFF, for 5 minutes, today.

Mr. SHERMAN, for 5 minutes, today.

Mr. SPRATT, for 5 minutes, today.

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

Ms. ROS-LEHTINEN, for 5 minutes, February 10 and 11.

Mr. INGLIS, for 5 minutes, today and February 10.