And they know that not because it is just not right; they know it because it doesn't result in the highest quality of opportunities and choices and dreams realized for individuals.

Remember, big government, small citizen. Big government, small patient. Big government, small consumer. You've got small government, you've got big patients, you've got big citizens, you've got big consumers, and more dreams realized.

Mr. AKIN. And that is really what you are saying, is basically you are losing your freedom; a little bit here, a little bit here. You are losing your freedom, and pretty soon you feel frustrated, you feel angry, because you have some common sense, and you know what it takes to make jobs, and we are doing all the wrong things.

But there are so many people on the street, and they are looking to you, they are looking to me, to try to help turn this thing around and get jobs going. And, of course, we don't have enough votes to turn these policies around.

Another one of these things that is really tough on jobs is insufficient liquidity. What that means is that a business needs to be able to borrow money. But the banking regulators are so tight now that a lot of businessmen can't get the loans they need to make their business go.

Of course, excessive government spending, we have been talking about that, and excessive government mandates and red tapes. Boy, talk about that. And this health care bill, of course, is leading the charge and damaged all these areas. And the end result is what? Well, unemployment. Not a big surprise, particularly, because we are doing everything wrong.

And yet here is an interesting question. Apparently what is happening is Wall Street seems to be doing a lot better. Is it because we have turned these bad policies around and are doing the right thing in D.C.? No. We are still doing everything wrong, and yet Wall Street seems to be doing better. Well, what is the logic of that?

Well, you know, to some degree it goes back to that same problem that got us into this housing bubble, and that is the crack cocaine of the government Federal system. That is, they can create unlimited liquidity.

Mr. PRICE of Georgia. And unlimited amounts of money is what that means.

Mr. AKIN. Unlimited amounts of money and very low interest rates. So you have got lots of money with very low interest rates, and it comes down and starts to create these bubbles. So we really haven't fixed the job problem.

Mr. PRICE of Georgia. You are absolutely right. I think that is so important because when people look to the items that need to be fixed from a financial standpoint, they look and they see that Washington has had its hand in some things that have been very destructive.

Fannie Mae and Freddie Mac, for example, are really at the epicenter of the challenges that we have had in the economy. And the bill that is being proposed and the bill that came through the House earlier to assist in ''fixing'' things, their solution doesn't address Fannie and Freddie at all, which is so frustrating because the American people know that there are positive solutions. And you with the Republican Study Committee, we have been working diligently on putting forward those positive solutions to all of the challenges that we face that embrace those fundamental American principles.

So whether it is health care, whether it is energy, whether it is the economy, whether it is jobs, all of those things have fundamental principal solutions that don't require putting the government in charge.

Mr. AKIN. You are absolutely right, and it doesn't involve the government taking everything over.

We're going to take a break and yield because I believe there is some business that needs to be taken care of.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 5019, HOME STAR ENERGY RETROFIT ACT OF 2010

Ms. MATSUI, from the Committee on Rules, submitted a privileged report (Rept. No. 111–475) on the resolution (H. Res. 1329) providing for consideration of the bill (H.R. 5019) to provide for the establishment of the Home Star Retrofit Rebate Program, and for other purposes, which was referred to the House Calendar and ordered to be printed.

WHAT GOT US INTO THIS ECONOMIC MESS

The SPEAKER pro tempore. The gentleman from Missouri may proceed.

Mr. AKIN. Mr. Speaker, we are just taking apart a little bit some of what has been happening the last couple of years, why the economy has been struggling some, and why we are having a lot of unemployment and problems. Some people have a hard time understanding why it is that we are having a hard time. This little cartoon kind of comes along the same lines.

''Now, give me one reason why you are not hiring.'' And you have coming into the China shop a couple of bulls. You have the health care reform and the cap-and-tax and the war on business tax. That is basically businesses getting just hammered with taxes.

Of course, the picture here is we are not doing the right things that we need to be doing to keep the economy going and to create jobs. In fact, we are creating a perfect storm. People have said we have a war going on business, and we really do. We are doing everything wrong to try to create jobs and try to get the economy going.

So, on the one hand, we are making the statement here that families across the country are tightening their belts and making tough decisions. The Federal Government has got to do the same. What is the Federal Government doing? Oh, we are doing the Wall Street bailout, we are doing the stimulus bill, we are doing the cap-and-tax bill, we are doing the socialized medicine bill. And now we are proposing institutionalizing bailouts, so that anytime anything goes wrong, the Federal Government takes your tax dollars and goes in and picks the winners and losers and bails companies out. That is exactly the wrong message.

I am joined by a good friend of mine from the wonderful State of Pennsylvania, and I would yield to him just a moment to share along the same line.

Mr. THOMPSON of Pennsylvania. Well, I thank my good friend from Missouri for leading this very important Special Order where we are talking about jobs.

You know, I don't want to misquote, I believe it was President Reagan—I will give him credit at this point anyway—that made the statement that the best welfare program there is is a job.

Mr. AKIN. Get him a job, yes.

Mr. THOMPSON of Pennsylvania. Give him a job. And that is what we have not been doing.

Mr. AKIN. Do you think people want to be bailed out? Do you think people want their unemployment to be extended? Would they rather be sitting being unemployed, or would they rather have a good job with really good prospects and a bright future? I think people would rather have a strong economy.

Mr. THOMPSON of Pennsylvania. I think so, too. I talked with a constituent of mine from Lock Haven, Pennsylvania, today, and he was calling to talk about the unemployment because he has been without a job. And as we got talking, it was very clear that what he wanted was not so much the unemployment check, but he really wants a job. We got talking about the things that go into that and why we are not seeing the job growth. We are still bleeding to death in terms of our jobs in this country.

As I go around the district and I talk with job creators, the job creators are, I think as you know, our small business owners. The large majority of work is provided through small businesses.

Mr. AKIN. The gentleman is right. I think, if I recall, if you take 500 employees or less, that is 80 percent of the jobs in America. So 500 employees or less, which 500 is kind of more of a medium size, but 500 down, that is 80 percent of U.S. employment. So policies that affect those small businesses are a big deal in terms of jobs.

Mr. THOMPSON of Pennsylvania. They are. And I heard you use the word ''uncertainty.'' I guess I kind of fall back on my health care background, and when it comes to jobs in this country, my diagnosis is we have a psychological problem. We have a total lack

of confidence and a lack of trust in the Federal Government. And it is earned. It is the things you have there on your chart as job killers.

It is the individual small business people who normally every year take a portion, usually a part of their profits, and reinvest it into their companies. When they do that, they expand product lines, they expand locations, they expand service lines, and they create jobs, good jobs. Well, these people are sitting on the sideline right now because they are concerned with all the things they have seen for some time, especially these past 16 months, many of the things that you have identified there, and I heard that message again today.

I sit on the Small Business Committee, and we had a hearing with five or six witnesses that came in that represent small businesses. And we were there to talk about specifically the role of taxes in small business and what that does to really hurt small businesses.

Mr. AKIN. I would like to stop you for a minute. If I had to pick one on here, because we just had a jobs summit actually on Main Street, back in St. Charles in my district. We had to do one on Main Street because everybody talks about Main Street.

I asked a whole bunch of small business leaders—we had probably 30 or 40 of them, and we created a list of job killers, and this chart was made before that time. I asked them to give me their list and then rate them in terms of priority which is the most deadly in terms of killing jobs.

They came to exactly what you said, which is excessive taxation because when you take that tax out of the hide of the owner of the business, you really make it so that he cannot then invest in those jobs. So excessive taxation was the deal.

Of course, what we have done is we have got, what is it, the people in the upper tenth of the income bracket are paying something like, what is it, 50 percent of all of the taxes in the country or something. So we are just hammering these small business owners with taxes. Then we wonder why we don't have jobs. And you have the same experience, I gather.

Mr. THOMPSON of Pennsylvania. Yes. This panel that we heard in the Small Business Committee just reaffirmed that chart that you have. Each of those bullets came up in the discussion today.

When you look at the taxes, tax increases have been levied in the past 16 months. Our colleagues across the aisle said, well, we are going after the wealthy. We are going to increase taxes on the wealthy. Well, at least 40 percent of the individuals who are experiencing and will be experiencing, especially next year come January 1, 2011, significant tax increases, are small business owners. They are people who are organized as limited liability corporations, S corporations. They pay their taxes as individuals, but frankly, they make a payroll out of their income, and they create just tremendously important jobs.

Mr. AKIN. Of course, you know, that is really kind of a thing. Maybe people feel safe to say, hey, we are just going to tax all those rich guys; don't you worry about all the policies we have got.

Well, you know, when you do that Wall Street bailout where the government is going to pick winners and losers, then you do the big stimulus thing, where you are taking taxpayer money and giving it to States that don't manage their State properly, and you are increasing the number of food stamps and all these other kinds of things that if you want to believe in big government they think they need to do, and then you are going to do this cap-and-tax thing, so everybody's energy cost is going to go up.

Now, the President said, I guarantee you, I am not going to raise taxes on people making less than $250,000, and yet in this Chamber we pass a tax that as soon as you flip a light switch you are going to start paying more taxes.

□ 1715

Now, that's not people making $250,000, that's an average guy that wants to turn his lights on. So you say, well, shoot, we're going to tax the rich guys. The trouble is those rich guys are the ones that are hiring you and your kids.

Mr. THOMPSON of Pennsylvania. If the gentleman will yield, in terms of the cap-and-trade, cap-and-tax, or the light switch tax, I guess, in Pennsylvania the Public Utility Commission sent a letter to the Pennsylvania delegation adamantly opposing cap-and-trade because they did their analysis of that bill, and electricity costs in Pennsylvania would rise by 30 percent.

Now, that 30 percent tax, that increase will not discriminate. It will hit the most wealthy of Pennsylvania citizens, but just as much, and I think more severely even, it's going to address those who are just living paycheck to paycheck today. And even people that aren't getting by financially, to see a 30 percent increase in the cost of electricity, that's immoral to me.

Mr. AKIN. The thing that's amazing about that to me, I am an engineer by training, and let's assume that all of this global warming supposedly science were all true, which we now know, particularly since East Anglia and the scandal there that all of these guys were doctoring the numbers and everything, but let's just assume for sake of argument that CO_2 is really a bad gas and aside from the fact that all of us have to stop breathing because we breathe out carbon dioxide.

Aside from that, let's just assume that that's true. If you really wanted to get rid of CO_2 in America, regardless of what other nations in the world are doing, you think this is our moral obligation to get rid of CO_2, we could get rid of all the CO_2 produced by all the passenger cars in America, the equivalent of that amount of CO_2, by simply taking the electric generation that's done in our country that's done with coal-fired plants, we currently have 20 percent of electricity in America is made by nuclear, if we were to go from 20 to 40 percent nuclear, we would get rid of all the CO_2 produced by every passenger car in America.

So if you are a Democrat and you really think CO_2 is so bad, why not come out here with a couple of page bill saying we're just going to gradually phase in nuclear plants in place of these coal-fired plants, and we would get rid of all the CO_2 produced by every passenger car in America. No, that's not what comes out. We come out with this thousand-page bill, 300 pages, passed at 3 o'clock in the morning. People don't know what's in it. There isn't even a copy of the bill on the floor. And we vote for this piece of trash, which fortunately the Senate wasn't dumb enough to have passed. And anybody who flips a light switch would have been taxed. Your State would have gotten a 30 percent increase in electric.

Now, what does that do to jobs?

Mr. THOMPSON of Pennsylvania. That kills jobs.

Mr. AKIN. It just kills jobs. So this excessive taxation, combined with things like amount of government mandates and red tape, this starts to gang up. And one thing on top of the next on top of the next, and you get unemployment.

Go ahead. I didn't mean to interrupt. We're talking about a light switch tax. You were in the business that's getting the wheelchair tax. It's interesting to see what people want to tax. Now we are going to want to tax wheelchairs. That's with that socialized medicine bill.

Mr. THOMPSON of Pennsylvania. The medical device tax that is being levied on medical devices has such a wide range. And people don't understand what medical devices are. We are a country that has just benefited tremendously from innovation in terms of medical devices and medical advancements. Our health care system as we currently have it, now see what happens to it under ObamaCare, but as it currently has it, this is a country that develops innovations, life-saving techniques, diagnostic procedures, pharmaceuticals.

With medical devices, it is not just wheelchairs. It's everything from bed pans to prosthetic arms. It's insulin pumps. Medical devices is a term that really has many, many different applications. And those devices really go towards maintaining quality of life, maintaining maximal independence for people. Most taxes I would put as immoral, but you start putting a tax on electricity for everybody, and you put a tax on medical devices, it's hard to imagine anything that's going to be more immoral than that.

At the panel today with the small businesses, I asked a specific question about where are we in terms, what's the impact, given that even before these taxes we have got a tax out there in terms of corporate income tax, second highest in the world. And what does that do to our small businesses, that alone? How are they supposed to compete? Especially, you know, those businesses that are formed as corporations. And there are many of them that have to pay that.

I see my good friend has a great chart there that addresses the economic freedom index. The response was that where we have the potential for trade, it really puts us at a tremendous disadvantage where we have got this tax burden. That's just one more thing that keeps businesses from growing, jobs from being created, and for economic prosperity.

Mr. AKIN. I think maybe we could get too negative here, because there are solutions to these problems. This stuff is not new. Other Presidents and other people in different decades have dealt with these problems. There is a solution to getting the economy up and going. And the funny thing is it's sad, but the Democrats haven't learned from JFK. JFK had the formula right. He reduced taxes. As he reduced taxes, what that meant was the private sector started to grow. It created jobs. And guess what happened? The government actually got more revenue by reducing taxes, which seems a little bit odd.

But by getting the taxes off the backs of the American public, the businesses prospered when they did. The taxes that were there brought in more revenue to the government than if they hadn't done that. So by cutting taxes, JFK understood that you could get the economy going. Ronald Reagan did the same thing. George Bush II did the same thing. By cutting taxes, you allow private citizens to invest their money. When they do that, it gets the economy going.

The government doesn't get the economy going. All the government can do is to create an environment that helps. So it's not like these problems, it's not like there's no answer and doom and gloom. There are clear-cut answers. That's what's so terribly frustrating when you see our government at war with business and the President saying, oh, we've got to be sensitive to jobs and this and that, and every single policy proposed is destructive to job creation and the economy.

Now, here is the funny thing. Here are the regulations. This is overall economic freedom index. You see America in 2001, here it's sixth. It's already down to eighth. If you take a look at corporate taxes, we are the second highest corporate taxes of any country in the world, behind only Japan. And so our policies are not set to help us with these problems. We are doing all the wrong things.

And yet the economy could rebound. Why would it rebound? Well, it would be a little bit like this. I want you to picture, you've got a weak heart. You've had a four-way heart bypass. You also have diabetes. You also have several other medical maladies. So you're not feeling too super strong. And all of a sudden somebody gives you some crack cocaine, and you feel like you're Superman and you're doing great. Well, that's what's just happened to the U.S. economy.

We're doing everything wrong from a point of view of policy. We're doing everything to kill jobs. But we are doing one thing that's going to make people think everything is okay. And that is the Federal Reserve has increased a tremendous amount of liquidity with a very low interest rate. And that trumps all of the bad policy decisions we have been making. And so you see Wall Street starting to pick up and stock prices starting to go up and all. Why is that happening? It's happening because we have allowed the Fed to create all this liquidity and basically put our economy on steroids. And that's not going to work for very long, and it's not going to fix that unemployment problem. And before long, we are going to jump from unemployment to an incredible level of inflation.

Again, this stuff isn't so rocket sciencey. We know what's the right thing to do, but we are unwilling to do it. We are unwilling to get off the big spending kick. That's what really has to change.

I yield to my friend.

Mr. THOMPSON of Pennsylvania. I share your concern. In fact, I guess the artificially induced high from the crack cocaine description that you used, I think that's going to describe 2010. I think that because we have infused a tremendous amount of taxpayer money, and I think in a very careless and reckless way into the economy, that's going to help mask the symptoms of the problems that we have in terms of jobs for 2010. And we may all feel better in 2010.

Here is my concern. I think with the amount of deficit spending that we have done that come January 1, 2011, this country falls off a cliff financially. The tax increases that will be implemented, the ramping up of an Environmental Protection Agency that has been tripled in size. We have already seen abusive behavior on their part in terms of them trying to legislate through their authority as an agency, redefining what a hazardous gas is, superseding all of their normal procedures they use in terms of scientific process to decide that carbon dioxide is a hazardous gas. All those things, I am very concerned with where that takes us in 2011.

I think deficit spending, things never work out well when you do that type of borrowing, that type of debt, especially when we are indebted principally to other countries with much of that debt.

Mr. AKIN. You are absolutely right. 2010 should be a little better year because of a weird thing. And that is the Bush cuts in capital gains expire next year. So if you have any capital gains in something, there is a huge incentive this year to sell whatever it is and get your capital gains tax paid this year at 20 percent because in 2011 it's going to jump to 35 percent. Because you know the Democrats are not going to allow that tax cut to stay. And so you are creating an artificial opportunity for 2010 to look better, when we are going to get hammered in 2011 because everybody's going to sell everything that they have capital gains on that they're going to take that tax hit on.

But here is what's really going on. If you take a look, these are the receipts. This is the money coming into the Federal Government. That's this blue dot. And this pink and red dot is how much we are spending. You take a look at the size of the two, and you are going uh-oh, something's wrong here. And that's why I said that when we spend a dollar, the dollar we spend of Federal money, 41 cents is borrowed.

You take a look over here at our outlays, what's going on? Social Security, Medicare, and Medicaid. Those are the three big entitlements. They are now bigger than all the rest of the spending. I am on the Armed Services Committee. Guess what I am seeing. We are gutting defense. Why? Because we don't have enough money here and we have too much over here.

Now obviously the Democrats are not that worried about balancing the budget. They are spending a ton on all kinds of entitlements and bailouts and all that kind of stuff. But sooner or later with this amount of entitlement, this amount of defense, we are going to pick up the other problem, which is we are not going to be able to defend ourselves. And you are seeing severe cuts in defense spending now, particularly missile defense and our offensive weapons, which have always been the thing that have kept Americans safe.

All of these problems don't stay tightly inside a box. One thing spills over into the other. But these huge outlays of big government have got to be brought under control for our Nation to survive. And just another infusion of running the printing presses and dropping the interest rate, that crack cocaine works for a little while, but it comes back with a whale of a hangover.

Mr. THOMPSON of Pennsylvania. It's deadly in the end.

Mr. AKIN. The trouble is that it's people in your and my district that are going to get hung with the cost of this deal. They are the ones that are struggling to make ends meet. They are the ones whose families are having a hard time. They are the ones that are getting taxed out of house and home. And they are the ones that are saying, I don't trust what Washington, D.C. is doing. I don't trust what Wall Street is doing. I don't know what to do with the last of my savings that just shrunk out from underneath me because of all of these policies.

We have to get back to some sanity and do the basic things that work. We have got to stop taxing the people who run the businesses. We have to get liquidity to business owners so that they have money to invest. What we have to do is to stop all the red tape. We have to basically change the banking rules so that there is some liquidity that way. And particularly, we have got to get off of the big spending. We just can't keep running this kind of deficit. This is just something that will not work mechanically. And so we are going to have to make some tough decisions. What we are going to have to do is let free enterprise work again, because that's the thing that pulls us out of this mess is good old American freedom, just allowing the U.S. citizens to be unfettered, have a chance to keep some of what they make, invest in their businesses, invest in Americans, and stop this whole sort of covetousness idea that any time somebody makes any money, the government's got to take it away from them.

□ 1730

If we want jobs, if we want a strong economy, and if we want money for the government to be able to spend to pay the government's bills, we are going to have to allow freedom to flourish in America instead of trying to stomp it out, which is what we are doing. We are following the failed model of the Soviet Union, and we are stomping out freedom.

Thank you, gentleman. I really appreciate Pennsylvania for sending GT down. It is a treat to serve with you.

Thank you all.

RESIGNATION AS MEMBER OF COMMITTEE ON HOMELAND SECURITY

The SPEAKER pro tempore laid before the House the following resignation as a member of the Committee on Homeland Security:

HOUSE OF REPRESENTATIVES,
Washington, DC, May 5, 2010.

Hon. NANCY PELOSI,
Office of the Speaker, House of Representatives, Washington, DC.

DEAR SPEAKER PELOSI: I respectfully wish to resign from the Committee on Homeland Security. I have been honored to serve on the Committee and have found my experience to be extremely rewarding.

Sincerely,

BEN RAY LUJÁN,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

THE REFORM OF WALL STREET

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

Mr. GARAMENDI. Mr. Speaker, thank you so very much.

What we intended to talk about was the Wall Street meltdown and the necessity of the reform of Wall Street. However, having listened to our colleagues on the Republican side carry on for the last hour, there are some things that need to be said about their discussion.

HEALTH CARE

First of all, they started off with this issue of health care, with the government takeover of health care. That is absolutely not true. We have passed major health care reform, and it is not a government takeover. In fact, it builds on the present American system. There is some government—some very, very good government programs.

You tell me what senior in America wants to have Medicare done away with. None of whom I know. There is always room for improvement. In every program, there will be problems from time to time, but no senior of whom I am aware anywhere in America wants to do away with that government program.

What this bill really does is to help organize the American health care system so that it will be more effective and efficient and so that it will build on the private insurance system, which is much a part of America.

I know this business because I was the insurance commissioner in California for 8 years, and I regulated the insurance company. In this legislation, there is heavy-duty regulation of the insurance industry because there was a lot of talk—a lot of talk from our Republican colleagues—about a death panel. I'll tell you what the ''death panel'' is. It is the private insurance company that has heretofore denied coverage for people who have been seriously ill. When people would have illnesses, they would just dump them from the rolls. They would not insure people who had preexisting conditions.

I will tell my Republican colleagues and the American people that those days of insurance excesses and that those days of insurance discrimination are over. They are over. For men and women who are working their 8-, 10- and 12-hour shifts every day, they will be able to have their own doctors. That is what this reform does. It is not a government takeover. In fact, it builds upon the American system, which is unique here, and that is a fact.

TAXATION

They also talked about taxation. Well, let's understand that more than 80 percent of the Bush tax cuts went to the top 10 percent of wealthy people in America. They got the tax break, and the other Americans got the shaft. That is not the way we see tax cuts on our side. In fact, my colleague from Minnesota, who will join me in just a moment, was there to vote for the American Recovery and Reinvestment Act. That is the largest middle class tax cut in America's history.

The issue here is that Democrats will cut taxes for the working men and women—for middle class America. As for the wealthy, that's where the Republicans are. They will cut the taxes of the wealthy every single time.

If you listened carefully to the previous discussion from our Republican colleagues, they said it very clearly. They were talking about taxes for those who have limited liability companies. You tell me. Do small businesses out there in my community—the painting contractors, the plumbing contractors—have limited liability companies? No. No. They are sole proprietors. Their taxes were cut by Democrats, and Republicans cut the taxes for Wall Street.

My good colleague from Minnesota (Mr. ELLISON), you had some thoughts about this as you were sitting there, listening to them talk about the things that are going on. Please share with us your thoughts.

THE REFORM OF WALL STREET

Mr. ELLISON. I thank the gentleman for yielding. I also thank the gentleman for holding down this Special Order tonight. It is very important to talk about the American economy, so let me dive right in, as there are a few facts the American people may want to consider.

Barack Obama took office on January 20. George Bush was the President that whole month. There were 741,000 jobs lost to the American economy. There were 741,000 jobs lost under the Republicans when they had the Presidency, even back when they had majorities in both the Senate and the House of Representatives.

I think this board is very revealing. On the vertical axis, it demonstrates Time, which is months during the year—'07 all the way to March 2010. On this vertical axis are Job Changes.

Here we see, in January 2008, Bush begins to lose jobs, and they very clearly go down to hit the very bottom when we see December 2008–January 2009.

What we see during the Obama administration is a steady climb back up from the abyss. Very recently, we have even seen positive job growth for a few months.

This is an important fact to point out in the very beginning because, as we talk about who ran the economy into the ditch, it is very clear that our Republican colleagues managed that on their own and that it is the Democrats who steered the American economy back to a point of safety.

Let me also say this: When it comes to financial deregulation—and of course, tonight, we're going to be talking about the Wall Street Reform Act and about accountability. The fact is it was during the Bush administration that the climb on foreclosures began and that we saw 2.8 million people face foreclosure. In the last year, we saw foreclosures begin, and we have yet to see an antipredatory lending bill passed under any Republican regime. While the Republicans were in the majority, they did not do anything about foreclosures. They did not do anything about predatory lending. They did not