

APPOINTMENT OF MEMBERS TO  
CANADA-UNITED STATES INTER-  
PARLIAMENTARY GROUP

The SPEAKER pro tempore. The Chair announces the Speaker's appointment, pursuant to 22 U.S.C. 276d and the order of the House of January 5, 2011, of the following Members of the House to the Canada-United States Interparliamentary Group:

Mr. DREIER, California  
Mr. DANIEL E. LUNGREN, California  
Mrs. MILLER, Michigan  
Mr. SMITH, Nebraska  
Mr. HUIZENGA, Michigan  
Mr. HIGGINS, New York  
Mr. MEEKS, New York  
Ms. SLAUGHTER, New York  
Mr. WELCH, Vermont  
Mr. LARSEN, Washington

HONORING THE SERVICE OF HIS  
EXCELLENCY YASHAR ALIYEV,  
AMBASSADOR OF THE REPUBLIC  
OF AZERBAIJAN TO THE UNITED  
STATES

The SPEAKER pro tempore. Under the Speaker's announced policy of January 5, 2011, the gentleman from Pennsylvania (Mr. SHUSTER) is recognized for 60 minutes as the designee of the majority leader.

Mr. SHUSTER. I thank the Speaker. Today, I rise to honor the distinguished service of my good friend, His Excellency Yashar Aliyev, who in October 2006 was appointed by President Ilham Aliyev as Ambassador of the Republic of Azerbaijan to the United States of America.

I am proud to serve as the cochairman of the Congressional Azerbaijan Caucus.

Azerbaijan is an important strategic partner of the United States. Located in a geopolitically dynamic region between Europe and Asia and sandwiched between Russia and Iran, Azerbaijan is a secular country with a predominantly Muslim population that has also been home for more than a millennia to vibrant Christian and Jewish communities. Azerbaijan has opened Caspian energy resources to development by U.S. companies and has emerged as a key player for global energy security.

On the security front, immediately after 9/11, Azerbaijan was among the first to offer strong support and assistance to the United States. Azerbaijan participated in operations in Kosova and Iraq and is actively engaged in Afghanistan, having recently doubled its military presence there.

Ambassador Aliyev has made an indelible mark on deepening U.S. and Azerbaijan relations.

□ 1400

Bilateral trade is expanding as Azerbaijan diversifies its economy, enabling it to increasingly contribute to the economic growth of the United States.

Baku and Washington cooperate on counterterrorism and nonproliferation

of weapons of mass destruction. Moreover, this continued development of Azerbaijan's natural resources contributes greatly to the energy security of the United States and Europe. Working with Ambassador Aliyev, we have more than doubled the size of the Azerbaijan Caucus in Congress and continue to bring attention to this vital strategic partner.

Prior to his appointment as Ambassador, Aliyev served as Azerbaijan's permanent representative to the United Nations from 2002 to 2006. During this period he was chairman of the Fourth Committee of Special Political and Decolonization of the 60th U.N. General Assembly, vice president of the 59th General Assembly, vice president of the Economic and Social Council from 2004 to 2005, and vice president of the U.N. Conference on the Illicit Trade in Small Arms and Light Weapons in All Its Aspects in 2001.

Ambassador Aliyev began his diplomatic career at the United Nations in 1992, serving as political affairs counselor and charge d'affaires of Azerbaijan's permanent mission. He was also Azerbaijan's first delegate to the First and Fourth Committees at the 47th through 56th sessions of the United Nations General Assembly.

Having joined the Ministry of Foreign Affairs in Azerbaijan in 1989, Ambassador Aliyev held the posts of political officer, first secretary and deputy director in the Ministry's Department of Information and Political Analysis, as well as director of the Department of International Organizations.

Ambassador Aliyev took up oriental studies at Azerbaijan State University in 1972 and received the school's highest degree in 1977. He pursued postgraduate research at the Oriental Studies Institute of Russia's Academy of Sciences in Moscow from 1980 to 1982. In the early 1990s, he also studied for a year at the Diplomatic Academy of Russia's Ministry of Foreign Affairs. He is fluent in English, Arabic, Russian, and Turkish.

On a personal note, I will miss Ambassador Aliyev, and I extend to him my highest regards and well wishes, to him and to his family in all their future endeavors. In our years working together, the Ambassador has become a truly valued friend.

It has been my pleasure to visit Azerbaijan twice with him and also to host him in my district in Pennsylvania on two occasions, including sharing a recent birthday celebration together.

Ambassador Aliyev, best wishes in all your future endeavors. I look forward to building on our future partnership with Azerbaijan and continuing our friendship in years to come.

I yield back the balance of my time.

STATE OF OUR COUNTRY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 5, 2011, the gentleman from Iowa (Mr. KING) is recognized for 55 minutes as the designee of the majority leader.

Mr. KING of Iowa. Mr. Speaker, I very much appreciate the honor to be recognized to address you here on the floor of the United States House of Representatives for the minutes allocated, and I have enjoyed this privilege many times over the years. I think this is the greatest deliberative body in the world, and sometimes we can do a little better than we actually do, but in the end, the voice of the American people does come here.

I look back on the intense debates that we had when we went through the throes of a national debate. Over one summer, it was cap-and-trade, or we called it cap-and-tax, the idea that we would limit American industry, chase American industry over to places like China and India where they would pump smoke up into the atmosphere and send us back goods that were built more cheaply than we would build them under American regulations here. That legislation did pass this House. It was killed in the Senate, but that consumed a summer.

The next summer, we had the debate of ObamaCare. I could go into that quite deeply, Mr. Speaker, but I will say that it was an intense debate that took place on the floor of the House of Representatives, on the floor of the Senate, and on the floor of almost every home in the United States of America, in the streets of America and on the grounds surrounding the Capitol and then, of course, in all the office buildings around the Capitol.

For the first time that I know of in history, a Member of Congress called people from all 50 States to come here to petition the government for redress of grievances, peacefully petition the government for redress of grievances. That was the plea of the American people; 40,000 to 60,000 people surrounded this Capitol in November, on a Thursday in November, November 5 of that year. Later on in the spring, they came back again and again and again.

For the first time in history, the entire Capitol grounds were surrounded by people, not just a human chain touching their fingertips or holding hands all the way around, but a human doughnut six and eight deep everywhere, with thousands of people standing in the curves and the corners. They came here to say to the people that were duly elected representatives of the American people here in this Congress, Keep your hands off of my health care; we don't want Obama administration care. That message echoed in this building.

On that night that ObamaCare was poised for passage, the people doing business up here in the Rules Committee couldn't do business for a time because the echo in the windows from the people outside was so great that they couldn't have a conversation to be able to actually conduct the business of passing a rule that brought ObamaCare here to the floor.

And there was hokum involved in the process even down to the point of circumventing the filibuster in the Senate

and going through a reconciliation package and passing legislation on the promise that other legislation would be passed, and passing legislation on the promise that the President would issue an Executive order to—get this, Mr. Speaker—amend the legislation that was on the floor. That's how bizarre this process became.

For a couple of years, a Member of Congress didn't have an ability to bring an amendment to the floor to even force the debate or a vote trying to perfect legislation. That's how far the wheels came off of this Congress. The American people were delivered something that they had resoundingly rejected. That was ObamaCare.

In the aftermath of those shenanigans that took place that consumed the summer and the fall and the next spring and longer, the American people went to the polls the following November. They sent 87 new freshmen Republicans here to Congress in exactly the fashion that the Founding Fathers imagined, and that fashion was to have the House of Representatives, with elections every 2 years, be the quick reaction force, that in the period of 2 years—at that time, history didn't turn as fast as it does today, but it's still, I think, soon enough to bring people here to start to reverse the mistakes that are made by the previous Congress.

Now, we are not in a position to undo some of those bad things that have come upon this Congress right now. I thought we had that leverage a couple of times already in this Congress. Those moments have passed. And I believe, Mr. Speaker, that now, if we can find and create that opportunity, I am all for it, and I am looking for somebody to lead us into a way that we can undo some bad legislation.

But where we are today in this deliberative body is that we put the brakes on most bad things that have been happening here in this Congress, and we are laying the groundwork to call in the reinforcement within the visioning of the Founding Fathers so that we can undo the bad things, and it's going to take some help in the United States Senate and in the White House.

So here's America, as we had a conversation here on the side earlier. There was, a couple of years ago, I would say now, a serious discussion about whether I would go back to Iowa and run for Governor, and the questions that I had, Mr. Speaker, in front of me were this: that we were looking at what turned out to be the Dodd-Frank bill, the financial regulation bill. We were looking at cap-and-trade, or cap-and-tax, which is a more accurate way to describe it. We were looking at ObamaCare. I am thinking, I would have to spend 14 months back in Iowa campaigning for that job. And if I carried my luggage into the Governor's mansion and looked out the window onto an America that had been saddled with this burden, the burden of Dodd-Frank, the burden of ObamaCare, and

the burden, perhaps, of a cap-and-tax piece of legislation, it would be impossible to undo, and it would be impossible to fix America from a State office such as I have mentioned. Those things weighed heavily on me.

Today, here's where we are. This process has moved forward. Cap-and-tax has been essentially killed, temporarily killed, I will say, in the United States Senate, thanks to the filibuster and thanks to the work of the people on that side. It did pass through this House under the Pelosi Speakership.

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ObamaCare is now the law of the land; but it is repealable, Mr. Speaker, and that gives me great hope. And Dodd-Frank also is repealable. So when I look at the Presidential candidates, who also are poised, seeking the nomination to challenge the White House, the Senators that I am convinced will come into the United States Senate, the new blood that will come into the House of Representatives with even deeper convictions on the Constitution and constitutional conservatism, the idea across America is this: Government has mismanaged so much of what has come out of this Federal Government, they want a smaller, more responsive Federal Government. They want a government that does less with less, a government that balances the budget, and they want to have their freedom back. The American people want to have their liberty back, Mr. Speaker.

I would ask this question, and it's this that Ronald Reagan asked in 1980. He said: Are you better off today than you were 4 years ago? And the American people answered with a resounding "no." And they voted "no" on Jimmy Carter and "yes" on Ronald Reagan, and we got the greatest President of the century, who served two terms and put us back on track and got us believing in ourselves again.

Today and throughout this 14 months or so until the next election, we have to be asking not the question of are you better off today than you were 4 years ago—not a lot of people can say they are—but the question really is, Mr. Speaker, are you more free today? Do you have more liberty today than you had 4 years ago? Do you and your children and your grandchildren have more potential to enjoy the fruits of their labor? Is this society more open to success? And is America moving along and continuing to be the dominant economic force in the world, the dominant cultural force in the world, the dominant foundation for Western Civilization? Are we going to continue to be that, or are we going to watch the continuum of this history wind its way down, and will we trail in the dust the golden hopes of all humanity? Is that the future for this country?

Now, there's not an image that I can see that the President has laid out for us on a direction on where we can go. I have watched what he has done. I

think I know what he believes in. I have looked him in the eye when he has told me what he believes in, and one of those things is Keynesian economics.

The President told a group of us on February 10, 2009, to be precise, that Keynesian economics works. He said to us that Franklin Delano Roosevelt's New Deal actually did work but that Roosevelt lost his nerve, and he pulled back in the second half of the 1930s when he should have been borrowing and spending more money. And because he pulled back, according to the President, it brought about a recession within a depression. Unemployment went up, and then along came World War II, the greatest economic stimulus plan ever.

That was a little classroom lecture. Well, it was a statement, not necessarily a lecture, to be fair, Mr. Speaker. But that was the President's position on that day, and I'm sure that's something he has held for a long time. He didn't make it up while he was standing there. It came out of him as a conviction. That's how it sounded to me.

I'm of the exact opposite conviction, Mr. Speaker. I'm of this conviction: that Keynesian economics always was a mistake. Oh, and for the record, John Maynard Keynes was the most influential economist of his time. He came to prominence in the 1920s and then even more prominence in the 1930s as he proposed that the Federal Government should get money into the hands of people so that people could spend the money. And if they spent the money, it would stimulate the economy. That's the Keynesian approach.

Even though he said this facetiously, I believe it illustrates the Keynesian economic theory, this narrative. And this is a narrative told by John Maynard Keynes, himself. He said, I can solve all of the unemployment in the United States of America, and here's how I would do it. Just give me an abandoned coal mine and I will go out into that coal mine—he'd send other people, actually—with drilling rigs, and they will drill holes down all over the coal mine. And then we'll stuff them full of cash. And then we'll fill the coal mine up with garbage and heap it full of garbage and then turn the entrepreneurs loose, which would then solve all of the unemployment in America.

Just to flesh that out a little bit, Mr. Speaker, if you turn the entrepreneurs loose on an old coal mine that is full of garbage and has holes drilled with cash in it, they've got to go in and move the garbage off. They've got to locate the holes. They've got to clean out the holes. They've got to get down to the cash, and doing all of that will require somebody to rehandle the garbage again, somebody to set up the showers, somebody to take care of the medical needs and the food needs, and after awhile the banking needs when they start to come up with the cash. See, he

understood how the economy goes when you get money flowing in the economy, how that actually happens.

But what Keynes missed was, where was the cash going to come from in the first place? You can't go out and borrow money and bury it and have people dig it up and think you're doing something productive. That's the equivalent of paying each other to do each other's laundry. You've produced nothing extra from it; you just trade dollars.

What has built America, the strength of this country economically has been free market capitalism competition. And because of the competition, we have had inventors and entrepreneurs. We have had more patents, trademarks, and copyrights per capita, at least, than any other country in the world. And the reason for that is because Americans are natural entrepreneurs. We're natural creators, and we have the resources to do it. And I don't just mean gold and oil, and I always have to put corn in there as a natural resource, Mr. Speaker. I know you use it for grits; but for us, we feed most of it to livestock and turn some of it into ethanol.

But all of those resources that we have in this country, Americans have developed them. We've grown them. We've mined them out of the Earth. We've turned our timber into valuable products. We've cut trees and turned them into ships, and we traded around this world. And we did that early in this country. American clipper ships were the class of the world.

We have had this success because we produced. We produced goods and services that had a marketable value both domestically and abroad. That is still what will bring America out of the economic doldrums, producing goods and services that have a marketable value both domestically and abroad, not spending money, not the little sugar high of handing somebody money and saying here are your food stamps, here's your unemployment check. Do nothing except go out and spend the money. That is only at best a sugar high. And for the economy, it's temporary.

Even if Keynes was right on any part of it, it would be this: Dump in billions, hundreds of billions, and in the case of the President of the United States, we're talking about trillions of dollars dumped into this economy. The best you can hope for with a Keynesian economist on steroids, which is our President, is this: that he might have diminished the depths to which we otherwise could have fallen to some degree. We will never know how much, but what I guarantee you is the depths that might have been diminished, certainly the breadth of this trough of the economic downward decline that we're in is much broader, and it's going to take us a long, long time to recover.

And a way to explain that, Mr. Speaker, is this. If you are a small business, a large business, or a government and if you go out and borrow too

much money and you have a revenue stream coming in and now you have to service the debt, you have to pay the interest and the principal on the debt. The banker's in there. He's going to collect his money. So you have a fixed income and you have borrowed more money, which means more interest has to go, and it has to also pay off the principal or you can never stop the drain, and it weighs you down.

There are businesses—I'll actually say many of them in my State—that have actually, literally, not figuratively and not virtually but literally, been under water all summer long in the floods of the Missouri River. If all they have for relief is a small business disaster loan and they can get a preferential interest rate of maybe some number approaching 4 percent interest, still if they get stacked with too much debt, they can't have the income to service that debt.

The same with the country. The United States of America borrows money and hands it to people and tells them: You don't have to work for this. You don't have to produce anything for this. We just want you to spend it. That's your patriotic duty, to take the money that we've borrowed from the Chinese and the debt burden we put on our grandchildren, and put it into people's hands and say it's the patriotic thing. Take your food stamps and take your rent subsidy and your heat subsidy and your unemployment check, and go engage in commerce. That's patriotic.

No, what's patriotic is carry your own weight. I mean, John Smith said clear back in the 1600s: no work, no eat. That's also part of the New Testament. Where he lifted that from, I believe, was in Galatians: He who would not work would also not eat. That doesn't mean that we don't want to take care of people that can't help themselves, but people that can help themselves need to help themselves and all of the rest of us.

We're hearing the statements come out of people that generally sit over on this side of the floor, Mr. Speaker, this belief of economic stimulus. The former Speaker of the House, Speaker PELOSI, has consistently said that unemployment checks are one of those reliable and immediate forms of economic recovery.

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You get a lot of bang for the buck when you pay people not to work, and they will go out and spend that money immediately. Therefore, we should pass out unemployment checks and stimulate the economy.

That statement is ridiculous where I come from, Mr. Speaker, to pay people not to work and somehow in that formula it stimulates the economy.

Another statement came from our Secretary of Agriculture, Tom Vilsack, who consistently—at least it shows up in the media hits consistently—has said that food stamps are also an eco-

nomical stimulator, that for every dollar in food stamps that you hand out, you get \$1.84 in economic activity. Well, that may be, but if you had somebody actually producing something in exchange for that food stamp, you would have the economy growing. You would be building capital within your economy.

We have this massive amount of capital here in the United States of America, and it's built within—part of it is cash. Part of it is the real estate value that's been improved by putting buildings and fixtures out. Part of it is the equipment that we've manufactured, and it's the utilization of that. All of that is part of the capital base of America. Our knowledge base is part of the capital base in America. And here we have the Federal Government and the President's proposal with his jobs plan, by the way, continuing to want to extend unemployment benefits another year, believing that that's an economic stimulus plan.

Now, if I were a younger man, or let's just say a boy who was looking at this economy from the simplistic way of what pays and what doesn't, and if someone said to me when I was 16 years old, "Well, here's how we stimulate the economy. We're going to hand out unemployment checks and food stamps," that's what we're hearing, Mr. Speaker. We're hearing this out of the people that speak for the White House. Handing out unemployment checks and handing out food stamps is an economic stimulus plan.

I'm back to: Produce goods and services that have a marketable value both here and abroad. When I say that, we have to compete with the value, the prices of those goods other countries can produce so that we have an opportunity to outsell them when they want to sell here and we have an opportunity to outsell them in their countries. We have to be better at some of those things.

But this economy will not recover if we're going to continue to borrow money, put the debt on the heads of our grandchildren, and think that spending money solves anything.

I have a little granddaughter that's closing in on a year old now. She's just taken her first steps, about 10 or 12 of them last night as a matter of fact. Her name is Reagan Ann King. When she was born into this world, her share of the national debt, what she owes to Uncle Sam when she took her first breath as a new American citizen and a miracle from God, was \$44,000, her share of the debt.

And we worry about a college student that has a degree with a \$40,000 student loan to pay off. I'll submit, Mr. Speaker, they at least have a diploma, in a likely case, and they have an education in every case and an opportunity to earn that back. And from the time they leave college and the toll starts to ring on their student loan, they have an opportunity to go to work and to stop the interest and pay the interest

and start to pay the principal on their student loan.

But this little girl, Reagan Ann King, that's just taken her first dozen steps last night, this little girl doesn't have a chance to start earning that back. Her \$44,000 worth of debt is accumulating interest every day, every day of her little life until—she's turned around a year old—until she's 10, until she's 20, until she gets an education that's good enough for her to start actually earning her share and paying taxes and starting to pay down this national debt.

How much is that \$44,000 going to be before she gets a chance to stop the bleeding just for her? By the time she's 10 and starts fifth grade, it will be not \$44,000, but \$88,000. That's an actual calculation rounded to the nearest thousand. It's not just 44 times 2. That's \$88,000. Welcome to fifth grade, Reagan Ann King. Now your share of the debt is \$88,000. How does that make you feel? Study hard.

We'll give you another Republican approach here, Mr. Speaker, that I think illustrates the right attitude. It caught me a little off guard. I had a conversation with my oldest son and his little 6-year-old daughter, who was telling me her favorite subject is math. Our family is in the construction business. We do a lot of work that requires engineering. And so I immediately said to her, Study hard; focus on your math. That means if you're good in math, you can be an engineer, and your daddy needs an engineer. Her daddy said immediately, I don't need another mouth to feed. She can study hard and carry her own weight and make a living in the world.

Now, think about the difference in that. Rather than opening up the door and saying, Study hard; become an engineer; I can use one in the company—which I think he could—he said, She can make her own way.

The attitude when you're 6 years old, growing up, that you're going to go out into the world and make your own way, even though by then there's maybe a third generation company, it surprised me that he saw the world so clearly and instantly directed his child to, Stand on your own.

Mr. Speaker, we need more young Americans growing up being told on a daily basis, You're going to have to carry your own weight. You're going to have to make your own way. You're going to have to build an education and plan your future and control your own destiny.

When you do that, the most patriotic thing you can do is serve God and country, in that order. Take care of your family. Take care of your State. Do your thing to contribute to our society and our economy.

There is—well, there is, but there should not be—a free lunch.

Mr. Speaker, I'm listening to the Presidential campaign and listening pretty closely and talking to a number of the candidates. What I'm not hear-

ing is any of the candidates really addressing the situation we have of, in the United States, there are 72 different means-tested welfare programs, Federal welfare programs. Seventy-two. There's not a person on the planet that can even name them all from memory, let alone read, learn, understand, and draw judgment on how they interact with each other, let alone whether or not they motivate people to take care of themselves, go to work, do the right thing, be responsible. We like to think so. Seventy-two.

Why does the Federal Government have 72 different means-tested welfare programs? That's because there were 72 different constituency bases out there that certain Members of Congress decided they could slip into one bill or another and send a press release back to their district and say to somebody, Look what I did for you. Here's your rent subsidy. Here's your heat subsidy. Here's your ADC check. Here's your TANF money. Here's your food stamp money. And then they have the audacity to come to the floor to ask for more and more money for rent and heat subsidy at the same time.

I don't want anybody to go cold. I don't want anybody to go hungry. But neither do I want to see generations of Americans who have been conditioned and trained that they don't have to contribute to this society.

I will give you an example. It was written up in the Des Moines Register about 15 years ago where they went into a residential area in Milwaukee, Wisconsin. Odd that they would go from Des Moines to Milwaukee. But I remember the article. And they did a study in a six-block by six-block segment; 36 square blocks, six squared. It was a residential area of families whose predecessors in the thirties had moved up to Milwaukee from the gulf area in Mississippi—generally in that area, Mississippi and Alabama—to take on the brewery jobs that blossomed in Milwaukee when prohibition was over. These families that had moved in had moved up there for the jobs.

Three generations later, they surveyed all of those residences in a residential area 36 square blocks, and there wasn't a single employed male head of household in any of those homes in 36 square blocks. And as I read through that article twice, because I wanted to see what I missed, the lament by the author was—seemed to be, at least—that we couldn't bring jobs to the people that lived in that neighborhood in Milwaukee, so wasn't that the failure of government that we couldn't get jobs established there. I read it completely differently. If your granddaddy moved to Milwaukee to get a job, why can't you, as a grandson, move somewhere to get a job?

□ 1430

Why don't people migrate to take a job? And the answer to that question is: seventy-two different means-tested welfare programs. They're being paid

not to. The safest thing you can do is stay in a home that's maybe been in your family for two or three generations, that may well be paid for. And you've got the system of the public benefits all figured out, and so those checks come in once a month and take care of all of your worldly needs. And if you need a little cash aside from that, then you can go out and work in the black market, work in cash, or trade on the side. That's what we have for economies. I've sat in those areas in those communities and just watched the traffic.

And what does this trace back to? Well, I have a viewpoint that I think is completely objective, and it's just illuminated a little more because I come from farm country, but it's this: All new wealth comes from the land. If you watch any dollars that are flowing anywhere, if you trace them back through the economy, whoever has that dollar in their hand, if you could trace it back to the person that handed them that dollar and the person that handed the second person the dollar, and go on back, where does it take you if you trace each one of those transactional exchanges? It will take you back to the land.

In the world, all new wealth comes from the land. You can mine it out of the Earth in the form of gold or platinum; you can pump it out in the form of oil; you can bring out limestone and aggregate of all kinds. That's a new wealth. It sits there, waiting to be developed, and then you turn that into concrete and steel from iron ore, and the list goes on. Or as an exception, I guess, would be if you could seine some fish out of the sea and maybe you can raise a little algae in the sea; but, otherwise, it grows out of the soil.

New wealth comes from this Earth in one form or another, and we use it to produce the necessities of life. Those necessities which were simplified down to food, clothing and shelter, all that comes out of the Earth. Those are the necessities. I used to get into this debate with former Congressman Tom Feeney from Orlando, Florida, Disney World territory—a very smart and effective Member of this Congress and a good friend whom I admire and respect. When I would tell him all new wealth comes from the land, he would say, oh, no, it comes from the airport. Well, they do, Mr. Speaker, fly down to Orlando—and it's a refreshing injection of capital into the economy in the Orlando area, but that's not the new wealth. It's just newly arriving in Orlando.

When you trace it back, it's the disposable income that comes from the people that are producing goods and services that have a marketable value both domestically and abroad. And they're producing it from the raw materials as are mined out of the Earth or are value adding to the crops that grow from the soil. That's what this country is, and that's how this economy works. And if you don't understand that and

you're trying to manage a country that has about a \$15 trillion gross domestic product and you believe that spending money is a solution rather than producing goods and services, you can understand then why we're in the situation that we are in.

I think the Speaker and I agree completely on what I'm about to say. And I'm going to take this back again to Ronald Reagan, who once said that what you tax, you get less of. Well, I look around the United States and I look at our tax policy that we have, and I start looking for productivity, and that's earnings, savings and investment. They identify the productivity in this country. And if you have any earnings, any savings, or any investment, the first lien on all of that, the one who holds the mortgage collateral on it is Uncle Sam.

The Federal Government has the first lien on all productivity in America. So if you walk in and you punch the time clock on a Monday morning at 8 o'clock and you hear that thunk, just think of that as Uncle Sam's arm going out and his hand is out. He will take every dime you earn until he's satisfied—and that might be before noon and it might be after.

Then when Uncle Sam puts all that in his pocket, then you can start to earn a little money for the Governor—he doesn't take as long. You can pay him as a rule, and he gets his hand in his pocket, and now you can start to work for yourself and your children and your families.

The first lien on all productivity in America is held by Uncle Sam, the Federal Government. Earnings, savings, and investment is all taxed in this country unless they have found a way to get you through this loophole. So because what you tax, you get less of, that means that you get less production because we tax it all. If you produce and the Federal Government taxes it, it's a disincentive for production, so we produce less.

If we're going to come out of this economic decline that we're in, if spending were going to solve this problem, we would have solved it by now—this Keynesian economic experiment of the President's.

But it's production that will solve it. We need to take the tax off all production in America, which is all earnings, savings and investment, so that it will thrive and it will prosper. And when we tell people in this country, you can invest all the capital you want to invest, you can earn all you want to earn, you can save all you want to save, and when you do that, we're not going to tax any of it; you can pile up as much cash and capital and savings as you want, not one dime of Federal tax will be on any of that that you earn, when we do that—and I pray one day we will do that—the average worker will get 56 percent more in their paycheck.

There will be a lot more production in this country; it will be a lot more competitive. And then people can pay

their tax with a national sales tax, the option of paying taxes, which is a decision that you make when you consume. That's what the Fair Tax is. And that's what brings us out of this mess that we are in, and it needs to be a very high priority.

I need to hear the Presidential candidates talk about their position on a national sales tax. They talk around it, and they will say, I'm for a Fair Tax or a flat tax or anything that taxes us less. That's not good enough. If you want to lead this country, lay out a tax proposal that actually solves this problem that we're in.

I have looked at this proposal, Mr. Speaker, for more than 30 years now. And I don't know how many years ago it was when they invented the Rubik's Cube, where you could turn that thing around and arrange the colors on all the sides of the cube, but I have turned the Rubik's Cube of the Fair Tax over and over, every possible way that I can look at it.

And the more I look at it—usually when you get to looking at something, it starts to look a little worse the longer you look at it. The longer I look at this, the Rubik's Cube of the Fair Tax, the better it looks to me. And that's more than 30 years of looking at the proposal; and, actually, that's more years than we've had the proposal, but I've advocated for a national sales tax since about 1980. And that was back when I got audited one too many years in a row and I decided, why do I have the IRS in my life? Why are they making Monday morning quarterback decisions? Why am I looking at paying interest in penalty on a tax liability that, to this day, I do not believe that I legally owed? It's because the IRS has so much power that you can't fight them. You can fight them, but you're going to lose.

That was a painful thing for a person of principle to come to, a realization that I had to go to the bank and borrow money to pay the IRS, because even though I'm right, it would cost me my business if I stopped producing long enough to fight the IRS. That was the equation that I was faced with.

So I want to challenge anybody in this House of Representatives that wants to debate tax policy on the Fair Tax. I would be real happy to yield to anybody that would come down here on the floor, set up a Special Order for the purpose, go just about anywhere I can logistically get to face off with somebody that thinks the Fair Tax is a bad idea. It is a great idea.

I sat down with Alan Greenspan within a month of the time that he stepped down as chairman, his retirement, and I said to him, Here are all the things that the Fair Tax does, and I went through the list. I said it eliminates personal income tax and corporate income tax and payroll income tax, including Medicare, Medicaid and Social Security. It puts a check and a prebate into everybody's household to reimburse them a prebate for the taxes that

they would pay on their spending up to the poverty level. It provides an incentive for people to invest money, and it will attract capital from all overseas.

I went through all of that, and I said, I need you to challenge me on any point that I have made. I don't want to be making this argument across this country and have a position that I can't sustain. Test me. Challenge me. He listened as I went through the list, and he looked up at me and he said, You left out provides an incentive for savings and investment. This country needs an incentive for savings and investment. Add that to the list and keep saying it. You're right on all of those points. Well, I had actually just forgotten to say it provides an incentive for savings and investment.

But it illustrated to me how carefully Alan Greenspan was listening to that presentation, how he identified the omission that I had left out. And it was an astute response. And I said to him, I need you to advocate for this. And he said to me, You will not find serious economists that disagree with you on this position.

□ 1440

The fair tax does all the things that you say it does. It's not an economic question, because serious economists will not disagree. It's a political question, and you are the politician, meaning me, Mr. Speaker, and you need to solve the political question. It's not an economic argument.

So it comes back to the same thing over and over again. Here we are in this great country. We are a wealthy country. We are also a productive country, and we do have a good work ethic even though it's being undermined by 72 different means-tested Federal welfare programs.

We're a great country, and we have the resources to solve any problem that can be solved. We can come up with the money to do it. We either have the technology or we can develop the technology. We've got the man-and-womanpower. We've got the work power to do all of that. We can solve everything.

But when I look at the problems that are unsolved and unresolved in the United States of America, invariably it comes back to the political question. It's politics that stick in the middle of this. It's not because we don't have enough people with common sense. We have people with competing interests, and we have people that confuse the issue, and they bog this thing down, and they make it a lot harder than it needs to be because they're looking for some kind of political benefit from it.

But we have the solution here at our fingertips. This Congress, if we were able to get a fair tax bill to the floor of the House of Representatives for an up-or-down vote, I would say there'd be a Vegas line on whether that would pass or not, Mr. Speaker, but I believe it would. I believe this House of Representatives would vote to scrap the

entire Internal Revenue Code and scrap the IRS, itself, and replace it with a national sales tax. I believe this House of Representatives would vote to take all the tax off of productivity in America and put that tax over on a revenue-neutral basis onto consumption, instead, of goods and services, goods and services that have a marketable value both domestically and abroad.

I believe the House of Representatives would pass that legislation if we could get it to the floor for a vote. And I believe, in the process of doing this, they would be granting to American manufacturers, in the stroke of a pen, a 28 percent marketing advantage over foreign competitors when it comes to manufacturing.

If you take a Mazda that's presumably built 100 percent in Japan, compared to a Ford built 100 percent in America, and each of them were sitting on a dealer's lot, perhaps across the street from each other and the sticker price on these two comparable valued vehicles was each \$30,000, then competition would have set that.

Well, into that Ford is embedded 22 percent of Federal taxes that are built into the price of that Ford, because corporations don't pay taxes; consumers pay it. Corporations aggregate them, and they put it into the price of the products that they produce. So your \$30,000—you pass the fair tax, competition drives out of the Ford the embedded Federal tax. So your \$30,000 Ford becomes \$23,400. That would be the new sticker price.

Now, it would take 12 to 18 months to turn the inventory over and get competition to drive that down. \$23,400 would be then the new sticker price on your Ford, with the fair tax passed. But your Mazda's still going to be \$30,000 because its tax structure is Japan, not the United States.

So then you add in an embedded 23 percent sales tax into both vehicles, and your Ford price, to drive it off the lot, presuming it's not a deductible business purchase, goes from what was \$30,000, knocked down to \$23,400 because the embedded Federal tax comes out of the price, and you add in 23 percent tax. You drive your Ford off the lot for \$30,400. But your Mazda needs to also pay the 23 percent embedded tax. It comes off the lot at \$39,000. So you end up with an \$8,600—28 percent—marketing advantage, the Ford over the Mazda.

Now, what does that bring about, Mr. Speaker? Instead of \$800 million worth of Mazdas coming to the United States aboard ships on an annual basis, you've got Fords being sent to Japan and to Korea and to China and to Europe and all around the world. We're making more and more cars, and we're shipping them all around the world because we now have a tax structure that ceases to punish production and provides an incentive for savings and investment and gives those workers that are making the Fords 56 percent more in their paycheck. And those people that run the

manufacturing plants, whether it's cars or whether it's trailer axles or whether it's the modern version of the widget, all have a competitive advantage now that gains 28 percent.

We've reached a static level in the things we produce, and sometimes a half of a percent is enough to make the difference on whether you sell large volumes into foreign countries. A half of a percent, maybe even a tenth of a percent.

Well, can you imagine sitting there, let's just say—I'm just thinking shipping product over into a place like Asia, and you're there where the margins are so tight sometimes you can sell, sometimes you can't, and you've got to ratchet your price down a little and try to get it sold. This goes on every day, people that are looking for that tiny little edge that lets them get in there and export something to a foreign country.

With the fair tax, they're sitting there with a tiny little edge or no edge. Maybe they're behind the curve, and all of a sudden here comes a 28 percent marketing advantage. Whoosh, it goes overseas. We light this country up. We light this country up. We become the manufacturing center for the world again. We find jobs for people. They're out there for American labor to produce a high return so that their highly productive workers—we're the most productive workers in the world today, and we will increase our manufacturing. We will increase our exports. We'll reverse this trade imbalance, and it will be a surplus of exports. And instead of us being a debtor nation, we will become a prosperous nation.

By the way, if exports are working, think what can happen. We've got a dollar that's being devalued by the White House and by the Fed. They're printing money and dumping the currency in, and the value of the dollar is dropping. And what is one of the reasons? It's because, if a dollar doesn't buy much, then people in foreign countries can buy more things from the United States.

Look how it works the other way. When we get this 28 percent marketing advantage, we can start to tighten up our currency and start to give it value again. Maybe we can get to that point where we can put a gold standard under it or a basket of currency, a basket of commodities that would be used in lieu of a gold standard so that our dollar has a value that can be anchored to commodities that actually can be exchanged for, rather than the full faith and credit of the Federal Government.

The fair tax solves everything good that can be solved by a tax policy. It does everything that anybody else's tax policy does that's good. It does them all. And it does them all better. And I will stand on that statement, Mr. Speaker. And I will challenge any Member of this Congress or anybody that has a legitimate reputation out across this country to stand up and we'll take this issue on anywhere.

This is one of these times when I'll just say that this is one of the things that I have been right on for a long time. A lot of others have been right on this for a long time, and it's getting to the point where it's high time that we move a fair tax.

We had a little hearing in the Ways and Means Committee here a few weeks ago. I'm glad to have that. I don't know if the Earth shook when we did that or not, and I don't know how much it illuminated the knowledge base of the Members. But I will tell you that the public would be disappointed if they knew how shallow the knowledge base is among many of the Members of this Congress when it comes to a national sales tax. It's shallow. They can't pass the test. They don't want to spend the time to do that. They're just navigating themselves away from the political liabilities that come up every day in this trade. They don't have the time to dig down into it. And so you need to focus them, and the public needs to focus them, Mr. Speaker.

The fair tax needs to move. We need to have it in the debate of the Presidential race. I want to do all we can to bring it up in that debate.

And as the clock ticks down, I want to shift the gear a little bit because it's important for me to address what's going on with the natural disasters in the country, primarily the floods that we've had on the Missouri River.

We have been underwater since early or mid-June. We have more water that's come down the Missouri River than at any time prior to this year in history. This is from Sioux City, downstream. And they can talk about it very well up into the Dakotas. KRISTI NOEM and RICK BERG are very knowledgeable on what the disaster has done to them upstream.

But where we are, Sioux City on down, that river has been, since June, and I will say mid-June, it's been about—the narrowest typical place that you would see would be the water would be a mile and a half wide. This is a river that, I wouldn't recommend it, but it can be swum across. And about a mile and a half wide downstream from Sioux City, and as you go further south it gets to be 4, 5, 6, 8 miles wide at Glencoe, and north of the Omaha airport, 11 miles wide. Water 11 miles wide, and it narrows up downstream from Omaha to 4 to 5 miles, maybe 6 miles wide, all the way down into Missouri and into SAM GRAVES' district, typical, on down.

□ 1450

We have seen more water come down that river this summer than ever before. And it is a flood of massive proportions. And when I tell you a river that's 11 miles wide for 3 months long, it gives you a sense of what it is, but people have to be thinking it's stagnant water that's sitting there that can't escape. But it's really not. It's water with a velocity of 3-5 miles an hour, even out away from the central

stream of the channel; and in the central stream of the channel it's 11-12 miles an hour but out a way at the base of the hills, and it's flooded hill to hill. The water is moving along at a clip that's, oh, a fast pace if you're walking, is what it would be.

And we have watched business after business, farm after farm, residence after residence go underwater. They sandbag, set up pumps, and then they lose the battle. And then the house and buildings fill up with water, sometimes clear up to the eaves, sometimes halfway up on the windows of the living room.

And we have miles and miles of trees that have been standing in water that is 10-, 12-, 16-feet deep for the better part of the summer. I'll say all summer. And when the wind blows and the water starts to go down, the trees just tip over. Miles and miles of huge trees laying down, the swath of them just fallen over by wind and gravity and nothing for their roots to hang on to, and hundreds of thousands of farm fields that are underwater, and flooded with huge sand bars that are created by the current and all kinds of junk washed out into the middle of them.

This is what we're dealing with on the Missouri River.

The Corps of Engineers has built in the upper Missouri River six dams. They're known as the Pick-Sloan Program. That began sometime in the '40s and '50s. They looked back on the historically highest flood, which was 1881, and they had a large flood in 1943. It wasn't as much as 1881, but it was a heads-up wake-up call that started Congress working. And they began working on this Pick-Sloan Program to prevent flooding in the Missouri River.

In 1952, there was a huge flood, and that accelerated the construction. They completed in the late 1950s and early 1960s the six-dam reservoir complex of the Pick-Sloan Program that goes clear on up into Montana.

They wrote a master manual for the Corps of Engineers that guides them on how they shall manage the reservoirs and how they shall manage the Missouri River. The master manual, Mr. Speaker, has been amended. I believe there have been five different versions. But in each of those versions, the Corps of Engineers says use the same amount of storage capacity for flood control.

There is a permanent pool, and above that permanent pool they have always kept 16.3 million acre feet for flood control. The reason that they have 16.3 million acre feet is because that was the amount that was calculated that was necessary to protect from the floods of the largest run-off ever experienced, which was 1881. In 1881, 49 million acre feet of water came down. In 2011, the number will be 61 million acre feet of water.

So I have a bill I trust was introduced this afternoon or will be before the fall of the gavel today, Mr. Speaker, that requires the Corps of Engineers to manage the Pick-Sloan Program, to

protect from serious downstream flooding, and to adjust those flood levels to the largest amount ever experienced. And that language then means 2011 run-off rather than 1881 run-off.

So if we get another year of this kind of run-off, we will be using the storage rather than having it be part of the permanent pool so that all of this downstream flooding that has wiped out hundreds and hundreds of square miles and set it under a flowing current of water for the whole summer can all be protected.

They easily have the storage capacity to protect all of us downstream from that type of serious flooding. The legislation that I have that has been sponsored by representatives from at least four States along the Missouri—and I'm not sure who else might have signed on it this afternoon—just simply says to the Corps of Engineers: Adjust the flood storage from the 16.3 million acre feet to an amount that will protect from serious downstream flooding.

That's the message in the bill. That's what I'm going to ask this Congress to pass. That's what I think we have a reasonable chance of having unanimous support among the States affected by the Missouri River floods all the way up to the headwaters and all the way down to St. Louis. I'm hopeful every Member will sign on. It's bipartisan. We have about the same number of Democrats as we do Republicans on that bill, and it's something I feel the need to notice this Congress that is something that I'd ask for support, and hopefully we can start to move it through.

So, Mr. Speaker, as we get close to wrapping up business in this Congress for this week, I think about what we have ahead of us.

Of course one of the things we have ahead of us is how do we fund this government beyond September 30. That will be ultimately, I believe, a CR, a continuing resolution. We have the debt ceiling debate behind us, at least for now. We have the pressure points that are set up by the debt ceiling bill. I have never been a fan of a supercommittee of 12 apostles sitting in a room, deciding for all of the rest of us what they think is best. The product that may come from there, if it's used right, can be useful, and it can produce a happy ending here.

I'm hopeful that they will make suggestions and work with the committees. And the cuts that we must get in this Congress, I believe, need to be produced by the committees that have the most and the best knowledge about the subject matter at hand, that it's not just a slash-and-burn from inside the—perhaps, and maybe not—closed doors of the supercommittee. And I think this country has got a long ways to go.

But in the end, here's what gets us where we need to go. Pass the Fair Tax, Mr. Speaker. That turns this economy back around and does all the things that I've said. It does every-

thing good that everybody's policy does. It does them all. It does them all better.

It gives people back their freedom. It gives them 56 percent more in their paycheck. They decide when to pay taxes when they make a purchase. And it rewards production. It stops punishing production. And in the end, it inversely rewards production. People will produce more. They'll earn more. They'll save more, will export more. Our dollar will be worth more. People's labor will be worth more.

And the 80 million Americans that are of working age but are simply not in the workforce need to be put to work. We can't have a Nation of slackers and then have me have to sit in the Judiciary Committee, listening to them argue that there's work that Americans won't do so we have to import people to do work Americans won't do and borrow money to pay the welfare of people that won't work. That is a foolish thing for a Nation to do.

We've got to get this country back to work and get those people out of the slacker roles and on to the employed roles. That and revalue the dollar.

We've got to balance the budget. That means pass a balanced budget amendment that actually is a legitimate balanced budget amendment with a supermajority required to waive the balance, a supermajority required to raise the debt ceiling, a supermajority required to exceed 18 percent of the GDP, and a supermajority required to, as I said, raise taxes, balance the budget, and exceed the debt limit.

So if we can do those things—repeal ObamaCare, pass the Fair Tax, pass a balanced budget amendment out of this Congress, ask the States to save us—that would be a pretty good foundation to build this country on, and it would be a good foundation for little Reagan Ann King, who's just taken her first steps in the last 24 hours, to look ahead and think, Grandpa actually is doing something here in Congress. It's going to open the door up for her and all of her generation to come in and contribute to this country and still have something left for themselves and start to get to the point where we can one day start to pay down this national debt.

Mr. Speaker, I appreciate your attention here this afternoon, your service in this Congress as well.

I yield back the balance of my time.

#### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Pate, one of his secretaries.

#### AMERICA'S SPENDING

The SPEAKER pro tempore (Mr. GARDNER). Under the Speaker's announced policy of January 5, 2011, the gentleman from Texas (Mr. GOHMERT) is recognized for 30 minutes.