

homecoming dance or excelling in school. Instead, he was concerned for his very basic survival. Steve and his family were told he only had a 15 percent chance of living because he had a softball-sized tumor which had grown in his ribcage and into his spine. Luckily for Steve, he lived in the Cleveland area. He was being treated at Rainbow Babies and Children's Hospital in Cleveland, which is one of the leading pediatric hospitals in the world. Rainbow Babies is a world-class facility and cares for patients around the world.

The doctors, nurses, and support staff at Rainbow worked miracles on this young man. He had intense chemotherapy and spine surgery, which shrank and ultimately removed the tumor. His bones, which had been eaten away by the aggressive cancer, were replaced with titanium rods. And he started on an 8-week path to learn how to walk again, a remarkable feat which, at 15 years of age, is something that few would have the emotional and mental maturity to handle, let alone the physical capacity.

Despite the expert care, continuing radiation, and chemotherapy, it was not enough to prevent the relapse that occurs to a majority of patients diagnosed with this cancer. Within 4 months, Steve had to repeat the process of removing yet another tumor. The tumor was removed by Rainbow Babies. Thankfully, this particular type of cancer did not return.

Steve would go on with his studies and graduate high school and stay close to home and go to John Carroll University in University Heights. His life was starting to get back on track, especially for an 18-year-old. He was still worrying about school but adjusting to college life and figuring out what it means to be a young adult. But just as Steve had started his new life, he received devastating news. He was diagnosed with a new and different type of cancer called acute myeloid leukemia, or AML. AML is a blood cancer that required him to have a bone marrow transplant. An anonymous donor and doctors at Rainbow saw him through a successful operation. And thanks to them and the resilience of his family, Steve is now a robust young adult, physically and mentally ready for the challenges that come to college students.

The story of Steve's resilience and his doctors' skill and persistence is a heroic one that can serve as inspiration to all of us. But what makes this story most notable was that much of it was done without the basic protections that should be guaranteed to minors by health insurance.

Steve had exceeded his lifetime insurance limit during his third bout of cancer and, as a full-time student, he was ineligible for his parents' insurance. Steve sums up his own feelings about health care reform with this

quote. He says, If you voted for the health reform bill, thank you, because for other kids, teens, and young adults like me, you solved two problems this year: one to prevent insurance companies from having lifetime maximums, and allowing young adults and teens to remain on their parents' coverage until age 26, even if they are not enrolled in postsecondary education.

A story like this, Mr. Speaker, will never need to be repeated again in this Chamber, and that's because of health care reform. I am, again, proud to have been one of the persons who voted in this House to save the lives of so many.

With that, Mr. Speaker, I yield back.

#### LESSONS FROM THE PAST

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

Mr. AKIN. It's a treat to be able to join my colleagues this evening as we take a look at, once again, some of the fundamental questions that we face as a Nation: the questions that center around our budget deficits, the world economy—particularly unemployment in America—and the various policies that are involved in some of these questions. These are things that have absorbed the attention of our Nation now for some period of time because the economy has been very tough. There are many Americans that are hard workers that are out of work, and the condition of our country overall, even particularly various States, is troubling at best, and dire probably would be more accurate.

I think that it's appropriate sometimes just to look back a few years to see where we have come from and also to develop a little wisdom from the past and the lessons that we can learn from the past. I have chosen just to jump in at a particular point, an interesting point in history that I think a lot of people don't know. This isn't really old history. This is things most of us have lived in our own day.

This was September 11, just 2 years after the attack on the Twin Towers, September 11, 2003, the situation chronicled by The New York Times, not exactly a conservative oracle, yet accurately reflecting a proposal, in fact, a plea, from President Bush. This is what the actual text of the article says: The Bush administration today recommended the most significant regulatory overhaul in the housing finance industry since the savings and loan crisis a decade ago.

This is 2003. This is not 2008, when the housing crisis came crashing down upon all of our ears and destroyed the stock market and our economy. It says here: Under the plan disclosed at the congressional hearing today, a new

agency would be created within the Treasury Department to assume supervision of Fannie Mae and Freddie Mac, the government-sponsored companies that are the two largest players in the mortgage lending industry.

Freddie and Fannie, for people who have just gotten a little hazy in their memory, of course, were quasi-governmental. They were really private companies, but they were created with almost the implicit assumption that if anything goes wrong, the Federal Government will step in. And what was going on was that going back even before 2003, you had Federal policies. This is closely tied up with the ACORN organization and our President. You had Federal policies that said that banks had to give loans to people who were a very poor risk. There were certain areas of the country where it was very hard to get mortgages and for individuals to buy a house. We felt that home ownership was a good thing, in general. And so the banks, the Congress decided that the banks should be required to make loans to people who may not be able to pay those loans.

So what you have here is social engineering. It reached its height almost under President Clinton in his last year. And he changed the percentage, saying that the banks have to up the percentage of loans which, by most other economic standards, would be just considered risky or poor loans. Well, what happened was the different bankers and other people who sold the loans took these loans and offered people money to buy houses, even though their credit or perhaps the job they had showed that they could not support that rate of mortgages and mortgage payments. So they sold all these things. But guess who picked up the tab? Well, it was Freddie and Fannie. And Freddie and Fannie got into a huge business of underwriting people's home mortgages, and this grew and grew and grew.

Well, by 2003, even while we were in the height of the real estate boom and it seemed like housing prices were doubling every few years, Freddie and Fannie lost a few billion dollars or so, or a lot of millions of dollars, and that reflected the fact that Freddie and Fannie, in the President's estimation, were in trouble. So the President wanted more authority from Congress to regulate Freddie and Fannie, who were largely private, and the President had no authority to do that. So he is requesting authority.

The response of the Democrats—in this case, particularly the top Democrat in the House at the time was Representative FRANK. He said these two entities, Fannie Mae and Freddie Mac, are not facing any kind of financial crisis. The more people exaggerate these problems, the more pressure there is on these companies, the less we will see in terms of affordable housing.

Now, of course, 20/20 hindsight, you look back and say, Well, yeah, this isn't a very smart thing to have said because Freddie and Fannie were in huge trouble. They continue to be in huge trouble. They're extended way beyond what they have any means to pay for. They've got lots of debt that they shouldn't have. So there is a huge problem with Freddie and Fannie. But Freddie and Fannie were very popular here in Washington, D.C., because they had hordes of lobbyists with many, many thousands and hundreds of thousands and millions of dollars which they gave out to political people in Washington, D.C. So Freddie and Fannie were very popular, and it was quite a number of people, particularly Democrats, said, No, there's no real problem with Freddie and Fannie.

As we know, Freddie and Fannie did have a problem and they're in a tremendous crisis. As that crisis developed, what happens is not only does ACORN and the social engineering threaten just the housing market, but it affected not only just our economy but the entire world economy and created this crisis which started in housing but, unfortunately, did not stay contained just to the housing market. So we see the beginning of the economic problems that we're experiencing now started with ACORN, started in the housing market.

Now, there are people who say sometimes that this is evidence of the failure of free enterprise. I bristle a little at that because this is not a failure of free enterprise. This is a failure of government social engineering. The loans that didn't work, I suppose that those loans were made in the name of compassion, although I don't know what is compassionate about asking somebody to take a loan and giving them a loan that they can't afford to pay and slowly they get farther and farther behind in debt and eventually get evicted from their house. That doesn't seem, to me, very compassionate.

Anyway, it was this social engineering that got us into trouble. People could not afford to make these loans. And for a while there it got to be a pretty good deal, because you could get a loan where you wouldn't have to make any payments for a couple of years. You could buy a house for \$300,000, make no payments for a couple of years, sell it just about the time you're going to have to make this huge, big mortgage payment, and double your money. That worked okay for a while until the bubble popped. Anyway, we start to get into serious economic problems.

Now, as that continued, it affected other parts of the economy. As people are aware, we had the great big TARP or the big bailout of \$700 billion, something that I did not vote for and many other conservatives did not vote for. We believed that that problem could

have been solved by changes in accounting rules, but I won't go into the details of that. Following that, then, is President Obama is elected, recognizing there were some difficulties in the economy. We had unemployment that was getting up there, 7 and 8 percent unemployment. At that time, the President came in and told us that we needed a big stimulus bill.

Now, I have to say that many conservatives are skeptical about "stimulus" bills. Just the premise of the whole idea is flawed.

□ 2100

The government cannot stimulate really the economy; the government can only just create an environment where the private sector can be productive, can produce jobs, can create wealth. But the government cannot create wealth, and it cannot really stimulate. It can only simply take money and spend it.

So this stimulus bill was put together at about, not \$700 billion like the big bailout for Wall Street; this was an even bigger bailout of about \$800 billion. This is what we were told before the bill was passed: Our stimulus plan, this is the Democrats speaking, will likely save or create 3 to 4 million jobs; 90 percent of these jobs will be created in the private sector, and the remaining 10 percent are mainly public sector jobs. This is President-elect Obama January 10, 2009. And then the Romer Report estimated unemployment without stimulus is 8.8 percent in 2010. So, in other words, we were told, If you don't pass this stimulus bill, what is going to happen is you are going to get unemployment that is going to go as high as 8 percent, so you need to hurry up and pass this big stimulus bill.

Now the stimulus bill was not a stimulus bill. It was an investment in big government. It was an investment in socialism, and it was never going to work. We stood on the floor, I and a number of other Republican colleagues, a year ago and said, This will not work. And it is not because we were geniuses that we knew it would not work; it is just because history shows that this approach is flawed. It doesn't work at all.

So, now as we take a look, the private sector has lost nearly 8 million jobs. They claimed it was going to create three to four in the positive. We have lost 8 million since 2008. The government has gained 656,000 jobs of government employees. A lot of these are temporary Census workers. And in May, only 5 percent of the job creation was in the private sector. In fact, the May unemployment rate was at 8.7 percent, approaching 10 percent. So this stimulus bill didn't work.

Now you could say, how is it you know it wasn't going to work. Well, we know because it has been tried before.

It was tried by FDR. In fact, his Secretary of Treasury, Henry Morgenthau, tried this same basic idea. And as a former engineer myself, it is like the concept of reaching down into the loops of your boots and lifting hard and attempting to fly around the room by lifting your own boots.

What they decided to do was, when the economy was having a hard time, with a little bit of coaching from dear little Lord Keynes from England, that what we would do is have the government spend a ton of money, and when the government spent this money, it would get the economy going. It would, quote, stimulate it, and get us back onto a sober track. Well, of course, that is pretty appealing to politicians because you get to be the guys to hand out all of other people's money in giveaways. That is what the stimulus bill included, a lot of handouts to various State governments so that their pensions could be propped up when the State governments had irresponsibly spent pension money that really wasn't there, and promising all kinds of retirees that they could have a much fatter pension than what the government can afford, that and a whole series of other things.

But this bill was not even a classic FDR kind of stimulus bill because that would have been lots of cubic yards of concrete and hydroelectric dams and also lots of roads and sort of public works projects. This stimulus bill was much longer in increasing sort of welfare-related type of giveaways, giveaways to various States and butressing and increasing various government handouts. And it was not as long and concrete in those types of jobs.

Be that as it may, we can learn from Henry Morgenthau, if the leading and liberal party in this Capitol can learn from history, but they didn't.

This is Henry Morgenthau going way back to 1939 after the Great Depression, and he appears before the House Ways and Means Committee and he says, We have tried spending money; we are spending more than we have ever spent before, and it does not work.

Now we have read this here on the floor many times, but people in politics don't want to hear it because they like dishing out other people's money.

He continued, I say, after 8 years of the administration, we have just as much unemployment as when we started, and an enormous debt to boot.

It sounds hauntingly familiar; doesn't it? We did the stimulus bill. We created that much more debt, spent \$800 billion, on top of the \$700 billion for the Wall Street bailout; the one was a bailout for big Wall Street firms, the other was a bailout for States and other individuals who spent more money than they should, and so we are supposed to bail them out. How well did it work? Well, Henry Morgenthau said it didn't work. And what do we

find? Oh, my goodness, it doesn't work. Our unemployment is higher now than when we spent the money.

So we are saying, okay, is this a failure of free enterprise? No, it is a failure of government to be able to straighten the economy out by taxing people a lot and spending all of their money. That just doesn't work. It may make you popular with the people you give the handouts to, but it does not get the government going. Unemployment, of course, skyrockets.

Now here is the logic of how this thing works. Here is a picture of it graphically. This white line is the private sector level of employment. You can see the drop in employment coming down here in terms of the number of jobs on this axis, and the red line is the increase in government employment. So, as private sector jobs are going down, which means that is where you get tax revenue by people who are making income in their jobs, as the private sector is flat on its back, you see the red line here is government spending for hiring all kinds of different people who work in government.

In fact, some statistics came out the other day saying people who work for the government now on the average are making twice as much as the people working in the private sector. That sounds hauntingly like what is going on in Europe. Obviously, you can't have a whole lot of people working for the government making more money per person than the people in the private sector because pretty soon, there just isn't going to be any more money in the private sector. Not only will you slow the businesses down that create the jobs, you will kill the businesses dead, and then we will really be going from a recession to more like a great depression.

So here we have the big government Democrat way. We see that this whole plan of stimulating the economy really is a failed scheme. You could say, well, you have your theories; everybody has their theories. But the fact of the matter, we just did this \$800 billion experiment with your money, the taxpayers' money, and it hasn't worked. And the economy has not responded. That shouldn't be anything surprising because in a few minutes, we will get into the logic of how that works and why it doesn't make any sense.

As we continue along after the big proposal for the stimulus plan, we have other major initiatives that the President and Speaker PELOSI and Senator REID have been proposing. The first was this cap-and-tax deal. We saw that last spring a year ago, and that, of course, was to deal with global warming. The theory was, of course, in that, that CO<sub>2</sub> was a very, very bad gas, and it is making the planet heat up at a terribly alarming rate, and we have to reduce the amount of CO<sub>2</sub> that is being created because that is actually going

through a feedback loop in our weather system. The CO<sub>2</sub> has a disproportionate amount of leverage and is creating global warming. That is the proposed idea anyway.

If you assume that is true, which as an engineer, I don't believe that is true, certainly the data does not support the radical claims of global warming that we have seen from that community. In fact, we have seen evidence in some of the e-mails of the cheating that was done, where the lab was being fudged and the facts were being skewed in order to make it look like global warming was a bigger problem.

But even if you believed that were true, if you really want to get rid of CO<sub>2</sub>, all you have to do is close down some coal-fired power plants and replace them with some nuclear plants. In fact, in America, if you just took 20 percent of our coal-fired plants and changed them to nuclear, it would get rid of the CO<sub>2</sub> produced by every passenger car in America.

Was that what this big old cap-and-tax bill did? No, this bill was huge amounts of government bureaucracy, and it was a huge taxation. It was a big taxation scheme. It was a big power grab by the Federal Government. Would it really reduce CO<sub>2</sub>? Probably not.

□ 2110

It just increases the power of Washington, increases taxes. It's of course breaking the President's promise. He said, I will not tax anybody who makes more than \$250,000; and yet this is a tax every time you flip your light switch. So this was one of his initiatives, and he has a whole bunch more. And every one of these initiatives is carefully crafted, whether they were done intentionally or not I am not saying, but every single one of these things has the effect of further destroying jobs and ruining our economy.

I am joined by a good friend of mine from down in Georgia, my good friend Dr. GINGREY, and we are going to talk a little bit about some of these problems. And then as we start to conclude this evening, we are going to talk about the positive things, the things that can be done to fix this problem. These problems are not things we haven't seen in America.

We have not seen this much gross uncontrolled Federal spending, this much lack of discipline, fiscal discipline in our country any time that I recall. It's been this bad, but that doesn't mean that there aren't solutions and there are things we can do. But we need to do them rapidly and soon.

I would now recognize my good friend, medical doctor and U.S. Congressman from Georgia, a good friend, and a very bright fellow, Dr. GINGREY.

Mr. GINGREY of Georgia. Mr. Speaker, I appreciate the gentleman from Missouri for recognizing me. And just

looking at some of the slides that he is presenting in regard to the one that's currently on the easel, Mr. Speaker, I encourage all of my colleagues on both sides of the aisle to pay close attention to that, the one entitled "Obama Plan Taxes." And the gentleman from Missouri has already explained the bullet points, cap-and-tax, the carbon taxation, health care taxes, employers' tax if they don't offer a government-approved plan, and medical device manufacturers taxed on the sales price of their products, and then of course the last two, the death tax, tax on inheritance, and capital gains tax.

One that's not on that particular slide, Mr. Speaker, that is really troublesome, of course, is raising the tax on dividends from 15 percent to whatever one's marginal rate might be. And with President Obama planning to let the Bush tax cuts expire, that means all the marginal rates will increase, and the highest rate will go up to 39.6 percent. So individuals in that income tax bracket will be paying not only 39 percent on their earned income, but 39.6 percent in fact on capital gains.

What a job killer, Mr. Speaker, to tell people, you know, you're going to have to pay this much to invest. The stock market is already struggling. Do we want to deal it a death blow? It makes no sense whatsoever.

I wanted to, if the gentleman would allow me, and I know we will engage in a colloquy back and forth, but Mr. Speaker, I did want to mention one thing. Maybe it's already been said this evening, but I don't think it can be said too much, and that is the President reneging on his promise to the American people in regard to health care: if you like your health care plan you can keep it, until you can't keep it.

Mr. AKIN. I don't think he added that little piece, did he, until you can't keep it? You can keep it. He didn't add, "until you can't keep it."

Mr. GINGREY of Georgia. Mr. Speaker, the gentleman was absolutely right. That was Phil Gingrey's addition to the quote, the President's quote. But what I mean by that, of course, is the fact that under the Medicare Advantage program in particular, a very popular way of receiving health care for our Medicare population, fully 20 percent of the 45 million people who are on Medicare in this country, 20 percent of them choose Medicare Advantage because the advantage is there, the advantage to be able to get an annual physical examination as part of their Medicare benefits, the advantage of being able to have a screening done for a lot of diseases—I am talking obviously about screening for breast cancer, screening for colon cancer—without any copay required. The coverage in many instances of prescription drugs for folks so that they don't have to buy supplemental at about \$130 a month, Mr. Speaker.

The President under ObamaCare and the Democratic majority have cut those programs 17 percent a year. And I know my colleague from Missouri knows this. It adds up in the aggregate over a 10-year period, Mr. Speaker, of a \$130 billion cut to the Medicare Advantage program, 17 percent a year.

Now, when we started this debate, it was implied, maybe correctly, that Medicare Advantage insurance companies that ran these programs for our seniors got reimbursed on average 14 percent more than traditional fee-for-service Medicare expenditures on an annualized basis. Well, why cut it 17 percent if they were getting 14 percent more? If your argument is let's cut the fat out of Medicare Advantage, you cut the fat. And then you are down into the muscle and the gristle and the cartilage, right down almost to the bone.

And in the final analysis, what it means, Mr. Speaker and my colleagues, is that Medicare Advantage cannot survive. There is no way. And that means that these people, these 20 percent, 11 million of them, many of them in my 11th Congressional District of Georgia, northwest Georgia, are on the Medicare Advantage program, they are going to lose that coverage. It's as simple as that.

And I yield back to my friend. I thank him for allowing me to join him this evening.

Mr. AKIN. I appreciate it, Doctor. Certainly as a medical doctor you have been looking very closely over the last year at one of a whole series of these taxes. These things effectively work as taxes. Let's just take, if you will, health care out of the equation, whether people are healthy or get good health coverage.

The point of the matter is that this cap-and-tax is a huge tax that the House passed on the use of energy, which affects anybody who uses energy. You don't have to be very well-to-do to have a pickup truck and have to drive a long way to a job, and you spend a lot of money in gas or some type of energy. So this is a big tax on energy. This is a big tax on health care.

There is going to be a huge, huge amount of taxes. They tried very hard to make it look like this is a trillion-dollar increase in taxes, and the numbers continue to come out that it's a lot more than that. So there's another tax. And then you have got the death tax, as you mentioned; you have got the capital gains dividend tax, which is one of the main things that helped get the economy going before.

All of these things are boomeranging around, and you finally, when you get done with the whole thing, you end up with a cartoon that some humorous fellow put together here: "Now give me one more good reason why you are not hiring." And you see these bulls coming into the china shop; and you have

got cap-and-tax, or cap-and-trade, the health care reform, which is, of course, the biggest, probably the worst, bill we have seen; and then of course the various other taxes that are coming into this. And he says: "Why are you not hiring?"

And of course what's happening is we are doing two things, basically, in the economy. It's very simple. We are spending a whole lot of money, and we are taxing a whole lot. And, historically, that's exactly the wrong thing for us to be doing. And you have all of these taxes, and of course people don't even begin to realize how much that socialized medicine program is going to cost. Other nations have tried it. It's a total budget buster, even though it ruins the quality of health care as well.

Mr. GINGREY of Georgia. If the gentleman would yield, Mr. Speaker. I thank the gentleman for yielding. If you would leave that cartoon up there just for a second longer. I love that cartoon. It really portrays what's been going on under this administration and the current majority party in Congress.

I mean, this bull in a china shop approach, as this cartoon so adequately depicts, it's like rushing into a situation in a clumsy, haphazard way when the situation that you are going into is very fragile. And it deserves wisdom, and judgment, and temperament, and a measured response so that you don't go in and break all this valuable, fragile china. And the analogy of course would be our economy.

And when you think about some of the bulls that came charging in, what comes to my mind, Mr. Speaker, my colleague from Missouri, would be something like the economic stimulus package of almost a trillion dollars that has grown a lot of government jobs, most of them census workers, but very few jobs in the private market. The charging in there with the TARP bailout, \$800 billion. We are going to buy up all these toxic assets, these credit default swaps and all of these things that none of us really understood when we first started discussing this and how fit Freddie and Fannie had packaged all these mortgages and a lot of them with their very poor credit and not worth a whole lot.

□ 2120

So we were going to buy the TARP. It stands for Toxic Asset Relief Program, and not one toxic asset to this day, and it's been a year and a half since that bill passed, has been purchased.

What we did, we started doling out the money to the nine largest in the country, said, Here, take these hundreds of billions of dollars even if you don't want it; and the poor community banks in my community and your community, the gentleman from Missouri (Mr. AKIN) and other colleagues, all 435

of us, you know, we see struggling, and yet nothing is done to this day to help them.

Again, I thought that slide was a very appropriate segue for me to show, you know, all of this bull-in-a-china-shop spending instead of cutting the deficit.

Mr. AKIN. I'm going to get to that, but one of the things when you do what you're talking about, that bull-in-the-china-shop mentality of just spending money out of control and it's a bailout for big businesses, bailout for Wall Street, bailout for various States, bailout for individuals that didn't save money and we're going to give this and this and this, when the government starts getting into the bailout business—of course it's choosing winners and losers—there are lot of people that are not getting any bailout. They're being expected to pick up the tab for other people's financial errors.

What happens is you start spending all this money, of course if you're running any kind of a responsible operation, you've got to have some sort of a budget saying, you know, how are we going to make this all work, because pretty soon you're going to start giving away more money than you have. In fact, I think somebody was quoted one time saying, the trouble with socialism is pretty soon you run out of other people's money.

So budgets are necessary, and some of our leaders here on the floor, some of the Democrats said they recognize the fact budgets are necessary. The Democrat whip, Congressman HOYER, said the most basic responsibility of governing was a budget. The most basic responsibility of governing. I have to agree with Congressman HOYER. Here's Congressman SPRATT, the head of the House Budget Committee, said, if you can't budget, you can't govern. Those are strong words and they're true words.

Mr. GINGREY of Georgia. Indeed. If the gentleman would yield for a second, and, Mr. Speaker, what the gentleman is talking about here, these quotes from the Democratic whip at the time but now Democratic majority leader, the Honorable, and distinguished I might add, STENY HOYER from Maryland and Representative JOHN SPRATT from my—well, I lived 20 years of my life, was born and raised in South Carolina, and I respect JOHN SPRATT and STENY HOYER. I think Members on both sides of the aisle—so you're talking about not a couple of freshmen Members sitting on the back bench. You're talking about the chairman of the Budget Committee, who has been in this body and served with distinction probably for—I'm going to guess JOHN SPRATT has been here 25 years or so, STENY HOYER as well, and we respect them. They're intelligent. They're thoughtful Members, without question. You know, we don't agree

with them, we Republicans, Mr. Speaker. A lot of times we will be voting opposite, many times we will be voting opposite.

But for these two gentlemen to have those quotes, this really says something, and the gentleman from Missouri is so right. When they say that—and then today it's like, well, we don't have a budget and, furthermore, we're not going to have one because, well, maybe the gentleman from Missouri would like to talk about that. But I think it needs to be discussed, because if you can't budget, I agree with Mr. HOYER and Mr. SPRATT, you cannot govern.

Mr. AKIN. You know, there's a certain point where if you spend too much money and you try and put a budget together, the train is going to come off the track. I think that's where we are, and that's, I think, the reason why the Democrats said, yeah, you have got to budget. We always had a budget when the Republicans were in the majority and we always had a budget here in the House. It didn't always get through the Senate necessarily, but we had a budget in the House.

We're also joined, as you can see, my friend, by another good friend of ours coming from the State of New Jersey, and that's Congressman GARRETT. And, you know, I have to say that the State of New Jersey has been refreshing in the last year or so with their new Governor showing some fiscal responsibility, just giving heartburn to all the big spending people that want to spend that State into oblivion. And Congressman GARRETT is a good friend of ours, a good, solid, fiscal thinker, and I'm just delighted that you've joined us in our discussion this evening.

I yield.

Mr. GARRETT of New Jersey. Thank you. I wasn't going to start off on that road, but it's probably a good one to talk about for just a moment. I commend the gentleman for his leadership on this general issue and being down on the floor bringing an educational point not just to the Members of the Congress who are here or watching back in their offices but the American public as well. So I commend the gentleman.

Yes, I am from the great State of New Jersey, and we have gone through phenomenally bad fiscal times for the last decade or so in our State that brings us to the brink of economic morass that we're in in the State right now. In one sense, you might say that New Jersey is sort of like a microcosm of the rest of the country, and that is spending beyond its means.

We hear a lot in the news with regard to the great State of California out on the West Coast, and that's simply because the State's so large and the economy is so large. But a lot of the economic funds and the debt limits, New Jersey is actually in a worse state than California is on a per capita basis.

Mr. AKIN. I don't know if that's good bragging rights or not. That's pretty scary.

Mr. GARRETT of New Jersey. New Jersey often says we're number one in a lot of things, and sometimes the things that we're number one in are great but at other times they're not so good, and the debt levels and the responsibilities of the taxpayers of New Jersey to pay them off are quite astounding. And the number that comes to head just as an aside right now is that per family, which is about four people, it's around a hundred thousand dollars, the debt level, if you add the State, counties, and local levels.

Mr. AKIN. So local spending, the average family of four, is a hundred thousand bucks of debt, per family of four?

Mr. GARRETT of New Jersey. Right. And if you translate that into if you wanted to go out and get a mortgage on your house right now for a hundred thousand dollars, at around 6 percent, I guess that would translate to around \$600 a month. So that's what we are all on the hook for in the State of New Jersey.

The Federal Government, of course, goes way beyond that, and I don't have to tell you that, but the Federal Government needs to simply do what New Jersey is doing right now and that is begin the process of living within its means. It's not an easy one by any means. That's why our Governor is making—

Mr. AKIN. What would be the first step in living within your means? Would it not be putting a realistic budget together, perhaps?

Mr. GARRETT of New Jersey. Well, there you go. It would be, and as a matter of fact, as you know, I serve on the Budget Committee and Chairman SPRATT is the chairman of that committee. We had just this past week the head of the Federal Reserve, Chairman Bernanke, before our committee, and we put that question to him. We asked him a two-step process: What are the financial markets of this country looking for today, and why do you have so much unrest in the financial market? And he basically said it is because of all the uncertainty out there—I'm paraphrasing, if you will. And then we said, well, is it a problem that creates uncertainty, then, if the Federal Government does not make transparent exactly what we are going to be spending, i.e., present a budget? And he basically says, well, that is one of the elements of uncertainty, absolutely.

Mr. AKIN. I guess he was being gentle at least, trying to give us a little nudge in the right direction.

Mr. GARRETT of New Jersey. He was, and I was being a little bit gentle in those areas. I put a chart on the screen showing where we've been over the last several years because, you know, the Democrat majority always says that they inherited this problem

and that all the problems that we're dealing with today are all President Bush's fault. And I put up a little chart on the wall showing going back, I guess it was, from 2000 and 2004 and showing what the budget deficits were, and that was the gray chart. I don't have the chart right here. So it was this big, then it got a little smaller and a little smaller, and then it went to the year 2007 and it got about this level, and 2007 and 2008 it goes basically off the chart.

Mr. AKIN. I think I've got that chart, gentleman. Maybe we'll proceed. I have one other chart here I think that's kind of interesting, because we've heard these statements now from the Democrat leadership saying budgets are critical, and as you know, you know the punch line, the decision is we're not going to have a budget. So here you have, this is *The Hill*, a newspaper. It says, Skipping a budget resolution this year would be unprecedented.

The House has never failed to pass an annual budget resolution since the current budget rules were put into place in 1974, according to Congressional Research Service.

□ 2130

Now, that's a fairly reliable report; at least they can get the history of whether we passed a budget in the House. They said we have always, since 1974, passed a budget, and yet we're not going to pass a budget this year. That's unprecedented.

Mr. GINGREY of Georgia. If the gentleman will yield.

Mr. AKIN. I do yield.

Mr. GINGREY of Georgia. Again, we are getting back to that issue, Mr. Speaker, of not even having an intention to pass a budget. And I thank the gentleman from Missouri for bringing that point out, that this is the first time at least since 1974. The Congressional Research Service is very accurate in the information they present the Members of Congress.

I was thinking about—it's been in the news so much, Mr. Speaker—the Euro zone. Those countries of the European Union, 27 of them—I guess maybe 23 or 24 are members of the Euro zone. They have that common currency. And the crisis that's going on there in regard to, the acronym is PIGS, but it stands for the countries of Portugal, Italy, Greece and Spain. I'm forgetting one "I."

But in any regard, Greece got this massive bailout of something like \$140 billion, and the Euro zone from the International Monetary Fund with them pledged, I think, another \$750 billion worth of bailout because these countries that constitute that acronym PIGS, their debt ratio to their gross domestic product is so high. Well, look in your own eye. Don't curse the speck in somebody else's eye when you have a plank in your own, as the Bible says.

But that's essentially what we are doing, the United States of America. That's what we are doing. Our debt to GDP is what, my colleagues? You can tell me. But it's close to 90 percent, and by 2020, it will be well over 100 percent, if not 150 percent.

I will yield back to let you all discuss that.

Mr. AKIN. I very much appreciate you bringing that up. Actually, I should pay you a few dollars for helping me get to the next slide because I've got a picture of where Greece and Italy and some of the European nations are relative to the U.S., but I will get to that in a minute.

But I think, just before you joined us, my good friend from New Jersey mentioned the level of this deficit spending. And I think it's important to take a look on a bar graph as to what we're looking at here.

I know that President Bush—and as a Republican, I heard this frequently—he was criticized for spending too much money. And I voted against some of those things and think, yeah, we did spend too much money because we had a deficit. But on the other hand, he argued that we had a couple of wars and a bad economy kicking things off. As you can see, the amount of deficit during the George Bush years here was coming down because of the things that they did by reducing taxes. They had the right formula for getting us going in the right direction.

Here was President Bush's worst spending year, his very far worst when Speaker PELOSI was in charge of Congress, so he wasn't getting any help from the Republicans in the House at that point. This was Bush's worst spending year.

And then you come to the first year of President Obama, and he triples the deficit. From about \$450 or so billion of deficit, we go to \$1.4 trillion of deficit right off the bat in the first year. I mean, this is absolutely skyrocket, smashing, incredible levels of spending.

Mr. GARRETT of New Jersey. If the gentleman will yield.

Mr. AKIN. I yield.

Mr. GARRETT of New Jersey. And you are setting the record straight, but just to elucidate a little bit more on the record as to the process here in the House.

As the gentleman well knows, all appropriation bills, all spending of taxpayers' money originates right here in the House. And who was the person holding the gavel at that time when those spending bills originated from here in the House? Well, it's the gentleman's name who was on the last chart, Chairman SPRATT.

So, on the 2007 year, right down there, that would have been when the Democrats would have been taking control of the Congress. They took control, and so they would have been having the appropriations process that

year going forward. And so, realistically, who was responsible for that immediate uptick in the red chart right after that? Well, we didn't have to wait for President Obama to come into office in order to see the control of Congress that changed; that was the Democrat majority. And so although President Bush was still in the White House, where was the spending coming from at that point?

Mr. AKIN. Originated in the House.

Mr. GARRETT of New Jersey. Right here in the House.

Mr. AKIN. So that was this one. But what happens when you put Chairman SPRATT together with President Obama?

Mr. GARRETT of New Jersey. Off the charts.

Mr. AKIN. Here we go, \$1.4 trillion.

Now, there are different ways of looking at this. When you talk about billions and trillions, for poor little people like me, those numbers are very hard to understand or make much sense out of it. But one way to take a look at it is this deficit as a percent of gross domestic product; that is, all of the goods made in America, what is the ratio? This one, the worst, was 3.1 percent of GDP. President Obama's first year here, where you have total Democrat control, one party rule, you've got \$1.4 trillion, which is, as I recall, 9.9 percent of GDP, which is the highest since World War II. So this stuff is unlike anything we've seen before. And this is part of the reason why the Democrat Party doesn't want to make a budget, because they're really proud of those numbers. If those were my numbers, I'd be scared to death. And I think the American public is concerned about that level of spending.

I was going to jump just to a little bit—I mean, we've been very critical of the fact that we're doing two things wrong in this one-party rule run by the Democrats, and that is too much spending and too much taxing. It shows a tremendous faith on their part of what the Federal Government can do in terms of solving problems. They believe that there isn't any problem that can't be fixed with more taxing and spending; that's where we seem to go.

But let's talk about some stuff that's just so basic that many, many Americans understand this, particularly kids in Georgia or New Jersey or Missouri that have ever run a lemonade stand, just to understand a little bit about how businesses go. And so I put together a list of some of the main things that are job killers because the result of too much spending and too much taxing is there is unemployment. So what is it that kills a job? What is the solution to this problem? I'm an engineer. You're a doctor. And gentlemen, I don't recall—

Mr. GARRETT of New Jersey. I'm a lawyer.

Mr. AKIN. A lawyer. This is almost like one of those jokes, you know.

But anyway, what is it that kills jobs? I've talked to my businessmen in my district, and I've heard this over and over: The first thing is excessive taxation. You take a look at the stimulus bill, huge amounts of Federal spending. You've got the socialized medicine bill. You've got the cap-and-tax bill, all those massive tax increases, capital gains, dividends, death taxes, all these, more and more taxation, heavy taxation. And what does that do? It kills jobs.

Well, why would that be the case? Well, if you're a businessman and you're going to get taxed a lot, it takes your money away from investing back in your own business. And 80 percent of the jobs in America are with companies with 500 or fewer employees, and so if that guy that owns the business, he looks like he's a rich guy. Maybe he's making more than \$250,000 a year. You say, let's tax that guy. But if you tax that guy, then he can't put the money back into building a wing in the business, putting new machine tools in it, or whatever the new technology is, and creating the jobs. And so this taxation inevitably works to create unemployment.

The funny thing is the Democrats can't have it both ways; they can't have a war on business and say they're worried about unemployment, because it's businesses that employ people. They act like there isn't a connection between businesses and the people who get hired by the businesses. So if you tax a business out of business, there won't be any jobs. It's not that complicated. So the solution to these things isn't that complicated. You can't hammer the guys that own the businesses with all these taxes.

Of course, the other problem that we've created economically is that the regulations on the banks are so tight that the small businesses are having trouble getting access to capital. There is a liquidity problem, and that's part of the regulation of the banks and the finance industry, which they've also managed to mess up.

□ 2140

Then, of course, economic uncertainty is a factor, which is where people don't know what's going to happen next. What crazy scheme are we going to do next? Well, it means you're going to hunker down, and you're not going to hire people. Then, of course, red tape and government mandates—all of these things—kill government jobs, and we're doing every one of these things. It's like we've declared war but not on radical Islam. We haven't declared war on Iran, on Iraq or on North Korea. We're declaring war on U.S. businesses.

Mr. GINGREY of Georgia. If the gentleman will yield, this slide, Mr. Speaker, the one that's currently on the easel, is labeled—for our colleagues

if you can't see that—"Close Job Killers," and it has the different bullet points.

I think, Mr. Speaker, that the third bullet point, "Economic Uncertainty," may be one of the most important reasons the situation is so bad in our country right now. The gentleman from Missouri referenced kids in New Jersey, in my State of Georgia, and in his State of Missouri who are creating lemonade stands, who are making lemonade. Certainly, the ingenuity of the American people is such that, over the 230-year history of this country, we have made a lot of lemonade—despite being hit with a lot of lemons. Yet that, too, has its limits. When you have excessive taxation, when you have insufficient liquidity, when you have, yes, economic uncertainty, like we have never had in probably 25 years, and when you have red tape and government mandates, you can just make so much lemonade. That's the problem, and it goes back to the slide earlier of the bull in the china shop approach.

Now here, this weekend, all of a sudden, after the President, Mr. Speaker, meets with our Republican leader, Leader BOEHNER, and with Leader HOYER, they're talking about what we can do to cut down on the excessive spending and on all these deficits, the debt. Lo and behold, on Saturday night, out of the blue, having not discussed that on Thursday in the presence of the leaders of this body, President Obama now says we want \$50 billion more, a mini-stimulus if you will, from this Congress in order to shovel it to the States on a temporary basis so we can keep teachers and public defenders and firefighters and all these folks on the job. Yet for how much longer? Then when you pull away and when you spend all of that \$50 billion, who is it on the backs of? Once again, it's on the backs of the States that have to balance their budgets. It is fiscally totally irresponsible.

Mr. GARRETT of New Jersey. If the gentleman will yield, first of all, isn't it amazing that we have gotten to the point where we would say that spending \$50 billion is a mini-stimulus proposal? I know you're doing that flippancy in light of the fact that we have \$700 billion here and \$700 billion there and trillions of dollars by the Federal Reserve, but that is amazing that we've gotten to this point. Perhaps there is so much lemonade that the American public has basically soured on all of this spending that has been going on here.

Not to play the puns any longer, you said earlier that this administration has waged war on business. I guess you could extrapolate that and say they're really waging war on job creation in this country. I think that's issue number one, job creation, because, by waging war against the expansion of businesses out there, that means we're not going to see job creation.

Part of that war is a battle that is going on right now, literally as we speak. It started on Thursday of last week. It will go on for the next 2 weeks. What I'm talking about, of course, is the conference committee between the House and the Senate on the financial service reform, which is definitely an attack on your second bullet point there—insufficient liquidity.

The bill that came out of the House and out of the Senate, under the majority party, will restrict liquidity; and it will restrict credit in the credit markets across this country. It will do so on a whole host of fronts whether it's through the Federal Reserve activities, whether it's through the CFPA, or whether it's through the regulations of the derivative markets; and I can just go down the list.

What does all that mean to you, to me, and to all the folks back home?

It means it will be harder to go out and get that auto loan. It will be harder to go out and get that home equity loan. It will be harder to go out and get that mortgage so you can buy a new house. It will be harder for that small business that wants to buy a new truck so it can hire one more person to drive that truck to do business. It will be harder for that small business to get a loan to expand its operation. All of those things—a lack of liquidity and the tightening of the credit markets—will hurt business, and it will hurt job creation. That is what is going to be rolling out, unfortunately, in the next couple of weeks here in Congress.

Mr. AKIN. Gentlemen, fortunately for you, or maybe unfortunately for you, you are on the committee that is dealing with that. To me—and just tell me if I'm confused about this because I work more of the Armed Services side of things and the national security and the national defense side, and we've got a lot of bad news over there, but I'm not going to share that tonight.

There is an irony here that the Federal Reserve has created this huge, massive liquidity. Yet it's like they've choked the funnel off so tightly that the liquidity can't drip down. The Democrats used to talk about trickle-down economics. I mean, this truly is kind of a trickle-down scheme. You have all this liquidity created by the Fed. Yet it can't get down to the small business guy because, I assume, that part of this is the banking regulators and the banking policies that are saying to the local banks, That's not a good enough amount of security on that loan. You've got to go back because that loan is upside down. Even though that business has been there for 100 years, even though you know the family, even though you know they're going to pay off, even though they always pay on time, it's not good enough. You've got to go get a whole bunch more cash from them to make your books look right for your bank.

Mr. GARRETT of New Jersey. I think, if a bank were standing here with us, it would say, Well, look at bullet point No. 3, "Economic Uncertainty." It would say, With so much coming out of Washington that is uncertain, we have no idea, A, what the rules are going to be tomorrow and, B, what the economy is going to be tomorrow. So they would argue that they're trying to do the prudent thing, the safe thing and say, We're not going to loan to that person who, under normal circumstances, we would loan to.

So you are absolutely right. The Fed theoretically is trying to provide liquidity, but the banks are saying, Whoa, not under this set of playing rules, which may change tomorrow or which may change next week. So the Federal Government is exacerbating the problem that they created in the first place.

Mr. AKIN. Well, I appreciate your perspective there, particularly with your working on that committee. That is very helpful.

Here are a couple of other charts that I thought were interesting. This gives a little bit of a sense of progress on a 20-year increment. This is 1970. The foreign holdings of our debt were 5 percent. This is who owns our debt. Foreign holdings were 5 percent in 1970. Jump forward 20 years to 1990. Foreign holdings were 19 percent. In 2010, foreign holdings are 47 percent. So not only are we being asked to pass another one of these stimulus bills to bail out these States that have been irresponsible in managing their pensions, but we are now asking foreign countries to come in and to underwrite our silly economic policies.

Now, after a while, these foreign countries are going to ask, Wait a minute. What's going on over there? What are you guys thinking?

Mr. GINGREY of Georgia. If the gentleman would yield, I know that time is short, but this is the whole point.

Once again, Mr. Speaker, I talked about the euro zone in Greece. The country of Greece has had their credit rating downgraded. So any country that would lend them money—buy their financial paper—will have to charge a higher rate of interest. I think the gentleman from Missouri and my colleague from New Jersey would probably agree with me that, pretty soon, that very same thing could happen to our country. They would agree that our debt is not as credit-worthy as it has been and that, all of a sudden, we are going to have to pay a higher rate of interest to borrow money.

I yield back.

Mr. AKIN. I promised the gentleman that we did have a chart that was taking a look at these foreign countries. We've taken a look at Greece, and Greece has been in the news because it has just created shock waves in Europe as to how it has been affecting their economic system.

This is the deficit as a percent of GDP. I mentioned that, as to where we are in the United States, which is at that \$1.4 trillion level that we just saw last year and at another even higher year this year, we are at about a 10.3 deficit as a percent of GDP. Greece is at 9.4. So our deficit, as a percent of GDP, is worse than that of Greece. Spain and the United Kingdom seem to be worse off than we are, but we are the next worse on this chart with regard to the deficit.

If you go to debt as a percent of GDP, you've got the United States here. Greece is ahead of us there, and Italy is ahead of us, but we're ahead of the other European countries as well. So this isn't exactly a cheery picture of the job we should be doing in terms of management.

We are coming close on time here, and I have one other chart here, which is that of our corporate tax rates. The green one over on the right is the second highest corporate tax of any nation in the country.

So what's the solution?

I promised we'd deal a little bit with solution. The solution is quite simply that you've got to cut spending and that you've got to cut taxes. If the Democrats could not learn from Ronald Reagan or from Bush when they cut taxes and restored the economy, they should learn from JFK, who did the very same thing. Here is an example of this. It's called the "Laffer curve." You can see that this red is the tax rate. As the tax rate comes down, the bar chart shows the total Federal savings in receipts, so we actually get more revenues in. When you drop taxes, you get more revenue.

So the solution has been demonstrated by JFK, by Ronald Reagan, and by Bush. They turned economies around. Instead of doing what FDR did, which is what Henry Morgenthau told us would not work, you can simply do this: what you do is you've got to drop the tax rate and drop government spending. The trouble with dropping government spending is you can't do giveaways to everybody and do bailouts to everybody.

So what's going to happen here?

America is in the cross-hairs of a choice. We're either going to choose to follow—because there are two U.S.s: one U.S. had the idea that government is going to provide health care and education and jobs and food and housing. The other U.S. said that we believe the job of government is to provide life, liberty and the pursuit of happiness. That is a very narrow description of government—just national defense and a level playing field. Those are the two U.S.s. The one is, of course, the USSR, and that system didn't work. The other is the one that has worked for hundreds of years.

We need to get back to that idea of a limited government, doing just what it

is supposed to do constitutionally and not try to be the bailout king of the entire world and of the entire country.

□ 2150

I thank my good friend, Congressman GINGREY from Georgia, for your insight, and not only your medical professionalism but the way that you've run your office. And the same thing for my good friend from New Jersey, Congressman GARRETT. Thank you so much for joining us tonight.

Good night, and God bless all of America.

#### IMMIGRATION REFORM

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. Thank you, Mr. Speaker.

It's my privilege and honor to be recognized to address you here on the floor of the House tonight and to pick up on some subject matter. I think my colleagues that spoke on the previous hour covered that subject matter pretty clearly and very well, the matter of global finances and the broader picture that we're working with. For me, I come here tonight with a number of things on my mind and things that are fresh on my mind, Mr. Speaker. They have to do with the immigration situation here in the United States.

Having had a long history with this subject matter, when I first came to this Congress, I recall listening to Congressman Tom Tancredo here on the floor. I actually was in my office and watching on C-SPAN and I thought, Well, this is a piece of history in the making. And so I walked over here and into the Capitol Chamber and sat here to listen to him speak. Tom, knowing the rhythm of the place here, saw me in the Chamber and concluded I came over because I had some things to say. He recognized me to speak on the subject matter of immigration. I was not preparing to do so, although I happen to have been prepared because of the issues in mind. From those days on forward, I have been active on this issue in my time here in Congress.

I happen to have had the privilege of sharing the stage with Congressman Tancredo Saturday night in Phoenix. It was the same good man with a passion and a great heart; a man that understands America, the need to have a sovereign Nation, a need to control our borders, a need to have a network across this country of all levels of law enforcement working together to enforce the law, the rule of law—I should say, reestablish the rule of law here in the United States—and build a greater country than we are today, Mr. Speaker.

It was a refreshing thing for me to hear those words again come out of the

mouth of my good friend Congressman Tom Tancredo and to share some time on that microphone with Sheriff Joe Arpaio of Maricopa County in Arizona, who has a national reputation for enforcing immigration law, for establishing and building Tent City. And when Sheriff Joe, when he asked me if I had been to visit—and actually I had. He had sent a guide to take me to Tent City last year and presented me with a pair of his autographed underwear. When he found out I have that in my office in safekeeping, I was his good friend, Mr. Speaker. That tent city was built because a judge ordered that the prisons provide more space; and the choice was, apparently, to turn some people loose, spend a lot of millions of dollars to put up a structure, or set up a tent city. They did what they needed to do to enforce the law, especially down in that climate, Mr. Speaker.

I also was able to share a microphone with State Senator Russell Pearce, who is the principal author of Arizona immigration law S. 1070, and to spend several hours probing his intellect, his sense of history, and his patriotism that runs so deep for America, and his dedication to the United States of America, the rule of law, the State of Arizona. Put those pieces together, and I looked across at the faces that filled the park grounds there next to the State Capitol in Phoenix, Arizona. A lot of red, white, and blue. A lot of the yellow Gadsden flags; the Don't Tread on Me flags, flying in the light breeze that we had there.

It was an event to remember, with people just clear out to the outside edges of the park; a good, respectable crowd that was there. People came from many of the States of the Union. This time, I don't know that it's all the States but many of the States. A lot from Florida came all the way to Arizona to express their support for S. 1070, for the law that was principally drafted and pushed through into legislation by State Senator Russell Pearce. And he went out to bounce his legislation off of the best experts he could find in America.

And I do give great credit to Governor Jan Brewer for signing and supporting Arizona's immigration law. It is a law that has been misinterpreted, I think willfully, by people on the other side of the aisle. But here's what it is. It is a mirror of Federal legislation. It doesn't go beyond the limits of Federal legislation. It's written within the limits that are there. And it simply says that Arizona law enforcement is going to enforce Federal immigration law.

Now, if you remember, Mr. Speaker, there seemed to have been a grudge match or something going on between now Secretary of Homeland Security Janet Napolitano, former Governor of Arizona, and Sheriff Joe Arpaio, the sheriff of Maricopa County. But when