

what the people can expect in this Congress for our children and our families.

Mr. KAGEN. Well, I would say, first of all, thanks to Congressman KLEIN for pointing the way forward about becoming an energy independent Nation. In a bipartisan statement, I will tell you Republicans can grow corn just as good as the Democrats, but we cannot grow our way out of this energy crisis. It will take technology and innovation to get off of dependence on foreign sources of oil.

But our families and our children are really at risk of this new economy that we have. We really have to get back to the basics in America.

It is really amazing that it is the Democrats that are the fiscally responsible party here when you think about it. Think about the old laborers. We are the fiscally responsible party. We do not believe in borrow and spend. So there are four deficits in America that I will point out tonight to you and have you respond to.

The first deficit is a savings deficit. Our families are not saving any money. For the first time since the Great Depression, 1933, we had a negative savings rate last year.

Second deficit we had is a budget deficit. Last year, our budget deficit was over \$250 billion, and if you throw in the \$175 billion that we credited from Social Security, it is over \$400 billion on every citizen's head. Every working man and woman has a Federal deficit of \$425,000.

The third deficit is our balance of trade deficit. China has an advantage on us or, shall I say, Communist China where their government will invest illegally in corporations, and that puts every manufacturer in this country at a competitive disadvantage by 30 percent right out of the box.

The fourth deficit we had until last November was a deficit of leadership, leadership that would stand up, put their foot down and say there is a better way of doing things.

I think you will find our Class of 2006 will work together with all parties to fashion a better future forward. By working together, we will build a better future and a better Nation for everyone and every man, woman and child in this country.

Mr. ELLISON. That is right. Let me say these last remaining moments, just go around quickly, say good night to the folks, and those deficits, we are going to be filling quite quickly. I just want to throw it to Congressman HODES as we begin to wrap up tonight.

Mr. HODES. I appreciate the opportunity to be with you all tonight and talk about where we have been, where we are and we are going to take this country.

We are going to defend our country and we are going to grow our economy, care for our children and families. We are going to protect our planet with a 21st century energy policy. We are going to deal with energy independence and global climate change. We have re-

stored accountability, and we are going to keep on restoring accountability because in this 21st century we are in a global economy.

The Democrats and the new majority here in Congress are committed to growing our economy in a way that really spreads opportunities to everybody. It means fair trade policies that incorporate fair environmental and labor standards so that every American worker can operate on the same playing field.

We are going to grow the economy. We are going to invest in research and development. We are going to make sure that we are moving this country forward.

So it has been a great time to be with you tonight.

Mr. ELLISON. I go to Congressman KLEIN for a few final words.

Mr. KLEIN of Florida. Mr. Speaker, I thank you for being here tonight. It has been a pleasure to be with this freshman class, I look forward to continuing to work on all these items and more, and look forward to working with our people back home and making sure we are listening to their ideas, as we have been, and just continuing to move our country forward.

Mr. ELLISON. Congressman KAGEN.

Mr. KAGEN. You can look forward to good judgment from the 110th Congress on both sides of the aisle. We have got a great leader, Madam Speaker NANCY PELOSI, who has a steel spine, and she will keep us on this path of fiscal responsibility and being socially responsible.

Mr. ELLISON. Mr. Speaker, we are going to wrap it up right now.

I want you to know that this class of 2006, this 110th Congress, is pointing the way forward for a better America today, tomorrow and in the future. Thank you all very much.

A QUARTERLY REPORT CARD

The SPEAKER pro tempore (Mr. PATRICK J. MURPHY of Pennsylvania). Under the Speaker's announced policy of January 18, 2007, the gentleman from California (Mr. MCCARTHY) is recognized for 60 minutes as the designee of the minority leader.

Mr. MCCARTHY of California. Mr. Speaker, tonight we are going to open something new. If you are like in my house, every 3 months if you have kids in school, in my house it is Connor and Megan, they just got their report card, and that is what tonight is about, a quarterly report, what has gone on in this 110th Congress.

Well, tonight we are going to hear from the freshman class of Republicans, and our goal here is to put the people before politics.

Much like what we have seen, we want to find solutions. We want to move America in the right direction. We want to tell you first and foremost what has gone on here for the last 100 days, give us a report card, tell us where we are going, and the most im-

portant thing, we want to bring accountability back to America.

So tonight we are going to start off, and we have got an interesting freshman class. We have got people from all walks of life. This is a microcosm of society, just much like America is. So our first speaker is going to be the president of the Republican class. He comes from Idaho. He served in the legislature. From Boise, Idaho, we have Mr. BILL SALI.

Mr. SALI. Mr. Speaker, I thank Congressman MCCARTHY. I appreciate the opportunity to give this report on this first quarter. I think it is very apt for us to let the folks back home know exactly what is going on from a Republican perspective.

In the first quarter of the new Congress, the new Democrat majority has made its priorities clear by acting to impose higher taxes, more government spending and by attacking key aspects of the Idaho way of life.

In the last 3 months, the majority has acted to impose the largest tax increase in more than a decade. In fact, within the first month of Congress this new majority passed H.R. 6, a bill to increase by \$7.7 billion over a 10-year period, an increase that will effectively affect the price of gas at the pump and further our addiction on foreign oil.

Instead of higher taxes and continued increasing reliance on foreign oil, my constituents need lower fuel prices, but in the first three months in Congress, this new majority has done nothing to lower fuel prices but to the contrary has acted to actually increase the price of gas.

In the same 3 months, the new majority has passed a budget that includes almost \$400 billion in increased Federal spending, a budget that failed to address the explosive growth in entitlement spending, spending that will consume over 60 percent of the Federal budget in 15 years.

The Democratic majority has focused in the Natural Resources Committee on what they call the evolving West. Those of us who are actually from the West are calling it the war on the West. The majority has had countless hearings primarily to paint an inaccurate picture of the West and its issues.

The reform of Federal forest land management policies should be their focus in these hearings. We have forests that are overgrown and are fire hazards to our communities. We lack access to our lands, and we are under constant attack from radical environmentalists. We need better forest management, and the Federal Government needs to be a better landlord instead of an absentee one.

This should be the focus of their agenda in the Natural Resources Committee if they really want to help us in the West.

The priorities of this new majority were further illustrated when they mandated the Commander in Chief, withdraw troops on an unprecedented

and arbitrary timeline without any consideration of what is actually happening on the ground. The same new majority conditioned financial support for our troops on funding of unrelated and various pork barrel projects, including \$5 million to study tropical fish and \$74 million for peanut storage.

In a time of runaway deficit spending, something needs to change dramatically. The change the new majority proposed in the first three months, however, is to proceed in the wrong direction, the direction of debt, deficit and defeat.

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We need to balance the budget. To do so, we must cut Federal spending. Congress' ongoing spending habits continue at the expense of our children, and we owe it to Americans and we owe it to our children and our grandchildren to cut spending.

That is why I stood with my Republican colleagues and supported an alternative budget plan to balance this Federal budget by 2012 in just 5 years. Together with a balanced budget, I also joined my colleagues cosponsoring legislation to make permanent numerous tax cuts, numerous tax credits that affect average American families. The American taxpayer will work through April 30 this year just to pay their share of taxes.

Well, change, indeed, must occur. My priorities for change are these: spending must be reduced, tax burden on American families and small businesses must be reduced, our natural resources in the West must be responsibly managed, the constitutional authority of the President must be respected. Unfortunately, the priorities of the new majority, as evidenced over the last 3 months, are not my priorities, and they are not the priorities that the people of Idaho hold.

Mr. MCCARTHY of California. Thank you, Congressman SALI, for that update because that is what the American people want to hear. They want to hear about accountability.

As we know, we have been here 4 months; we have cast more than 200 votes. We have something to show where we are going, and pretty much what it is going to be is a report card, a quarterly report for across America.

The next speaker we have tonight, for those that live in Nevada, they know this person well. He has already made a very big name for himself. He was the secretary of State for three terms. He was able to work in a bipartisan manner, bring Republicans and Democrats together. He is still doing it here. He is putting partnership, not partisanship, forth.

The one thing I have seen from this Congressman, Congressman DEAN HELLER, he represents the largest part of Nevada. There are only three Members of Congress who are serving from there. He represents about two-thirds of the State, even more.

He serves on Natural Resources, he serves on Small Business, something he

knows well, creating small businesses, and he also got put on Education and Labor, caring about the education in America.

Let's hear from you a quarterly report on what you have seen in the first 100 days and what you think reflects on your district, Congressman DEAN HELLER.

Mr. HELLER of Nevada. I want to thank you for the time and the opportunity to serve with you here in this Congress. I certainly appreciate our freshman class, the work they are putting in it, the voices they have and the changes they are bringing into this Congress. It really is an honor to be part of this freshman class serving on my side of the aisle.

I would like to change direction. You talked a little bit about Nevada and the State of Nevada. My district is more than 1,000 square miles. To give you an idea of every time I go home, I travel about 1,000 miles just in visiting neighborhoods, going to Elko or going to White Pine County and visiting Ely or Tonopah. It is a lot of travel; but it is very critical, as we take these messages back and talk to the people here, what's going on in Washington, D.C., as reflects what is going on in our districts.

I tell you, it is a pleasure and an honor to serve here in this Congress. It is maybe 20 after 10:00 here in Washington D.C., but it is prime time in Nevada right now. My friend from California, it is prime time in your district too, so it is a pleasure to be speaking to your constituents and mine as well.

I tell you, I want to go in a little bit different direction here. It is an issue that is very, very pertinent, very important for the State of Nevada. This is an issue that was discussed this morning in an Appropriations subcommittee on the Department of the Interior, and that is the issue of wildfires. Living and serving in a district as rural as my particular district, which I think is the largest non-at-large district in the Congress, wildfires are a critical issue.

But before I get there, I want to give a little bit of background. First I want to begin with an explanation to those who are viewing this that 85 percent of Nevada is controlled by the Federal Government. A lot of people don't quite understand that, but 85 percent of the land in Nevada is owned by the Federal Government.

As some of you may know, this does present many unique challenges to the communities that I represent. Opportunities, for example, economic growth, development, are stifled by the lack of private lands.

Additionally, local governments are prevented from collecting taxes on the Federal lands in their communities, thereby inhibiting their ability to provide funds for important services, such as education, emergency care, fire and rescue, transportation, obviously including roads, streets and roads.

I would challenge any State to take 85 percent of their private lands and

make it public lands. Take 85 percent of your private lands and put it in the hands of the Federal Government and take the revenues with it. Imagine your inability to have the money necessary for your educational system, the money that is necessary for your infrastructure for roads, money necessary for emergency care, and fire and rescue. That is what we are dealing with in the State of Nevada.

For generations, my constituents have relied upon the land for their livelihood. For the most part, they have been very good stewards. In areas where good stewardship was not exercised, Nevada has done the very best it can to restore those lands back to health.

Nevadans have an acute awareness of the importance of our Nation's Federal lands. For generations, my constituents have been the stewards that have kept important areas in Nevada accessible to the rest of the Nation.

I am greatly concerned by several aspects of the administration's proposed funding levels for fiscal year 2008. Not only did the administration request a substantial decrease in PILT funding, which is Payment in Lieu of Taxes, but funding for other functions is unfortunately low, including zeroing out the Range Improvement fund, which is an important program. It gets dollars to the ground to improve range land health.

One area where I wish to draw particular attention, and I mentioned earlier, is the funding relating to wildfires, particularly in range land areas.

Last year, in Nevada, Nevada alone, over 1.2 million acres, or over 1,500 square miles, were destroyed, causing devastating impacts on the wildlife, livestock and Nevada families. Let me put that in perspective for a minute, 1,500 square miles, clearly much bigger than the District, almost the size of Delaware. In fact, I think it is larger than the size of Delaware, burned in the State of Nevada; the size of Rhode Island, burned in the State of Nevada. You take those States, that is how much land is burning in Nevada each year.

Most of the damage to private individuals is caused by fires that spread from Federal lands onto private property. In a State where a mere 15 percent of the land is available for private ownership, we simply cannot afford this kind of loss. Additionally, it is unconscionable that unlike other disasters, those who are victims of Federally fueled devastation received little or no assistance from the Federal Government.

This is a glaring problem, and I certainly do hope to work with my colleagues, especially the freshman class here, in the future to right this particular wrong. In order to mitigate the disastrous wildfires we have seen in the past, we need to have a healthy range land, which means dedicating funds to range land restoration and management.

A healthy range land will support wildlife, wild horses, livestock, recreation and a variety of other multi-uses. We do not have to choose between those functions if we work to restore our range lands.

To achieve a healthy range, we need to advance commonsense solutions that will protect communities, people in our natural resources. This includes the responsible management of wild horses and burro populations.

It is vital that we use active management to remove excess hazardous fuels, such as pinon juniper, cheatgrass and other invasive species. They fuel wildfires like we saw in Elko County and other parts of Nevada last year.

Since coming to Congress, I have had the opportunity to meet several times with my constituents who have traveled from rural Nevada to Washington D.C., to discuss the devastating impacts of wildfires and what we can do to mitigate and prevent them. To a person, they all expressed the dire need to restore range land health.

As I finish, I want you to know that I agree with my constituents. It is my hope that my colleagues will recognize the importance of adequately funding management of our public lands for the purpose of environmental health and multiple use.

I appreciate the time you have given me to discuss this issue that is critically important for the State of Nevada. I am certain for the President of our freshman class coming from Idaho, it is a pertinent issue for his district also.

Mr. MCCARTHY of California. Thank you, Congressman HELLER. One thing, as constituents know, this is an individual that believes in solutions, trying to find commonsense solutions for problems out there, and just what you talked about today.

I know you tell me many times we serve here Monday through Friday and you fly back home, you will travel 1,000 miles in that car that weekend just because your district is so large. Last night I saw you were late past 10:00 to do a tele-town hall just trying to listen to your constituents. That is what this is really all about, finding accountability and listening to constituents. I appreciate your service.

Now we are going to go across the country and hear from Florida. If you happen to be down in Clearwater or Palm Harbor, you know who this individual is. He is already making a very big name for himself here in the 110th. If you happen to be a veteran in America today, you know him because of his service. He serves on Veterans' Affairs, and he serves on Homeland Security. He has been doing a tremendous job.

We now want to hear from the 9th District of Florida, GUS BILIRAKIS. Mr. BILIRAKIS, could you give us an update of the 110th Congress.

Mr. BILIRAKIS. Like all of us, I came to this body seeking to make a difference for my constituents and all Americans alike. We have chosen a life

in public service and promised to fight for what we believe in. That is what we are doing. We promised to fight to give future generations the opportunity we have. We promised to fight to continue the prosperity of this great Nation.

Unfortunately, as I reflect back on the first quarter of the 110th Congress, I do believe that the Democrat leadership has broken their promise to the American people. Supporting our courageous men and women in the military and addressing the gulf States homeowners' insurance crisis are two of the most important issues my constituents raised to me.

Despite many Members' requests to address these vital matters in a timely, bipartisan manner, our pleas have fallen on deaf ears. It is with great disappointment that I go back to my district with the expectations of the American people so far unfulfilled.

Regardless of the individual opinions regarding the war in Iraq, every American supports our brave men and women who serve this country with great honor and distinction.

Just as we are forever indebted to yesterday's servicemembers who wore this country's uniform, we will never be able to fully repay today's gallant heroes. I am so very proud to serve on the veterans committee.

We task the members of our Armed Forces with extraordinary responsibilities. The very least we can do is provide them with the necessary tools and resources to accomplish their mission. Nearly a month has gone by since the House approved its version of the Iraq emergency supplemental appropriations bill, a bill so bad that USA Today editorialized against it and said: "It is hard to say which is worse, leaders offering peanuts for a vote of this magnitude, or Members allowing their votes to be bought for peanuts."

It is bad enough that the bill contained pork projects intended to secure Members' votes. It is equally as troubling that we have been delayed in going to conference with the Senate to work out a bipartisan compromise worthy of our men and women in uniform. The American Legion and the VFW have urged this Congress to pass a clean supplemental funding bill, which will get our troops the resources they need as quickly as possible. I am so proud of the American Legion and VFW for stepping up. They continue to be our heroes. Every day we fail to act is another day we dishonor our troops' sacrifices and valor.

The other vital issue to many Americans, particularly in my district and in the State of Florida, the Gulf Coast States, is the skyrocketing cost of homeowners' insurance. Many of our States are plagued by natural disasters that cost millions, if not billions, of dollars in damage. It is a terrible situation.

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As a result, homeowners' insurance rates have simply become unaffordable

in many areas of our country. In my State, in far too many instances these rates have tripled forcing many to leave the areas they call home. For others in the gulf coast region, this has become the most financially crippling problem we have faced in years.

My constituents have entrusted me to bring this issue into the national debate and come up with a solution. Yet as we approach the beginning of another hurricane season, this body has failed to act.

Earlier this month, it was predicted we would have a very active hurricane season. Many of us who represent coastal States have tried to bring this issue to the forefront, both Democrats and Republicans, but our attempts seem to have been in vain so far. As the result of an apathetic Democratic leadership, my constituents have been abandoned by the very people they have entrusted to protect them, and what a shame that is.

Along with the numerous bills introduced in the House which would help alleviate this crisis, I introduced H.R. 913, the Hurricane and Tornado Mitigation Investment Act. My bill would provide tax incentives for individuals to better protect their property against these deadly storms. As a result of strengthening their homes and businesses to better withstand these disasters, homeowners' insurance would drop and many constituents would continue raising their families in the place they call home.

I can't tell you how many times I have talked to my constituents, people who have lived in Florida for over 20-25 years and wanted to raise their kids in Florida or retire in the State of Florida, and they are forced to leave the State. And I know there are other States in that position as well. I implore this Congress to consider my and other insurance-related bills to help these Americans in their time of need.

When the Democrat leadership took the House gavel and control of Congress in January, they accepted it in partnership not partisanship. It is my sincere hope that we soon will debate serious topics that address the needs of this country in a bipartisan manner rather than political posturing.

Mr. Speaker, I look forward to working with my colleagues on both sides of the aisle to continue the prosperity of this great Nation.

May God bless our troops. We owe them so much, and may He continue to watch over the United States of America.

Mr. MCCARTHY of California. Thank you, Mr. BILIRAKIS.

Promises made and promises kept. You promised to do something about the insurance problem in Florida, and you have introduced legislation to do that.

You brought up a good point about what has happened in the first 100 days. The President asked for a security supplemental, one for our men and women in uniform, to make sure that they are

protected. But what happened when he asked for \$100 billion? He got \$121 billion. Where did the \$21 billion come from? They gave money to peanuts and shrimp. That is pork. That is not what the American people want. They want accountability.

When it comes to accountability and a hardworking freshman Member, you don't have to look beyond Michigan 7 with Congressman TIM WALBERG. You serve on the Agriculture Committee and Education and Labor, and you are doing a great job. Can you give us an update on the first 100 days?

Mr. WALBERG. Thank you, Congressman MCCARTHY. I certainly appreciate the opportunity to bring not only an update on Michigan, but to talk to the American public about concerns that I have about the budget and what goes on in these great halls.

Indeed, it has been a wonderful privilege to serve here. As I listened to colleagues on the other side of the aisle in the hour preceding, I would agree that it is a privilege to serve with men and women of sincerity, of character and commitment and of passion. And although we have disagreements, we serve in a body that has tremendous impact and tremendous history.

Yet even as I say that, I recognize that we are simply temporary custodians of the seats we hold in Congress, representing districts of people, taxpayers, citizens with great concerns. But even more importantly, as I have heard discussed maybe a bit too often about the extent of abilities that reside here in the Halls of Congress in each of our Members and the background and the training and the expertise that we share, yet I think that misses the point because indeed the greatness, the ideas, the generation of the economy and impact upon this world does not necessarily come from us, although we are part of it, but it flows from the people we represent.

That's the greatness of this country that allowed great men who journeyed from afar like de Tocqueville, to say America is great because America is good. But when America ceases to be good, it will cease to be great. I think de Tocqueville understood that goodness was not simply in the high morals of a country that he noticed here, it wasn't simply in the great work ethic of the people he saw on these shores. And as he walked across Michigan and came away, and it is reported that he called our State the Wolverine State because he indicated that any citizen who could put up with the swamps and the mosquitoes of Michigan at that time had to be a wolverine in tenacity. Hence, the Wolverine State.

Yet our great country of citizens have to be tenacious as well when we have a government that has grown too large, too grand, and too costly for them to keep up. The greatness of this country is not big, expansive, expensive government, but rather, the greatness of this country is its people.

And so this week we came to Tuesday, April 17, and it was imperative to

us, and it was significant in its gravity that it was tax day again, a day that strikes fear and even anger in the hearts and minds of many, if not most, of our taxpayers. We sat here in Congress in these hallowed halls of constitutional responsibility having just come through passing the largest tax increase in the history of our country, \$400 billion over the next 5 years. And we let our taxpayers go through another tax day paying more for big government.

Right now, taxpayers in south central Michigan, the district I am privileged to represent as the temporary custodian of its seat in Congress, people who are hardworking, people who have committed themselves to the task of being good stewards of the wonderful resources we have in the Great Lakes State, of being the former arsenal of democracy, of being a major manufacturing State and agricultural State and State of higher education, and yet a State that is struggling right now, I am sad to say, because of an administration that continues to push higher taxes and more excessive government regulation. We are saddled again with looking at what Congress has potentially done to us by passing this massive spending package called a budget with a \$400 billion tax increase over the next 5 years.

Taxpayers in my district of south central Michigan are making tough choices every day to ensure their family budgets are balanced. They do so by cutting spending and having fiscal discipline, a concept we would do well to emulate.

It is time we make these same commonsense choices on a Federal level. The budget proposal introduced by my colleagues on the other side of the aisle and, in fact, passed by them imposes the largest tax increases, as I said, in American history: \$400 billion over the next 5 years, \$400 billion that the taxpayers of this country will pay, that the businesses will have impact upon them and their ability to give jobs and security to the taxpayers and their workers.

Like the Democrats', as I would call it, "insecurity supplemental" that telegraphed their plan for defeat to our enemies, this budget telegraphs their plan for economic failure if we continue down that path for this great country. Their plan institutes a \$3,000 tax increase for the typical Michigander in my district and embraces a spend now-reform later mentality.

You just have to go to some of the basic concepts of their proposal. The Democrat budget would hit 115 million taxpayers with an almost \$1,800 tax increase in 2011. In addition, 26 million small business owners would see their tax bill rise by almost \$4,000 that year. Marriage penalty relief would be eliminated for 23 million taxpayers, who would see their taxes increase on average by \$466 by 2011. Raising taxes on families with children, it would hurt 31 million taxpayers who would see their

taxes increase on average by \$859 by 2011.

Those are just highlight scenarios of what is going on with that tax increase.

Congress needs to pass a balanced budget bill without raising taxes. We need to make tax relief permanent for hardworking American families and implement a commonsense policy for the future. That is why I was proud to support the Republican alternative budget proposal.

The benefits of our proposal, just a few highlights, 113 million taxpayers will see, if this were passed, their taxes decline by an average of \$2,200. A family of four earning \$40,000 will receive tax relief of over \$2,000. More than 5 million individuals and families will see their income liabilities completely eliminated. Forty-five million families with children will receive an average tax cut of almost \$3,000. Fifteen million elderly individuals will receive average tax relief of almost \$3,000. Twenty-seven million small business owners, the breadbasket of the economy in my district, will save on average \$4,700. A total of 7.6 million new jobs would be created under this proposal. An average of 168,000 new jobs a month could be created as well.

I think the message is clear, Mr. Speaker. This is the direction we need to go for this great country that has taken on challenges not only within our borders, but to continue doing what we are accustomed to doing as the greatest and most benevolent nation on this Earth because of what we have done to encourage wealth and prosperity and responsibility and accountability and benefits from all of that. That blessing that goes beyond our shores and makes an impact upon people that I had the privilege of seeing, whose beneficiaries came from sources that I talked with in Walter Reed Hospital today, the young men and women who served valiantly for us, who sacrificed for us to continue the progress and continue the benevolence of this great people.

Mr. Speaker, the American people long for a Congress that puts our fiscal house in order on a Federal level, but they want it done without expanding the size and scope of Federal Government.

They are asking for the greatness to continue within the people of this great country which would include this great government if we would indeed recognize where that greatness comes from.

So what a privilege again to be a temporary custodian of this seat in Congress, but what a huge responsibility to stand firmly for principles that will, if enacted, as we have seen historically 100 percent of the time, expand the economy, expand the opportunity, and offer freedom, opportunity and prosperity for our citizens and others all around this Earth.

Thank you for the opportunity, Mr. Speaker, and the gentleman from California, Congressman MCCARTHY, thank

you for putting this Special Order together this evening.

Mr. MCCARTHY of California. I thank you, Mr. WALBERG. You raised a good point. It has only been 100 days, and in less than 100 days, the largest tax increase in America has taken place.

During the campaign, you heard from both parties, you heard what people said they would do. In less than 100 days, they were broken.

If you happen to be sitting at home and you are married, you have some children, you are going to pay more. If you are elderly, you are going to pay more. If you happen to maybe seek the opportunity of America, worked hard, made a business, saved, bought some land and went forward, you happened to pass away, this majority party, the Democrats, want to take 55 percent of that. That is the difference.

I appreciate your principled view, let people keep their hard-earned money, and make sure that you bring accountability back.

Now we want to go to another place in middle America because that is where solutions are. We want to get an update from Ohio. In Ohio, you can find a lot of individuals, but you can't find someone who works harder. Congressman JIM JORDAN, along with his wife, Polly; I think they hold the American dream.

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They are doing a fantastic job of raising their own children. They reach out into this community. They help others and make sure they are able to have a place to stay, a place a work and place for education. But JIM, Congressman JORDAN is the only Republican freshman to get placed on Judiciary. Why? Because of his work, not only as an attorney, but his work in the Senate in Ohio, that stood out across this Nation. And I want you to give us an update. Talk a little further more about taxes and what this 100 days have meant to America and how much this Democratic Party is going to reach into your pocket.

Mr. JORDAN of Ohio. Well, I thank the gentleman for yielding some time and for his work in putting this together and his passion and intensity and energy that he brings to the Congress and what he has done in our freshman class. I appreciate the remarks of the previous speaker. He talked about Tax Day, and he is right on target when you think about the amount of money government takes.

And I just want to start with a question. And there is probably a few people watching, probably mostly in the gentleman from California's district. Most people in Ohio are smart enough to get in bed at this hour. But there are a few people watching out there. And I just want to ask those Americans who are watching, do you think government has enough of your money already, or do you think they need more? And my guess is the vast majority of people in

California who are watching, or in Ohio who are sleeping, understand that the government, the billions and billions and the trillions and trillions that the government takes in already is probably enough.

And the gentleman from Michigan was great in outlining what is at stake and what the Democrats want to do, because the Democrats obviously think different. The American people think, you know what, the government probably takes enough of my money. But based on what took place 2 weeks ago with the budget that was passed by the majority party, over the next 3 years the spending they want to do is going to take more and more money out of the private sector, where good things happen in our economy, where jobs are created, where prosperity takes place, more and more money out of the private sector and more money from the families across this great country, in Ohio, in the Fourth District, and across the Nation as whole.

So I just want to provide some perspective and context and framework for why that is a bad thing. And I think we just start with this basic premise: the stakes are high today. It is important that the elected officials, the politicians here in Congress, get it right for a change. There was a point in the past where, in spite of bad policies that the politicians may have enacted, America, because we were so uniquely positioned coming out of World War II, we were the economic superpower. We were the economy that was growing. It didn't really matter if bad public policy was put in place. We were going to excel. We were going to prosper in this world market in spite of the things that the politicians might have done.

But today the stakes are high and the competition is stiffer. And I just want to give some facts and figures and I will yield back to the gentleman from California. But recognize the framework we are in. Today, China has 1.4 billion people. India has close to 800 million people. Those two countries, over two billion people. United States of America, we just hit 300 million population last summer. Those two economies, China and India, over two billion people combined in those two countries, China's economy is growing at approximately 10 percent annual growth rate. India is growing at about 7, 7½ percent annual growth rate, quickly moving towards middle class. The competition is stiffer. And it is important today when you think about those numbers, those facts, those figures, that we in elective office do the policies right.

Raising taxes on business owners, raising taxes on families, \$400 billion, as the gentleman from California pointed out, doing those things makes it tougher for our families, our small business owners, our economy to compete in that world market. And that is why it is important we not go along with these tax increases. That is why it is important we try to keep those tax

cuts that are in place, so that family and businesses can prosper. It is that fundamental. The gentleman from Michigan was exactly right. And he ticked off, he read off the tax increases that will happen under the Democrats budget plan. And it is important we not go there.

I always come back to, you know, the very first thing we did in this Congress, the majority party, the Democratic Party enacted some PAYGO rules, which sound great. But what those PAYGO rules did was make it easier to raise taxes.

The last thing this Congress did before we went home for Easter break to see our constituents and visit our districts, the last thing we did before we went home for the Easter break was raise taxes. So they started off the Congress by making it easier to raise taxes. The last thing we did before we went home for break was raise taxes. And so that should tell you what is at stake here and why it is important that we fight for the American families, like the gentleman from California has been doing, and it has been a pleasure to serve along with him in that regard. And I will yield back some time and we can discuss some of this maybe as we move along.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. PATRICK J. MURPHY of Pennsylvania). The Chair must remind Members that remarks in debate should be addressed to the Chair and not to a viewing audience or fellow Members.

Mr. MCCARTHY of California. Mr. Speaker, one thing we know on this floor, and you brought up a very good point, Mr. Speaker, as we talk, we listen to other Members here, the largest tax increase in American history happened within the last 100 days. And, Mr. Speaker, when we think about is America taxed enough, I simply, and I think about the average American, they wake up in the morning and they take a shower, they pay a tax on that water. They maybe stop off at Starbucks or someone else, and get a cup of coffee. They pay a tax on that coffee. They stop off, fill their car up so they can make it to work, drop their children off at school, they pay a gasoline tax. They go to work, for the first 3 hours they are paying the Federal and State tax. They go home, they turn on the TV, maybe to watch a little C-SPAN, Mr. Speaker, if anybody at home is watching this, they are paying a cable tax.

Maybe their business says they have got to get up and try to find more opportunity because the world is being very competitive, so they have got to get on a plane. They pay an airplane tax. They rent a car. They pay a rental tax. They stay at a hotel, they pay an occupancy tax. Lo and behold, God forbid they get very successful and they save some money, and they put it away and they want to give their children, their grandchildren some opportunity for the future. This majority party wants to take 55 percent of that.

Now, I don't know, Mr. Speaker, if this majority party was on that plane, was working hard to make sure those people earn that money, but I don't think they need to pay them. I think America is taxed enough.

And I will tell you, we need to go firsthand in that Budget Committee to see where the fight was, to see what was said and what went on. And the only freshmen Republican to get appointed to that was my good friend from Nebraska, ADRIAN SMITH. ADRIAN, can you give us an update on the Budget Committee and where it is going.

Mr. SMITH of Nebraska. Mr. Speaker, I am honored to be a part of this discussion here this evening, and certainly I consider it a great privilege to serve on the Budget Committee.

As witness after witness after witness told the Budget Committee that we should address the entitlement challenges we face and reform entitlements so that we can have a safety net, so that we can have an economy to preserve that safety net, we need to adopt some changes. And yet the budget that has been presented and is moving through the Halls of Congress does not address entitlement reform. That is my concern. That was the major thrust of the Budget Committee hearings, certainly, as I said, witness after witness addressing that.

But I stand here before you this evening concerned about the future. When I get asked why I would want to serve in Congress, I say it is because I care about the future. I care about the direction in which our country is heading. I believe that we need to encourage prosperity, not penalize it. And yet our tax policies are bound to penalize prosperity with the current budget.

We heard in the Budget Committee that we need to increase spending. More of the same. And, certainly, the supplemental, as so many folks know, this emergency supplemental spending bill contains items that are far from emergency in nature. I am afraid that there were too many politics being played in terms of funding the very necessary functions of our military so bravely serving overseas.

I am concerned about our future, and that is why I went to Iraq. I learned in Iraq that there are some bright spots. Certainly we have a lot of work to do. But it comes back to the economy. I am encouraged when I learn that there are more than twice as many merchant vessels traveling the one single waterway into Iraq from the gulf. I am encouraged when I see a developing police force perhaps in Ramadi. That is what contributes to the fundamentals of a sound economy with the rule of law.

But as we balance our policies overseas with our domestic policies here at home, we have to be mindful again of the future, the future that I believe can be bright with the sound, solid economy.

My friends so very eloquently pointed out the estate tax, commonly called the death tax. I can't help but think

back to when I was visiting a business in my district, actually the Nation's largest producers of natural wool yarn. I didn't prompt this discussion whatsoever. But the second generation owner, or manager in this case, of this company said, Adrian, one thing you can do in serving in Congress is to reform or repeal the death tax. It will devastate us. "Devastate" was her word.

Now, one might think that the Nation's largest producer of natural wool yarn would be big business, big corporations, all these big companies that people want to beat up on who provide jobs. No, this is a family-run operation with about 45 employees that just reinvested many dollars so they could double their output, so that they could take new customers because before they invested in some expansion, they couldn't take new customers. And yet our tax policies will penalize them.

And, quite honestly, I don't care how large an estate one might have, I think it is wrong, fundamentally wrong, and actually unconscionable that the government would lay claim to 55 percent of an estate. Some people say, well, these wealthy folks can plan around it. Some can. Boy, you had better plan your debt too, as so many folks cannot.

But it all comes back to the economy. And I believe in Republican budget principles that are sound, through promoting enhanced prosperity, by balancing the budget and continuing the tax relief, through making needed reforms to entitlement programs, as our Budget Committee witnesses pointed out, increasing accountability through budget and appropriation reforms to help end Washington waste, fraud and abuse.

When we look, Mr. Speaker, at what is before us with the budget, it is the largest tax increase in American history: \$400 billion, that is with a B, \$400 billion tax increase. And my friends and I, Mr. Speaker, believe that that will be damaging to our economy. And I say that because of the facts. The facts point out that when tax relief was brought about in 2003, the unemployment rate went down. GDP went up. Jobs were created. And I find that exciting.

When I entered politics a few years back, I never thought that I would become so enthused about economic principles about good, sound tax policy, but I have seen what tax policy can do over these last few years, that tax relief can create jobs. Tax relief can leverage a family's dollars, hard earned dollars in our economy so that we can have good, thriving businesses in all of our districts, large and small, rural and urban. We need a good sustainable farm bill that builds on the future, that uses our experiences from the past, Mr. Speaker, in realizing that we need to build our markets with our trading partners. And we can expect good, sound trade policy, not giving away everything, and so that we can help our energy markets, we can help our agriculture markets.

And especially I find it so exciting about the future when we see agriculture and energy coming together. I think we need to be careful when we talk about energy. As I was reading an article the other day, Time magazine, I had an article that said eating a T-bone steak is as egregious in our environment as driving a Hummer vehicle. I found that to be quite surprising, honestly. I certainly represent an area that probably contains more cattle than any other district in the United States. And I don't bring up this issue because of that, but I think that as we address our energy needs and looking to the future, we need good common-sense policies.

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And that is what I want to work on because I do care about the future. I care about entitlement reform. I care about a balanced budget so that we can encourage our coming generations to focus on the future, so that they can see even more opportunity and that their prosperity is not punished through bad tax policy.

Mr. MCCARTHY of California. Congressman SMITH, I appreciate that. And you point out a very good point. During the Republican majority, we lowered taxes, and what happened? We heard from the Democrats that the world was going to collapse because we were going to let people keep the money they earned.

Revenues to the Treasury went up. Why? Because they invest it. More small business, more ownership. The stock market at an all-time high? Why? Because people got the independence. They actually invest and create jobs.

And that is what this House should be about, the power of the idea, the power of opportunity. Not to take. But in these first 100 days, the largest tax increase in history.

And I will tell you, as I walk these halls and I see these marble stairways, and you see as you walk that they are molded out by other feet that have walked before you, you think of how long a history that is. But just in the last 100 days history was broken. Why? Because this new Democrat majority went back to their old ways.

But they didn't just go back. They went further. They broke every record of every Democrat majority in the past. They raised taxes \$400 billion. That is not a sound bite. That is exactly what happened on this floor, and that is what this is all about. That is what a quarterly report is about. Just like when I open the report card for Connor and Megan in my house, I want to know how my children are doing.

And as we end up here tonight and we close, Mr. Speaker, I would just like to hear the time report from the Members that are still with us. If we could just go around and they could give final statements just to sum up the first 100 days, this first quarter in this House of Congress.

I will yield to Congressman JORDAN.

Mr. JORDAN of Ohio. Mr. Speaker, again, I thank the gentleman for yielding.

And you talked about a \$400 billion tax increase. I just come to the question, how many Americans think that government can spend money better than the private sector? How many Americans think that the government can spend money better than the small business owners in our communities? How many Americans think that government can spend that money better than the families that live in our districts and make this country great? That is the fundamental question.

And the gentleman from Nebraska was right on target when he talked about families. So often we get so focused on the numbers, the budgets, capital gains, dividends, tax rates, tax brackets, all this fancy political speak, and we forget in the end it is about people. It is about moms and dads having more money in their pockets to spend on piano lessons for Sally, soccer lessons for Johnny.

Saving for college is a huge thing. And I have got one in college, and I am paying them right now, writing those checks. That is what it is about. In the end, it is about families.

Jefferson had a great line. When you think about the size and scope of government, how big this government is going to grow under this proposal, Jefferson said, "When the people fear the government, there is tyranny. When the government fears the people, there is liberty."

Just ask yourself this question, as government begins to grow: If tomorrow you are at home and you get a knock at your door and you answer the door and the gentleman identifies himself and says, "I am from the IRS," is your first response, "Oh, joy, one of my public servants is here to help me today"? Of course it is not.

We have to understand that. If we want families to have the liberty and freedom they need to do what is best for their kids and their grandkids, we need to let them keep more of their money. And that is what our struggle is when we go forward, to try to make sure we can allow families to keep more of their money.

I know that is why I came to Congress and I know that is why the gentleman from California came to Congress and the gentleman from Michigan and the gentleman from Nebraska as well. So that is what we need to do, and that is what we are going to continue to do as we move forward.

Mr. MCCARTHY of California. I thank you for your service. We will just hear the last bit from the Congressman from Michigan, Congressman WALBERG.

Mr. WALBERG. Mr. Speaker, I thank the gentleman from California for yielding and for putting this together.

And I would agree with my colleague from Ohio. And it is tough for a Michigander to agree with anyone from the

Buckeye State. We have wonderful rivalries that go on. But he is absolutely correct. We are talking about the future. We are talking about our kids.

I have a grandson, Micah, that I want to invest for by leaving a country that he indeed can have invested in for himself from his parents and the opportunity for them to use their resources to provide for him and provide for others in the process.

I have become greatly concerned with the concept that we have heard from the other side of the aisle too often about investing in our great economy. And "investing" in their vernacular means tax increases, spending more of government dollars which, in fact, are taxpayers' dollars.

We need to get away from that and allow our taxpayers, the generator of the economy, of a small business, of the manufacturer, the entrepreneur to be able to invest in themselves to make this great country stand not on its government but stand on its independence, its freedom. Because, Mr. Speaker, I am sure you and I would agree on this, that our responsibility here, as Members of Congress, is to fight for and defend and continue the freedom of this great country. And that comes with the ability for people to invest, to save, to spend, to enjoy their property, to be responsible and experience the virtues of hard work, of loyalty, of faithfulness.

I believe Jonathan Witherspoon said, "A republic must either preserve its virtue or lose its liberty."

It is a virtue for this country to reward its citizens for being responsible. It is a virtue for this country to applaud people who work hard, who save, invest, who create the economy. And it is a virtue for that same group of people, our citizens, to say to a government, we respect you for leaving that responsibility to us. That is freedom.

And, Mr. Speaker, I am deeply, deeply indebted to the people of my district for giving me the privilege to fight for that very thing along with colleagues like you have heard tonight on this floor.

Mr. MCCARTHY of California. Thank you, Congressman. We appreciate your principled belief to represent your constituents, those hardworking individuals from Michigan that are trying to create opportunity, trying to put their children through college, trying to have that home ownership, and at the same time taking care of their parents as they are getting older.

But this Congress says "no." They want to take money out of their pocket and pass the highest tax increase.

Congressman SMITH, if you could just sum up tonight on what you see the future holding.

Mr. SMITH of Nebraska. Mr. Speaker, although we are coming to an end to this time of discussion, I think that we all hope that promoting prosperity that has taken place over the last few years will not come to an end. And I want to very quickly point out that

this is what is about to come to an end, even though it has been working, even though we have been creating jobs, even though the deficit has been cut in half actually. Despite many of these spending measures, the deficit has been cut in half over the last couple of years. But we are about to see an end to tax relief for the average family of four earning \$40,000 a year of \$2,052 in taxes. Taxes are going to go up.

The Republican budget focuses on promoting prosperity through the tax relief of \$4,712 in average taxes paid by 27 million small businesses. These are small businesses. These aren't necessarily the wealthiest of the wealthy. These are common, everyday Americans working hard and growing our economy.

I hope that we can come back to a budget that promotes prosperity by keeping the death tax at zero through 2012, perhaps even beyond, because I believe that the government should not have the right to take 55 percent of an estate. That would be 55 percent of a ranch or a farm in my district, where we are encouraging young farmers and ranchers to engage in the business, to engage in the economy. And yet they would have to come up with cash to inherit the farm or ranch? Unconscionable.

I believe that we can do better. That is why I like to focus on the future and I like to focus on the future through building our economy with sound tax policy, availing capital to our entrepreneurs so that our entrepreneurs can be creative, can pursue innovation and grow jobs, becoming prosperous. And they will pay taxes. They will pay a fair amount of taxes all along the way. But let's not take too much of it and punish them.

Mr. MCCARTHY of California. Well, Congressman SMITH, we appreciate your comments. And we come to a close tonight of the first quarterly report from the freshman Republicans. We will continue, Mr. Speaker, to bring this. We want to put people before politics. We want the people to know, Mr. Speaker, what happens on this floor. When they sit at home, we want them to know about the largest tax increase in history, \$400 billion. We want them to know, as generation to generation, that someone who happens to be in my district who maybe wants to continue the ranch and someone passes away, that they have to sell half the ranch to just try to keep business the way it was, because government and this majority party wants to take 55 percent of it.

Mr. Speaker, we feel that is wrong, and that is why we want to tell it directly to the people.

We appreciate the time we have had, Mr. Speaker.

THE 30-SOMETHING WORKING GROUP

The SPEAKER pro tempore (Mr. PATRICK J. MURPHY of Pennsylvania).