

forth to find justice for his son and for the other victims of The Station nightclub fire. I know that the memory of Derek Brian Johnson will live on in his father's heart forever, and I applaud his efforts to soldier on on behalf of a man who was taken from us all too soon.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

(Ms. KAPTUR addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

GETTING THE NATION BACK ON TRACK

The SPEAKER pro tempore. Under the Speaker's announced policy of January 18, 2007, the gentleman from South Carolina (Mr. BARRETT) is recognized for 60 minutes as the designee of the minority leader.

Mr. BARRETT of South Carolina. Madam Speaker, it is an honor to come tonight and talk a little about spending, talk a little bit about the budget, talk a little bit about reform, talk a little bit about entitlements, and talk a little bit about earmarks.

What we want to do, Madam Speaker, over the next hour is talk a little bit about what is going on in Washington, what is broken, what needs to be fixed and have a big-picture discussion. We can talk about line items. We can talk about things down in the weeds. But what we want to talk about tonight is a philosophical difference between the Republicans and the Democrats on how we are going to get this country, Madam Speaker, back on track.

Now the President's budget lays out critical fiscal issues that the Congress is going to have to deal with in the near future. Key among them are balancing the budget, promoting sustained economic growth, slowing the growth of Federal spending and addressing the coming entitlement crisis.

First on deficits. Last year at this time, after several years of dramatic declines in the Federal deficit, we found ourselves on what may be described as a glide path to balance in the near term. Now that path has been interrupted, mainly due to the slowdown in the economy and the stimulus package, but we will still balance the budget.

Even while addressing current challenges in the economy, the President's budget achieves balance by 2012 without raising taxes. Now let me say that again, because I think that is extremely important. The President's budget achieves balance by 2012 without raising taxes by demanding the Federal Government get in control of guess what? Spending.

The budget also achieves balance through sustainable fiscal policies that support economic growth and job creation. It maintains the tax policies

that have supported the solid growth which until only recently succeeded in producing appreciably higher revenue, appreciably higher revenue, and dramatic reductions in the deficit, and we have got some charts to show you just that.

Finally, the President's budget recognizes that our Nation's challenges go well into the next few years. It takes a significant critical step towards addressing the greatest threat to our Nation's future strength and prosperity, the unsustainable growth of our largest entitlement programs.

While the President's budget doesn't fix the entitlement problem in one fell swoop, it does propose specific reforms, ones which would reduce Medicare's \$34 trillion in unfunded liability by nearly a third, and that would be a tremendous step, Madam Speaker, \$10 trillion, and I congratulate the President on this step.

These are issues that we can debate on how best to approach that. But to cut the unfunded liability by \$10 trillion is remarkable. And if the people want to criticize the President's specific proposals for addressing that problem, that's fine. Then let's make sure they come forward with solutions on how we can fix this stuff. Don't just tell me the problem. Tell me how to fix it.

We must reform these programs so they can meet their mission of providing health and retirement security and a reliable safety net today and in the future. The administration has a proposed plan, but it is Congress who has the power of the purse strings. It is Congress who will decide the Federal budget. And it is Congress who is ultimately responsible and accountable for ensuring a sustainable path to our Nation's future.

Let me show a couple of charts to kind of substantiate what we are talking about, Madam Speaker.

The first chart. Now a lot of people have said the Bush tax cuts, let's make them permanent. Let's do away with them. When we talk about the Bush tax cuts, what are we talking about? We are not talking about the Bush tax cuts. We are talking about real things. We are talking about capital gains. We are talking about the marriage penalty. We are talking about dividends. We are talking about a death tax. A child tax credit. Things that affect everyday Americans, Madam Speaker.

Now this chart shows the best Bush tax cuts of 2001 and 2003. If you look at the red first, this shows what happened before the tax cuts, and the blue shows what happened after the tax cuts. Now my friends on the other side have always said, well, what we need to do, we need to tax the rich. We need to make sure that they are paying more than their fair share.

Let me show this. After the Bush tax cuts, the top 1 percent, their taxes actually went up. That's right. The top 10 percent, guess what? After the Bush tax cuts, their taxes actually went up.

The top 50 percent, after the Bush tax cuts, guess what? Their taxes actually went up.

Now, again, the Democrats will argue, well, we need to do more for the little man, for the guy that is in the middle. Look at the bottom down here. The bottom 50 percent after the Bush tax cuts went into effect, their tax liability actually went down. So the argument that we need to tax the rich more to save the little man doesn't quite fit that chart, does it?

Let's show another one. Job creation before and after the Bush tax cuts. If you look at the red lines going south, or below the line, this is before the Bush tax cuts. Look what happened after the Bush tax cuts. Now it appears to me on this chart that job creation went up. So we have got the lower 50 percent that are actually paying less, and we are creating more jobs.

□ 1915

An interesting concept. Let me show another one.

Now, Madam Speaker, I really love this one. This is one that me being from South Carolina can truly understand. This is before the Bush tax cuts. Then, after 2003, everything was fully implemented. The line goes increasingly up. So even after the Bush tax cuts were fully implemented, revenues to the Federal Government soared through the roof.

It just proves that when you allow Americans to keep more of their hard-earned money, that they know how to spend it better than we do. They are going to buy a new truck. They are going to build a new building. They are going to hire a new employee. They are going to grow the economy. And the way you grow the economy is through the private sector and not the public sector.

Now, let's change subjects just a little bit. Spending. No matter what we do, whether it is tax policy, whether it is changes here or changes there, we have got to get spending under control. The red line assumes that my friends on the Democrat side are successful and the Bush tax cuts are going to go away. We will have higher taxes. The red line shows here that the taxes are increasing.

But look at the green line. The green line, Madam Speaker, is runaway spending, and you can't address one without addressing the other, because unless we get our fiscal house in order, none of it is worth anything.

Now, I want to read you a quote here. Comptroller General David Walker came in front of our committee and said, "You are not going to tax your way out of this problem. You're not going to grow your way out of this problem. You are not going to do it by constraining spending. You are going to have to do a combination of all these things, and the biggest thing is going to be entitlement reform, Social Security and Medicare, health care being a much greater challenge. And

we need to start soon, because time is working against us.”

Let’s look at entitlements. Now, of course, the top of it says “mandatory spending.” There is actually nothing mandatory about this, because Congress can change this if we need to. It is entitlement spending.

In 1995, entitlement spending was roughly about 49 percent of our Federal budget; in 2005, which, by the way, was 3 years ago, 53.4 percent of our budget. And, lo and behold, unless we do something to address entitlement spending, by 2018, it will be 63.3 percent of our budget.

Now, you look at the interest, how it has kind of stayed the same, actually gone down a little bit. But discretionary spending has gone from 36 to 29 percent. Roads, education, infrastructure, defense, things that are vital to our Nation, things that are vital to our national security, are being eroded because of this monster that we call mandatory spending.

This is the last chart I want to show. Now, again, I want to applaud the President for trying to attack entitlement spending. There is \$34 trillion, as we speak, of unfunded liabilities. And what his budget proposes is an estimated \$10 trillion trying to trim that off.

Now, my chairman, Chairman JOHN SPRATT from South Carolina, an honorable man, sat right in the committee and said these are draconian cuts to Medicare, to Medicaid. But, Mr. Chairman, tell me how to fix it? Let’s have an open and honest debate on how to address entitlement spending, because, Madam Speaker, this is the camel that broke the straw’s back literally; not the straw that broke the camel’s back, but the camel that broke the straw’s back.

Madam Speaker, I can go on, and I want to do that, but I have some tremendous partners here with me tonight that want to talk about spending, that want to talk about runaway spending, that want to talk about this system that, personally, I think is broken.

The first gentleman I would like to recognize is a dear friend of mine, a classmate of mine from the great State of Minnesota, Representative Colonel JOHN KLINE.

Mr. KLINE of Minnesota. I thank the gentleman.

Madam Speaker, this is a huge topic that we are talking about tonight of tremendous personal importance to every American. My dear friend and colleague from South Carolina said that we want to talk a little bit tonight about budgeting and about things that are broken in Washington and about spending and all manner of things.

You know, when we budget, whether the President sends over a budget and then Congress works its will on that budget, we are assigning priorities on how we spend taxpayer money, how the government is going to spend that money, and that ought to be a delibera-

tive process, and it is a deliberative process. But then we throw it out the window.

We have a couple of things that I wanted to touch on tonight which break the system. One of them is a subject that has been much in the news lately, and that is porkbarrel spending, earmarks. This is a system that is completely broken in Congress and in Washington, DC.

Spending for pet projects for Members of Congress has nothing to do with an orderly, reasoned system for setting priorities on how we set spending. Decisions are made not on the merits of a proposed project. No, not at all. Decisions are made based on how long a Member has been in Congress, perhaps what committee they are assigned to, perhaps what party they are in. It has nothing to do with the merits of the project.

So we spent last year over \$15 billion, that is the entire yearly budget for the State of Minnesota, \$15 billion on these pet projects, and done in a way that had nothing to do with an orderly system for assigning priorities on how we spend money.

I don’t think I ought to be asking the people of the Second District of Minnesota to spend money on a project for the LA fashion district. I am sorry, I just don’t think that is the right set of priorities. We ought to establish those priorities through the institutional system that is here in Congress. We don’t do that. We award money based on an entirely arbitrary system.

My friend, our friend, my friend from South Carolina, Mr. BARRETT, and others that are here with us tonight know that we have a friend, Congressman JEFF FLAKE from Arizona, and every time we have a spending bill he brings up six or eight or 10 or 12 examples of this porkbarrel spending and tries to shed some light on it and get a debate and give us a chance to vote on whether or not we think that is the right priority for how we spend taxpayer dollars. But do you know what? It is not a debate. It is not a debate. It is not going to have anything to do with the merits of the project.

Mr. FLAKE’s amendments almost, I can only think of one exception, never pass. And why is that? Because the system is broken. Members of Congress don’t want to vote against that earmark, because they are afraid that somebody will vote against their pet project. It is a broken system. We need to check it.

Is it a lot of money? Well, the entire annual budget for the State of Minnesota, we think that is a lot of money, and we ought to get that under control. And it is symptomatic of problems we have here.

Another problem that is symptomatic of a broken system is what happens after we go through the process of debating the budget, deciding on a budget, deciding on how much money we are going to spend for defense, for education, for transportation and

roads, setting priorities in the way we should be setting priorities.

Then what happens? The system here in Washington, in Congress, says that we have to have a spending bill, an appropriations bill that dictates how much money we are going to spend in theory in keeping with that budget. But what happens? These bills come up. They are loaded down with this porkbarrel spending. We get to the end of the fiscal year here in Washington, which is the end of September, and we don’t have these bills passed.

We get to the end of October, we get to the end of November, and suddenly there is pressure to get the spending bills passed, and the system that has been in place here for a long time is to do what? Take all of these spending bills and roll them up into one great big monstrous bill of spending which they call an omnibus. This omnibus ends up breaking every rule, every priority of spending. It is just one big, huge massive spending bill. That is part of what is broken in Washington.

Now, my friend Mr. BARRETT is talking about entitlement spending, and I am sure we have colleagues here tonight that are going to talk about that and other issues that are trillions of dollars, but we can’t even get the relatively small pieces right here.

I am very pleased to say that many people in my party, in the Republican Party, have stepped up and said we have had enough of this porkbarrel spending. We need to take serious action to stop this nonsense. Some of us have said we are not going to participate, me included, until it is fixed. Many of my colleagues have done the same thing, some of them here in this room tonight. But as a party we have taken the position that we need to fix this.

I was very pleased to see that one of our Democrat colleagues today was in the paper saying no more earmarks, because the system is broken, and we welcome that sort of bipartisan support and recognition of a system that is completely, absolutely broken and needs to be fixed.

I know it is symptomatic of some bigger problems. It is not huge money, but it is big enough money that we ought to step up and fix it. And then we ought to fix these other underlying problems like this gigantic omnibus mess, because the green line that my friend showed of this increased spending has got to be brought under control. Even in the wildest dreams of our colleagues on the other side of the aisle, they can’t raise taxes enough to fix that. We have to get the spending part of this equation under control.

I believe, as I know Mr. BARRETT does and some of our other colleagues here tonight, that keeping the tax burden low and allowing American families and businesses to spend money according to their priorities will keep this economy growing and tax revenues will continue to flow. We just have to get the spending side under control.

I thank my friend for yielding some time to me and letting me address a couple of the issues in this big picture that he has been trying to lay out for us tonight. I know we have other colleagues, so I yield back.

Mr. BARRETT of South Carolina. I thank the gentleman.

Madam Speaker, I guess it is a philosophical question: Who do you trust? Who do you trust? Do you trust a Federal bureaucracy that has grown and grown and grown? Or do you trust the men and women in South Carolina? Do you trust the men and women in Minnesota? Do you trust the men and women in Texas or Tennessee? Because they are the ones out there day after day busting their humps, making a living, trying to make ends meet. And all they want is a fair shake. All they want is for us to spend their money wisely.

I have never met a constituent, Madam Speaker, that didn't say "I don't want to pay my fair share." But every one of them will tell you "I don't want to pay more than my fair share." And it is incumbent upon us, it is incumbent upon the United States Congress, to do the right thing.

With that, Madam Speaker, there is a lovely lady in the Chamber tonight that is a budget hawk, that is a stalwart when it comes to conservatism in the House, a lady that speaks with a gentle voice but carries a big stick, and I am talking about my dear friend from Tennessee, MARSHA BLACKBURN.

Mrs. BLACKBURN. Thank you so much.

Madam Speaker, I thank the gentleman from South Carolina for yielding the time, and I thank my colleagues for taking the time to come and talk to our colleagues and also to the American people a little bit about the issue of spending.

You have the right to know how we spend your money. Madam Speaker, I think that that is something we need to think about. This is not our money. It is not the government's money. This is the taxpayers' money. And to each and every individual, each and every taxpayer who is listening, you do have a right to know how your money is being spent.

The gentleman from South Carolina spoke so well to the issues that are encapsulated in the budget process. Some of you may be wondering about that budget document. Yes, the President did get it out to us last week. You can actually download the budget document if you want to see it. It is about 2,000 pages.

You think about how small the Constitution is and how big the budget is for this one year. But at Whitehouse.gov/OMB/budget/FY2009, the fiscal year 2009 budget, you can go to that Web site and you can actually print it off and go through and search and look at it, as the gentleman said, entitlements, and the entitlements that are there, the mandatory spending, as it is called, even though it is

items that just don't seem to be addressed.

□ 1930

They are put on auto pilot, if you will. And it really takes strength to get in there and address Medicare and Medicaid and Social Security and those items that have been put on auto pilot.

Are these items things that are going to continue to grow every year? Yes, indeed, they do. Do they need to be addressed? Absolutely, they need to be addressed. And the gentleman is right in that, as he was pointing out the amounts of money. And then just making a small little reduction in that spending, you have a Budget chairman who is saying, oh, my goodness, draconian cuts. We can't do that.

So it is important to keep up with actually what is in that document. And I do encourage everyone to print that out, look at it, and stay in touch with us as we continue on a regular basis to come to this floor and talk about how this body spends your money.

Now to follow the good members of the Budget Committee, the gentleman from South Carolina and a couple of Members you will hear from yet a little bit further tonight and to follow some of the process, the process of getting this budget together. The President proposes that budget. You can go to budget.house.gov/republicans, and you can follow the actions that are going to take place as we talk about spending, talk about how the limits are going to be set for the different categories in the budget, as we go through amending that budget and the House putting its mark on that budget. We are the keepers of the purse. And I invite you to follow those actions.

Those of us that are in the Republican Study Committee, which are bringing you this hour tonight and this discussion, you can follow what we are doing with the budget at house.gov/hensarling/rsc, and we encourage you to do that.

We do recognize this is your money, it is not the government's money, and you deserve information on what is happening with spending. As you have heard from the gentleman from Minnesota (Mr. KLINE), and also from South Carolina (Mr. BARRETT), you deserve that info so that you can decide if you think you are getting a good value for the tax dollars that you are sending into the Federal Government. So work through this with us, and then you make the decision as to what kind of value you think you are getting.

Now I will tell you, I am one of those that thinks the President spends too much. I have disagreed with how much he spends. I think this body spends too much. There are all sorts of good ideas that are out there. But every time there is a good idea, you have a price that has to be attached to that. And it is not only a price as to what we are spending here, but it is also the price that is paid because neither the private nor not-for-profit sector is going to fill

that need or address that need if the public sector is doing it.

I think as we talk through the issue and as you are listening to the Members that will speak to you tonight, you will agree, government spends too much. As you have heard tonight, taxes are too high. The American people are overtaxed and government has overspent. The bureaucracy is bloated and the bureaucracy needs to be trimmed back. Every year they take a little more and a little more and a little more and go through this process of baseline budgeting, never going back to dollar zero like you do, like we all do with the family budget. Every year they just add on. So the bureaucracy is bloated. And in this season of a new year and new resolutions, the Federal budget is one that needs to be put on a diet. But we all know that government has an insatiable appetite for the taxpayers' money.

There are some actions that need to be taken. As you have heard tonight, you see the mandatory spending, the things that are on auto pilot approaching 60 percent of this budget. It's time to get our hands around that. We're looking forward to beginning some of that process this year, just as we've begun it every year with the budget discussion and driving that debate a little bit further to make certain that fiscal responsibility is restored to this House, to make certain that future generations of Americans have a free Nation in which they can grow up, which they can dream big dreams, where they can have great adventures and they have the confidence of knowing they have a government that is going to work well, a government that is going to be efficient and effective in the tasks that they undertake and the services they provide.

I thank the gentleman from South Carolina for yielding.

Mr. BARRETT of South Carolina. I thank the gentlelady.

Madam Speaker, I couldn't have said it any better. Mrs. BLACKBURN does a beautiful job, and we really appreciate her coming down and sharing some thoughts with us tonight.

My next speaker again is a classmate of mine, a wonderful man, the author of the Family Budget Protection Act, which was a fantastic piece of legislation, and I hope he talks a little bit about it tonight, also the chairman of the Republican Study Committee, and a dear friend, the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. I thank the gentleman for yielding. I thank him for his leadership in this body, and I thank him for his friendship.

Madam Speaker, I know of no one in this body who represents greater integrity and greater honor than the gentleman from South Carolina. His district was very wise to send him to the United States House of Representatives. I want to thank the gentlelady from Tennessee who preceded me who is one of the most dynamic Members

we have in this entire body for the clarity and persuasion of her speech, a lady who knows how challenging it is for families to be able to put food on the table, put gasoline in the car, pay for their health care expenses, and knows that ultimately it is the family budget that ends up paying for the bloated Federal budget.

Now I didn't join the Budget Committee because I enjoyed numbers. In fact, I think probably the worst grade I ever made in my life was in an accounting course at Texas A&M University many, many years ago. But I joined the Budget Committee because ultimately the budget is about priorities. And, Madam Speaker, I came to this body because I believe America needs greater freedom and greater opportunity. And you can't have more freedom and more government. You have to choose between one or the other. And sometimes, Madam Speaker, especially at a time of challenging economic times, you have got to decide which is more important, a government check or a paycheck. And right now government increasingly is taking a bite out of that family paycheck to pay for bloated Washington spending.

Well, Madam Speaker, I don't know if the American people know it, but right now the Federal Government is spending over \$23,000 per American family. It is the first time since World War II that the government has spent that much money, over \$23,000. Madam Speaker, I wonder how many families that are listening to this debate tonight think they are getting their \$23,000 worth out of the United States Federal Government.

Now some will say government has great needs. But you know what, it's not always how much money you spend in Washington that counts, it's how you spend the money. And I want a Federal Government that does a few things well, like guards my family and the families of all Americans against radical Islamic terrorists. I want a Federal Government that can control our borders. I want a Federal Government that will provide a social safety net for those who are too old, too young, and too disabled to help themselves. But outside of that, I want people to go out and have greater freedom and greater opportunity, and have the greatest welfare system known to mankind. And when I say welfare, I mean greater education, greater housing, greater nutrition. That program is called the American free enterprise system, and it is under assault. And one of the things that is assaulting it is the Federal budget.

Now let's talk about the fight that is taking place in Congress right now, and that is a fight about whether or not Americans ought to receive a huge automatic tax increase that our friends on the other side of the aisle, Madam Speaker, the Democrats, have passed into legislation.

Right now over the next 3 years there will be a huge automatic tax increase

on the American people. Now is that what this economy needs now, when people are concerned about their job losses, when they are having trouble filling up their Ford F-150 pickup trucks, when they are having trouble buying milk at the grocery store? I have a 5-year-old and a 4-year-old and they're very thirsty and they drink that milk. And it is expensive.

And so the question right now is, should there be a huge automatic tax increase on the American people? Well, Madam Speaker, the Republicans think that there shouldn't be, that we shouldn't have a huge automatic tax increase. Let me tell you what the Democrats have passed.

Right now, if we don't change this, the top tax income bracket will go to 39.6 percent, an increase of 13.1 percent. Now why is that important? We always hear, well, you know, this is the wealthy and they need to pay more taxes. Well, you know who files at this rate, Madam Speaker, is small businesses. And, guess what, you can't have capitalism without capital. I used to be a small businessman. I signed the front of a paycheck. I used to sign the back of the paycheck, but I signed the front of the paycheck and I have risked capital. So now all of a sudden the Democrats have put into law a 13.1-percent tax increase on hundreds of thousands of small businesses across our Nation at the very time when they are trying to meet their payroll. What sense does that make, Madam Speaker?

Capital gains. The capital of capitalism. Democrats want to increase taxes on that 33.3 percent. If you want to talk about something that's going to send more jobs overseas, it's increasing the tax rate on capital gains. Dividends go up 164 percent. That's right, 164 percent, under the automatic tax increases that the Democrats are going to impose on us.

The death tax. You have already paid taxes on it once. You shouldn't have to visit the undertaker and the IRS on the same day, and yet that is going to go from zero up to 55 percent, Madam Speaker.

The child tax credit is going to get cut in half. And the lowest tax bracket for the lowest wage earners in America, their taxes are going to increase 50 percent. Under the Democrat plan, Madam Speaker, it is going to go from a 10 percent bracket to a 15-percent bracket.

Now is this the recipe that our economy needs? I don't think so. I don't think so. But yet Democrats tell us, well, we need more money because we've got to do all this Washington spending. Well, if you look in the rear-view mirror, Madam Speaker, you will see that over the last 10 years government has grown by about 75 percent, and yet the family budget, which has to pay for that Federal budget, has only grown 30 percent.

Now ultimately something has to give. And so again our Democrat colleagues, Madam Speaker, tell us, well,

we have to raise taxes. And all those tax increases that they want to impose right when the economy is having troubles, they say, well, we've got to raise taxes to somehow balance the budget.

Well, Madam Speaker, if people would look at this chart, we don't have a taxation problem, we have a spending problem. Right now the difference between this blue line and red line is this huge massive tax increase that the Democrats want to impose upon hard-working American families, on farmers, on teachers, on small businesses. And look at how much revenue it gains you. And this, Madam Speaker, not to get into too much inside baseball, is what we call a static analysis. This assumes that raising people's taxes has no impact on economic growth. We know that's not true.

So given the Democrats' every single assumption, if they do this massive tax increase which is going to amount to roughly \$3,000 per American family over the next 3 years, it doesn't get anywhere close to the green line. That's the spending line. That is the line that represents the Federal Government on automatic pilot. That is if no new programs are added, that is how much is going to be spent. And what does that represent? Don't take my word for it; take the Comptroller General's word for it, the chief fiduciary officer in the United States Government. He says that line right there represents either, number one, a doubling of taxes on our children, or it represents a Federal Government that consists of almost nothing but Medicare, Medicaid, and Social Security. And anybody in charge of counting money for the Federal Government will tell you the same thing. Where is the ethic in that? Where is the morality in that? Imposing that kind of burden on the next generation? But, no, we have so many colleagues that care about the next election and not the next generation.

□ 1945

Almost 6 years ago I got in the next generation business because I have a 5-year-old daughter and a 4-year-old son, and I care desperately about their future. So we have to do something about out-of-control spending, and yet our colleagues on the other side of the aisle, the Democrats, every single day they add a new program, completely oblivious to the cost on our children and grandchildren, the least of these, those who cannot vote and those yet to be born.

If we are to work our way out of the economic challenges we have today, much less spare our children and grandchildren a doubling of their taxation to where we would be the first generation in American history to leave the next generation with a lower standard of living, if we are going to keep our faith with our forefathers, if we are going to show fidelity to the future generations and be good stewards

of the American dream, we have to defeat these massive Democrat tax increases. We have to defeat their massive increases in spending.

Madam Speaker, it all starts with something we call earmarks, congressional earmarks. As a dear friend of mine in the Senate, TOM COBURN of Oklahoma said, "Earmarks are the gateway drug to spending addiction." There are too many bridges to nowhere, there are too many indoor rainforests. There are too many teapot museums. And the American people are waking up that all too often somebody in this body has taken a bite out of their paycheck so that some Member of Congress can keep his. The system is broken.

Republicans in this body have called for an earmark moratorium. They have called for a select committee to clean up this system where the American people too often see money going into campaign contributions. Money coming in one end of Washington, DC, and they see earmarks coming out the other end. The system is broken. It has to be changed, and all the Democrats have said is no, we are not going to join you. They have gone the complete opposite direction.

I am proud to be a member of this Republican conference that is trying to clean up this earmark mess, trying to control spending and control taxation so we can get this economy going and Americans can keep their jobs and have a brighter future for themselves and their children and their grandchildren.

I thank the gentleman from South Carolina for his leadership, and thank the gentleman for yielding me this time.

Mr. BARRETT of South Carolina. Mr. HENSARLING, I thank you for being here tonight and for your hard work. Your steady leadership with the RSC is truly appreciated. We appreciate you coming down here tonight.

Madam Speaker, my next speaker tonight is a gentleman that we call our songmeister in the Members' prayer breakfast every Thursday morning, a gentleman who is dogmatic when it comes to being a true conservative, when it comes to spending constraint, and when it comes to doing what is right in the United States Congress, the gentleman from Missouri (Mr. AKIN).

Mr. AKIN. Well, thank you very much for yielding me some time here. I agree with you entirely that Congressman HENSARLING from Texas really does us proud, and we think an awful lot of his constituents for sending Mr. HENSARLING here. He is a great leader and really understands the basic principles and levers on what makes Congress work.

Mr. BARRETT from South Carolina, I appreciate your managing the time before us this evening, and your integrity and leadership, and the fact that you are pretty smart and on top of these issues. We need people like that here.

The question before us tonight, do we want tax increases or tax decreases. It is a pretty simple choice: Tax increases or tax decreases. Historically there were two guys, one guy plugging each one. One was called little Lord Keynesian economics. That is the one that said what we want to do is we want to do tax increases. If the government just spends enough money, by golly, it is just like standing inside a bucket, grabbing the handle and lifting up, and we will just float our way out of any economic problems. So the idea is government will spend a lot of money and increase taxes. That is a Keynesian approach.

The other approach was advanced a little later, after Keynes, and it was Milton Friedman. He said no, when you have your economy in trouble, you are starting to get into a recession, you want to do tax decreases. Now that might sound like a crazy idea because if you cut taxes, you think, I won't be able to pay for all of the things that government is doing. We already have a deficit, how can you cut taxes.

Well, one of the ways to take a look at which one of these ideas is a better idea is take a look at how it has worked historically. We have a long record on that, actually. You can go back to the 1920s, and Calvin Coolidge cut taxes at a time when the economy was having a hard time, and the economy surged. In fact, they gave it a name, they called it the Roaring 20s.

Next was FDR. Now FDR in his earlier years, he was in trouble politically, so he got a clever idea. He said I am going to take some Federal money and start building using Federal money in the States where I need some votes. He goes out and doubles and then triples the budget of the Federal Government. The Federal Government was only spending about 3 percent, and he took it up to 9 percent. That was the 1930s and 1940s. And, of course, the Great Depression was brought on by that extensive spending on the part of the Federal Government and the tax increases that were necessary to try to cover that.

In 1960, and this is a place where we step a little out of the political pattern. In general, Republicans have been on the side of cutting taxes. But here was a Democrat, John F. Kennedy. In 1960 he said the economy is in trouble, and we need to cut taxes. JFK did that, and we had 7 or 8 years of very strong economy.

So again, when you cut taxes, the economy surged and did better.

In the 1980s, Ronald Reagan was stuck with a very difficult economy. He did a huge tax cut. Everybody says Reaganomics, it was foolish to cut taxes, except it worked. We had a tremendously strong economy. It was that strong economy that allowed Ronald Reagan to spend money on defense and basically economically break the back of the Soviet Union, thus winning the Cold War.

Then we came back with Bush I and Clinton. They went back to the raise-

taxes formula. The economy gets in trouble. Bush II comes into office in 2000, and we have a recession starting. What happens, in 2003 he does a major tax cut particularly where it was necessary to help small businesses to help invest in the economy, and now we have had about 5 years of a very strong economy because of the tax cuts.

Well, where are we today?

The Democrats today are really into the idea of tax increases. Not only have they raised billions and billions in additional spending in 2007, but they have proposed the mother of all tax increases. That does make me scared around Thanksgiving when you hear about the mother of all tax increases, a \$3-plus trillion tax increase. That is going to repeal all of the Bush tax cuts.

So now you have the economy that is pretty shaky right now, and what are you going to do; you are going to slam it with massive tax increases, and that is the formula that goes right back to little Lord Keynesian that the Democrats are pushing.

The question could be asked, we are not being able to cover all of our bills, how can you talk about cutting taxes, being responsible when you talk about cutting taxes, wouldn't you have to pay all of these bills for the government. Well, here is an interesting thing, and it is one that I heard talked about but I never really quite analyzed it. I would like you to picture in your mind that you are king for the day and your job is to try to raise some money for your government to do some programs. The only thing you get to tax is a loaf of bread.

So you start to think this one out. You see this loaf of bread sitting in front of you, and you think, am I going to put a one penny tax on a loaf of bread, and you start calculating how many loaves of bread that we use in the country, and figure out what you raise. You think, why not charge \$100 for taxes on a loaf of bread.

Then you think maybe no one would buy the bread then. Common sense says somewhere between a penny and \$100 there is some level of tax on the loaf of bread that if you increase it, you will lose tax revenue. And if you decrease it, you will lose tax revenue. So what is going on here is that there is some optimum level of taxing, and when you go beyond it, even though you raise taxes, you are actually crashing the economy and you are not going to collect as much money because the economy is going to die.

You think about the fact in this last Bush administration people were complaining about the tax cuts and the cost of the war. The interesting thing is if you add the cost of the war in Iraq and Afghanistan and the cost of the tax cuts, they don't equal as much as what the recession was costing us in the beginning of 2000. Recessions are very expensive. So if you drive your taxes too much, the economy slows and you don't get the tax revenue. You can raise taxes as much as you want, but if

the economy is sick, you are not going to get revenue in.

So that's the logic. It is like a loaf of bread. If you tax it too much, you actually get less revenue coming into the government.

Now the thing that I find ironic about this whole thing, we have all of this history in America and we know that tax cuts are the medicine you need when you have a recession. We don't want excessive spending, and we cannot afford these huge tax cuts. And the ironic thing is that the socialistic Europeans have figured this out. We have the economists who figured it out, and yet we are not acting on the intelligence that we have. The Europeans, they figured hey, this is a good deal, we will cut taxes and our economy will grow. And so they whacked taxes 8 or 9 years ago, and their economy is going gangbusters. All of Europe asks, What did Ireland do? Oh, Ireland cut its taxes. And so good old socialistic Germany and socialistic France, they are working to cut taxes. They figured it out.

And here we are, the people who actually came up under Milton Friedman with this understanding of economics, and what are we doing, we are talking about the mother of all tax increases. This is insanity. I can't understand why the Democrats want to do this. If I were a Democrat, I would want to hand out pork and programs to people; I would want a strong economy. I would want to cut taxes so I would have more money to spend. It doesn't make sense to pass these huge, massive tax increases.

I think we could learn from history, or we could just learn from the Irish.

I certainly appreciate the gentleman from South Carolina yielding me the time to talk about this. The question is are we going to do tax increases or tax decreases? If you care about the economy and if you care about the future of our children, the answer has to be that we have to use the Milton Friedman approach and we have to get control of our spending and we have to cut our taxes.

Mr. BARRETT of South Carolina. I thank the gentleman. I can certainly tell one thing, Madam Speaker, and I know the other folks in the Chamber will agree, that the gentleman from Missouri is certainly passionate and believes in what he is talking about.

Madam Speaker, now it is an honor and a privilege to turn to one of our newer Members, but a Member who has proven himself time and time again, the gentleman from Ohio (Mr. JORDAN).

Mr. JORDAN of Ohio. I thank the gentleman from South Carolina for yielding, and appreciate this opportunity that RSC has put together to talk about taxes and spending and some of the challenges we face as a country.

We live in the greatest country in the world, but we do face some serious challenges. Obviously we face the challenge of terrorism, the threat from peo-

ple who want to do our country harm and who don't believe in the great values that made us the greatest country in human history.

Also, we face another challenge, and that is the challenge of dealing with the fiscal situation that confronts us as Members of Congress. Just some numbers. The previous speaker from Missouri talked about tax issues. It is important to understand, you hear from time to time tax-and-spend politicians, it is really not that, it is really spend and tax. Spending drives the equation, and we have got to get Federal spending under control.

Just some numbers. The greatest economy in human history is the U.S. economy. It is the largest economy ever, a \$14 trillion annual economy.

The second largest economy in the world is the nation of Japan, approximately \$3.2 trillion.

The third largest economy, if I can use that term, is the Federal Government. We all just saw the budget that came out last week, a \$3 trillion Federal budget. We have a \$3 trillion annual operating budget, and we have a \$9 trillion national debt. The Federal Government spends \$23,000 per year per household; the top 25 percent of income earners pay 84 percent of the taxes. So when you hear these elected officials say we have to give tax cuts to the middle class, we are going to tax the rich, it is already happening. So when people talk about only taxing the rich, what they really mean is they are going to tax taxpayers. Every single family is going to pay more.

We have to get spending under control if we are going to keep taxes low so families have more of their money to spend on their goals and their dreams, their kids and their grandkids.

Last year I was proud to be part of the RSC who worked hard at lowering spending. In fact, we didn't really work to lower spending. What we said to the majority party is, let's spend what we spent last year. We offered a series of amendments. The way the process works around here is we have to have 12 appropriations bills in law by the end of our fiscal year, which is September 30.

□ 2000

So as those bills were moving through, we offered a series of amendments that said, let's spend what we spent the previous year. After all, all kinds of families, all kinds of business owners, all kinds of taxpayers in this great country have had to do that from time to time. Doesn't it make some sense for the Federal Government, where everyone instinctively knows we have waste in spending, doesn't it make sense for the Federal Government to maybe just live on what they did the previous year? But no, the majority party wouldn't do that. And they increased spending on those bills at three and four and in some cases five times the rate of inflation. And all we said was, let's just hold the line.

And the argument we got when we offered our amendments was, you know what, if we can't spend more, the world's going to end, the sky's going to fall, all kinds of terrible things are going to happen. We just can't do that. We've got to spend more.

Well, as the process unfolded, and so that the American people understand, Madam Speaker, we didn't have any one of those bills, not one single bill was enacted by September 30. And so on September 30, we had to pass what's called a continuing resolution, which is a fancy way of saying, let's live on last year's budget.

A few weeks into that, I came to this floor, same spot here, and gave a speech. I said, you know, a few months ago, a few weeks ago we had talked about the fact that we wanted to hold the line on spending and we were told that if we didn't increase spending, all kinds of bad things were going to happen; the sky was going to fall, the sun wouldn't come up.

I said, you know what? For the past 6 weeks we've been living on last year's budget and imagine this: The government's still running. The sun's still coming up; the world hasn't ended. I said, how can that be? And my rhetorical question was, You know what? If we can do it for 6 weeks, I bet we could do it for 6 months, I bet we could do it for a whole year, and save the taxpayers a lot of money and, more importantly, and maybe most importantly, begin to better position ourselves as a country to deal with the long-term problems that we know are out there.

It is important that we get spending under control because when we do, we can make sure our economy continues to grow, we can keep taxes low, and we can let families have the kind of resources they need, their resources, to spend on their goals and dreams.

The last thing I will say is this before yielding back to the gentleman from South Carolina.

The way the world works is this: The economic leader in the world is the military leader in the world. Right now that is one country, the United States of America, and that's a good thing. It is good when American leads.

You know, folks at home in Ohio, folks back home in Carolina, they get it. They understand that instinctively. I think maybe the only people who don't understand that fact is the editorial page of the New York Times.

I love the line Cal Thomas has, syndicated columnist Cal Thomas. He talks about how normal people perceive things, and how sometimes the elite national press perceives things. And he has a great line. He says, I get up every morning, I read my Bible and the New York Times so I can see what each side's up to. And there's some truth to that statement.

It's important that we lead economically. We can do that by keeping spending low and keeping taxes low. And when we do that we can be the leader of the world, which is a good thing for safety around the planet.

With that I would yield back to the gentleman. I appreciate again his putting this hour together and talking about this very important challenge that we face as a country.

Mr. BARRETT of South Carolina. I thank the gentleman from Ohio so much.

My last speaker, Madam Speaker, I don't know what to say. I mean, he's awesome. When you need somebody watching your back in a fight, the gentleman from North Carolina (Mr. MCHENRY) is the guy I want beside me. It is my pleasure to introduce him.

Mr. MCHENRY. Thank you. I appreciate your kind words, Congressman BARRETT, and I really appreciate your leadership. I know the people of South Carolina do as well. As deputy ranking Republican on the Budget Committee, he has his work cut out for him leading us on the Budget Committee.

I want to bring out just a few facts for the American people tonight, Madam Speaker. Congressman JORDAN pointed out very aptly the size of the Federal Government, just so the American people can understand what a \$3 trillion government costs, what that actually means though. You say \$3 trillion. What does \$1 billion look like?

Well, sure, Bill Gates could tell you what \$1 billion looks like. He's got that in his checkbook. But for the average American, what does that mean?

And to point out the fact that it's larger than most countries are. We have the third largest economy in the world held just in our Federal budget; greater than the whole economy of China. It's absolutely amazing.

But when we talk about boondoggles in government, folks in North Carolina know about that. Look, in western North Carolina, where I represent, in Hickory, where I'm from, Cherryville, I've got to tell you, the American people know the government's wasteful.

If you're out in the eastern part of the State like in New Bern, for instance, if you're out there, you recognize this stuff, but let's talk about a great, enormous in size and scope boondoggle that we have here in Washington, DC.

There are 111,000 bureaucrats here in Washington, DC. Some don't do much. Others are very active. But 111,000 bureaucrats. The average wage for those bureaucrats here in Washington, DC is \$89,561 a year. That's amazing to me that the sheer size of that, the average wage is so high. It's enormous.

But in the Department of Education, we know that education is critical. It's especially critical in western North Carolina. We have 3,224 bureaucrats here in Washington, DC in the U.S. Department of Education. The average wage is \$93,773. Now imagine that. The average teacher in America makes \$47,000 a year. I would much rather take that money from the bureaucrats and put it in the hands of teachers who are actually educating children.

Madam Speaker, we have a crisis on our hands with the size and scope of

government. We have to limit the size and scope of government. We have to bring the budget to balance and do it without raising taxes.

I appreciate and applaud my colleague from South Carolina for hosting this special order so we can bring out these facts to the American people, because as their family budgets tighten, so should the Federal Government's budget.

Mr. BARRETT of South Carolina. In closing, Madam Speaker, when I was working in the furniture store, my furniture store in Westminster, South Carolina, I had a guy named John R. McAllister. I called him Hoss. And Hoss would come in every Friday to see me and he'd make his payment. And it didn't matter whether I was working in the back or working on a truck or unpacking furniture, Hoss would look me up and come grab my hand and shake it and say, thank you for what you're doing. You know, Hoss McAllister probably didn't have an idea close to what I did. But I think about Hoss McAllister tonight, Madam Speaker, and all the Hosses out there that want a fair shake.

We're going to do the right thing. We're going to keep taxes low. We're going to give more money to Hoss so he can make a living.

30-SOMETHING WORKING GROUP

The SPEAKER pro tempore (Mr. ELLISON). Under the Speaker's announced policy of January 18, 2007, the gentleman from Florida (Mr. MEEK) is recognized for 60 minutes as the designee of the majority leader.

Mr. MEEK of Florida. Mr. Speaker, it's so good to see my friends on the Republican side talking about making sure that we help people and help the economy. And today, you know, we had a bipartisan piece of legislation that the President signed, which is good, this stimulus package. Of course all of the pieces in that package did not turn out the way everyone wanted it to turn out, but we knew that we had to get it in the hands of American people. It puts hundreds of dollars into the hands of almost 130 million Americans, disabled veterans, also seniors, who will spend these dollars immediately.

Mr. Speaker, I must also say, here in the 30-Something Working Group we talked a lot about the bipartisanship. And my good colleague, YVETTE CLARKE from the great State of New York represents Brooklyn, and was a part of that bipartisanship that we shared here on this floor.

Here in the 30-Something Working Group, we talk about how we can work together on behalf of all Americans, not just Democrats, power Democrats or power Republicans, but also independents. And I think it's important when we work together we're able to achieve goals on behalf of the American people. That's what we're looking for.

But, Ms. CLARKE, one the things that I guess, or two of the things we're

going to talk about tonight, not only the President's signing the stimulus package that the House and Senate worked on in a bipartisan way, but we also have to talk about the budget a little bit tonight. I was hoping, since it's one of these cold nights in Washington, DC, that maybe we can accomplish this in a record time of being able to allow folks who, the Federal Government was delayed 2 hours today in opening, but pretty much everyone showed up at my office, and we know that folks have to get home.

But I think it's important, because so many Americans, when the tax rebate comes in, which will be a separate check, their stimulus check will come in and hopefully it will be able to help folks be able to make ends meet.

This tax credit has also offered a one-time rebate of \$300 per child. I think that's very, very important for those that are eligible to be able to get that one-time rebate per child.

Also, it expands financial opportunities for Americans in danger of losing their homes because of the mortgage crisis. And as you know, Mr. Speaker and Ms. CLARKE, we have to make sure that we bring about the comprehensive reform that we need. A number of Americans are losing their homes. A lot of us back in our districts, you know, I'm going to have not only a workshop, but an ongoing working group in helping the folks in my district be able to keep their homes. That's the number one investment tool that we use when we do need money. Having that home and owning that home and having equity in that home is very, very important. Also it promotes small business investment in plants and equipment, and it helps create 500,000 jobs by the end of this year.

And I think that just looking at some of the points in this economic stimulus plan, this is a temporary fix. It's not what all of us here wanted. But on behalf of the American people and on behalf of our economy, we have to make sure that we make these ends meet.

One other thing I just want to add, and this is an AP story, Ms. CLARKE, that the President acknowledged today that the country is suffering a tough period of economic uncertainty. We're going to talk about that when we talk about the Federal budget a little later on, a couple of these charts. You know I love charts. But we're going to talk about that, this economic uncertainty and how we get there because I think it ties into what our colleagues were talking about on the other side of the aisle, talking about all and every last tax cut is a good tax cut. And some tax cuts, especially when you're borrowing the money, I mean, we've got to talk straight to the folks, Ms. CLARKE, this economic stimulus package that's going to benefit 130 million Americans, is borrowed money. Let's just go ahead and put it out there now. It's borrowed. I think it's important that we, if we're going to stop borrowing so much