

Mr. Speaker, there are many other things that we must do to help our brave veterans. Our new Veterans' Affairs Secretary, former General Eric Shinseki, has promised to make employment to veterans a top priority. He also wants to fast-track implementation of the new GI Bill, which will help more veterans to get the education they will need to succeed in the workforce.

I also know that my good friend, HILDA SOLIS, will make veterans' employment a priority when she becomes our new Secretary of Labor. She has seen firsthand the challenges that the servicemen and women face when they try to get jobs. I know that she will work to expand the Department of Labor's programs and job training and job search assistance for veterans.

Most importantly, Congress must move with a sense of urgency to pass an effective and far-reaching economic recovery package. The President's proposal is a very good start, but it needs to do even more to create jobs for veterans, because veterans have a lot to offer employers. They are mature, they are skilled, hardworking, dedicated, respectful of authority, and they know how to be part of a team. And they have proven that they can do their job even under the toughest of circumstances.

All they need, Mr. Speaker, is a chance. They did their job in Iraq and Afghanistan. Now it's time for us to do our job and to send an economic recovery package to the President's desk that will give our veterans and their families the bright future that they deserve.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. PENCE) is recognized for 5 minutes.

(Mr. PENCE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

BRING FEDERAL SPENDING UNDER CONTROL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. DUNCAN) is recognized for 5 minutes.

Mr. DUNCAN. Mr. Speaker, when a family is deeply head-over-heels in debt, they don't go out and borrow even more so they can double or triple spending, even if it would help the economy. And that is exactly the situation our government is in in regard to the so-called stimulus package, which we will take up again next week.

I voted against the big bailout of our financial firms both times. But the majority voted for this, and raised our national debt limit to an astounding \$11.315 trillion. No one can comprehend a figure like \$11.315 trillion. However, even worse, the Government Accountability Office has told us that we have over \$55 trillion in unfunded future pension liabilities.

If we don't bring Federal spending under control, we will soon not be able to pay all of our Social Security, veterans' pensions, and all the other things we have promised our own people with money that will buy anything.

The Federal Government has become addicted to spending. The stimulus is a short-term fix that will cause even more serious problems in the very near future. Drug addicts prove every day that short-term fixes do not satisfy for very long.

When another Member of this body was asked a few days ago on MSNBC that, since our house was on fire, did we not need to pour water on it? He replied, Yes, but what we are doing with this stimulus package is like pouring kerosene on that fire.

The bill has some good things in it, but we simply cannot afford them. Probably the falsest charge made against those who oppose this stimulus is that we have to do something, and that if you vote against this, you're voting to do nothing.

First of all, we have, through the Treasury Department and the Federal Reserve, taken hundreds of billions of dollars worth of action in just the last few months. Because we rushed into some of those moves, we have been finding out that some of that money has been spent in ways that are simply ridiculous and in ways that justifiably angered the taxpayers.

One example. In fact, the Bank of America took \$7 billion of the first \$15 billion it received and increased its investment in a bank in China.

Now we are rushing through this stimulus package, and the taxpayers will find out over the next few weeks or months some of the ridiculous or wasteful things this money will be spent on.

What we should do is give these hundreds of billions in actions already taken some time to work, coupled with some really effective stimulus moves, like a cut in the payroll tax and a tax credit for people who buy or build homes or purchase cars or equipment.

Now, some of our leaders seem to be looking back in a dreamily but blind way to the New Deal. Most historians do not seem to realize this, but most economists realize that the New Deal delayed our recovery during the Depression.

In fact, in today's Washington Times, Mr. Speaker, 203 leading university economists have signed a full page ad which says, "We, the undersigned, do not believe that more government spending is a way to improve economic performance. More government spending by Hoover and Roosevelt did not pull the United States economy out of the Great Depression in the 1930s. More government spending did not solve Japan's "lost decade" in the 1990s. As such, it is a triumph of hope over experience to believe that more government spending will help the U.S. today."

These economists continue, "To improve the economy, policymakers

should focus on reforms that remove impediments to work, saving, investment and production. Lower tax rates and a reduction in the burden of government are the best ways of using fiscal policy to boost growth."

That is an ad signed by 203 leading university economists in today's Washington Times.

Unemployment—just speaking about that—unemployment averaged over 17 percent a year all through the 1930s, and even averaged 10 percent during World War II. The Nation did not really begin the return to prosperity until after World War II ended.

Those who do not believe this should read a 2003 book by Jim Powell, called FDR's Folly—How Roosevelt and his New Deal Prolonged the Great Depression. Mr. Powell quotes David Kennedy, who wrote a Pulitzer Prize-winning book in 1999, called Freedom From Fear, about the Great Depression.

Mr. KENNEDY wrote, "Whatever it was, the New Deal was not a recovery program or, at least at any rate, not an effective one."

Economists Richard Vedder and Lowell Gallaway wrote in 1977 that New Deal policies raised, "labor costs, prolonging the misery of the Great Depression, and creating a situation where many people were living in rising prosperity at a time when millions of others were suffering severe deprivation."

Vedder and Gallaway estimated that by 1940, unemployment was eight points higher than it would have been in the absence of higher payroll costs imposed by New Deal policies.

Economists Thomas Hall and J. David Ferguson reported, "It is difficult to ascertain just how much the New Deal programs had to do with keeping the unemployment rate high, but surely they were important. A combination of fixing farm prices, promoting labor unions, and passing a series of antibusiness tax laws would certainly have had a negative impact on employment."

Economist David Bernstein reported, "New Deal labor policies contributed to a persistent increase in African American unemployment."

Historian Michael Bernstein made a case that New Deal agriculture policies "sacrificed the interests of the marginal and the unrecognized to the welfare of those with greater political and economic power."

Mr. Powell summed his book up by saying, "A principle lesson for us today is that if economic shocks are followed by sound policies, we can avoid another Great Depression. A government will best promote a speedy business recovery by making recovery the top priority, which means letting people keep more of their money, removing obstacles to productive enterprise, and providing stable money and a political climate where investors feel that it's safe to invest for the future."

WE CANNOT SUBSIDIZE OR BORROW OUR WAY TO GROWTH

The SPEAKER pro tempore (Mr. BOCCIERI). Under a previous order of

the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, when is the group in charge of the U.S. economy here in Washington going to wake up and take notice our trade accounts are as out of balance as our mortgage market?

Congress can't keep tweaking consumer purchasing with stimulus checks and then crossing its fingers in hopes that by some miracle it will actually lift our economy. More borrowed money simply means more short-term palliatives.

Hardworking families in our country do not need a consolation prize. They demand a real solution. What they need is a workable path by which they can become part of a growing economy. When recovery dollars are spent on goods largely imported from somewhere else, the promised bang to rescue our economy is received but as a mere whimper.

Congress must address the greater trade and tax structure problems pulling on our purse strings. Take, for example, trade deficits growing between our Nation and industrialized economies from other parts of the world. Those are just getting worse. Like the outsourcing of U.S. jobs. What are we going to do about that? Like global closed markets. Who's going to open those up? And, like the value added tax, which creates such a damper on U.S. production.

A trillion dollars more in spending by Congress will miss the real mark of healing our economy by adding the important legs of tax reform and trade reform. While trade laws and tax laws remain as critical components of real long-term recovery, we cannot subsidize or borrow our way to growth. We are already paying over \$200 billion on borrowed money to foreign interests, and those numbers are going to grow. And they are more than willing to put America in hock.

Wake up and take notice. If we want to see the benefits of growth, America must produce, not placate its way to prosperity.

As we approach NAFTA's 15-year anniversary, let's take a look at a textbook example of failed promises of prosperity. When NAFTA passed Congress by a tiny margin in 1993, proponents like President Clinton said that this new trade agreement would bring unprecedented prosperity and create millions of jobs across America. It was said the agreement would lock in trade surpluses, expand trade gains, and solve many of the social and economic ills facing North America, like illegal immigration.

Let's take a look at the record. On its 10th anniversary, the U.S.-Mexico trade surplus wallowed into an estimated \$40 billion deficit.

□ 1715

And U.S. jobs reported lost? 879,000. And workers' wages? They failed to

keep pace with productivity gains. We have not seen a single year of trade balance with Mexico since 1994, much less a surplus as was promised.

The growing trade deficit with Mexico is just one staggering figure in our trade deficit accounts. Wages in Mexico have fallen dramatically, and the drug trade has snuggled up against our border and yielded murder as well as violent crime that has surged over into our country in places like Phoenix. And there is an upheaval churning on both sides of the border.

Fifteen years ago, NAFTA was sold by the Clinton administration as a development strategy for Mexico, promising alleviation of poverty and inequity, while simultaneously halting illegal border crossings because it promised so much opportunity at home for Mexicans. Sound familiar? It is no surprise that many of the Wall Street proponents of the bailout were the same ones who wrote NAFTA 15 years ago and fought on the side of big business, just like today. Take Citigroup, for example, or Goldman Sachs. They were in there with both fists.

Mr. DREIER. Mr. Speaker, will the gentlewoman yield?

Ms. KAPTUR. I will be pleased to yield to the gentleman when I am finished.

A healthy economy will require policy changes, not cough drops. We need products on our shelves that are produced by Americans. We need real wealth creation here at home. We need trade that is prosperous and balanced, in the black, not in the red. And, we must infuse the power of our marketplace here at home to produce long term, to spur the necessary social and physical infrastructures to restore economic strength to our Nation rather than growing weakness. We need free trade among free people. America needs balanced trade accounts, not more trade deficits and one-sided trade agreements. And America needs production, not subsidy.

Most of all, we need changes in our trade policies and our tax policies that create real investment and long-term growth in our Nation so we don't have to continue borrowing our way forward and making our children and grandchildren debtors into the vast part of this new century and millennium.

Now, the gentleman, who was a chief opponent to my views on NAFTA, what does he have to report as he asks for some of this time?

Mr. DREIER. I thank the gentlewoman for yielding. I wanted to rise and congratulate her for making some very good points, and to say that I completely concur with her argument in support of free trade among free peoples.

And I believe that if you look at the dramatic changes that have taken place, still very serious problems, the gentlewoman is absolutely right in focusing on narcotrafficking, which has been one of the most serious challenges. And President Felipe Calderon,

the relatively new president of Mexico, has been very bold and courageous in standing up to those narcotraffickers.

And it is true, much of that has spilled over into the United States. But I believe that the fact that we are working together, Mexico and the United States, to try and focus on narcotrafficking and to try and encourage greater commerce so that we can sell more into Mexico is in fact a very good policy for us to pursue. We have the North American Free Trade Agreement. It is my hope, Mr. Speaker, that we will be able to build on that so that we can address the very correct concerns that my colleague has raised. And I thank my friend for yielding.

Ms. KAPTUR. I thank the gentleman for his comments, and just say I just wish that the main product that was being sent here wasn't illegal narcotics.

DEFICIT SPENDING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GOHMERT) is recognized for 5 minutes.

Mr. GOHMERT. Mr. Speaker, I do appreciate my friend from Ohio pointing out the problems that arise with the trade deficit. That has been a problem.

When I first came here and was sworn in on this House floor back January of 2005, what I began to hear from the other side of the aisle, correctly, was that the Republicans controlled the White House, they controlled the House, and controlled the Senate, and they are spending too much money. They are engaged in deficit spending, and it has to stop. And they were right.

In my first 2 years here, we had on some bills the White House asking for way too much money; and, to try to be a party that went along with the President, many of my colleagues would say we have got to do this, we are in charge, and money got spend when it shouldn't have been spent. And we should have been better about not having deficit spending, but we blew it, and the American voters called us on it, properly.

I say us. I was often not happy and on the contrary, and some in my party called me a troublemaker and still do. But we call them the way we see them. And the fact is, deficit spending was wrong when it was being done by a Republican White House and Congress, or requesting from the Congress and the Republican Congress was doing it, because it is the Congress that does the appropriations, and it is wrong today. And so in November of 2006, when the Democrats were put in the majority in both the House and the Senate, I was hoping we would see the end of deficit spending, just as they promised. But that is not what happened. The deficit spending has gotten increasingly higher, and now in the first few weeks of this new term it has hit an all-time high.

You can't spend your way to prosperity. It doesn't work when you are