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

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

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

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

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

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

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

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

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

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

REVISIONS TO THE ALLOCATIONS AND BUDGETARY AGGREGATES ESTABLISHED BY THE CONCURRENT RESOLUTIONS ON THE BUDGET FOR FISCAL YEAR 2010 AND THE PERIOD OF FISCAL YEAR 2010 THROUGH 2014

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

Mr. SPRATT. Madam Speaker, under sections 421(a)(4) and 423(a)(1) of S. Con. Res. 13, the concurrent resolution on the budget for fiscal year 2010, I hereby submit for printing in the CONGRESSIONAL RECORD a revision to the budget aggregates and allocations for certain House committees for fiscal year 2010 and the period of fiscal years 2010 through 2014. These adjustments respond to House consideration of the House amendment to the Senate amendment to the bill H.R. 3326, Making appropriations for the Department of Defense for the fiscal year ending September 30, 2010, and for other purposes. Section 1011 of the House amendment includes funding for Medicare improvements. The House amendment also designates certain funding for overseas deployments and other activities pursuant to S. Con. Res. 13. Corresponding tables are attached.

This revision represents an adjustment for the purposes of sections 302 and 311 of the Congressional Budget Act of 1974, as amended. For the purposes of the Congressional Budget Act of 1974, as amended, this revised allocation is to be considered as an allocation included in the budget resolution, pursuant to section 427(b) of S. Con. Res. 13.

Any questions may be directed to Ellen Balis or Gail Millar at 226–7200.

BUDGET AGGREGATES

[On-budget amounts, in millions of dollars]

	Fiscal Year 2009	Fiscal Year 2010	Fiscal Years 2010–2014
Current Aggregates: [1]			
Budget Authority	3,668,601	2,882,149	n.a.
Outlays	3,357,164	3,002,606	n.a.
Revenues	1,532,579	1,653,728	10,500,149
H.R. 3326 (Department of Defense Appropriations):			
Budget Authority	0	0	n.a.
Outlays	0	−1,579	n.a.
Revenues	0	0	0
Revised Aggregates:			
Budget Authority	3,668,601	2,882,149	n.a.
Outlays	3,357,164	3,001,027	n.a.
Revenues	1,532,579	1,653,728	10,500,149

n.a. = Not applicable because annual appropriations Acts for fiscal years 2011 through 2014 will not be considered until future sessions of Congress.
[1] Current aggregates do not include the disaster allowance assumed in the budget resolution, which if needed will be excluded from current level with an emergency designation (section 423(b)).

DISCRETIONARY APPROPRIATIONS—APPROPRIATIONS COMMITTEE 302(a) ALLOCATION

[In millions of dollars]

	BA	OT
Current allocation:		
Fiscal Year 2009	1,482,201	1,247,872
Fiscal Year 2010	1,219,652	1,377,618
H.R. 3326 (Department of Defense Appropriations):		
Changes for overseas deployment and other activities designations:		
Fiscal Year 2009	0	0
Fiscal Year 2010	0	−1,579
Changes for Medicare improvements:		
Fiscal Year 2009	0	0
Fiscal Year 2010	1,240	1,240
Revised allocation:		
Fiscal Year 2009	1,482,201	1,247,872
Fiscal Year 2010	1,220,892	1,377,279

DIRECT SPENDING LEGISLATION—AUTHORIZING COMMITTEE 302(a) ALLOCATIONS FOR RESOLUTION CHANGES

[Fiscal years, in millions of dollars]

House Committee	2009		2010		2010–2014 Total	
	BA	Outlays	BA	Outlays	BA	Outlays
Current allocation:						
Ways and Means	0	0	6,840	6,840	37,000	37,000
H.R. 3326 (Department of Defense Appropriations):						
Ways and Means	0	0	−1,240	−1,240	−1,030	−1,030
Revised allocation:						
Ways and Means	0	0	5,600	5,600	35,970	35,970

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

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

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

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

JOB CREATION THEORIES

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

Mr. AKIN. Mr. Speaker, it's a treat to be able to join you and my colleagues and fellow Americans that might possibly be tuned in. This is a bit like the last day of school. We think the voting is done for this year, and yet the work is not done. In fact, America, among other things, is suffering from a considerably high level of unemployment. And that was going to be the topic for this evening.

I want to talk a little bit about employment, spending and the different theories that people have as to how jobs are created. And there are some theories out there that don't work very well, and there are some that do work well. And history tells us the difference between the two.

I thought what I might do this evening would be to start with something which, in a way, may seem remedial. It should seem fairly basic because most Americans have plenty of common sense. And I think that it's important, though, to start at the basic level and start defining your terms as we talk about the problem of unemployment.

Now, there are certain series of things, I have identified six—there may be other ways economists might look at it differently—but there are six things that are job killers. To start with, we need to understand where jobs come from. Jobs come from businesses. What sort of businesses? Well, if you take a look at businesses that have 500 employees or less, those businesses employ about 90 percent of the Americans that have jobs in the private sector. Five hundred or less employees, those, many people would say, are small businesses.

Well, what are the things that these small businesses need in order to create these jobs, 90 percent of the jobs in America? Well, the first thing is that there are certain things that are killers of jobs. The first is economic uncertainty. Let's talk about that for just a minute. Economic uncertainty. Put yourself in charge of a business. Say you have 100 employees and you're manufacturing some product, and you just really don't know what's going to happen with the economy. And so there is a level of uncertainty. Maybe political things are going on which increase your level of uncertainty. You don't know whether or not perhaps we are going to go into some kind of economic slump.

And so what are you going to do if you are a president of a small business? Well, what you're going to do is, in the State of Missouri, they call it hunkering down. You say, I'm not going to take a lot of risks; I'm going to prepare for some sort of an economic storm, or at least be prepared that I'm not too extended. I don't want to take a lot of risk when there is economic uncertainty.

And what sort of risks might those be? The risk might be to add a wing on your building, to buy a new machine, to start a new process, to patent a new invention and decide to try to produce it and sell it on a market. All of those things create jobs. But you're not liable to take a high-risk position if there's a high level of economic uncertainty. So economic uncertainty is a job killer.

The next thing is consumption reduction. That's a fancy word for saying you got a business slowdown. People aren't buying as much stuff. Everybody is worried. People are having a hard time economically. They are not spending as much money. People aren't making investments, and so your business is going along with all the other businesses around you, when you are in a time when there is a recession going on, it's an economic uncertainty. It's a form of economic uncertainty, I suppose, and that is you're thinking, hey, it used to be last year we had orders for 100 widgets. But this year, it looks like we are only getting orders for 50. So you're not going to be thinking about getting a machine that will make widgets more efficiently. You're not going to be thinking about making investments in adding to the building so you can increase production because you're expecting that you're going to sell less this year than you did because of the fact that there is a slowdown in the economy. So a slowdown in the economy tends to affect businesses and therefore affects jobs. Pretty much common sense, I think.

And then excessive taxation. How does that hurt jobs? Well, here is the deal. You're, again, the president of a business. Maybe you have 100 employees. And you find out, all of a sudden, that your taxes are really going up. Now, if you have a lot of taxes, that means you don't have very much choice, you're going to have to pay those taxes. What is the tax going to be paid with? Well, it's going to be paid with the money from your company, from the profits and the proceeds of the company that you have.

And, hopefully, you have 100 employees, you're paying them, you're selling product, and you're selling product for more than it costs you, and so you're making some profits, and you're pocketing those profits. But now you understand that there's going to be a whole lot of taxation coming down the pike.

So one of the things that taxation is going to do is take money away from the guy that owns the business. And when you do that, he doesn't have the money to spend on adding additions to the building or perhaps taking a risk on introducing new products or maybe even inventing some different ways of doing things. And so the taxation takes the place of investment that would normally be made in the company. When that investment is made, that usually results in hiring more people. But the hiring more people isn't going to happen if you have excessive taxation.

In fact, we have found historically that if you drive the business owners with enough taxation, you can not only stop job creation; you can stop the whole business and bring it into bankruptcy and destroy the engine that creates jobs. So excessive taxation is a big factor in killing jobs.

Another thing is insufficient liquidity. Now, that sounds like a fancy thing. There's nothing too fancy about it. The fact is that businesses need money to run on, just like the engine in your car needs oil. And what happens is the business, let's say it's a machine shop, decides that they want to buy a new piece of equipment. That new piece of equipment is going to cost them $5 million. Well, you have got your machinists there in your company, but you don't have any $5 million to buy this new piece of equipment; but you figured out that if you had that piece of equipment that in a matter of 2½ or 3 years, you could pay for the whole piece of equipment just by the kinds of products that you could make on it so you can say, hey, this is a great investment. I can pay this off relatively quickly, but I don't have that million, couple million, dollars to buy this new piece of equipment.

So what do you do? Well, you're going to have to go out and a get a loan. And when you take a loan, you're going to pay interest on that loan. But then you get that piece of equipment in, and it's running just beautifully for you. You get all those orders, you make these parts, and pretty soon you pay off the piece of equipment.

How did that happen? It happened because you were able to borrow money, which people call liquidity, and you can borrow money and get that tool or whatever it was. When you did it, you hired a few people to run the new piece of equipment and, of course, you created jobs.

If you do not have that liquidity, if you can't borrow money that you need, then what happens? Well, then you can't buy the new pieces of equipment. And guess what? You're killing jobs or the potential for creating jobs.

Another thing is excessive government spending. Oh, now wait a minute. Now, how can the government spending affect jobs in America? Well, it turns out that there is an effect indeed. And what it is is when the government spends a lot of money, it has to get that money from somewhere. Guess where the money comes from? The private sector. Where does the money come from? From taxes. And so as the government tries to collect more and more money to appease its appetite for spending, what happens is that affects liquidity, and it plays out as taxation. And so as the government does a whole lot of spending, you find that it tends to kill jobs.

Now, it may not appear to kill jobs in the short term. If the government does a whole lot of spending—let's just say the government decides to spend $150 billion. We just decided to do that a few hours ago here on the floor, $150 billion for ''son of stimulus.'' This is stimulus Jr., mini-stimulus, $150 billion stimulus, still real money to most people, and real money to the U.S. Government, although you wouldn't know it by the way we spend it. Today, by the way, we did a pretty good job of spending money. We spent about $1.1 trillion today, but mini-stimulus was just $150 billion, still a lot of money.

And that government spending, let's say you go out and hire a whole lot of people. Well, wouldn't you create jobs, Congressman AKIN? Well, you would in a temporary sense. You could put some people on a government payroll. But what economists have found is that when you temporarily hire someone from the government, what you're doing is you're taking money out of the economy through this government spending.

In fact, what happens is for every one job you create in government, you're taking 2.2 jobs out of the private sector. So it's one of these things where it may seem like you're doing well. It's a little bit like drinking salt water. You're getting a drink, but the salt makes you even more thirsty than you were before. So it's kind of very much a losing proposition when you start to get into this excessive government spending.

And then the other thing, of course, is excessive government mandates and red tape. We have a picture here that my staffer found of some poor CEO buried in red tape, all kinds of memos, pieces of paper, and all kinds of regulations. I think that your common sense will show why this is a problem, because let's say particularly you're a small business. Well, you have a certain number of employees. Those employees, you have them working right away, making product that you can sell because you have a clean, lean and efficient process. And you don't have very many people that are management people, just a few people to try to keep an eye and organize things and get some orders in the door.

And all of a sudden, somebody from the government knocks on your door, knock knock knock, and says, hey, you didn't fill out such and such form. And somebody else knocks or calls and says, you didn't fill out this form. You didn't fill out this form. Did you do this? Have you applied for this? Did you get this? And pretty soon, you have all kinds of employees. And what do they produce? They produce paperwork. Paperwork for whom? For the government.

And so if you get more and more red tape and excessive mandates, obviously that is one of the things where you may seem like you're creating jobs; but in effect, you're making the business less efficient so it cannot grow and really put those good producing jobs on to the payroll.

□ 2000

In a sense, those are like excessive government spending because they're really government jobs that in fact tend to get rid of the actual productive private.

So all of these things, all of these conditions kill jobs. So if the Federal Government wants to create jobs—first of all, we have to understand something: The Federal Government can't create jobs. The whole concept of stimulus is a false assumption. The only thing the Federal Government can do is create the conditions so the people in the private sector can create the jobs. We can create an environment that is helpful in producing jobs, but the Federal Government, when it tries to hire people, all that does is take jobs away from the private sector. So all of these things are job killers.

So let's go in a more positive light and say, well, what do you do to create jobs? Well, just the reverse of these things, and that will tend to create jobs. In fact, you might even have some trouble in a couple of areas, but you're doing very well in some other areas, and you could create some jobs.

This whole bit about the problem with unemployment in America is not really that complicated when you understand that the jobs come largely from these 500-employee and smaller size companies, and that they're created by the fact that those companies and the owner of those companies have enough money they can invest in their company and can do the new processes, innovation and the ideas that Americans are so great in doing. That's what makes the economy strong, and that's what makes jobs.

Now, we have here a cartoon. We have the President here speaking to a small businessman, and the President is saying here, Now, give me one good reason why you're not hiring? And what do we have coming into the china shop? Well, we have three big bulls: One is the health care referendum; there is cap-and-trade, or cap-and-tax; and then another is a war tax. Well, the point here in a cartoon form, obviously the bulls are not going to have a good influence on the china shop. And the President doesn't seem to get what's going on with the businessman. He's not looking too excited about a good reason for why you're not hiring with these guys coming in the door.

Now, let's take this back to what we were just talking about, health care reform. Health care reform was going to introduce probably, at a minimum, $1 trillion worth of spending, or close to it. So what happens if the government does a whole lot of spending? Well, they're going to do a whole lot of taxing. Guess who is going to be taxed with several different types of taxes to pay for socialized medicine? Well, it was going to be the small businessman.

So now what have you done relative to our chart here when you have the Senate—and the House has already passed this $1 trillion socialized medicine bill that has all these mandates on small business—what have you done in terms of jobs when you pass this socialized medicine? Well, first of all, you are creating economic uncertainty, because the bill hasn't passed. We don't quite know what's going to happen. So there is uncertainty. There is also the slowdown in the economy, which of course is not helped by a tremendous level of spending and debt.

Excessive taxation. Of course the taxation in the socialized medicine bill is going to fall very heavily on these small business owners. If you take their money away and force them to provide all this health care, they're going to have an incentive, one, to get rid of employees, because they can't afford them anymore because the health care is so expensive for them. So they're going to figure out ways to get rid of employees, not hire them. And what they're going to do, because of the excessive taxation, is they're not going to be investing in new equipment. So it's going to be a job killer. That was what one of these bulls is.

And then cap-and-trade, or cap-and-tax here, bull number two. That, of course, is the large tax that was going to be part of the solution to global warming. And we're going to talk about that a little bit too, but that also had a very, very large tax associated with it. Not only did it have a very big tax to increase the cost of energy, it had a very large tax in terms of red tape. In fact, I suppose that the red tape and the amount of additional Federal authority to regulate anything in the energy area, including even how individual American citizens' houses are built—that is, building codes at the Federal level, building codes regulating how you build your house and whether it has the proper carbon footprint or green footprint all in this bill with not only the largest tax in history, but also a great deal of red tape.

These are all things that hurt jobs. And so should we be surprised that we're getting a high level of unemployment? We should not be surprised. We are breaking all the basic laws.

Here is the first stimulus bill. We were told last spring—late spring and early summer—that we needed to pass a $787 billion stimulus bill. And what was the idea of the stimulus bill? The idea of the stimulus bill was that government is going to spend a whole lot of money, and by spending money, the economy is going to be better. Now, that entire premise is suspect. If the economy was going to be better by us spending money, we would have one of the most robust, healthy economies in the whole world. We wouldn't have any unemployment. We would be going gangbusters if Federal spending was the thing that was going to make the economy good.

But most people with a little common sense, if your family budget is in trouble, the thing you're going to do is not run down to the local store with your credit card and stack up a whole lot of debt and spend like mad—unless you're a little bit nutty or had too much to drink.

But anyway, we were told that the thing to do is we've got to pass this

$787 billion stimulus bill. And we were told, if you don't pass it, do you know what's going to happen, America, and you, Congressmen, that are representing Americans? If you don't pass this stimulus bill, you may see unemployment go up to 8 percent if you don't pass this stimulus bill.

So this is the President's forecast of what's going to happen if we pass this stimulus bill right here. You see this is 8 percent unemployment, and he says we're going to keep it under 8 if you just get this $787 billion into our hands to spend. Without the stimulus, he said, this is what's going to happen; if you don't pass the stimulus, it's going to do this:

First, the red line here is what has actually happened. Is this red line a surprise? No, it wasn't a surprise at all. I stood here on this floor 6 months ago with similar charts and said this stimulus isn't going to work. Is it because I'm very smart or brilliant? No, it's not at all. It's simply because I know a little bit about history. I know what will and I know what will not work.

If the Democrats had known something about history, they would have, at a minimum, learned something from a fellow Democrat. This Democrat's name was Henry Morgenthau. He was Franklin Roosevelt's Treasury Secretary, and he appeared before the House Ways and Means Committee, right here in Congress, in 1939. Now, we have some old people in Congress; not too many people probably remember Henry Morgenthau, but they could know something about history and about Franklin Delano Roosevelt. And here is what Henry Morgenthau said: After 8 years of spending money on this—it's called Keynesian economics. Henry Morgenthau was a close buddy and associate of little Lord Keynes—he was a strange little fellow, that British man—and came up with this idea that we could stimulate the economy by spending money. And so they went at it, hammer and tongs, stimulating away, spending lots of money.

At the end of 8 years, this is how well it works: Henry Morgenthau appears before the House Ways and Means Committee: We have tried spending money. We are spending more than we've ever spent before, and it does not work. That's pretty straightforward English, we've been spending money, more than we ever did before, and it doesn't work. I say, after 8 years of the administration, we have just as much unemployment as when we started, and an enormous debt to boot.

And so it's not rocket science to see that this idea of spending $787 billion that we don't have, it's not rocket science for us to be able to stand here 6 months ago and say, hey, we hope it works, but it's not going to work. It has never worked in history before; it's a lousy solution, it's going to make the problem worse. We said all of those things. Dozens of people stood on this floor and said those things. And it's not because they're so smart, it's just because we understand the basics of what it takes to make jobs. And the thing that kills jobs is too much government spending.

Now, I will say about the stimulus bill that we put in place, it would have made Henry Morgenthau very uncomfortable, because it wasn't even traditional, old-fashioned stimulus. Old-fashioned stimulus is like making highways or building hydroelectric plants or hard job creation. This thing was more an expansion of wealth here. It was giving money so that organizations like ACORN could apply for community organizing, and a lot of things that really were never going to create jobs in the first place, or if they were, they were government jobs. And those things, the result has been, look, we've got unemployment; by the time you get into the latter part of this year, up in excess of 10 percent, not 8 percent, but 10 percent unemployment. And that's not a big surprise.

And so today, what did we do? We passed mini-stimulus, little brother to big brother stimulus. This was only, instead of $787 billion, $150 billion today. And did we learn anything from our experience? No, nothing at all, apparently. I think it was Einstein who said that if you repeat the same thing over and over again expecting a different result, you may just be crazy. And that's what we have done today. We came up with a junior stimulus bill, and we passed it on this floor. And the people who voted for it were the Democrats. They were a little reluctant in voting for it because it didn't work very well the first time when they did the stimulus, and they're not so confident that it's going to work again.

So, what are we looking at in terms of Obama-Pelosi spending? Well, you've got the second half of the Wall Street bailout here, $350 billion. Then you've got this economic stimulus thing that has not worked, that we said it wouldn't work, it doesn't work, it will never work, and yet they spent $787 billion—well, they haven't spent it all, they're just slopping it into other government programs. And then you've got the SCHIP, and then the appropriations, another $410 billion over there. IMF bailout—that chart is wrong, it's probably about $110 billion.

And then the House got really excited about doing some really serious spending, and they passed this cap-and-tax, which is that global warming bill. And that was—let me see what the number on that is here, get the chart turned around—that was $846 billion. The reason on this chart that that's a little hazy is because the Senators weren't brilliant enough to go along with this $800 billion cap-and-tax or cap-and-trade bill. Now, this is going to extend a huge government net over the energy business, and it was probably worse in terms of red tape and government than it was in terms of its tax.

Now, the ironic thing is that I'm an engineer. And the thing about this bill that's particularly frustrating is that it doesn't appear that there is a consistency between the stated purpose and what the bill does. Let's assume for a minute that global warming is an imminent threat, it's something that we need to spend billions of dollars on that sometimes people don't call it global warming anymore because it isn't clear that the planet is warming, and so they call it ''climate change.''

But anyway, the theory runs along the lines that there are these various organic kinds of pollutants, particularly CO_2, carbon dioxide, that's the bubbles in soda pop. And the theory runs that if mankind makes enough of this CO_2—which we make by burning carbon or burning coal or burning gasoline or diesel, or whatever, we make CO_2. And if we make enough of this, what happens is the CO_2 then reacts with other kinds of effects, particularly water vapor and clouds in the atmosphere, and they amplify the effect of the CO_2, and the sun warms it up, and the climate gets hot and melts down. That's the general idea.

Now, let's just assume for a moment that that were true, and that it were a bad thing for us to make CO_2—I don't believe that that's entirely true, some of that is true, but a lot of it's not. But let's just say, for instance, that we really did believe CO_2 is a big problem and we needed to spend billions of dollars.

Do we need to give the Federal Government all this regulatory authority over building codes, how you put a wing on your house and all this kind of stuff? The answer is of course it's not necessary at all. Let's say that instead what we wanted to do was to reduce the CO_2 in America, reduce the CO_2 by the amount of all of the passenger cars that drive on the highways in America. Let's say that's our objective. Just to start with, we're worried about CO_2, we want to basically make it so that it was the equivalent, from a generation of CO_2, of turning off all of the American passenger cars on our roads in America. That would be a pretty ambitious goal. If you were worried about CO_2, that would be a pretty good place to start maybe.

□ 2015

How would you possibly accomplish something like that?

Well, the fact is you could accomplish it relatively easily for much, much less money than what is here and with much less government regulation. What you would have to do would be to simply take the coal-fired plants that produce 20 percent of America's electrical output and replace them with nuclear plants. Currently, 20 percent of the electricity in America is produced in nuclear plants. If we were to go from 20 to a little over 40 percent in nuclear generation, we would eliminate the CO_2 from effectively every passenger car in America. That is not that complicated, and the nuclear plants are pretty efficient. Over time, they would probably prove to be not much different in cost than the coal-fired plants are, but that is the question.

Is that really the objective—to get rid of CO_2 or is it that we just want more taxes and government control? I've become a little cynical because the engineering solution to this problem is not where the legislation went in the House.

Then, of course, we've got this other thing here. It's a little bit of a sidetrack.

The bottom line is, if you make energy cost expensive and if you tax people a whole lot for energy, what is that going to do to jobs? It's going to get rid of jobs. So everything we've been doing here—everything we are doing—is killing jobs, and we can't seem to understand why the small business can't make the jobs.

Now we go on to the government health care proposal passed here on this floor not so long ago. What is the price tag on that? Well, even with a little bit of financial hocus-pocus, it is still up there in terms of $1 trillion. We spent $1.1 trillion today, but some of it was for the appropriations for the defense of our country. To add to this big socialized medicine bill, to add $1 trillion more on top of all of these other things, is going to bury our economy.

Well, now wait a minute, Congressman AKIN. Aren't you overstating your case? I mean you are a Republican, and it seems like you're bashing those Democrats for overspending. Under the Bush administration, didn't you spend too much money? Well, let's just take a look at that question.

The worst deficit of the Bush administration occurred in 2008 under the Pelosi Congress. That worst deficit was $455 billion. Now, that was a bad deficit, $455 billion. Maybe even a more effective number to ask is, What was that deficit as a percent of the gross domestic product of America? That's a way of looking at that number. That was about 3.1 percent, which is actually fairly common as you look back over a number of Presidents who did that kind of spending. Anyway, that was 2008 under a Pelosi Congress, Bush's worst spending—$455 billion.

What happened this year? Under a Pelosi Congress and President Obama, instead of $455 billion, it was $1.4 trillion. That's more than three times more than Bush's biggest spending. I wasn't fond of his biggest spending, and people who know my voting record know I did not support some of the costly elements that were there. This year, we're three times over what we were with Bush—at $1.4 trillion.

What does that do to our deficit as a percent of GDP? We go from 3.1 to 9.9 percent of our debt to GDP, which is, by the way, the highest level since World War II. So this track record here doesn't make a lot of sense—billions and trillions of dollars.

Well, what does this all mean? If you put it in context, what we're saying here is, this year, there was three times more spending than Bush's most aggressive spending. We're making Bush look like Ebenezer Scrooge with the level of spending this year.

What does that spending do? Of course it affects unemployment. It affects jobs because that spending has to come out of the pockets of American taxpayers. Some of those pockets—in fact, some of the deep pockets—are the people who own the businesses who can no longer do the innovation and make the improvements to create jobs. That is a very, very serious problem.

You have to say that this is a new era of irresponsibility, the national debt of the United States at $16.17 trillion. So, in other words, have we been spending too much money? Yeah, we sure have, but this year has been a regular budget buster, and that is of serious, serious concern. Of course, in the long term, we have the concern with Medicare and Medicaid growing over time, absorbing more and more of the budget.

There is a certain level the American economy can sustain in taxes. If you raise the taxes higher, what happens is that the economy suffers so badly that you don't actually collect any more money from the government, and that overtaxing is pointed out by a guy by the name of Laffer. He had a thing called a Laffer curve. It's an interesting idea. You think, Well, look. We really want to spend all this money because it's really good to take care of global warming and to pay for everybody and to give them all free health care with a socialized health care system, and we've got to do this because this is all kinds of additional money that we're schlepping around and giving to different people. We've got the Wall Street bailout. We've got to pick winners and losers, and so we're going to be having to spend this Wall Street.

Then as people come back and pay back some of the Wall Street, now what we're going to do is turn that money around and give it to other businesses, so now the government is playing in the private business. If we'd had a President who'd fired the president of General Motors a number of years ago, that would have raised some eyebrows, indeed.

So, when we get done with all of this, the problem is that it is creating unemployment. It's a problem of jobs. It gets back to these things here, which are just awfully simple, but they're inflexible, immovable kinds of facts, and that is when you follow the policy that we've been doing, which is, first of all, we're increasing red tape and government regulation; we're engaging in excessive government spending unlike anything that has ever happened before in our history; we have a problem—and I haven't talked about this—of insufficient liquidity. This is also a problem. We've got about a perfect storm going on for small businesses in America. Here is what has happened:

The Federal Reserve doesn't actually print money, but they call it ''printed money.'' They've increased the liquidity in America, and they did that by a factor of 10 last year. In other words, if you look at a chart of the amount of M1 money supply, it runs along, up and down like a saw tooth, and all of a sudden, we get to last year and—boom. Excuse me. I think it was the end of last year—this year—and the thing jumps by a factor of 10. So the Federal Reserve created all of this money. Boom. It printed a whole lot of it, and that's available at a very low interest rate, and the big banks have access to that.

The question is: Does all of that liquidity get down to the small business man? Because if you could get that liquidity into the hands of the small business man and if you could knock his taxation back, all of a sudden, presto zingo, you've got the formula to get the economy back chugging and churning.

It's not the government that is going to fix the economy. It's American individuals. It's the free enterprise spirit of Americans. It's the people who love freedom, who have the ingenuity, who say there's a better way to do this. I think I could do it. I think I could build my own business, and I could make a living for my family this way. These people have the courage to take the risks, to put the equipment together, to put the systems together, to put the inventions together. America grows one dream at a time. They are the people who pull us out of recessions, and it is those people who we are hurting with excessive taxation.

As to this liquidity thing, the problem now is that the small businesses can't get their hands on money at a reasonable interest rate. Here is what happened. That liquidity that the big bank has trickles down to the little bank, and the little bank gets some of it. All of these Federal regulators are running around, and the bank is saying, Man, I am not going to loan money to any small business unless I know it's a slam dunk. They're going to pay me back because I'm already skating on a very thin edge. I've got a lot of assets that my bank owns that are not too strong, and I'm afraid they're going to shut me down and that my bank is going to go out of business, so I am not going to loan money very easily to just anybody who comes down the pike. When you do come down the pike and want to borrow money, I'll tell you what: I'm going to charge you a pretty good interest rate on that money.

So what happens is the small business man is already intimidated because of the threats of all of these taxations that are coming along, and the economy has slowed down. He has got economic uncertainty. He has got a slowdown in the economy. He's getting excessive taxation. Now, I haven't even talked about all of the taxes he's facing.

First of all, the Bush tax cuts are expiring, so the death tax is coming back. The dividend tax, the capital gains tax, all of those are coming due because those tax things are expiring, and they're coming back, resetting at a higher rate.

So the small business man sees the death tax, capital gains, dividend taxes. Now he's seeing the other taxes we talked about, which are socialized medicine, energy taxes and cap-and-trade. What other things has he has got coming? He has got these taxations coming. Now, with that, he's thinking, Oh, my goodness. I'm not too sure I really want to borrow anything.

Even if he does get the courage to borrow something because he has to, he'll go to the bank, and the bank will say, Ah. Before, I was giving you a couple percent interest on those loans. It was a 3-year, a 5-year loan for your business. Now I'm going to need to get a little more interest from you. I think about 4 or 5 or 6 percent is what I want now.

All of a sudden, the small business man, even if he qualifies and if he has a solid, strong business, it's going to be harder for him. These days, it's increasingly harder for him to get liquidity. So, aside from the taxation, excessive government spending, aside from the red tape and mandates, the economic uncertainty and the slowdown, now he's also getting hit with the problem of liquidity. This is fairly close to a perfect storm for small business. So guess what? We're not very surprised that unemployment has been going up.

Now, do we have any good news? It's always nice to have a little bit of good news somewhere. Until we fix these things or at least a number of them, you are not going to hear much about good news. People can say, Oh, the stock market is fine, and everything is going well. We've hit the bottom. Everybody looks at these things like they're cycles that repeat. It doesn't have to be a cycle. You know, FDR managed to take a recession and turn it into a Great Depression because he did the wrong things. We can follow in his footsteps, but we don't have to.

The point is we don't have to follow Keynesian economics. We don't have to do all of this tremendous level of spending and taxation. It's not necessary. It's not what the Republicans are proposing. We know it won't work, and we have learned from Morgenthau, and we have learned from other people as well.

What is the solution? Well, actually, it's kind of interesting. One of the people who learned the solution was JFK, a Democrat. What he did was what? Well, he cut taxes. Oh, my goodness. A Democrat cutting taxes? Yeah, JFK actually did. We had a recession. He understood that businesses have to have some breathing room, so he cut taxes. Guess what? The economy improved.

Then Ronald Reagan comes along. Ronald Reagan had the same basic idea. He said, Hey, we've got a bad economy. How can we ever compete with the Soviet Union when our economy is all in trouble? So what did he do? He had a huge tax cut—two or three times what George Bush's tax cut was. Everybody called it trickle-down economics and made fun of Ronald Reagan for about a year or so until the economy turned around and took off like a horse, and it pulled us on ahead. He continued to spend money on defense. He bankrupted the Soviet Union. The Berlin Wall fell down, and the Western World was freed from the threat of an aggressive, Marxist/communist regime that was bent on taking over the free world. This is all because he understood these basic principles.

So who is it who has given us the model? JFK, Ronald Reagan, and also President Bush—the last President—all understood this principle. You've got to get off of the taxation and big government spending.

Here is the funny thing that is interesting. It was called sometimes ''supply side economics.'' People made fun of it, but here is how it works, and you can see, in your own logic, how it would be. Let's say somebody appointed you to be king for the year and that your job was to raise money for your little government and your kingdom and that the only thing you could do was tax loaves of bread. People in your kingdom liked to eat bread. They bought loaves of bread, so you had the power to tax them on loaves of bread.

Well, you start thinking in your own mind, How would you do that? Well, you might say, first of all, Well, I could put a penny a loaf on the bread, and I could collect a certain amount of money. You could figure out how many loaves of bread are sold. At a penny apiece, you could figure out some revenue. Then you get to thinking, You know, I'll bet I could raise more money for my little kingdom if, instead, I put a $10 tax on every loaf of bread. Then you'd think, Wow, that would be a whole lot except what would happen is people wouldn't buy as much bread, so I really wouldn't get as much tax as I first thought I would.

So, as you play with this back and forth in your mind, you come to the conclusion that there is an optimum point where, if you raise or lower the taxes, you will get less tax revenue. Well, that's the thing that Ronald Reagan, JFK, and Bush II understood. They understood that, if you get off the taxes, the government can actually take in more money than they would have taken in if the taxes were higher. It sounds like making water run uphill, but it isn't. As you think about the loaf of bread, you think, Wait a minute. You can tax something so much that no one will buy it anymore, and you'll basically stall the economy.

□ 2030

What happened when Bush was faced with a recession when I first came to Congress in 2001, he was criticized roundly for this. After a little while—I guess it was about 2003—he got around to this, he reduced dividends, capital gains and death taxes. Now those things affect the guys that own these small businesses.

When he did that, almost immediately, what happened was government revenues went up even though the taxes, rate of taxation, went down. Well, how in the world could that be? It's this same principle. It was called the Laffer curve. It was first published, I think, by Art Laffer, an economist.

The solution to this doesn't mean that Americans have to sit around with no jobs and suffer tremendously with a lousy economy. The solution is available. The solution has been used time after time in American history. The thing that we are doing now has also been used to turn a recession into a depression.

What we have to do is stop spending too much money. It's not very complicated; the same thing you would do in your family budget. You can't say that you are fiscally responsible, criticize George Bush for creating all of these problems when his highest level of spending at 455 billion is less than one-third of what we have just spent in this year at $1.4 trillion.

When we get the ratio of debt to gross domestic product higher than it's been since the Second World War, you know something is wrong, and it is not that complicated. This whole idea of employment and what makes jobs is very straightforward.

What I hear the Democrats frequently doing is beating on their drum. We are going to tax that old rich man. We are going to get the rich man. We are going to take his money away from him and give it all to other people.

Well, the only trouble with that is, the trouble with socialism is sooner or later you run out of other people's money. Guess who it is you are going to tax? If you say you are going to tax the rich man, some of those rich men are the guys that own these companies, the men and women, the entrepreneurs who own the companies. Many times the amount of profit that the company makes is like their profit. They plow it back into more jobs.

Now, if you tax those people out of their hides, guess what's going to happen. They don't have any money to reinvest in their company, and you kill jobs. You cannot separate the people that run the business and the jobs. They are not separable.

If you really want jobs, you have to have employers. You can't have employees with no employers.

If you tax the employers too much, then they can't have employees. It's not that very complicated. Yet what we hear constantly is all these fat cats, we are going to run the tax up on these well-to-do people.

Well, as it is today, you might be amused to know that 50 percent of Americans pay about 1 percent of the tax revenue in America. Fifty percent of Americans pay about 1 percent—I believe my numbers on that are pretty close to right. You could also say that a very, very large percent of taxes are paid by a very small percent of Americans.

Now, if you drive that too hard, what happens again is you squeeze the small business and the wheels come off the tracks. That's what we have been doing, and we have not been making the situation better.

It's not complicated. We can fix it, but we can't fix it with what we did today. Today the Democrats decided to increase the debt ceiling, another $300 billion. They decided to spend money on the defense of our country, which I supported and voted for, but also another $150 billion in this stimulus kind of thing which didn't work before, and we know it's not going to work again.

We are not using the right approach. We are not going back to the basics of how jobs are created. What we are doing is we are spending Americans' money. Not just our own money, not just our kids' money, our grandchildren's money at this kind of rate. We cannot afford these kinds of programs in the condition of our economy.

We can right the economy. There's things that can be done to fix it. There's a great deal that can be done with health care. Even if you believe in global warming, and it is a high priority to spend billions of dollars on it, even if you believe that, there are a whole lot of better solutions and a whole lot of government redtape and taxes.

You can move to the nuclear model, which is going to reduce CO_2 significantly. This economic stimulus, we saw how effective that was. That's the thing that we are claiming we are going to keep our unemployment below 8 percent, and here we are closer to 10.

Now, of course, the Wall Street bailout: this was a failed idea from the start. It was sold to the Congress that the entire American economy was going to collapse, that there was going to be sulfurous smoke billowing out of the earth. There are going to be hail storms and brick bats falling from the sky if we didn't come up with $700 million in unmarked bills, and we wanted it in a big hurry because we made a big public announcement, the stock market is watching you, Congress.

Congress obliged. I think it was a bad decision. They passed that stimulus bill. Now we have got politicians running around inside the private sector deciding on the salaries of private employees.

The recent bill that we passed here just last week gives the Federal Government the authority to regulate financial transactions and, at least in theory, could give them the power to determine the salary of a bank teller. Do we really think that that's a job that Congress and the Federal Government can do efficiently, is to determine the salary of people in private industry?

Is that what we really want our government doing? Do we trust our government to be telling us whether we can put an addition on our house and we have to prove that the carbon footprint of our house is just right to be able to allow us to put an addition on our house?

Do we need to have a energy taxed a whole lot more when the economy is in the condition it is now? Is this threat of global warming which—by the way, a whole series of emails and electronic files were released from the scientific university in England that is the center for collecting all the data on global warming, it found that these scientists had been fudging the data. What they found was, in fact, that they were very less than professional and had been doing everything they could to quash any article appearing in a journal that would question the absolute rigid science that global warming was an imminent disaster on this planet.

Well, when the evidence of the fact that the data had been doctored, that they had been intentionally trying to quash the opinions of dissenters, trying to say that it's settled science—it's nothing settled at all, what these emails revealed in East Anglia. But that was kind of dubious science all the way along.

The question is, is that as important as our dependence on foreign oil? I am not so sure that it is.

Even if it is, there's a solution to that which is replacing coal-fired, carbon-burning plants with nuclear plants. France has 80 percent nuclear generation. If we went to 40, we would, equivalent, get rid of the CO_2 from all of those passenger cars.

This is not the approach we have been taking. The whole wrong economics of what we have been doing is wrong. That's why people are feeling pain. They are feeling unemployment. That's why people can't make their mortgage payments. That's why people are having to move in with their parents and all kinds of other sacrifices are being made.

That's a tragedy, because this is something that's not that complicated. It's something that—there are models that show us what we should be doing in government. The Republican Party has proposed all of the things that I am talking about in solutions, that is, in terms of health care, are we saying there isn't something that should be done? Of course there are things that should be done in health care.

If you have got a problem with the plumbing in the kitchen sink, it doesn't mean you remodel the entire kitchen. That's what the Democrats have proposed. In socialized medicine, the government could take over all of health care. You don't have to do that, but there are things that we can do to improve the situation and can build on what we have.

We have a very, very good health care system in terms of delivery. The pay-for piece of it is broken, and it's because about a third of Americans don't pay anything for their health care. No wonder that starts to create stress in the system.

There are things that we can do to improve the efficiency and the way our health care system works, but it doesn't mean scrap the whole thing and give it to the government. In each of these areas there are good proposals, ways to solve these problems.

When we are talking about jobs and employment, we have to remember what the basic principles are. The basic principles are those small businesses have to be healthy, and they are never healthy when we spend too much money, when we create too much redtape and when we tax too much and also when we don't get the right rules in terms of liquidity.

I heard on the floor here not so long ago, the Democrats saying that this entire recession is the fault of George Bush. Of course, he is the one that brought the hurricane—it's always convenient to find somebody to blame.

But what's to blame in this recession? What's to blame in terms of job losses? Well, it's these things here. Anybody who has ever run a small business, you can check these with anybody who has a friend, talk to somebody who runs a small business. Ask them: Is economic uncertainty a problem in terms of creating jobs? Oh, yes, yes. Slowdown in the economy? Yes, that makes me concerned. Excessive taxation? Oh, yes, you are going to tax me a whole lot.

We have got this thing called a death tax. The death tax, the way it works is when it goes back into effect in 2011 or 2012, let's say you have got a business, maybe it's a farm. You have got the thousand acres and Dad is running the farm. Dad dies and passes the farm on to his son.

The government says, well, your dad died so we are going to tax you. Well, how come you are taxing? He already paid his taxes. Yes, we are going to tax him again. It's a double taxation, and we want 45 percent of the value of the farm.

The son says, well, that means I would have to sell half the land from a thousand acres and go to 500. I would have to get rid of half of my tractors and combines and other equipment. The farm really wouldn't work at 500 acres. It needs a full thousand acres. Sorry, Bub, you owe Uncle Sam the death tax.

What that does is what? It kills small business when you do that death tax. These are things that people know you just can't do this and expect to have a strong economy.

That's where we have been making some mistakes. Unfortunately this last year these mistakes have come home to roost.

You could say, well, this is Bush's mistake because he got the whole economy messed up in the first place.

Well, let's go back to that record. Let's go back to that conservative newspaper, the New York Times. On September 11, September 11, 2003, the New York Times reported, first of all, that President George Bush was worried about what was going on with Freddie and Fannie. Freddie and Fannie had apparently lost a few billion dollars, didn't know where they had put it.

That said, these financial institutions that were quasi-public, the implication was that the government would be in the bag if something went wrong with Freddie and Fannie.

He is quoted, September 11, 2003, in the New York Times saying that Congress needs to give him authority to regulate Freddie and Fannie more. In a matter of a year or two, we here in the House, it was a Republican House at that time, passed a bill to give the President authority to get into Freddie and Fannie's finances and to regulate them more because they were out of control.

The bill went to the Senate, as you can expect; but it was killed by the Democrats in a filibuster on the floor. It never saw the light of day. It was never passed.

So it was that Freddie and Fannie, failing, along with other parts of that real estate market, which was created by laws that we had made, saying that banks had to make loans to people who couldn't afford to pay them, and also this wild speculation that came from a very, very low interest rate and a lot of liquidity created by Greenspan, you put that all together and you get a bubble in the real estate market. The bubble pops and things come apart.

Now, you could try and blame that thing on Bush, but it really wouldn't be accurate to do that. He saw, at least in 2003, that we were in trouble and recognized we should do something about it. It's easy to try to blame problems that are created by overspending and overtaxation on the Republicans, but the fact of the matter is this Congress has got 80 Democrats more than it does Republicans. This is not exactly what you call a Republican control of the Congress or the House.

Over in the Senate, the Democrats have a working 60-vote majority, so they could even break filibusters and pass what they want. They have had a year to work on this, and we can see what they have done.

We have seen what happened to their spending. We have seen all these different things they put money into. These ones that are foggy are the ones that are just done by the House. The Senate has not passed them.

We have seen what's happened to employment as a result of that excessive spending. It has not been good, and it's not been good for a reason.

We have, today, again, continued in the same policy. I think Americans are getting tired of it. I think they realize you can't blame it on someone else, that these are basic factors that people understand. It's businesses that create jobs; and if you tax the businesses too much, and if you have the wrong environment for the businesses, they are not going to be able to keep the economy going.

□ 2045

Ironically, something that suffers a great deal in a poor economy are governments. Governments depend on tax revenues for their revenues, and the States really take a beating because many of them have balanced budgets that they have to meet. So if you happen to be some poor governor in a State when you have a Congress like this that's spending money wildly and forgetting the basic principles of economics, you've got a lot of problems.

So this cartoon is as a lot of cartoons that have a certain amount of sense and humor to them. ''Now give me one good reason why you're not hiring.'' Well, we've seen a whole lot of reasons why we're not hiring, and the trouble is that we have essentially exasperated every single one of these things, and that's why there are not jobs here.

So we're closing up here, then, on this segment on unemployment and on spending and what it is that creates it. There's nothing here that's very complicated. Like most things in life, if you understand the mechanics and how they work, they're not very difficult. We're doing some things that are wrong in terms of jobs. If we want to have jobs, we can do it. It's not the government that's going to create the jobs. It's you, my friends, the American people that will create the jobs. But we have to give you an economic environment that is conducive to creating jobs, and that does not mean a whole lot more money in spending, such as our $150 billion in stimulus II, ''son of stimulus,'' if you want to call it that, the failed bill from last summer that didn't work. It does not include increasing the debt limit, as we did today, by $300 billion. What it includes is the same basic principle that JFK, Ronald Reagan, and Bush used, which is getting the government off the backs of the people of the United States.

This is a sad situation. My father fought in World War II, and their mindset was, we're going to give of ourselves a whole lot so the next generation, our children, can have more than we did. Some of them didn't go to college, and they said we want our kids to go to college. We want to leave America a better place.

Is that the heritage of this day, that we want to leave America a worse place, that we want to leave our kids and our grandkids up to their ears in debt, having a less bright future than what we had? Can't we learn from the great generation that fought World War II that we want to leave America a better place?

I believe the American public will say we want to go back to leaving this a stronger, better, freer country than when we inherited it, and I think we will do that. But we will do that by changing these false premises and policies that are leading us down the primrose path.

I thank the Speaker for allowing me to talk on these very important questions, and I would say Merry Christmas, wonderful holidays to Americans. God bless you and goodnight.

THE IRAQ AND AFGHANISTAN WARS AND HEALTH CARE REFORM

The SPEAKER pro tempore (Mr. TONKO). Under the Speaker's announced policy of January 6, 2009, the gentleman from Florida (Mr. GRAYSON) is recognized for 60 minutes as the designee of the majority leader.

Mr. GRAYSON. Mr. Speaker, in some respects the policy regarding the wars in Iraq and Afghanistan comes down to the subject of leadership. And as I have said, leadership is sometimes simply a question of looking into the future, seeing what's inevitable, and doing what you need to do to make the future come faster. I think that's true in both the case of Iraq and the case of Afghanistan.

In the case of the Israelites in Egypt, Moses did not say to the pharaoh, Would you please let my people go starting 2 or 3 years from now? Instead what he said is ''Let my people go'' now.

We all know that sooner or later our troops will be withdrawn from Iraq. They will be withdrawn from Afghanistan. So the question is why not now?

Now, if you ask that question to the other side, the people who want to perpetuate these wars, the answer is always the same in one form or another. That answer is, something bad is going to happen. But what that really means when you get down to it is that something bad might happen. Nobody knows for sure what might happen. They're speculating that something bad might happen. But you can be sure that if the war is perpetuated, something bad will happen. And that is the loss of American lives, the loss of foreign lives, the loss of our national treasure.

In the case of Iraq, $3 trillion already and the amount grows every day. This in a country like ours with a total net worth accumulated over more than two centuries of $50 trillion. We have taken 6 percent of what our great grandparents and our grandparents and our parents produced and left to us and everything that we've toiled to produce over the course of our lives and everything that our children have produced. We have taken 6 percent of all of that and dumped it into the sands of Mesopotamia and lost 4,000 American lives and countless Iraqi lives to boot. Now, this is what happened because we entered into this war, because we continue this war, because the war continues to this day.

We have an enemy in this war. The enemy is called al Qaeda; al Qaeda in Iraq, al Qaeda in Pakistan, wherever they might be, but that's the name they go by. But ask yourself, what could they have possibly done to inflict that on us? What could al Qaeda have done to make us lose $3 trillion, 4,000 American lives, countless lives of other people? What could they have possibly done? They would have literally had to vaporize New England in order to inflict the same amount of economic damage on us to destroy 6 percent of our economy. It simply wasn't possible. It isn't possible. It never was possible.