

Now, it is not that another example should be necessary. Herbert Hoover's response to the recession of 1929 was to increase the marginal tax rate from 25 percent to 65 percent and to burden international trade with steep tariffs.

The Obama taxes have yet to be enacted, and if passed this year they won't take effect until 2010. By then, California will have become a poster child for "governments gone wild," a vivid warning of life on the downside of the Laffer Curve, and a lesson that the rest of the Nation should pay rapt attention to as we consider the impact of the administration's proposal for higher taxes nationally.

#### LOOKING FOR SOLUTIONS TO THE ECONOMIC PROBLEMS FACING AMERICA TODAY

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

Mr. PRICE of Georgia. Madam Speaker, we have talked a lot these past few weeks about the state of the economy and the challenges that Americans are facing. Certainly they are remarkable challenges that we face all across this Nation. The stock market was again down today.

So we look for solutions. The American people are demanding solutions on behalf of those folks that they sent to Washington, and rightly so. The "solution" I guess one could call it of the Obama administration is the budget that he proposed last week, and I would like to point out a few items on that budget.

The deficits from that budget will be \$1.75 trillion in this year, 12.3 percent of our gross domestic product, more than triple the previous year. A solution? I don't think so.

How about national debt. This budget that the President proposed doubles the national debt in just 8 years. Do the American people think that is a solution? I don't think so.

Interest. Beginning in 2012, the interest that we pay on the debt will be \$1 billion a day, Madam Speaker. \$1 billion a day. That is not a solution.

Taxes. You have heard my colleagues discuss, Madam Speaker, that this budget raises taxes by \$1.4 trillion, and it is on everybody, not just those that the President says can easily afford it.

And how about spending? Well, \$3.9 trillion in 2009, 27 percent of our gross domestic product, a record level, the highest level since World War II. Solutions? I don't think so.

But, Madam Speaker, the good news is that there are solutions out there. They are wonderful solutions. Those of us who are members of the Republican Study Committee put on the table H.R. 476, the Economic Recovery Act, something that we believe would be a powerful solution that would allow Americans to keep more of their hard-earned money, decrease some of the incredible roadblocks in the face of businesses so

that they can create jobs, and finally begin to decrease the amount of spending at the Federal level.

Other big thinkers across this Nation are providing solutions as well. One of them is the group American Solutions headed by former Speaker of this House, Newt Gingrich.

They recently came out with a proposal "12 American Solutions for Jobs and Prosperity," talking about the Washington solutions currently being produced by this administration being more money for more government, more power for more politicians, more debt and more bureaucrats. That is not what will lead to real job growth and prosperity. Instead, there are 12 specific solutions that I would like to share with the House of Representatives.

First, payroll tax stimulus. A new tax credit to offset 50 percent of the payroll tax would immediately inject money into small businesses and allow for job creation.

Second, real middle income tax relief, proposing to decrease the marginal rate of 25 percent to 15 percent so that 9 out of 10 American workers have a flat tax of 15 percent. Real money in the pockets of real Americans. Real solutions.

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Third, reduce the business tax rate.

Did you know, Madam Speaker, that Mexico and Sweden and Poland and Ireland and Hungary all have lower business taxes than the United States? If you're a business trying to decide where to put your company, you'd go somewhere else other than the United States if you were taking into account business tax rates.

The proposal is to decrease our business tax rate to 12.5 percent; equal Ireland's, instead of the current 35 percent that we have.

Fourth, homeowners assistance. Provide tax credit incentives for responsible home buyers so they can stay in their homes.

Fifth, control spending so we can move to a balanced budget.

Madam Speaker, did you know that the budget that the President put on the table last week never gets to a balanced budget? Never, never. Red numbers as far as the eye can see. We must have a balanced budget.

Sixth, no State aid without protection from fraud; making certain that the State governments ensure that there's no fraud and no theft of the hard-earned taxpayer money that they receive from the Federal Government.

Seventh, more American energy now. We absolutely must utilize American resources while we're conserving and while we're finding that new technology that will carry us through this century.

Eighth, abolish taxes on capital gain. We ought to match China and Singapore, yes, Madam Speaker, China and Singapore and lower the taxes, abolish the taxes on capital gains. You talk

about a job creation. My goodness gracious.

Ninth, protect our right to vote in the workplace. This majority is going to steal that right away with the secret ballot destruction act that they are proposing to put on the floor. We believe that it's imperative that workers have the right to a secret ballot when talking about forming a union.

Tenth, replace Sarbanes-Oxley.

Eleventh, abolish the death tax once and for all.

And, twelfth, invest in energy and transportation infrastructure. Real solutions for the American people.

I urge my colleagues to take a look at those kinds of solutions that will actually get the economy rolling and create jobs.

#### 12 AMERICAN SOLUTIONS FOR JOBS & PROSPERITY

Washington solutions of more money for more government, more power for politicians, more debt, and more bureaucrats will not lead to real growth in jobs and prosperity. We need a clear and decisive alternative that creates jobs and rewards work, saving, and investment.

1. Payroll Tax Stimulus. With a temporary new tax credit to offset 50% of the payroll tax, every small business would have more money, and all Americans would take home more of what they earn.

2. Real Middle-Income Tax Relief. Reduce the marginal tax rate of 25% down to 15%, in effect establishing a flat-rate tax of 15% for close to 9 out of 10 American workers.

3. Reduce the Business Tax Rate. Match Ireland's rate of 12.5% to keep more jobs in America.

4. Homeowner's Assistance. Provide tax credit incentives to responsible home buyers so they can keep their homes.

5. Control Spending So We Can Move to a Balanced Budget. This begins with eliminating Congressional earmarks and wasteful pork-barrel spending.

6. No State Aid Without Protection From Fraud. Require state governments to adopt anti-fraud and anti-theft policies before giving them more money.

7. More American Energy Now. Explore for more American oil and gas and invest in affordable energy for the future, including clean coal, ethanol, nuclear power and renewable fuels.

8. Abolish Taxes on Capital Gains. Match China, Singapore and many other competitors. More investment in America means more jobs in America.

9. Protect Our Right to Vote in the Workplace. We must protect a worker's right to decide by secret ballot whether to join a union. Forced unionism will kill jobs at a time when we can't afford to lose them.

10. Replace Sarbanes-Oxley. This failed law is crippling entrepreneurial startups. Replace it with affordable rules that help create jobs, not destroy them.

11. Abolish the Death Tax. Americans should work for their families, not for Washington.

12. Invest in Energy and Transportation Infrastructure. This includes a new, expanded electric power grid and a 21st century air traffic control system that will reduce delays in air travel and save passengers, employees and airlines billions of dollars per year.

#### HONORING BRENT WHITLEY FOR HIS INSPIRING EXAMPLE OF SERVICE

The SPEAKER pro tempore (Mrs. DAHLKEMPER). Under a previous order

of the House, the gentlewoman from North Carolina (Ms. FOXX) is recognized for 5 minutes.

Ms. FOXX. Madam Speaker, I rise today in honor of Brent Whitley, a student at Caldwell Community College in Watauga County, North Carolina. Brent recently learned about someone in the community who was battling cancer, and instead of just moving on, Brent decided to take action. His example shows what can be accomplished by people who set their minds on doing good for others.

Brent is a volunteer at Watauga Medical Center, and during his service at the hospital, he noticed a posting in the Emergency Room about the Will Dicus fund. He immediately recognized the need to help Will Dicus, a young man in Watauga County who has been courageously battling cancer for several years.

Over his college Christmas Break, Brent decided he would organize a fundraiser dance to help raise funds for Will's cancer treatment and, thus, "Dance For Dicus" was born.

Brent tirelessly planned and fund-raised, contacting churches and businesses and igniting a spirit of community service. Soon, many people were calling and offering their services and help without solicitation from Brent. All it took was the energy, ambition and selflessness of one person who simply wanted to help someone in need.

To illustrate Brent's true altruism in this situation, I learned that before he began to organize this fundraising effort, Brent did not even know Will Dicus. His desire was simply to help someone who needed assistance.

I'm pleased to report that the "Dance For Dicus" fundraiser was a success. The event raised more than \$5,000 for the Will Dicus fund and, just as importantly, raised awareness of Will Dicus' struggle with cancer. I had the great pleasure to be at the dance and see also the great number of volunteers who were there to help with the event.

Brent, who is the Student Body President at Caldwell Community College, should be inspiration for average Americans everywhere. In a time when many, many Americans are facing real struggles, Brent Whitley demonstrated the power of one person to make a meaningful difference. I applaud Brent for his ethic of community service. His altruistic example is a true inspiration during these difficult times.

#### THE ECONOMY AND OUR FREEDOM

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. Madam Speaker, I'm just delighted to be able to join you here this evening and join my fellow colleagues in talking about some really, really exciting and important topics. The first we're going to talk about this

evening is the economy and a little bit of the background on what's going on, where we've come from, where we should be going in the future. The second topic is going to be the topic of freedom.

One of the things that I have a chance to do is speaking to many audiences is to ask them, what is it that makes America such a special place? Why is it that we love our country so much? And our country is so unique in so many different ways. What is the secret to that unique nature of America? And the word that always comes out is the word "freedom." It's right near the front of the tongue for most Americans. We're going to be talking a bit about the subject of freedom tonight.

But before we do, we do need to take a look at the economy, what's going on there, and what's happened in the past and use that as somewhat of a guide as to where we should be going in the future.

The economy, of course, works on numbers. And numbers, you can't cheat with them too much. People try to, but the bottom line is, somebody ends up having to pay.

And so what we have here, going on in Washington, DC in the last number of weeks has really been incredible. We've charted absolutely new territory, I think irresponsibly. And we have heard for the last 6 years about the tremendous cost of the war in Iraq, how we're wasting money there every single day. And yet, if you add up the entire cost of the war in Iraq, which we now concede is largely won, you take those 6 years of costs, add them to the cost of what we spent in Afghanistan, add those together now, and it's not as much as what we spent in the first five weeks here in this Chamber in this supposedly stimulus bill. Many people are calling it a "porkulous" bill.

And so how is it that the economy got to the point that it would cause people to go into debt so tremendously, spend so much money?

Well, the story really goes back a number of years. It goes back to the Carter administration and really the creation of Freddie Mac and Fannie Mae. What happened was there were areas where it was very difficult for Americans to get home loans, and there were places where banks didn't really want to loan to people for fear that they wouldn't be paid back. And so the Federal Government created Freddie and Fannie, and those organizations are neither private nor public. They're somewhere halfway in between. And so Freddie and Fannie were given authority to help underwrite people's home loans and, actually other kinds of loans as well, but primarily for home loans.

Well, as time went along, various Presidents started demanding that Freddie and Fannie make more and more loans to people who would be considered subprime, or that's a way of saying not as good a risk. And so by the time that we had President Clin-

ton, toward the end of his tenure as President, he required an increase in the percentage of loans that Freddie and Fannie were going to make to people who were considered to be not very good risk kinds of loans. And so, what happened was, you have Freddie and Fannie now underwriting more and more loans, and you started to get a snowballing kind of effect.

At that time, in 1999, the New York Times, in its editorial page reported, I believe it was September, that several people mentioned that this is not safe, that we are starting to create the environment for another savings and loan disaster in America. This is 1999, people were warning that this policy was not a good one.

Was it a free enterprise policy?

People say the reason the economy is bad, it shows the weakness of free enterprise. No, it doesn't. What's created the problem with our economy has nothing to do with free enterprise. It's socialistic programs of government jumping in and telling banks and economists that you have to take loans which we think there's a very good chance people will not pay back.

Well, as the 1999 article in the New York Times indicated, this was a risky thing. As we move forward, we have Greenspan then reducing the interest rate, the economy getting stronger and stronger, the housing market just going up and up and up, increasing at a tremendous rate. In fact, if you looked at its rate of increase historically, you would have to start to worry that it might have been a bubble building.

Well, by 2003 we have President Bush. And President Bush has come to the Congress. He says, hey, this is reported in a September 11, 2003, article, again in the New York Times, saying, I need authority to regulate Freddie and Fannie. We have got big trouble with Freddie and Fannie. They are making all of these loans and if the real estate market comes down some there is going to be the dickens to pay. You have got to allow me to get Freddie and Fannie regulated.

And in the President's request, the Congress, in those days, run by the Republicans, passed a bill to regulate Freddie and Fannie. They sent the bill to the Senate, where it was killed, according to this article, by the Democrats in the Senate.

Now, you have, in that very article that's quoted here, the New York Times, September 11, 2003, this is the Congressman now who is in charge of fixing the problem that was created, basically, another savings and loan type of problem. These two entities, Fannie Mae and Freddie Mac, are not facing any kind of financial crisis, said Representative BARNEY FRANK of Massachusetts, the ranking Democrat on the Financial Services Committee. The more people exaggerate these problems, the more pressure there is on these companies, the less we will see in terms of affordable housing.

Now, in looking out the back window, looking through history, we see,