

dear family friend and one of our Nation's greatest citizens, Mrs. Walter Annenberg.

Lee Annenberg was an extraordinary person who lived every day with elegance, generosity, and a dedication to improving the quality of life of her fellow man. Members of this institution will recall countless instances of a strong commitment to the United States House of Representatives and both Houses of Congress.

She in fact made it possible for us to, for the first time since the founding of our country, convene on the anniversary of September 11, when we all went to Federal Hall in New York. She underwrote the bipartisan civility retreat that we held. Several years ago, the California congressional delegation came together at her beautiful home, Sunnylands, in Rancho Mirage, California, to hold the first ever bipartisan California congressional delegation retreat.

Mr. Speaker, no two people have been more personally committed to public service, education, and philanthropy than Lee and Walter Annenberg.

BUILDING TO FIX THE ECONOMY

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute.)

Ms. JACKSON-LEE. Mr. Speaker, I think it is very important as we begin to build the building blocks of fixing this economy that maybe we should give a greater understanding of what the stimulus dollars are to be utilized for.

There are Congresspersons and Senators and Governors and State legislators and others, but the President's intent, the administration's intent is these dollars are to be in the hands of taxpayers.

The good news for those who have been criticizing is the Dow went up this week, and the Governors of the Nation were in Washington to get their instructions on how to make sure that these grants and these moneys are transparent, to make sure that grants are competitive and, yes, that the dollars are in the hands of small businesses; of primary and secondary schools; of hospitals; of municipal governments; of putting shovel in the ground, if you will, fixing utilities, fixing roads.

That should be the message and the work of those of us who serve in the United States Congress. It's my intent to be at home educating those of my constituents on how to use this money effectively.

The only way that they will be successful is if they can count jobs one at a time. That's what the President wants. That's what we are doing. And those who are criticizing need to look at the people who are now working.

CONDEMNING THE ACTIONS OF THE CHINESE

(Mr. FORBES asked and was given permission to address the House for 1 minute.)

Mr. FORBES. Mr. Speaker, 5 days ago, a U.S. naval vessel was traveling in international waters 70 miles off the coast of China when it was harassed by a Chinese frigate that went dangerously across its bow. Shortly thereafter, it was buzzed by a Chinese maritime aircraft and a demand was given for that vessel to leave international waters or suffer the consequences. When it tried to do so, there was an attempt made to stop it, and then five Chinese vessels harassed it.

Mr. Speaker, yesterday we passed a resolution condemning Chinese actions for harassment for the people of Tibet. I filed a resolution that would condemn these actions and make sure that we understand the message the Chinese government was sending to us through these actions was very clear. So far, I question whether we have sent a response that has equal clarity.

I hope that the Members of this House will join in this resolution and let those individuals on that vessel know that we are standing behind them in condemning these actions that were taken by the Chinese government.

THE DEMOCRAT BUDGET

(Ms. FOXX asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. FOXX. The Democrat budget spends too much, taxes too much, and borrows too much. Contrary to what Democrats say on this floor all the time, the government doesn't invest. It spends. It spends money it takes from American citizens, to whom the money belongs.

Here's a look at the increase in government spending the Democrats want to impose on the backs of American families. The budget increases spending to \$3.9 trillion in 2009, or 27 percent of GDP, the highest level since World War II. This is simply too much spending and will lead to higher taxes, slower economic growth, and fewer jobs for middle-class families.

Despite their claims, the Democrats' budget promises historically high deficits stretching out to 2019, when the budget deficit will stand at \$712 billion. The Democrats' budget would produce a \$1.75 trillion deficit, or 12.3 percent of GDP in 2009. This deficit level is more than three times the previous record deficits.

Over the first fifty days of the new Administration, Democrats have spent approximately \$1 billion an hour, most of it with borrowed money.

Beginning in 2012, and every year thereafter, the government will spend more than \$1 billion a day in net interest.

Mr. Speaker, American families and small businesses cannot afford all of this govern-

ment spending and the Democrats need to show some fiscal responsibility, just as President Obama promised.

Where is the responsibility and accountability so often mentioned but never embraced by President Obama?

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

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

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

OMNIBUS SPENDING BILL

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. Mr. Speaker, the phones in my offices have been ringing off the wall today because people are very upset that we just passed the omnibus spending bill for \$410 billion that has between 8,000 and 9,000 pork barrel projects in it.

The people of this country can hardly believe the way we are spending money up here. They all want to see the economy turn around, but I think they realize that the way to turn the economy around is by instilling enthusiasm and confidence in the American people by cutting taxes across the board, including taxes for businesses, such as the capital gains tax.

Mr. Speaker, so far, we passed a TARP bill for \$700 billion, and that TARP bill that was supposed to help get the economy moving and help the financial institutions—we found that \$8 billion of that was loaned by Citigroup to Dubai public sector entities; \$1 billion was invested by JPMorgan in India; \$7 billion was invested by Bank of America in the China Construction Bank Corporation.

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And the American people are wondering why the \$700 billion that their representatives voted for is being used to help other countries. That money was supposed to help our economy.

In addition to that, we spent \$14 billion for the auto bailout, almost \$1 trillion when you add in interest for the stimulus bill and the omnibus bill I just talked about. And the budget is coming up, and it is going to cost about \$3.9 trillion, of which \$635 billion is for a new socialized medicine health program. But that is not the end of it.

The stimulus package that we passed, almost \$1 trillion, was supposed to really help get the economy moving, and now we hear that there probably is

going to be another stimulus package. We don't know how much that is going to cost.

Speaker PELOSI is quoted as saying that she is open to a second stimulus package. That was on CNN. It says, "The Democrats eye another stimulus bill on the Hill." "Pelosi open to another stimulus," in Roll Call. "Pelosi raises the prospect of another stimulus economic package, a second one, this year," in CQ. "Pelosi leaves the door open to a second stimulus," in Reuters. And the Wall Street Journal talks about that by saying, "Lawmakers weigh the need for a second stimulus to spur job growth."

If you add all this together, Mr. Speaker, we are spending God only knows how many trillions of dollars that we do not have, and we are mortgaging the future of our kids and grandkids.

I have been down here night after night talking about this, and I cannot understand why we don't approach the solving of these problems in a logical and orderly manner as we have in the past under people such as John F. Kennedy and Ronald Reagan. They cut taxes to stimulate economic growth, and it worked, giving us economic recovery and long periods of economic growth. But what we are doing is just throwing taxpayers' money at it as fast as we possibly can, and it is money which we don't have. And we are going to print that money, the money that we can't borrow from somebody else.

We already owe China about \$800 billion, \$900 billion. We owe Japan about \$600 billion. They are not going to continue to loan us money. We have borrowed money from the Social Security trust fund, so much so that it is probably bankrupt if we were to really look at it today. Yet, we continue to spend money and spend the future generations right down the tube.

The inflation rate that we are going to face in the next 2, 3, 4 years I think is going to be untenable. I really believe we are going to have double-digit inflation as well as double-digit unemployment because of the way we are going about solving these problems. Mr. Speaker, I just cannot understand it.

Then, on top of that, what did we do to stimulate buying homes? We cut the amount of mortgage deductions that people can deduct from their taxes by about 30 percent. So if a person has a mortgage deduction on their house, we cut that. We reduced it by 30 percent. There is a real inducement for people to buy a home. Then, as far as charitable giving is concerned, we reduced the amount that people can deduct from their taxes for giving money to charities, and that is going to put the charitable institutions in a real bind, and that means the government will probably pick up more of the responsibility of taking care of the people of this country. That is just unconscionable, in my opinion. We need to be doing what is necessary to stimulate

economic growth and not put this country into a financial trick bag.

Mr. Speaker, my colleagues and I have been down here night after night talking about this. We feel like it is falling upon deaf ears, but we must come down here and try to explain to our colleagues and the American people how really horrible is the approach that we are taking right now.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WOOLSEY) is recognized for 5 minutes.

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

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

(Mr. JONES 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 Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO 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 gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

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

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

(Mr. MCHENRY 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 Utah (Mr. CHAFFETZ) is recognized for 5 minutes.

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

TAX TIME

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

Mr. MCCLINTOCK. Mr. Speaker, many people were quite relieved when

President Obama promised to reduce taxes on 95 percent of Americans. Last week, the President introduced his new budget that depends upon a staggering tax increase of \$1.4 trillion over the next 10 years. If that fell on every one of us, that would come to nearly \$15,000 for an average family of four, or about \$1,500 per year, out of that family's paychecks. So what a relief it was to hear the President's assurances that that is only going to be a tax on the rich. Except, it is not.

As we begin dissecting the President's new taxes, it is becoming crystal clear that they are actually hitting squarely at the middle-class, working families who are struggling to make ends meet in the worst economy in a generation. Let me walk you through the reasons why the President's new taxes are something that every middle-class family should fear.

There are about \$650 billion of direct tax increases, including a boost in the income tax of nearly 40 percent. Now, that is the part that the President says will only be on the very wealthy, which he defines as people making \$125,000 a year or couples making \$250,000. But when you scratch the surface, you learn that more than half of these folks aren't folks at all; they are small businesses. So if you work for or you own a small business, chances are this tax is for you. The rest is coming from increases in business taxes, either directly, or as cap-and-trade taxes for carbon dioxide emissions. That is a huge levee on every business that emits carbon dioxide. That includes construction, agriculture, cargo transportation, energy production, manufacturing, baking, distilling. Is that anything for the middle-class to worry about? You bet it is.

I will let you in on a little secret of government finance: Businesses do not pay business taxes. There are only three possible ways that a business tax can be paid. It is paid by us as consumers through higher prices; it is paid by us as employees through lower wages; or, it is paid by us as investors through lower earnings, that is, what is remaining of our 401(k)s. There is simply no other possible way a business tax can be paid.

The income tax deduction for charitable contributions is being curtailed for upper income taxpayers upon whom charities rely for the vast bulk of their donations every year. That means a lot less charitable contributions and a lot more demand for government services.

At just the moment when investment is desperately needed to create new jobs, the President proposed hiking the capital gains tax. That means a lot less investment and a lot less job creation.

Now, this is not a complicated principle: If you tax something, you get less of it. If you tax productivity, you get less productivity. If you tax charitable contributions, you get less charitable contributions. If you tax investments, you get less investments and less jobs. If you tax energy production, you get less energy.