

BARTON from Texas, said: I want you to know that I want this done, and I am going to participate in this and the Republicans are going to participate in this. So the atmosphere is very good in terms of trying to work out something that can pass.

Mr. SNYDER. May I close out my contribution here this evening. I want to tell you another story. And I appreciate your talking about this evening.

I began by talking about my four little boys who are age 3 months, three of them are 3 months and one is 2 years old, and how much we benefited not only from the quality of health care we had but also from the quality insurance plans that my wife and I had.

Over the weekend, Senator BLANCHE LINCOLN had an event in Little Rock, and Vice President BIDEN was there and her family was there and there were a lot of people there. I was looking for her grandmother-in-law. Her grandmother-in-law, her husband's grandmother, is Mrs. Ruth Lincoln. Mrs. Ruth Lincoln is 111 years old. She is delightful. And I thought, well, surely she would be here. Well, she had fallen about a month ago and broke a bone I think in her pelvis. And I thought about that and felt badly about that, and then I thought later, well, of course I assumed she is going to bounce back from that, get healed up, and I am going to see her again. On her birthday she always does something special like cross the Arkansas River on a bridge. She always does a very special thing. And when you talk to her, she talks about how she loves growing old. She has loved growing old at age 111. And I think in a way that is what we aspire to through this health care reform. We want everyone to say, whether they are young with young children who benefit from our health care system, or people who go through the very frail years, that throughout they can say that I have loved growing old. Now, maybe we won't live to be 111, but if we all do this right, we will increase the chances of more people being able to have those kinds of long, long years.

I applaud you once again for spending this time this evening.

Mr. PALLONE. I think I am going to end with that, because I like that ending of our hour this evening.

Mr. Speaker, I yield back the balance of my time.

HIDDEN TAXES

The SPEAKER pro tempore (Mr. FOSTER). Under the Speaker's announced policy of January 6, 2009, the gentleman from Louisiana (Mr. SCALISE) is recognized for 60 minutes.

□ 2200

Mr. SCALISE. Mr. Speaker, I appreciate the opportunity to address the House and talk about the economic crisis that our country is facing and also to go through and walk through some of the things that got us here, because as you talk to Americans all around

the country, they are frustrated. They realize the problems that we are facing in our economy. But then they start to see a lot of these proposals that are coming out of Washington, and they don't see how any of these relate to the problems that we are facing today and how they are going to get our economy and our country back on track.

I have got to say that there are a lot of us here that share that same frustration and share that same feeling that Washington still doesn't get the message of what is happening out there in the country and what it is going to take to get the economy back on track.

I think what really underscored it in the last few weeks was when the President released his budget, which really shows the first outline of which direction President Obama wants to take our country and how he plans on dealing with these problems that our country faces. I think what most people have now realized is that the President's budget spends too much money. It taxes too much, and it leaves too much debt behind for our children and grandchildren.

Really, if you look at that in a theme, it really underscores how it misses the point of what is happening out there in the country, the fact that people all across the Nation are tightening their belts. They realize that there are tough economic times out there, and they are dealing with it in each individual family. You hear a lot about the problems with the banking industry. And we will talk a little bit about the banking industry and really how that problem still has not been addressed by this President or by his budget director or by his Treasury Secretary and the fact that a lot of the problems facing our economy still go back to a tightened credit market and a failure in the banking system that we can address and there are ways to address it. And we will talk about that too.

But unfortunately, rather than focusing on those areas, those very narrow areas that can get our economy back on track and get small businesses creating jobs again—the ability is there for us to do that—unfortunately, the budget that the President submitted goes in the opposite direction. At that point, a lot of us who really care about this country and really feel that we have got to make sure we chart the right course have been standing up and saying that there is a better way to do this.

Some people might want to just criticize people who don't just go along and blindly vote "yes." And we have seen so many bad policies coming from people who are just blindly voting for the next thing that is laid on this floor here in the House of Representatives. Yet, there is no accountability and there are no actual benchmarks to get us to where we need to be. There is a better way. And people know this is the greatest country, with all of our flaws, the greatest country in the his-

tory of the world. And we know we can get to a better place. Yet, as we stand here tonight, we wonder why we do this. Why do we fight to make this a better country? A lot of it is because we want to leave behind a better place than we have today.

Tonight is a special night because tonight is my daughter's second birthday. I'm here in Washington, and unfortunately, I cannot be with her, and I want to say "happy birthday" to Madison. But I want to be here to fight to make it a better country so that my daughter, and everybody else's daughter and son, has a better place, that they can still pursue that American Dream, that dream that makes people come here from all across the world, that they would give up everything to go beneath the Statute of Liberty and look up and see what that represents.

That vision of America is still out there. And it is still in the hearts of people all across this country. But I think for too many people, they don't see that same vision, that same spirit here in this Chamber dealing with these problems. We have been here for 3 days now as we have come back from the break, and all that has been brought up by the Speaker has been votes on post offices and ceremonial resolutions. People want us to be here dealing with these tough issues. People want us to be here tonight, late at night and going into the midnight hour dealing with these tough issues, because they know we can get through this. And they know there is a better way. And that is what we are going to be talking about tonight.

We have some other people that are going to talk with us. But first, I want to talk about some other parts of the President's budget that have caused so much concern for people across the country. I want to talk about how much money it spends. This budget gives a record deficit of \$1.7 trillion in deficit spending this year. It is an amount that is unseen in past budgets, an amount that none of us think is a tolerable level. This is all money we don't have, money that will be left to our children and grandchildren to have to pay off. But if they also look—and this is what is sending shock waves throughout the rest of this country now—as people start to read the fine print, they are looking at these tax increases. These are tax increases that President Obama submitted in his own budget. And if you look here, he is projecting to raise \$1.4 trillion in new taxes at a time when our economy is in such disarray. We are in a recession, possibly heading toward a depression, because of some of the decisions being made here. We have got the ability to stop that from happening. But you surely don't fix tough economic times by adding \$1.4 trillion in new taxes on to the backs of hardworking people, small businesses.

Look at these tax increases, \$636 billion would fall on to the backs of small businesses in our country, the people

who create 70 percent of the jobs in our country. Then look at the cap-and-trade legislation. This is a tax on energy. There is actually an energy tax in the President's budget. And while he said here on this floor just a few weeks ago that 95 percent of the people in this country would not be paying a dime in new taxes, what they failed to mention was the next day when he submitted his budget, he had a \$646 billion energy tax which is paid for not by those rich people in the top 2 percent, but paid for by every family out there who actually uses energy. And that is going to be roughly a \$1,300 tax on everybody who uses power.

So we have laid out a little bit of a framework of what is in this President's budget, what causes us concern and how there is a better way. With that I want to introduce my friend from Georgia (Mr. WESTMORELAND) to also share some of his thoughts on this.

Mr. WESTMORELAND. I want to thank my friend from Louisiana for hosting this hour tonight and giving us a time to come talk to each other and the American people to give them an idea and maybe be able to connect some of the dots of what has been going on in this Chamber for the last 50-plus days of the new administration that we have.

What we have seen in the gentleman's chart where it talks about small business and investors, \$636 billion in tax increases on small business. And with that, a small business, a Subchapter S, if they make over \$250,000—and if you're in business, you need to make that so you can reinvest in your company—they are taxed as individuals. So, this is a big tax increase. And the interesting part is that yesterday, President Obama came out with a \$15 billion small business loan program which, if my figures are correct, is about 2.5 percent of the amount that he is going to increase the taxes on small business. Then the other startling thing when we started looking at this \$15 billion—and I want to commend the President for doing the \$15 billion and trying to help small businesses after he is burying them in this additional tax burden—but only 5 percent of the small businesses, only 5 percent of the small businesses get their loans from the SBA. So it means the other 95 percent get their loans from their community banks, their local banks.

As the gentleman from Louisiana might remember, one of the reasons that this huge stimulus package or bank bailout bill, there has been so many of them I get confused, but one of the reasons the bank bailout bill was done was to unfreeze the credit market. Well, within 2 days after the bill passed in both Chambers, then-Secretary Paulson took a different track and decided to bail out some of these investment houses on Wall Street. And we can see how that has turned out. But credit was never unfrozen. And so these small businesses are hurting because their community banks can't

loan them the money that it takes to make their payroll or do new investment or really just keep their business running.

So what we see is that now, all of a sudden, the government is saying, well, we will make this loan available to you through the SBA. What that does is, it says, we will decide who gets the loans.

In other words, it gives the government the ability to pick the winners and losers of who is going to be able to get these government-backed small business loans. It takes the ability away from these community banks. They don't have the money to lend as a result of the mark-to-market rules and the other rules that have come down because of the catastrophe that we have had on Wall Street. Their assets, their loanable product and their cash reserves have gone down because of the mark-to-market rules. And so they don't have the money to loan to these small businesses in their own community.

If you have a nail shop or a barber shop or an auto repair facility, that community banker knows that community and your ability to repay that loan better than anybody else. But now you're going to have to jump through all the hoops and the red tape that the government has in trying to get an SBA loan. And they will be the ones to pick the winners and losers, rather than the people in the community itself.

So I think you have to look at the big picture of what all of this means. We look at the charitable contributions. If you make over \$250,000 a year, which these small business guys will, you can only deduct your charitable contributions or your home mortgage up to 28 percent of your taxable income. Well, what does that mean? Well, the government said, well, the reason we are doing that is because we had money for the charities in the stimulus bill. So what happens? Now, the government is picking the winners and the losers in the charity business. They are not wanting us to be able to take our money and do the things that we normally did with it. We gave to the United Way or to our church or to an overseas ministry or wherever it was, where we wanted our money to go. Now the government is saying, "no, we are going to limit your ability to do that. We will take care of that for you. We will take your tax dollars and we will reward and give to the charities that we want to give to."

So you can see the gentleman from Louisiana has greatly explained the cap-and-trade which is going to be a tax on everybody that uses energy. I don't think the American people are going to continue to buy that 95 percent of the people are not going to have a tax increase. That is a misrepresentation. Because if we do the cap-and-trade, everybody that uses energy—and as far as I know, everybody in this country uses some sort of energy—is going to pay more for that energy. That is a direct tax increase.

So I want to thank the gentleman for hosting this Special Order. And I will sit down now and let some of your other friends and my friends get up and talk and continue the conversation.

Mr. SCALISE. Reclaiming my time. Again, I want to thank the gentleman from Georgia for talking on that point about that cap-and-trade tax. And interestingly, about 1 year ago, Peter Orszag was the head of the Office of Management and Budget. He is actually now the President's budget director. The person who today is the President's budget director said that this tax, this energy tax, while decreasing emissions would also impose costs on the economy. Much of those costs will be passed along to the consumers in the form of higher prices for energy and energy-intensive goods.

So what the President's own budget director said was, this energy tax that he has proposed in his budget will actually increase the cost of energy for every American family in this country. But it also will increase the cost of every energy-intensive good, meaning any time you go to fill up your tank at the gas station, you're going to be paying more in energy taxes. Any time you go and buy goods at the grocery store you will pay more because those products you buy, the food you buy, the can of soup you buy, they are trucked in from somewhere or it was shipped in on rail. All of those have costs. And those costs, as the President's budget director said, will be passed on to the consumer.

In fact, we have got estimates that right here, according to an analysis by MIT researchers, the total energy bill for the average American household will increase by up to \$3,128 per year based on Congressional Budget Office testimony. So this energy tax right here, this \$646 billion that is in the President's budget, we are not talking about some bill that somebody filed that is never going to see the light of day. This has already been filed just 2 weeks ago in the President's budget, a day after he said here on this House floor that no American family that makes less than \$250,000 will pay a dime. And the key was a dime. And I guess he was right. He won't pay a dime. According to the Congressional Budget Office, you will pay \$3,128 in new energy taxes.

And all of this is coming at a time when our economy is in such a troubled period. We are in a recession. We are trying to get out. And you surely don't get out by throwing \$1.4 trillion of new taxes on to the backs of every small business and every consumer of energy, every family in America. We especially want to talk about freeing up these credit markets and getting our banking system working, because that is the problem that got us here in the first place. Some people want to say that there are no alternatives on the table, and there is one way, or "my way or the highway," and it is just their approach or nobody else's. And

maybe they don't want to listen to other opinions. And that is unfortunate.

□ 2215

We live in a democracy, and that means that we exchange ideas and not everybody has a monopoly on great ideas. In fact, with 435 people in this body, you will get some good ideas, and some bad ideas too. I think some of them we have just talked about. But there are good ideas on the table.

One idea still on the table, going back to the first financial bailout, H.R. 7223, this is a bill that was filed, almost a hundred-page bill. I was a cosponsor of this bill. This was our alternative bill to the first financial bailout, about 6 months ago, when that first \$700 billion bailout passed which many of us said was the wrong approach to fixing the financial crisis in our country. There was definitely a financial crisis. There still is a financial crisis.

The problem is now the taxpayers are on the hook for \$700 billion because the approach they used was to just throw taxpayer money at the problem and not go to the root and say why are banks not lending to banks? Why is it that people who have good credit ratings are having trouble getting loans?

So what we did was we put an alternative on the table. It is kind of an interesting point now that we look at the problems going on with AIG and the fact that we see these egregious bonuses being paid to people, who in many cases were people who ran their company into the ground. The folks over at AIG who were getting \$165 million in bonuses, they actually got \$173 billion in taxpayer-funded bailouts from that financial bailout. In fact, they were the very people, many of these, who ran that company into the ground.

So why is that a bad approach? I think the American public that is looking at this knows it is a bad approach. They are offended that their tax dollars, their hard-earned tax dollars and money that we don't have, money that our children and grandchildren are going to have to pay, are going to give executives of a failed company up to \$6.5 million each in bonuses during these tough times.

So this bill that we filed that is still out there, this is still a solid alternative that I would suggest would help address and fix our economic problems, H.R. 7223, from the 110th Congress.

What it did basically was set up a workout, not a bailout. It allowed and made these companies who ran their companies into the groundwork, actually go and work themselves out by going in and establishing a price for mortgage-backed securities, which is the problem which started all of this. A lot of the problems with subprime mortgages and then Fannie and Freddie giving loans to people who didn't have the ability to pay, all those things that still have not been reformed that need to be reformed, this

bill actually addressed that problem, but it went one step further.

My friend from Georgia talked about the mark-to-market accounting rule. Our bill addresses that and suspends it. There is a rule out there, it is a financial accounting rule, that many bank executives will tell you is currently forcing a lot of these mortgaged-backed securities to be valued at zero dollars, even though they have some value. Nobody knows what the value is today. But because the value is unknown, they have to literally mark them down to almost zero which means they have no ability to loan to anybody. By suspending that accounting rule alone, you would free up liquidity in the markets.

One other change we were going to make that still is on the table today, it is still in this proposal and it is called repatriation.

Back in 2005, Congress actually for 1 year lowered the capital gains rates for U.S. companies who have foreign profits. Believe it or not, there are still U.S. companies that are making profits. And some of them work and have businesses in other countries. Unfortunately, not enough of them bring those profits back to America to help the American economy. They leave them in foreign countries because they are taxed. Today, they are taxed on bringing that money back.

For 1 year they tried suspending that tax. They lowered it from 35 percent down to 5 percent. You know what happened, \$300 billion of money came into our economy because those U.S. companies said we want to bring that money back and help the U.S. economy because the Federal Government is not going to tax us at such a high rate.

That worked so well, you know what happened when the Democrats took control of Congress in 2006, they revoked that law. So the tax went back up, and you know what happened. Because the tax went up, those profits from those U.S. companies went back overseas. And they are still sitting in foreign banks helping foreign countries. But they could be here helping our country. Not taxpayer money, \$300 billion by that one change could be here helping our country get back on track.

These are just a few examples of what is in the alternative bill that was filed over 6 months ago that is still an alternative and we still offer up to the President. If President Obama really wants to get serious about addressing the banking problem, this is one way to go, to not put taxpayers on the hook, but actually use the markets and use the people that created this mess, and then use some smart changes that have been proven over time to put real liquidity back in the marketplace.

I am joined by one of our bright new shining stars, a freshman Member from Utah, Mr. CHAFFETZ.

Mr. CHAFFETZ. I thank the good Member for allowing me to join in this conversation because I think the Amer-

ican people are so frustrated. I am so frustrated. Here we have the greatest opportunity, the greatest country on the face of the planet, and yet we see this excessive spending and these taxes that will continue to grow and take away our liberty and freedom and ability to grow as families and as people. And that borrows so much.

I think inherently the American people know that we can no longer afford to run this country on a credit card. I was touched by the mention of your daughter, Madison, and being 2 years old.

As a father, I have three kids at home, and one of the hardest things about being in the House of Representatives is being away from your family at night. To do the work and argue about the issues of the day is a great privilege, but it is so hard to be away from that family. And you look into the eyes of your daughter or of your son, or you have a loved one who has maybe lost a job, or a friend who has lost a job or has a business that is struggling. I have people in my own community who had home building businesses, and they have literally fallen apart.

The question is how are we going to solve these problems? How are we going to move this country forward? There are some on the Democrat side of the aisle who will argue that only government can solve these problems. It is not only government. In fact, I would argue it is only the American people that will actually go forward and solve and create and build this country back up to where it should be, as the economic and military leader in the world. That is done through entrepreneurs. It is done through building businesses.

I was so satisfied. Actually, I felt a bit of vindication when I saw the President stand up and make the case that I have been making for a long, long time: that small businesses are the ones that are going to build jobs in this country, that small businesses are the drivers of this economy.

And yet, that was the same argument that I used to say look, the trillions of dollars that are going to be set aside for stimulus and bailouts and all of that, isn't going to drive our economy forward. The last stimulus bill that we had, the Republicans in the House of Representatives united. Not one of them voted in favor of it. That was because it expanded 106 Federal programs, 33 new programs and a whole host of other programs, that got money sprinkled across it, but it did nothing for the Madisons of the world, for my son, Max, and Ellis and Kate, and for Burtis Bills, the mayor of Payson, and even my brother's father-in-law, Bob Johnson of Topeka, Kansas, who owns a transmission shop. I had to talk to these people and look them in the eye and convey to them that we weren't doing anything to help them. We were growing government, we weren't growing jobs. We were building all-time,

record-high debt, debt that ultimately has to be paid.

So I look at what we are doing in this government, the amount of spending and the amount of taxes and the amount of borrowing, and say it is just too much. If we are truly going to grow the United States of America, it is going to be that entrepreneur. It is going to be that small business owner that is going to propel this country forward.

Mr. SCALISE. I appreciate the passion and the examples that my friend from Utah gives of real people out there in this country and the things that they are dealing with. And, of course, the way that they deal with it is a lot different than unfortunately the way it is not being dealt with here in Washington. And especially when we know there are proven ways to address these problems.

A lot of us kind of get a little irritated when we hear people complaining that the Republicans were in power and they did this and that so that makes it okay to do what they are doing today.

If we talk about spending, and let's talk about the spending that has gone on. There is a lot of blame that can go around. I sure don't support the deficit spending that has been going on, but what we are seeing today, the deficit spending we are seeing today is historic. It is record levels. While some of our friends may want to criticize spending that had been done in the past, the spending that is going on today makes people in the past look like amateurs on spending. It is levels we have never seen before.

Here is a chart that shows deficits over the last 4 years, and it is \$400 billion, trickling down below \$200 billion in 2007, definitely going in the right direction. We want to have surpluses and we want to run a balanced budget. I am a cosponsor of a bill to balance the Federal budget. We should require a balanced budget, but at least the direction was trending downward. And then we see the 2010 budget that was just submitted goes to \$1.7 trillion in deficit spending in 1 year alone. And those record numbers continue on for years. In fact, the first 4 years of the President's budget would be over a 50 percent increase in the national debt.

In those 4 years combined with every budget since President George Washington, so if you take George Washington and go through President Bush, and in just 4 years, President Obama will add 50 percent to the national debt because of this level of spending. This is again money our children and our grandchildren will have to inherit. In fact, the budget, that spending bill, and some people called it a stimulus bill that passed just a few weeks ago, the \$800 billion spending bill that ended up spending billions of dollars on a high-speed rail from California to Las Vegas, and research for a field mouse, and massive growth of government, that one bill alone added over \$3,000 in new national debt, \$3,000 for every man, woman and child in this country.

People say what did my State get for it? What is my community going to get for it? I think as they look, they will realize over the next few months, as they see more of these egregious spending programs that came out of that bill, they are going to realize that they didn't get \$3,000 worth out of that bill.

That is why when we talk about the entrepreneurial spirit, and I think my friend from Texas has some good insights on that, and great entrepreneurs and the fact that government can encourage a way out of this problem, but government spending cannot solve this problem. We can look back to the Great Depression, and we will talk about that and the mistakes made during the Great Depression.

Mr. CARTER. I would like to point out something that seems to be a mistake that is made by a lot of people.

The 2008 budget which would be argued here on the floor of the House was Bush's budget. The reality of spending, we up here, this House of Representatives has responsibilities as well as rights. And the real world is the President proposes a budget, but the Congress adopts the budget. It is the Congress's budget when we get through with it.

So the 2008 budget that shows the increase over 2007 fairly substantially is the Congress's budget. You are not seeing George Bush's budget, you are seeing the Democrat-controlled Congress's budget in 2008.

Now their President has proposed, the Democratic Party's President has proposed a 2009 budget that goes off the charts. It is kind of interesting because we hear, "I will reduce the budget by 50 percent." So let's see, if you raise the budget 300 percent and you reduce it 150 percent, you have reduced it 50 percent. We are still 150 percent over where you were.

□ 2230

And that chart exactly shows what we're talking about. If you look at those lines, we're taking the President at his word, as we go all the way down here, what is that last one? 2018?

Mr. SCALISE. If I can reclaim my time for a moment, and then I will yield back to my friend from Texas. What you're talking about right here in 2008, and this is when the Democratic-controlled Congress ramped up that spending. But even here, it is below \$600 billion. And then in the first year of President Obama's budget, it goes up to \$1.7 trillion in deficits. This isn't the size of the budget—the budget is over \$3.5 trillion—this is just the size of the deficit. And then if you look, by the fourth year of the President's budget, it is still roughly \$600 billion. So it's higher in his fourth year than the first budget that he inherited.

And so, while he would say he is reducing it by 50 percent, it is actually larger than the first budget that he inherited because his first budget adds over \$1.7 trillion in deficit spending.

And I will yield back.

Mr. CARTER. That's right. That is my whole point. That chart clearly shows you that if your criticism was of the Bush administration for deficit spending—which we heard a lot of noise about that—then if you look at those red columns, none of those drops down to even equal with the largest Republican-led Congress deficit. Okay. They are almost double the Republican-led Congress' deficit all the way to the end of your chart.

But yes, they do reduce that big line by more than 50 percent. If you want to talk about voodoo chart drawing, that's voodoo chart drawing. That's saying, if I jack it up to \$3.6 trillion, then, yes, I can drop this thing big time down the road, but you are still way over what you were dealing with back in 2004. So this whole concept of trying to smoke and mirrors the world, it's time to stop all that.

There is a young man I was just talking to out in the hall who has a little business, and he wants to go out and expand his little business. And his world is this, that he looks at it, he gets taxed as ordinary income even though he's a small business, and he says to himself, why should I stick my neck out for another couple hundred thousand dollars in debt to try to expand my business when all I'm going to do is get myself up into a tax bracket that I'm going to be going downhill?

So, that's exactly the example. Or a young man I talked to, walked up to me at an event in Killeen, Texas, and he said, you know, my wife and I started a business 5 years ago. He said, we have taken this idea up to a business that employs 40 people. We are now at a point where we have to make a decision; do we expand our business by borrowing about a half a million dollars, indebting ourselves as a couple, and have the potential to maybe employ 80 people—which, gosh, isn't that what we want? Isn't that what we're talking about, creating jobs? He said, but we look at it, and we see what is coming down with this cap-and-trade and the cost that that's going to put on me, when we see what's coming down on the tax increase for people earning over \$250,000, and we're concerned that will put such a burden upon us that we might actually lose this business. So now we're looking at it and saying, maybe we should shore up what we've got and lay off a few people to be sound in hopes that somebody will get sanity back in the taxing of our people in this country. And let's hold on until logic comes back into the world.

That's not the way we want to cause people to expand and have a better life. And that's exactly what we're talking about with this budget that's proposed by the President and looks like is overwhelmingly going to be adopted by the majority in this House.

We've got real issues here that the American people have to think about. Because with your 2-year-old daughter—and I wish her a happy birthday—that's where you should be focusing all

your attention. And I should be focusing all my attention on what we're leaving—not just to her little generation at 2 years old that's going to grow up in this country, but the children that she is going to have and the children they are going to have. If we keep going down the road that we're going down right now with the kind of unbelievable spending that has gone on in the first 50 some-odd days of Obama's first term as President of the United States, if this keeps up, how will our descendants ever pay this back?

Mr. SCALISE. Reclaiming my time, the gentleman from Texas makes some wonderful points. And I appreciate your concern for what happens when Madison, my daughter, grows up and what kind of country she is going to be left with and what kind of debt she is going to inherit. And I think when the American people across the country look at this—and they've started to look at it in, I think, a very close way. And what they're telling me when I go back home, and those of us that have gone throughout the country to our districts, they're telling us that this budget spends too much and it taxes too much. And it borrows too much from future generations at the expense of our ability to get our economy back on track to help those small businesses.

And then they look and they say, well, what are all of these deficits? What is all of this spending going toward? And what they see, they see that first stimulus bill, they look at this TARP money, they look at what's happening with that TARP money and AIG and companies that are getting this money. In some cases, you can't even find out what they did with the money. And then when you find out what they did, it makes you even more angry because you see they are giving it in bonuses to people who helped run those companies into the ground. These are people who truly would be unemployed because they bankrupted their own companies, and today the only reason they have a job is because of these Federal bailouts of these companies. And then they are using that money—not to make loans, but something even more egregious. And as angered as we are hearing about these bonuses that they're paying—\$160 million in bonuses that AIG paid to its executives—we also found out today that AIG used \$26 billion of that taxpayer money to give to French and German banks—not American banks, to help our American banking system, but \$26 billion of that TARP money went to German and French banks, which might be helping their economies in those countries, but it sure isn't helping America. So for those of us who voted against those bailouts, saying I told you so doesn't help anybody, but saying this madness has to end.

And people are looking at this. And then they are seeing the budget that's proposed. And they're seeing these huge spikes in deficit spending and this

huge amount of new government socializing of different systems and forms of our economy, and it's scaring people. Because when you look at the stock market, the stock market is an indication not just of what's happening to those individual companies, but of consumer confidence. In fact, since this President took office in January, the stock market is down about 25 percent. That means 401(k)s out there, families who are investing in those markets, their retirement savings are down over 25 percent just since January 20. We're not talking about something that has been going on for over a year now, we're talking about something that is maybe 2 months in the making, a 25 percent decrease because people are seeing these plans—these spending plans, these tax plans, this massive borrowing—and they are realizing somebody has to pay for this.

And what are we doing with this money? And you can't even go find it. It's not helping our country get back on track; because, again, if you go back to the Great Depression—and we said we are going to talk about this a little bit—during the Great Depression in the 1930s, it wasn't because they didn't spend enough money. They actually spent money for years and years and the depression stayed as bad as it was. For over 8 years they spent money. And there is an old saying, if you don't learn from history, you are doomed to repeat it.

Back in the 1930s, the budget director, the Treasury Secretary under FDR, Henry Morgenthau, actually said, "We're spending too much money." After 8 years of them spending money, they were still at double-digit unemployment. We were still in a Great Depression. In fact, some people said we were in a recession then, and the spending brought us into a Great Depression. And FDR's own Treasury Secretary in the 1930s said it's the spending that's giving us all this massive debt, and it's not doing anything to help our economy. It wasn't until World War II that we got back on track.

And so people are looking at that and saying, wait a minute; we sure don't want to make the mistakes of history's past if we learn how we are going to get ourselves out of this problem today.

If the gentleman has anything else to add—

Mr. CARTER. If the gentleman would yield for just a moment, because I actually happened to be thinking about that on my way up here this week.

We are experiencing that rare time that all Members of Congress who travel back and forth have to deal with called spring break. And I think that everybody that flew on an airplane coming up here knows that there were thousands and thousands and thousands of young people going all over the country and all over Mexico—and who knows where—on spring break. And it reminded me of something that

Will Rogers said during the Great Depression, he said, "America is a funny place. We may be the only country in the world that's driving to the poor house in an automobile." The whole point was, we need to remind ourselves, as we debate about this issue, that we are Americans who, if given the right tools, can incentivize our way out of any mess we get into.

We are still the most blessed Nation on the face of the Earth. We need to fix this banking crisis. And we don't need to fix it by indebting our grandchildren and our great grandchildren with special projects to meet campaign promises that were made. We need to concentrate on the issue, which is getting credit back in the market. And then that young man out in the hall and that young man in Killeen, Texas, can go borrow their loan from their bank and go invest it in the future for their children and grandchildren, and our country will continue to send all these beautiful children off on spring break.

I think we realize who we are. We can do anything we set our mind to if the government will just get out of the way and give us a chance to do it. I yield back.

Mr. SCALISE. Reclaiming my time. And I thank the gentleman from Texas for sharing that because that is the reason that we're here tonight because we know that there is a better way, there is a way out of this problem. And people across this country know. They know that we put a man on the moon because we, as a nation, set our mind to it and we said we are not going to accept failure. And so as people look at these proposals and they look at these record deficits, they know this is not the way out. They know that if spending would solve this problem, we would have the best economy in decades. And so, clearly, spending and taxing is not the answer.

But there are proven answers; and some of those answers are rooted in the very things we've been talking about, the alternative proposals we've been talking about, ways to help small businesses get back on their feet and hire more people. The people that employ 70 percent of our workforce today are being faced with \$640 billion in taxes by this budget, and obviously that has had a ripple effect. And we can unravel that by stopping this from happening.

And people across this country know that, too. That's why you are seeing these tea parties sprout up all across the country where people are saying, we are not going to take it anymore, and we want to stand up and let the government know—because government does answer to the people, especially here in this House, of all places, the People's House. So this is the voice of the people, and we're trying to express that voice. And another great voice is my friend from Texas as well, Mr. BURGESS.

Mr. BURGESS. I thank the gentleman for yielding. And I really appreciate your energy and enthusiasm with

coming to the floor at this late hour of the night. You and I serve on the same committee, and our committee has been extremely active for the past several weeks. I think we spent 10 hours today talking about health care. We will spend many hours tomorrow talking about the carbon tax that is going to be enacted before Memorial Day. And then on Thursday we will have another lengthy hearing dealing with food safety; all terribly important issues to the American people. It's good to be up here doing the people's work. Unfortunately, on the floor of the House this week we're not really doing very much, but at least in our committee there is a great deal of work going on.

I will say that I am grateful that this week the President chose to stop talking down the economy and Wall Street, and we perhaps had a little bit of a respite from the inexorable downward spiral that we had seen from Inauguration Day forward. That has been a welcomed respite, I know, to my constituents back home.

I so appreciate the gentleman having the poster which shows the differences in the deficit by the time we lost control of the House with the 2006 election. We were told that we lost the election for the majority of the House in 2006 because of spending, because we had a deficit of \$160 billion at the end of that fiscal year. Mind you, that was a year that had seen Federal expenditures go up because of Hurricanes Katrina and Rita, the continued fighting of two wars in the Middle East. We had a tsunami that we had to help with right after the 2004 election. There were some significant expenditures which were really once-in-a-lifetime expenditures, and our deficit was \$160 billion.

Now, 3 years later, we are looking at a projected deficit 10 times that much, 10 times \$160 billion. And we're told, don't worry, all is well, we can, indeed, spend our way out of this crisis. But I will tell you, I have not been in favor of any of these spending bills that have come through the House of Representatives in the past year. I think, going back to January of 2008, the so-called stimulus bill of \$170 billion at that time was an error; it was wrong, and it didn't deliver as intended.

□ 2245

The bill to bail out Fannie and Freddie in July that had to be redone in September didn't have the intended result, and then finally the big bailout that occurred right at the end of September, the first of October, in the election process clearly was a spending bill that we should not have undertaken.

Now, it's instructive to know if you're spending all this money and you're not bringing it in in tax revenue, we are intending or at least the signals are there that the Democrats are intending to raise taxes considerably on every American, as has already been alluded to, this carbon tax. Yes,

you won't pay more tax if you earn less than \$250,000 a year, unless you turn the lights on, in which case you're going to spend more in taxes, unless you drive a car, in which case you're going to spend more in taxes. So there will be massive tax increases visited upon the middle class of this country. But if you can't tax enough to cover this much spending, where do you get it? Well, you either print it or you borrow it, and right now we are in the process of borrowing this money.

Just a little less than a month ago, I spent an interesting afternoon down at a Federal agency called the Bureau of Public Debt. The Bureau of Public Debt that day was having its third of three auctions. Each auction was to be \$32 billion, so roughly \$100 billion which was going to be auctioned off that day. Each auction lasted 30 minutes. Each auction, fortunately, was fully subscribed, in fact, oversubscribed. So the notes that we had to sell as a country to keep our economy afloat did sell. The interest rate was not terrible. It was 1½ percent. At the same time, a month ago we were selling about \$160 billion in paper every week. A year before, it was a little less than \$100 billion, and it has obviously gone up every year, year over year, and will continue to do so.

What is the effect of putting \$2.1 trillion in new paper on the market in a very short period of time? Well, one of two things can happen: Your interest rates will go up or the paper won't sell. If the interest rates go up, that crowds out the private sector, which is also competing for that money to borrow to expand business and grow business. We're going to make it that much harder to add new jobs because we're going to add to the expense of a business growing or expanding. In addition, the tax burden that we are going to be adding in the energy sector alone will be a job-killing crush that most people at this point, quite frankly, haven't engaged upon. They do not comprehend the danger that is coming their way as we seek to recover our economy and grow new jobs and grow new sources of revenue.

One of the things that I have been so concerned about is here we are talking about a very enormous budget, an enormous amount of Federal spending. Have we really corrected the problems that were the underlying difficulties before? And I'm not certain we had. I came to Congress in 2003. I was elected in 2002 and was sworn in in 2003. We had just come through a very significant economic downturn. We had just come through some very significant corporate malfeasance with the implosion of Enron. We had new regulations enacted in Sarbanes-Oxley. And the feeling was that we had done all we needed to do and we had gotten it right. But the reality was there were still problems and we hadn't gotten to the bottom of it.

I urged the prior administration to proceed upon a course with engaging—

I don't like to use the term "Special Prosecutor." Perhaps we should call it a "Special Inspector General"—to look into the problems in the financial institution that caused us to be in this place. That did not happen.

Within the next 2 days, I am going to be introducing with another member on the Joint Economic Committee, another Member of the House, a bill to ask for a commission to study the problems that brought us to this point. I am not a fan of commissions. I think, in fact, most of the time they detract from congressional power and they are something that we should not do. But in this instance, the stakes are so high and the price we will pay if we get this wrong yet one more time will be so large that I, frankly, do not know if the country can sustain that. So I will be introducing legislation to ask for a commission to study not only what went wrong but who should be held accountable at this point. The same as we did with 9/11. The same as we did with the Iraq Study Group. I was not in favor of those commissions, but I think in this situation it does warrant that type of intervention because we cannot allow this to happen again.

And I don't know about you, Mr. SCALISE, but when I go down to Denton, Texas, when I go home to Fort Worth, Texas, or Lewisville, Texas, and I talk about these problems, everyone wants to know who is responsible and when are we going to see someone held accountable? And the fact that we see more people receive bonus money for driving their companies into the ground because, oh, I'm so sorry, it's contractual obligation; so we have no way around it. Nonsense. Ask any Delta pilot what happened to their contractual obligation about their pension. Ask any United pilot what happened to the contractual obligation with their pension, and they will tell you what those contractual obligations were worth. These contractual obligations to AIG border on criminal. There is no defense for our continuing down this road, and those need to be stopped.

I do hope that people will take a look at the concept of having a commission to study this problem because I do believe that the difficulties are so deep and so entrenched that if we do not correct them, if we do not get rid of the dry rot that's in the system, we will build an entirely new house of cards on an unstable foundation, and we know where that will lead.

But I do thank the gentleman for bringing this forward. Again, I know it's been a very long day at least for members of our committee. We will have a long day again tomorrow. We'll have a long day on Thursday. I wish our floor schedule mirrored that. Unfortunately, right now we don't seem to feel the same urgency on the floor of the House that the American people are feeling every single day as they watch the job losses mount in their communities and their area.

But I thank the gentleman very much for allowing me a chance to talk on this.

Mr. SCALISE. I want to thank my friend from Texas for sharing that with us. And really it is important that we unravel this mess, that we not only fix these problems but also that we hold those accountable who got us in this mess in the first place because in some cases some of those same people are still out there today using taxpayer money to enrich themselves when so many people across the country are struggling.

And when we go back to these charts and we look at these record deficits, we look at the fact that, yes, in 2004, 2005, 2006, and 2007, we had deficits and they were too high. But they were too high while they were less than \$200 billion. Today we're facing a deficit that's over \$1.7 trillion. An exorbitant amount of money. An amount of money that's going to saddle future generations.

And when we look historically at our national debt, we started with about \$10 trillion in national debt at the beginning of this year. We're already closing in on \$12 trillion in national debt, and this chart shows how it continues to rise in the years ahead with these record deficits and these taxes that are going to kill jobs in our country. So that's what we are trying to stop. We are not saying this is something that has already happened when we get beyond 2008. We're talking about things that are proposed that we can stop.

So I want to go back to my friend from Utah who's got an interesting insight as well to talk about what we can do to stop this and where this national debt leads us if we don't stop it from happening.

Mr. CHAFFETZ. I thank the gentleman for yielding.

This chart should be concerning to every single American because what it shows is a doubling, a doubling, from \$10 trillion to over \$20 trillion of debt. Somebody has to pay that. It's going to be our kids and our grandkids and future generations. We continue to leave this country in a state of debt that is not sustainable.

I didn't create this mess, but I am here to help clean it up. I'm a freshman here. But I think we all have to take some responsibility and hold our government leaders accountable for the mess that we're getting in. I think they would appreciate it a lot more if there were more sacrifice. The President talked about going line by line, item by line. We were going to get rid of earmarks. We were going to get rid of this; we were going to get rid of that, go line by line. That hasn't happened. The very day after the President said those words, we were presented a bill that was \$410 billion and it had over 8,500 earmarks, 8,500-plus earmarks. The President had just asked for zero, for none. And yet it passed. It went to the President and he signed it. That just doesn't sound like the type of

responsibility and accountability that I would expect from my own kids, from the President of the United States. So there has to be this degree of responsibility.

And I also want to touch on the AIG thing because that's on the top of everybody's mind. Really what we have seen is a redistribution of wealth. We have seen the government misuse the role of government in reaching into people's pockets and then redistributing that, picking winners and losers like AIG and others, and saying it's better that we take that money out of the people's pockets and put it in their pockets. And then with this audacity, this greed, this unsustainable, unacceptable passion, they go out and misuse this money.

Don't you just wish these executives that were going to get these bonuses—why don't they just step up and do the right thing? I wish there would be a sense of pride within these people to say it's just not right for me to get a bonus. It's like when I was a little kid and I was playing soccer or baseball or something like that. I was taught that what you were supposed to do is if you stepped over the line, if you didn't actually make it, you're supposed to call it yourself instead of saying, well, that wasn't me, instead of getting tied up in some technicality that would allow them to do something that they really should not have been doing.

So what I would hope that people would do is to take this personal responsibility. The government's not. We are here to fight to make sure that it does become more accountable. But it's this underlying greed that, oh, my goodness, please, step up and do the right thing.

But that debt, that is something we can do something about. And that's why I think you see so many of us stepping up and saying the President's budget spends too much, it taxes too much, and it borrows too much.

Mr. SCALISE. I thank my friend from Utah again because I think what he touches on is this lost direction, this lost focus on the real problem that we are facing right now. And those of us that are here tonight are staying here as late as we can to try to get this administration back on track, focused on fixing the problems of this economy, on fixing the problems in our banking system.

Again, that bill is still out there, H.R. 7223, from the 110th Congress. We are still ready to present these ideas. These are good solutions to solve the problems our country faces today. But instead what do we get? Instead of that line-by-line scrutiny that we need, for the last 2 weeks we've had the White House, people in the White House, picking on media personalities, talking about what Rush Limbaugh is saying on the radio or what Jim Cramer is saying on CNBC. If that's the focus of this administration, it's no wonder why people are so mad out there in the rest of the country saying what about

the focus on the real problems that we are facing and the things that need to be done, the things the White House needs to be doing to address those problems, going line by line and cutting out the waste and the fraud and the corruption that exists in this government and in this budget instead of picking on media personalities or filing bills to tax small businesses or families on their energy bill?

Just last week we saw a bill filed called Card Check. A bill that literally would take away an employee's right to a secret ballot in a vote over whether or not to form a union. This is something for decades that's been in law. There's a process. If somebody wants to form a union, there is a process they go through, but it involves a secret ballot in the end to decide whether or not those employees actually want to form a union, and it's a protection for the employee so that they are freed from the intimidation and the coercion that has gone along in years past, in decades past, times in our history we sure don't want to repeat. That bill was filed last week to take away an employee's right to a secret ballot and forcing arbitration on companies.

The U.S. Chamber of Commerce has come out with reports that show that bill alone would cost our country 600,000 jobs in the first year, 600,000 jobs if that bill passed that would go overseas. And the President said he would sign that bill. So people look at this and they say we're facing real problems in our country, but we know, because we're America, because we are the greatest country in the world, we know we can address and fix these problems. But what they are very disappointed in is that they don't see solutions coming out of the leadership here in Congress and the White House. So that's why we are going to continue to talk about it and find solutions and find a better way.

□ 2300

TAKING US IN THE WRONG DIRECTION

The SPEAKER pro tempore (Mr. FOSTER). Under the Speaker's announced policy of January 6, 2009, the gentleman from North Carolina (Ms. FOXX) is recognized for the remaining time until midnight.

Ms. FOXX. Mr. Speaker, I want to congratulate my colleagues on the great job that they have done this evening in presenting information about the budget, the deficit, the challenges that we are facing in this country, and I particularly want to agree with Congressman CARTER from Texas for the statement he made about the fact that we live in a wonderful country.

In fact, I tell my friends all the time, the first thing I do in the morning when I wake up is say thank you, Lord, for letting me live in this country. And the last thing I say, before I go to sleep