

Diagnosed with Parkinson's Disease in 1994, he never let his physical condition diminish his spirit and he remained active in the Rhode Island community and the Democratic Party. In Rhode Island, the Pell name is legendary in politics and synonymous with the best attributes of public service, and his legacy endures.

The esteemed Senator once stated, "The strength of the United States is not the gold at Fort Knox or the weapons of mass destruction that we have, but the sum total of the education and the character of our people." Believing that education was the great equalizer, he created legislation that passed in 1972 establishing the Basic Educational Opportunity Grants—better known now as Pell Grants—that provide financial assistance to students who may not otherwise be able to attend college. It is estimated that a remarkable 54 million students have benefited from these grants.

Due to his love of the arts, he also authored the legislation, as my colleague, Congressman KENNEDY, mentioned, creating the National Endowment for the Arts and the National Endowment for the Humanities. He helped shape our country's foreign policy and believed strongly in the power of diplomacy. He stood up to defend rights for all Americans, regardless of race, class or sexual orientation.

Knowing him for more than two decades, I considered Senator Pell a friend and a mentor and had the opportunity of interning in his Washington, DC office during my studies at Rhode Island College. I found it to be one of the most rewarding experiences of my life and the beginning of a career path that led me here to Congress as a representative of Rhode Island's Second Congressional District.

As I began my own career in government, Senator Pell was always there for me, offering advice and support.

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.)

HONORING SENATOR CLAIBORNE PELL

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

Mr. LANGEVIN. In continuing my tribute to Senator Pell, Madam Speaker, Senator Pell was and always will be a role model as I work to serve the people of Rhode Island just as he did, with courage and integrity.

This past Monday, Senator Pell was remembered by his family, colleagues from the Senate, President Clinton, Vice President-elect Biden, and many

others. It was a fitting tribute to his years of public service and his life-long vision for our country.

Madam Speaker, it is an understatement to say that his presence will be forever missed, but his enduring legacy will live on in his many accomplishments that have enhanced our country greatly, and especially the past, present and future students who have achieved a higher education because of Pell Grants. And it will live on in the people of Rhode Island, who have benefited greatly from his life's work.

My thoughts and prayers are with his entire family, especially his beloved wife of 64 years, Nuala Pell, during this very difficult time.

I join with my friend and colleague, Congressman KENNEDY, to say that Senator Pell had a tremendous impact on our careers. And again, we extend both our sincerest condolences to the entire Pell family.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

(Ms. NORTON 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 Illinois (Mr. KIRK) is recognized for 5 minutes.

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

ISRAEL AND HAMAS CONFLICT

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

Mr. ROGERS of Alabama. Madam Speaker, I rise today to speak about the devastating situation in Gaza.

Each of us in this Chamber knows what it's like to deal with a terrorist attack on our soil and against our people. Over the last several years, the Israeli people have been constantly bombarded by terrorist attacks on their soil and against their people. Since Israel withdrew from Gaza in late 2005, more than 6,000 rocket and mortar attacks from Hamas and other terrorist groups were fired into their territory.

The Government of Israel has a right and a responsibility to defend and protect its people. To stand idly by while hundreds of bombs explode on Israeli territory would have indeed been an irresponsible position for Israel's government to take, and continuing to do nothing could cause long-term detrimental implications to Israel's security in the region.

So Madam Speaker, critics who have said that Israel responded to Hamas in a disproportionate or indiscriminate way are wrong. Madam Speaker, I ask,

what amount of force would have been necessary to stop the brutal attacks, to put an end to the terrorists' rocket launching pad in Gaza?

Hamas has repeatedly targeted school yards and hospitals filled with children and civilians in Israel. And the militants have been deliberate in operating from places where Gazan civilians have sought shelter, jeopardizing innocent lives in Gaza. Only Hamas is responsible for the massacre of the people in Gaza. Hamas is responsible for this conflict.

Today marks the 12th day of this conflict, and I think we all hope for a cease-fire to take place soon. However, even if the parties can reach an agreement to a cease-fire, it remains to be seen whether it will be durable.

Therefore, I strongly urge support for Israel's right to self-defense and its efforts to protect itself militarily. I also urge the United Nations and our European allies to do the same.

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

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

ECONOMY IN AMERICA

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

Mr. GOHMERT. Madam Speaker, it is a pleasure to be here as we start another 2 years in a new Congress, the 111th Congress. It is an humbling honor to get to follow in the footsteps of so many giants.

I come today to talk a bit about the economy and what's been done so far and what is being proposed to be done in the future. Now, there is so much to be learned from people who have been around this place and been on this Earth for many, many decades. A fellow down in Nacogdoches had the wisdom, when he was told by a young reporter on his 95th birthday, "Congratulations on your 95th birthday, I hope you're not offended, but I hope I never turn 95," and the gentleman said, "Well, son, that's because you're not 94." But a man over 90 approached me there and said that he was sick and tired of hearing people say, oh, this is the worst day since the Depression, some people saying it's as bad as the 1930s Depression. And he said, let me tell you about the Depression. I was there. Sometimes we went for 2 days without eating. And I look around nowadays and I see people offended if they don't have three cars in their family. They've got a computer, they've got cell phones, they've got all these things, and they're trying to tell me that this is as bad as the Depression

when my family couldn't eat, when unemployment, by some estimations, at times was going toward 50 percent, but by most agreement was more like 25 percent or so. It was an incredibly rough time for America, but they managed to get through it.

There is interesting literature out now that says, by government intervention all through the thirties, the economy never got better until after World War II started; that all the government intervention may have actually prolonged the terrible Depression rather than helping. Here in this day and time we have people with the best of intentions, they want, truly, to make it better. There are others that we have here in Washington, part of the government that perhaps want to reward their friends. And that is not a partisan comment, that apparently is a bipartisan comment because we've seen it on both sides of the party issue.

But to be told repeatedly that this is a terrible depression, worst economy since the thirties, I was around in the late 1970s, I was around in 1980 and 1981. And so I gathered some numbers about those days. We had a 1973 oil crisis and a 1979 energy crisis. And we had, let's see, unemployment at 5.1 in January of 1974. And it rose, let's see, mild recession from January to July. But unemployment got to 7.5 and eventually got over 10 percent. And I recall thinking, when this guy Reagan started talking about—and I was in the Army at the time at Fort Benning, Georgia—and I heard him, and he was just such a gifted communicator, and he communicated confidence and a good feeling about this country. And it helped make America stronger when America felt stronger. There is so much to the mental status of the people of this country. But by 1979, inflation had reached 11.3 percent. In 1980, it soared to 13.5 percent. And here we had a guy, Reagan, who was saying in 1980 that as President he could bring down double-digit inflation, he could bring down double-digit unemployment, he could bring down double-digit interest rates.

I recall my wife and I bought our first house out near Fort Benning, Georgia. And my dad was concerned with the high interest rate being over 10 percent. And he said, you know, son, it just doesn't get any higher than that, why don't you wait until it comes down. And yet at the time we were selling our house after my 4 years at Fort Benning, there were people wanting desperately to absorb 12 percent loans because the interest rates had gotten so high. In fact, I've got some data gathered on that.

The Federal funds rate was about 11 percent in '79; it rose to 20 percent by June of 1981. The prime interest rate eventually reached 21.5 percent in June of 1982. And here was this candidate in 1980 named Reagan saying "I can help bring these things down." And I remember telling my wife at the time, "I like this guy." As a member of the Army, I could not criticize a Com-

mander in Chief because he was in the chain of command and that's a court-martialable offense. So you couldn't say anything critical about the Commander in Chief. But I was excited about this guy Reagan.

□ 1315

But I said to my wife, let's face it, there is no way one man, even the President of the United States, could bring down double-digit unemployment, double-digit inflation, and double-digit interest rates. I mean one man just can't do that. And these things started peaking through the late 1970s, 1980, 1981, and 1982; and lo and behold, he was able to turn things around. We had a massive tax cut, and the economy turned around and started going the other way. And lo and behold, double-digit interest rates fell below 10 percent, unemployment rates fell below 10 percent. Interest rates, inflation, all of those things came down, and I was wrong. Apparently one man could make that much difference.

Now, some of the folks know here, Madam Speaker, I like President George W. Bush. I think he is a good man, an honorable man, despite what some folks say. I like him. He's smarter than people give him credit, but as Jeff Foxworthy says, often when people who are not from the South hear a southern accent, they immediately deduct 50 IQ points from what they think the IQ of the speaker is. But when our Secretary of the Treasury convinced him to say, as the Treasury Secretary said, that we're about to have this terrible depression and we could have a stock crash like '29; in some of the private meetings, it could be that once the first bank fails, they'll all fail. We'll have a worse depression than the 1930s. We'll have all these terrible things. Those kinds of things when said from the highest people in the country can become self-fulfilling prophesies. You need to have Presidents that will come forward and say "The only real thing we have to fear is fear itself," as Roosevelt did. You need to spread calm and confidence. And there are obviously many issues on which I disagree with President-elect Obama, but one of the things we see about this man, as he prepares to take over the Presidency, he has a real gift for spreading confidence, spreading calm, and spreading hope, as he likes to say.

Now, we've been hearing a lot lately people trying to set the bar so low that anything he does will pass the bar, but the fact is we need all of our national leaders to be spreading confidence. You don't do that by saying, "Oh, we're in this terrible depression," because we are not. When you actually look at the numbers, we are in so much better shape as a Nation than we were in 1980. We don't have hostages being held in Iran and looking just so helpless to the rest of the country. President Bush has certainly made clear, and I think by some of President-elect Obama's appointments he has made clear to the

rest of the world, you don't attack us or we will respond. And so I hope that will continue. It's an important message. But we should not claim that things are worse than they are because that becomes self-fulfilling.

Though I have to say, by scaring Congress enough, there were about 60 Republicans and about three times that many Democrats who voted for the bailout bill mainly because the Secretary of the Treasury scared them enough into doing so. That's not a basis for making good judgments to help direct this ship of state.

Now, there's another \$350 billion of the original \$700 billion in TARP funds that were in that bailout bill. All that is required—and I know there are some who say, oh, no, in Congress we will get to have an up-or-down vote. The bill doesn't say that. The bill says all the Treasury Secretary has to do is file a plan. I mean, goodness, his plan could just say "I want to spend \$350 billion and send it all to my friends," and under the law if there is no vote disapproving within 15 days, he can take the money and spend it.

We have already seen \$350 billion squandered. Now, I know that Secretary Paulson had his department issue a report last week that says we have studied what we did and we think we did—no, they don't say "we think." They said, we did a great thing. We saved the economy.

Well, one of the things they were doing was spending hundreds of billions of dollars, we were told, to get more credit, to loosen up the credit. I have been sent copies of letters from banks that received billions and billions of dollars of taxpayer money and the letters say we're not going to be able to make car loans anymore, we're not going to floor plan dealers anymore.

Now, one of the things Congress has done that's been a problem is to force lenders to lend money to people who could not afford to pay it back. So I'm not in favor of doing that. I don't want to force lenders into making bad loans. But when billions and billions of American taxpayer dollars are extended to these huge banks, and at the same time I've seen press releases from those banks that say, oh, this will really help us to extend more credit, lend more money. This will help with the credit crunch, and then follow it up shortly thereafter by saying, we're not going to lend like we used to and we're holding money in reserve. It had absolutely the opposite effect of what it was supposed to have. So that causes great concern. It has not opened up lending. And the fact is this Congress could allocate \$2 trillion to Detroit auto makers, but if people cannot buy cars from the dealers and the dealers have all the banks pulling back floor plans saying, we're not going to help you get cars in to sell to other buyers, then it will be wasted money. You've got to have people able to buy cars or any money given to Detroit is absolutely wasted.

There was some criticism of Secretary Paulson, and I was one of those

who was appropriately critical, for not having more restrictions on the money that was given away. Some of it went to bonuses. Instead of extending more credit, some banks actually bought up competition, which means there will be less credit extended because there are fewer lenders out there to extend that money in the way of credit. So it had the exact opposite effect it was supposed to. And with all due deference to the Secretary of the Treasury patting himself and his department on the back for doing such a great and noble job, I just don't see it in what we've had happen here.

I've been joined by one of my colleagues from Georgia, a man I have the utmost respect for. He is someone in whom I have the greatest of confidence and admiration, and I know that when I have an idea, I'm better off running it by him before I float it out publicly. And so I would like to yield to my friend LYNN WESTMORELAND from Georgia.

Mr. WESTMORELAND. I thank the gentleman from Texas. It might not be your accent that hurts you with the points IQ, but it may have been your introduction of me. But it is good to be here with you to talk about the stimulus package.

I voted against the stimulus package, or the recovery bill, as I know you did and many others did, because we didn't see any real plan out there. And the only plan that we really heard, Madam Speaker, if you will remember, they said there was a bad automobile wreck, that this credit crisis was like a bad automobile wreck clogging up the expressway and that behind this accident there were trucks carrying student loans, automobile loans, mortgage loans, all different types of credit, and that because of this accident that those loans were not getting through to the people that needed them; so we need to spend \$700 billion. And I think at the time they said it was about a 5 percent bad mortgage of home loans, and there are about 80 million mortgages; so that's roughly 4 million loans. So this credit crunch was caused by these 4 million loans to spend \$700 billion. So we cleared the accident, or at least we were told that we were clearing the accident.

But the accident is not cleared, or if it is cleared, nobody has let the traffic through because there are people every day being foreclosed on because the banks that are getting this money, and one bank in particular that does business in Georgia got \$4 billion of TARP money and they are foreclosing on people every day. They are not giving people an opportunity to restructure their loans. They are calling more principal due on these loans. And I'm not telling a bank to make bad loans, but the reason that we are in this situation is because they originally made bad loans. What I think we're telling them is they need to clean up the bad loans that they made. They need to clean up their own mess. But now that they've got

taxpayers' dollars, they especially need to be using that for the intent that Congress gave it to them.

There was an article, and I think it was in the New York Times, this is the name of the article, December 17, "Fed Cuts Key Rate to a Record Low." It says: "Of much greater practical importance, the Fed bluntly announced that it would print as much money as necessary to revive the frozen credit markets and fight what is shaping up as the Nation's worst economic downturn since World War II."

And you addressed that. We're not necessarily in that economic downturn, and we're going to continue to print money until we unfreeze the credit market. Well, this first \$350 billion should have done something to help fall it out in the least, but people every day—I have got builders and developers, small business people in my district, the Third District of Georgia, every week calling me saying, we're going out of business.

A good friend of mine has been in the grading business. His family has been in the grading business for 57 years. He's been running it for the past 30 years. His father started it. He called me and he said, "Lynn, today is the last day we're going to be in business. I've got employees that have been with me for over 30 years that I have got to let go. What do I need to tell them about the bailout?"

This money is not getting through to these small businesspeople, and we need to make these lending institutions accountable. I talked to Chairman FRANK, and he said that they're going to come up with a bill in about the next 2 weeks or so to make these people accountable. And they need to be held accountable.

These are taxpayers' dollars. These are people's individual dollars going to this bailout, and they are not having the ability to even access any of the money. These banks are holding the money, and they're holding the money so they can buy small banks. I've had community bankers call me and say, we applied for TARP but we can't get it. We can't get the TARP money.

So do you think that some of the Big Nine are going to go into our communities, into Grantville, Georgia; or Griffin, Georgia; or Thomaston or Greenville, Georgia; and make somebody a loan that wants to open up a barber shop or wants to have a nail salon or wants to do an automotive repair shop? No. We depend on these community bankers, and right now these big banks are sitting around waiting on these community banks to fail so they can go in, gobble them up, and do away with our community banks. These community banks, some of them told me they voted not to get them. The gentleman from Texas, they voted not to take the TARP money. The Federal regulators came in and said, you need to take the TARP money. And then they applied for it and couldn't get it. We have got to stop this nonsense, and

we need to let the free market work. It will work.

□ 1330

It has worked. It will work again if we will just quit muddying the water.

Now I hear about this new stimulus package that the President-elect is going to come up with. He is going to create about 3 million jobs, and I heard today on the news, before I came over here, of 1.2 trillion, which means that each one of these jobs is going to be about \$400,000.

Now, I don't know about you, but that's pretty expensive for the taxpayers to create 3 million jobs at \$400,000 apiece. I would think that we might create, with that kind of money, we might create a lot more jobs than that at \$200,000 apiece, twice as many jobs. In fact, I know a lot of people today that would just love to have a job.

But the government creating jobs, 600,000 new government jobs, that's 50 percent of the people, exclusive of the Postal Service, that we employ right now. We are fixing to employ 50 percent more people.

Now, that's great that we are creating these jobs, but that means that this 600,000 people are going to have to continue to be paid every year and their insurance and their benefits. I am telling you, we are going down a real rocky road.

I am glad that the President-elect has realized that this economic situation that we are facing in our country today needs some attention. This Congress has tried to give it the attention. The current President has tried to give it the attention, but I think there has been too much love and not enough firm discipline that everyday citizen is out there facing, the firm discipline of not being able to pay your bills. They don't have the ability to print more money, and they are out there suffering.

We are not doing the suffering here. We keep printing the money and keep throwing it out there, and it keeps going to the big dogs. It keeps going to the people that made these major mistakes that leveraged some of these mortgage investments 45 and 50-1.

We are bailing them out, and the average guy is not getting bailed out. I have got a real good friend of mine that called me yesterday, he is in his early 50s, he has been in the real estate business and the building business along with me—he and I have been in it together for a long time—he is going to the police academy. He is starting the police academy. He is starting a new career because he cannot make a living doing what he's doing.

We need to wake up and to realize that if we are going to clear the wreck, if we are going to unfreeze this credit market, these lending institutions need to be accountable to us, the taxpayers, and make sure that they are taking this money and doing what they are supposed to do with it and not just paying their top dogs, their bigwigs, all

this money going to the resorts, sponsoring championship football games, buying banks in China for \$6 billion, but they are lending the money out.

I don't care if you have got a credit rating of 835, you are not going to be able to borrow a dime, because they are afraid. They don't want to lend it, and they are saving this money to help their balance sheets. This is no way to run a railroad.

It's not the intention that this Congress had. We need to do something to make these people that are receiving this TARP money accountable. We need to make them go back and correct the bad loans that they made and to make sure that the everyday guy out there that's furnishing this \$700 billion can have some type of benefit from it.

With that, I appreciate you giving me the opportunity to do this.

Mr. GOHMERT. Thank you, Mr. WESTMORELAND, for participating. You have made some great points.

You know I have talked to a number of builders there in east Texas, where I represent, back in September. I know things were tough in a lot of places in the country back in September, but the contractors were telling me they are doing okay, you know, it's just not fantastic, but they are doing okay.

As soon as we started hearing all the gloom and doom, I started to hear people say, you know, we were going to buy a house, we were going to build a house, we were going to buy a car. But since we are told we may be headed for depression, we are going to hold up and wait and see, you know, maybe sometime next year. We don't want to be buying a new house, or building a new house, or building a new building for our business if we are about to hit a depression.

So what happens? People quit buying cars, they quit building. Contractors say, you know, we always love when the phone rings, that means it may be somebody that's about to build another building. But, lately, they cringe every time the phone rings, because it means someone else may be calling to say we had talked to you, we were planning on building something the first of the year, but let's hold up and wait and see if this depression really is coming.

Let me tell you a little more about the 1980s when people say, oh, this is the worst since the 1930s. Actually, in 1980, there were approximately 4,590 State and federally chartered savings and loans institutions with total assets of over \$616 billion. Let's see, between 1980 and 1983, 118 S&Ls with 43 billion in assets failed.

Things were going badly in this country. Banks, S&Ls failing, S&L crisis, all kinds of things that had been built up, ready to start happening during the 1970s and in the early 1980s that began happening. Were it not for the foresight to have tax cuts, stimulate the economy, then things never would have turned around, but Ronald Reagan did a good job of doing that.

Now, as my friend, Mr. WESTMORELAND, read the quote, the Fed is print-

ing money. They are printing money like crazy. There are consequences to doing that, for those of us that really believe so many solutions can be found in history, because you can go back historically.

As Solomon said, there is nothing new under the sun. There is new technology, but there are not new issues. These things have all been tried and failed, succeeded. So you go back and you say, okay, this is what was done this year, that failed. This was done here, that succeeded. Let's go over the things that succeeded.

And we have seen over and over that if you want to create inflation, as we saw in the late 1970s and the very early 1980s, just print money like the Fed is doing now. We are very fortunate that we haven't hit a huge inflation rate in the last 2 months. And why would that be? Well, back last summer, we were paying \$4 a gallon for gasoline and now many of us are paying \$1.40, that kind of thing, for gasoline.

We are very fortunate that the price of energy failed at a time when we were printing money like crazy. But we cannot keep doing that. To print \$1.2 trillion over the next 2 years will devastate this country with inflation. We are talking about the 1920s. For those of you who remember your history, going back after World War I, Germany was in very, very difficult circumstances. Their economy was a real problem. They had elected officials, they were trying to turn things around.

They thought they could print money and print their way out of their economic troubles. And some people remember the illustration of people carrying wheelbarrows of money to the supermarket—wasn't supermarkets back then—but to the market just to buy essentials and food.

That's where this leads, when you just keep unabatedly printing money, like is being done now, the inflation will come. It will devastate this country. It is silly to be doing that when we know from history what happens.

If you really want to get scared, look what happened in Germany in the 1920s and going into the 1930s. The economy got so desperate because of all this inflation, they ended up electing a little guy with a funny mustache that was such a bigot and such a mean-spirited man, he devastated the planet.

Israel is having difficulty now, having rockets fired on them each day from the Gaza Strip from Hamas. During that little man with the mustache's regime, over 6 million Jewish people were slaughtered. Why? Because good people in Germany got desperate because of inflation, and they elected a man who was going to help with their economy, not realizing just how mentally unbalanced the man was, and millions and millions and millions, the entire world, suffered as a result.

This Nation has been the defender of freedom around the world. This Nation has been the most solid economy around the world. The world depends

on us to make good judgment in this body. And when we fail, it's not just those of us in this body that suffers, it's the Nation, it's the world that suffers.

It is so touching, and the older I get, the more I turn into my late mother, who just got teary-eyed and emotional about all kinds of things, it was deeply touching to see all the children, Madam Speaker, gathered up here around the Speaker's rostrum yesterday as we were sworn in, cute children, all races, both genders, just really neat, great, wholesome, bipartisan, Democratic kids, Republican Members' kids. But the thought that went through my mind is, if we don't change our ways, these are the sweet little children that as adults will pay, literally pay, for what we are doing.

We are running debt up on those little kids that they should never have to pay. For us to live now, that is so wrong. We need to be helping our children, not saddling them with more debt, and that's what an overzealous stimulus package will do.

That's why yesterday the first bill that was laid down on the desk over here to be filed was a 2-month tax holiday bill. I filed it in December, and I filed it again yesterday with this Congress.

It takes the 350 billion still remaining of the bailout bill, and section 4, it's not a long bill, it just has 5 pages, section 4, "Immediate Termination of TARP Purchase Authority." That is an important principle. It is time to end the authority that we gave to one person, the Secretary of the Treasury, with all of this unfettered ability to just squander money.

I mean, the main restriction in there was he couldn't bail out central banks of foreign governments. But, basically, you read through the bill—and I am afraid there weren't enough people that did—and it just goes on and on as the Secretary determines.

I tried to point out to people, we have never, since we had a Constitution, given that kind of authority to one man. We should never give that kind of authority to one man. It was a mistake. You don't give unrestricted authority like that to just go out and squander money.

No matter which party is in power, it doesn't matter in this country, the principles that made us great, the principles that caused the signers of the Declaration of Independence to pledge their lives and their fortunes and cause many of them to lose and give up their lives, their families' lives, their complete fortunes, was the principle that government does not need to have this kind of unrestricted authority. And yet the market dropped 777 points, and all of a sudden people who knew our history, knew the principles on which this Nation was founded, were all of a sudden ready to come rushing in here and give one man that kind of authority.

George Washington, before the Constitution, December 27, 1776, was given

that kind of authority. He didn't ask for it. He hardly used any of it. He used his leadership to persuade the soldiers to reenlist. That's why the bill was passed December 27, 1776.

The Continental Congress knew if these guys don't reenlist in January, we are all dead, and so will our families be dead. So that's why they passed the bill giving Washington this unfettered authority to spend money. He used his leadership to persuade them to reenlist, even in that terrible winter. That's leadership.

But as Washington said, a people unused to restraint must be led, they will not be driven. And too often in Congress we try to drive people instead of leading people. So that's one part of my 2-month tax holiday bill. It ends the authority.

Now, Madam Speaker, people need to understand that in this bill, the bailout bill that was passed in September, there was \$700 billion appropriated. To give another \$350 billion, all he has to do is file a plan, and we don't vote for 15 days.

□ 1345

My bill is funded by bringing that \$350 billion back into the Treasury. So, what did we learn historically from the tax cuts that President John F. Kennedy did, President Ronald Reagan did, and in 2003 President George W. Bush did? We will just overlook the last 4 months where we forgot our principles here in this administration. But you go back to those tax cuts, the economy was stimulated. And each time the revenue into the Federal Treasury did not decrease. It increased dramatically, because the economy went strong.

So there are two ways to raise revenue in this country. One is raising taxes, and then you have an immediate increase in tax dollars coming into the Treasury, but the long-term effect repeatedly we have seen it is to kill the economy. Or you can lower taxes and immediately stimulate the economy, and then as a result of the economy being stimulated, then more tax dollars than ever come in than even when you raise taxes.

So it is all what you want to happen long-term for the sake of our children and those to follow us, and that is why this bill says instead of the Treasury Secretary squandering, it doesn't use that term, of course, but that is what has happened, squandering \$350 billion, it allows the people who earned the money to keep it for two months. So, that is about \$101 billion a month that individuals pay into the U.S. Treasury in individual income tax.

Now, we really need long-term tax reform. We need to drop the capital gains rate, like Ireland did, to 12 percent, which has really helped their economy. I think their corporate tax rate is 11 percent, so businesses are flooding into Ireland.

I am sick and tired too of hearing people say we will never get manufacturing jobs back into America. That is

hogwash. Look around the world. Some of us went to China. What was the number one reason industry was moving to China, they told us, why they moved their industry? Yes, they said labor is cheaper, but we have better quality control back in the U.S. Our workers produce better products back in the U.S. But the corporate tax rate is less than half of what it is here. Lower the corporate tax rate. You will see manufacturing jobs flood back into the United States. That is what it is all about.

Some of them said, you know, they cut us a deal on corporate tax rates in China so we were able to build a brand new facility with state-of-the-art equipment and it basically was paid for very quickly out of money we didn't pay in corporate taxes, and now we are competitive again because our aging factories in the U.S. were costing us, and now we are state-of-the-art. All you have to do is lower the tax rate. Jobs will instantly appear.

Go after our own energy in this country. We know the energy rates are going to come up, and we need to do something about it now to produce our own energy so that we are doing that and this inflation cycle doesn't kill us.

Going back to my 2-month tax holiday bill, it says as far as the tax cut part, in the case of wages received for services performed during the period beginning in the first full month after the passage of this bill, the percentage of tax will be zero.

Now, I heard from some self-employed people who said, well, it is not going to help me being self-employed. I work just as hard or harder than anyone else, and yet I am not included. Yet that is not accurate. That is included. It says clearly in the case of self-employment income for service performed during the 2-month period, the percentage of tax will be zero. So there will be no withholding during the 2-month period for income tax, there will be no withholding for FICA.

I have gotten good suggestions. Newt Gingrich has been extremely helpful in suggestions and spreading the word, as Jed Babbin and Neal Boortz and Steve Morton, so many, many great thinkers have been helpful.

But President-elect Obama promised that if you make less than \$250,000, you will get a tax cut. Some of us have been concerned when we give tax cuts to people that don't pay taxes that that is not a tax cut, that is welfare. Under this bill, the tax cuts go to people that pay taxes.

There are, we know, people who do not pay income tax. They don't make enough. They work hard, they earn a wage, but it is not enough to get to the level of paying income tax. They still have FICA withheld from their check. Under this bill, no FICA will be withheld from their bill, and because the employee has no FICA taken out, then the employer who is struggling to make sure they keep people employed gets a 2-month holiday on paying FICA as well.

Some have said, well, this will hurt people on Social Security. No, it won't, because it specifically says that, and this is in section 3, funding of Social Security trust funds is with repealed TARP funds. It is covered. The \$350 billion doesn't get to be doled out for bonuses for the Nation's wealthy who have mismanaged their banks or their firms and then reward themselves with bonuses. It doesn't go there. It goes to the people who have earned it. So everyone who is working will get a tax break.

Some have said, well, I would appreciate having the withholding not taken out for 2 months, that will really help me for those 2 months, but it will hurt me at the end of the year when I have to pay that. They miss the point. There is no Federal tax for 2 months under this bill. Everybody gets a tax cut. So actually what this very short, very efficient bill does is exactly what President-elect Obama promised would be done, with the exception it doesn't have a \$250,000 cap on it.

Now, there are those I know who are doing well and are able to live off the dividend income and the interest income, and that is harder, of course, after the stock market went down. And God bless those folks. I am thrilled where you can live off of dividend and interest income. I would like to see across-the-board complete tax reform. But under this bill, this does not give tax breaks for unearned income like interest and dividend. This is only for wages earned during this time.

So if you are a hardworking American, you are going to get a tax cut under this bill. It does exactly what President-elect Obama promised. For anyone who pays any FICA, income tax, for 2 months you get that tax break.

Now, it is so ironic that the bailout bill was partly under the guise that we are going to give all these billions or hundreds of billions to banks so they can increase credit, make more loans, so people can refinance their loans and finance into the new refinance money what they are behind on so they don't lose their homes.

Well, I have talked to people who say if they could have their withholding from their check in their check for 2 months, they can catch up. A lot of people fell behind last summer when gas prices were \$4 a gallon. They get their withholding for a couple of months. I have seen figures that estimated if your family income, household income is in the \$60,000 range, you could get \$2,000 or \$3,000 over that 2-month period. So they could catch up on the mortgage and you wouldn't have to borrow more money to catch up on your mortgage. You could catch up.

I have had some people tell me, I want to get out from under this gas-guzzling car I have got, but when energy prices went up, the value of any car went so far down, now I owe more on my car than it is worth, so I can't

trade it in, because I don't have a down payment for another car. I would be without a car, so I have to keep paying on this gas-guzzler. I would like to get a more efficient car.

This would allow those people to buy a new car, a more efficient car. It is good for everybody.

But we come back to what I said earlier: If people cannot buy cars, then it doesn't matter how many trillions of dollars we give to the auto makers, they are going to still ultimately go out of business. And the trouble with bailouts is once you start giving money to anybody, whether it is a bank, an insurance company, whoever, once you start that process, you will always be able to find someone more deserving of a bailout than those who have already gotten money, and there becomes no good place to stop.

Well, when you love someone and you see that they are getting addicted to some substance, and as a judge I saw it, you see them getting addicted to something, then it is time to have an interdiction and say I love you too much to allow you to continue this addiction. We are not going to let you have any more of that.

Now, I was upset when we were talking about an auto bailout, because I knew the auto makers had been withholding hold-back money, rebate money, that they contractually owed dealers. They were putting dealers in a bind just because they weren't abiding by their own contracts. As I understand it, they have begun to catch up on that, and that is appropriate.

But to see then letters from major banks who have gotten billions of tax dollars who are now saying we are not going to be lending money for cars, we are not going to be lending money to dealers anymore, even though they are wonderful dealers, they have a good business, it looks like they will stay in business for good, we are just not going to lend anymore, that is such an abuse and 180 degrees from what was promised.

Now, some would say we should not get the Federal Government into the business of telling lenders what to do with their money, and I am one of those. However, the danger that every bank should have been told by their attorneys is, keep in mind if you take Federal money, the Federal Government is going to have their hand in your business and they are going to tell you how to run it, because they are a partner with you. And I happen to believe if we are going to put Federal money in something, we should have restrictions and tell people like a bank that this is what you can and can't do. Secretary Paulson did not do that.

But my preference is don't give away any more bailout money. Let's let the people that earned it keep it and let them decide who deserves to be bailed out and who deserves to have their products purchased. That is how a free market works.

When you look back, you see that an open government is a good thing, a free

market is a good thing. To my way of thinking, being such a student of history, it looks like from our founding documents the most important job that we have as a Federal Government is to provide for the common defense. Then, beyond that, this Federal Government should create a level playing field, punish cheaters, make sure everybody plays fairly, and then let them play. That is what we need to be doing, and we have gone so far in excess of that.

This government, when I heard that we were going to encourage a car czar, I couldn't believe it. I mean, we can't even do a good job of designing our own I.D. card. Can you imagine what we would do with cars? Good grief. We should not be in that business.

So I would encourage people, Mr. Speaker, who believe that they would do a better job of spending their own money, to contact their Representative, contact their Senator, call the Capitol Hill operator and they can be connected to their Representative, their Senators, and that would go a long way toward getting this bill to the floor and getting it passed. Because it is not an issue of if the money will be spent, it is an issue of will the Treasury Secretary squander it on your behalf, or will you be able to use your own money to help get this economy turned around.

REVIEWING THE NATION'S LONG-TERM ECONOMY

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

Mr. WOLF. Mr. Speaker, I have been concerned about the financial future of our country for some time and in 2006 introduced a bill to set up a national commission to review our Nation's long-term economy, including mandatory entitlement spending, discretionary spending and tax policy. It is bipartisan. We have well over 100 members from both sides of the aisle.

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The bipartisan Cooper-Wolf SAFE proposal was similar to the commission proposal by Senator CONRAD and Senator Judd Gregg of New Hampshire, would be bipartisan and a way to review entitlement spending and force the Congress to act. The commission has over 100 cosponsors during the last Congress.

We've all read, Mr. Speaker, the stark figures of the 2008 Financial Report of the Federal Government. Even more telling is, during the month of October and November, for the first 2 months of this fiscal year, the Federal Government piled up \$401 billion in red ink, and we're on a pace to surpass the fiscal year 2008 deficit of 455; in 2 months almost we're going to rival that.

And yesterday, President-elect Obama predicted a \$1 trillion deficit, he said, "for years to come."

Now, does anybody really care? It just seems that this institution continues to go and do what it's done in the past. In the past few days, numerous sources have reported that the economic stimulus is expected to cost \$675 billion, and some are saying up to \$1 trillion.

Mr. Speaker, whatever package is voted on, Congress has the obligation to their children and their grandchildren and to their constituents to find a bipartisan way to address the Nation's looming financial crisis by including a mechanism to deal with the underlying problem, what is now on auto-pilot spending. If we don't do this in this Congress when we're doing the stimulus, I think both political parties in this Congress, the 111th Congress, will go down as the Congress that refused to deal with the fundamental issues that are facing this country.

There's the Simon and Garfunkel song, The Boxer, that says "Man hears what he wants to hear and disregards the rest."

This Congress disregards the overwhelming debt that we have faced in this Nation. I have here, Mr. Speaker, a bill issued by the Federal Reserve of Zimbabwe in July of last year. It's \$100 billion. \$100 billion. It won't even buy a loaf of bread. Is this the future of our country?

And if this Congress, and let me just say to my colleagues on this side, if our party doesn't deal with this issue, and they don't deal with this issue then, frankly, this Congress will go down in Congress' history as the Congress that's neglected to deal with these fundamental issues.

So many say, why a short-term stimulus simultaneously with this? Well, it takes two legs to walk. If we can demonstrate that we are dealing with the entitlement issue now, that may very well get whatever short-term thing we're going to do to demonstrate that we have the commitment to make it work.

Isabel Sawhill, Senior Fellow at the Brookings Institute, has likened the situation in our country, she said, to "termites in the woodwork, slowly eroding our strength as a nation."

I recently read a speech by Richard Fisher, President of the Federal Reserve Bank of Dallas; it's called Storms on the Horizon. It's a sobering account from a monetary policy point of view of why deficits matter. And it is frightening. I put it in the CONGRESSIONAL RECORD every day. I would hope Members of Congress could read it.

But what he said is doing deficit math is a sobering exercise. It becomes an outright painful one when you apply your calculator to long-term fiscal challenge posed by entitlement programs. Then he goes on to say that we are facing catastrophic conditions. Our children, our grandchildren, our constituents are facing a catastrophic condition if we don't act.

Some people say we need regular order. Frankly, if we don't do this in a