

trade is balanced. That way, we can generate the higher waged jobs that we need here at home—jobs that will keep people in their homes, that will feed our tax base, that will rebuild our schools, and rebuild our middle class.

Mr. GARAMENDI. Dr. KAGEN, thank you so very much for joining us.

As I started this discussion, I used an analogy of a football game. We're talking about the most important game of all. It's not even a game. The most important thing of all is the American economy and how to keep it going and growing.

To go back over it, during the Bush years, these are all of the reasons we've stated: Two wars for which money was borrowed, creating an enormous deficit; the deregulation of Wall Street, anything goes; the collapse of Wall Street; the issues of tax policy where the wealthy were rewarded for their wealth, not for their work, which led to the largest decline in the American economy since the Great Depression of the 1930s.

It was plain to see that when President Obama came in. That was the first quarter. In the second quarter, we began to see policies that were put forth by the Democratic Party and the Democratic administration, policies that began to restore the American economy—a steady upward climb. It's not where we need to be, but we are on the road, and we did all of that with almost no Republican help at all. If you go back through all of those votes, the Republican Party was standing over there, saying no, no to the programs that actually brought us back, and we continue on today. We are in the locker room, ready for the second half, which begins in January 2011. The question is:

Which team are you going to put back on the field? Where do you stand?

Well, we know pretty clearly where the Republican Party stands. It stands with the old failed policies of the George W. Bush administration. It stands for ending Social Security and for ending Medicare. It stands for anything goes and no regulation; let it rip and it's ripped us off. It stands for tax breaks for the wealthy and the heck with the middle class. That's where the Republican Party stands.

The Democratic Party wants to make it in America, to rebuild the American manufacturing base and the American manufacturing industry.

If you would, Dr. KAGEN, put the picture back up of the family, of the family in your district in the paper industry. This family is losing its job because of unfair competition. If we were to use the Capital Investment Program together with the program that you talked about of restoring fairness and trade, perhaps that company, that family and families in my district would be able to have well-paid, middle class American jobs.

Dr. KAGEN, would you like to close us off here and bring us back to real America.

Mr. KAGEN. Thank you very much for yielding.

I'll just summarize that the Swanningson family wants nothing more than any other family in the United States. They want an opportunity to go to work where it's safe, where they can earn a living wage, where they can begin to pay off their own debts and make it on their own, to have their own home, to have a living wage sufficient enough to educate themselves and the next generation—their children. That is, after all, what every family wants.

This is the American Dream that is being stolen away by the illegal dumping of paper into our area, and when China has targeted everything else we make for extinction, it's just time that we stand up and fight for our own jobs here at home. We're going to make it in America when we all begin to paddle in the same direction, when we're all in the same boat. So let's get on board. Let's take that train ride together.

Mr. GARAMENDI. Dr. KAGEN, thank you so very much and my colleagues for joining us, and thank you to my colleagues in the Democratic Party, who are committed to manufacturing matters and to making it in America. We have put forth many, many policies and programs. We ask our Republican colleagues to join us in making it in America.

I yield back my time, Mr. Speaker.

□ 1830

#### THE ECONOMY

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

Mr. AKIN. Thank you, Mr. Speaker.

Good evening. It's a pleasure to be able to join you. I had a chance to listen in on some of the last hour presented by the Democrats and their views on the economy. It seemed like a fair amount of sophistry to me and a lot of excuses. It would seem like we're blaming things on Bush and the Chinese. So I am going to be presenting and maybe even have some guests here presenting a different perspective on the economy, and the American people will be the judge of that debate and discussion in November.

Now I would suggest that the Democrats and their policies are actually destructive to the economy. I don't think it's a coincidence that if you look at the 10 cities in America that have the highest percentage of people below the poverty level, that those cities have been managed, every one of them, for many years by Democrats. Now you can blame the Chinese and you can blame President Bush, but I would suggest, and I will show in the next hour in plain, simple terms why the Democrat policies are literally destroying the economy.

Now you could say, well, I don't like that, or maybe you're being partisan.

I'm not really quite so concerned about being partisan or whether we like things politically. I'm concerned with America. I'm concerned with the people that don't have jobs. And I'm concerned that not only are we creating unemployment but we are systematically destroying the businesses that can create employment in the future.

Let's take a look at these questions. Those are strong charges to say that the Democrats are the ones that are actually responsible for what's been going on. I think a lot of Americans have some sense that that may be true. Sometimes it's fun to take a look at some of these political cartoons. We have the President here now talking to the guy that owns the china shop: "Now give me one good reason why you're not hiring." And you have health care reform storming in and cap-and-tax or cap-and-trade and the taxes that are impending and all. The point of the cartoon, of course, is the fact that the policies that we have seen are creating the unemployment.

Let's look at that again just a little bit closer. Now when we talk about the economy, there are different ways of measuring it, you can see. Well, is Wall Street doing well? Am I doing well? Am I happy with my job or are things going comfortably for me? Is there a lot of employment or unemployment? Those are measures that we use. We take a look, also, at the rate of the Federal Government, how much it's spending money versus how much it's having to borrow. Those are all things when we say the economy, what does that mean? But particularly it's very personal when we talk about unemployment and it becomes not a political issue but a personal issue when it's your job that was just lost.

We were told that we had to come up with this economic stimulus bill last year. We were told that if you don't pass this economic stimulus bill, this unemployment could get above where it is now. It's going up, could get above, but if you don't pass it, why, we could have 9 percent unemployment if you don't pass this stimulus bill. And so the Democrats, all by themselves, passed this \$800 billion bill to supposedly stimulate the economy. After they passed it, what happened? Well, now we've got this unemployment here at 9.7 percent. The numbers vary, but we're pretty close to 10. But that 10 percent is very conservative, because if you've lost your job more than a year ago, you don't get to count in the statistics anymore. So, in fact, the unemployment rate is well over 10 percent in America.

Now we were told that if you passed the stimulus bill, that we could keep it underneath 8 percent. That's the words that the Democrats brought to this floor a year ago. The fact is they were wrong. Anybody can see they're wrong. Just take a look at what the unemployment numbers are, and they don't bear it out. In fact, they spent \$800 billion, and where did it all go? Did it go

for a lot of projects? Or was it just more bailouts? In fact, it turned out that it had a lot of bailout money in it that didn't really go for even things that FDR would have considered an economic stimulus package.

This is what's going on. We've got a high level of unemployment. The stimulus package that was passed here, and the Democrats said the Republicans didn't help any. They're right, they didn't, because we didn't think that stimulus package would work. We stood here on the floor, I stood here on the floor on a time just like this, on a Wednesday night, and said, "It's not going to work." But they did it, anyway; and now we can see, it didn't work.

And now what are they going to do? Well, they want to do some more stimulus packages. Is it going to work? No. Because it's based on faulty economics. It will never work. The interesting thing is they should have really listened to the Secretary of the Treasury under FDR, Henry Morgenthau. He tried the same thing. This was back in the 1930s. He said, we've tried spending money to try and get the economy going. We've spent and spent. Now we're in a tremendous amount of debt and unemployment hasn't changed a bit. He said, "It does not work." To this House Ways and Means Committee, Henry Morgenthau, way before I was born, he was saying, "It doesn't work." Yet here we go; we're doing it again.

Now let's take a look more specifically at what the Democrat policies are that are in conflict with creating jobs, because I would suggest that the Democrats have got this problem. The problem is, is that everything they stand for is specifically going to be in conflict with creating jobs.

What are the things they stand for? Well, let's take a look at where jobs come from. And this is the linkage that the Democrat Party doesn't want you to figure out. It's not a very complicated thing. And, that is, if you get a job, you have to get a job from somebody. Who's the "from somebody"? Well, it's a business somewhere. You can't separate employers and people who run businesses from jobs. Jobs just don't hang out there floating around somewhere. They're created by an employer somewhere. And if you create conditions economically that make it impossible for the employers, then guess what's going to happen. You're not going to have jobs. It's not very complicated. It's about as simple as a lemonade stand. I'm going to use the illustration of a lemonade stand to try and hammer through this very simple truth; and it's very important, because the future, the economic future, the future of families in America hang on understanding these simple principles.

The idea is that jobs come from an employer; and if you harm the employer, you're not going to have the jobs. And if you do it bad enough as

FDR did and you hammer them bad enough, you'll put the employers out of business, and then it's going to be a long time before the company starts up and new jobs can be created. So let's take a look at what happens.

Let's say that you've got a lemonade stand. You happen to have a very fortunate piece of property and a whole lot of people are coming through there. They're hot, sweaty and tired. You've got the one piece of property where you can put up a whole of a lemonade stand. So you start out. You hire your younger brother and sister to work there. You squeeze the lemon juice in the morning and get some sugar from the store, put it all together, you get some ice, get out there and you have a pretty good day. You sell a lot of lemonade, you get going at it, and pretty soon, though, you realize there's a whole lot more demand for your lemonade than you have capacity to make this stuff.

So you start thinking, man, I wonder if I should go down and buy some sort of a lemon squeezer and a great big shaker machine and ice machine. I'll hire five or six more people, not just my younger brother and sister but I'm going to bring some other friends from my class and they can all work at the lemonade stand and we'll make a whole lot more lemonade then, you think to yourself. But for me to buy that ice machine and the lemon squeezer and all, I'm going to have to have some money and I'm going to have to make sure that there's going to be enough money coming in from lemonade to pay off the cost of that machinery.

So if you're an owner of a business, one of the things you have to figure out is you have to have enough money to be able to create new jobs. Now if you go with your plan and you buy the lemon squeezer and the ice machine, you can hire eight more people to make lemonade and you can sell it.

□ 1840

But it requires that you've got to have some money to buy the ice machine and the lemon squeezer. You've been making good money in the lemonade stand, you can see how you could pay it off in a couple of months, but you don't have the money right now. And so as a businessman you're saying, well, I've somehow got to get this money, and that comes into a question about liquidity, if you can borrow some money from somebody.

Now, what happens to this lemonade stand guy if you're running along, you're making this lemonade, and all of a sudden you say we're going to put a tax on lemonade stands and we're going to charge 50 cents a glass of tax on lemonade? Well, if you do that, that means the guy that owns the lemonade stand isn't going to have the money to pay off the ice machine and the lemon squeezer, so he's going to just hunker down. He will pay the tax, he will keep things going the way they are, but he says, man, this is a hostile environ-

ment out here. They're taxing every glass of lemonade I make, and so I'm not going to create as many jobs.

Now I guess a lemonade stand may be silly, I'm trying to make it sound simple. It's not complicated. If you tax the owners of businesses heavily they're not going to have the money to make the investments to create new jobs, and it's that linkage which the Democrats refuse to understand and it is so obvious and so simple. Our policies are going after the owners of businesses and we're calling them "rich guys" and we're saying you've got to punish the rich guys by taking their money so everybody else can be okay. This is the bailout mindset. This is the bailout fever that has infected this city. It is the bailout concept that the government has to redistribute wealth. And when you take it away from the guys that own the business, you're not going to be creating the jobs.

That's just the mechanics of how economics works. You don't have to like it. I didn't invent it, I'm just explaining what is common sense and most Americans can understand: Jobs come from employers; if you destroy employers, you're not going to have jobs. And how do you destroy employers? The best way to do it? Tax them. There are other ways to destroy businesses, but taxing them is a pretty good way to do it.

Let's take a look at other questions. One, like the lemonade stand example, if the owner of the business, maybe he's making good profit on his lemonade but he doesn't have a huge bank account or money saved up. What he will want to do is go to a bank and borrow some money for his ice machine and his lemon squeezer. So he goes to the bank and he tries to get a loan from the bank, but what we found is going on right now, the policies on banks are so tight—even though the Fed has released tons of money—that the bankers are afraid to loan money to businesses and businesses are afraid to borrow it. That is not a good condition if you're trying to create jobs because you have to have a source of money for businessmen to borrow in order to get innovation and things going to get the marketplace going.

Another thing that's a huge killer of jobs is if the businessman doesn't know what's going to happen. The guy with the lemonade stand is doing a land office business because it's 100 degrees every day and everybody is coming by his lemonade stand. But the thing is he knows the season is changing and fall is coming and he's not so sure that he is going to be able to sell that lemonade as the weather gets colder. Now he's got some unknowns, the weather is in there. Well, we've got a big unknown, and that's what the people in Washington, D.C. are going to do to businesses next.

When the businessman doesn't know what's going to happen, guess what? In Missouri we have an expression, it's called "hunkering down," or sometimes people say "hunkering down like

a toad in a hailstorm." Well, they hunker down because they're not sure what these guys in Washington, D.C. are going to be doing. And if they're going to pass a health care bill which is going to crank taxes way up on everybody that's working for you, if you're going to pass this great big tax increase, there's some uncertainty there. And if you think the economy is really bad and everybody is struggling and there is not much demand because nobody has jobs and the whole economy is sort of sluggish and sitting like a stone, then you're going to be very careful about doing anything in terms of increasing your productivity or how fast or how efficiently you can make something because you're saying, wait a minute, I'm going to have to make a big investment. I don't know if I can sell enough product with the taxes and everything to be able to pay it off. So uncertainty is a killer in terms of jobs.

And then of course red tape and government mandates. If you make that lemonade stand, test every single glass to make sure it's just crystal pure and you have to file a report with the government and with the EPA that every single glass of lemonade is certified and has been tested on analytical equipment to be sure, what that does is that red tape then makes your cost of product go up and it makes it harder for the guy to run his business. So when you do that, he's not going to hire as many people.

So all of these things are things that are going to make the unemployment rate go up in America. These are the main things. Now, this isn't just TODD just invented this, you can see it by common sense. But also, I've talked to all kinds of businesses. I have had forums of businesses and said, now give us the list of things that make it hard to hire people. These are the lists they come up with, it's not a big surprise. This isn't any kind of rocket science. So my proposition was the Democrat policies are basically in conflict with creating jobs. Let's take a look at what some of those policies are because we have examples of them.

We've been told that all of this woe that the economy is in is President Bush's fault, China's fault. Is it really? Here's the legislation. Democrat tax increases. We just talked about tax increases, the number one enemy of creating jobs. ObamaCare, socialized medicine, \$570 billion, that's what that is supposed to be for a year. That's a lot of money. Who's going to pay that money? You guessed it; it's supposed to be the guys that owns those businesses. Is that going to make for more jobs? No, it's not. SCHIP, \$65 billion. The stimulus, \$7 billion. The benefits and other homebuyer credits, \$23 billion. HIRE Act, \$6 billion. Total package, \$671 billion in tax increases. Is that the way to create jobs? No.

Now the Democrats don't have to look at Republicans to get the right answer, they could look at history. They could look at JFK. JFK was a

Democrat. He understood this stuff, he got it right. JFK came into a time when there was a recession, and he did the right thing; he knew what the right thing to do was, and that was that he cut taxes. And when he did, the economy rebounded. The Democrats could learn from JFK, but they refuse to. They don't want to hear this because they like spending money. Their solution to everything is more money and more government—more government spending, more government programs. They're not listening to JFK, they should have. They could have listened to Ronald Reagan, but they don't like him too well. They don't have to listen to him, they could listen to JFK.

They could also listen to Bush, who inherited a recession in 2000, and in 2001, 2002 and 2003 did a bunch of tax cuts. Those tax cuts got the economy back going again. They could learn from examples, but they're not. Instead, they're following the same path of FDR, who turned a recession into a Great Depression. And they're not listening to Henry Morgenthau, who was the Secretary of Finance under FDR. So these are tax increases. Does that help the job situation? No, not at all. In fact, they harm it.

Well, what other tax increases have we got going? Oh, okay. Not only are we going to increase taxes for all these programs, what we're going to do is we're going to allow all the tax cuts that took place under Bush—which were designed specifically to get the economy going—and we're going to allow those things all to expire or some portion of them to expire, which means that whatever effect they had—because we did move from a recession into some good, strong economic activity in 2004 and 2005 and 2006—whatever effect they had is now going to boomerang, and it's going to hurt us in the same amount in the down side as the other helped us in the up side. And so the ordinary income, the top income rates in 2010, 35 percent, they're going to jump to just under 40 percent. Capital gains is going to go from 15 to 20 percent. Qualified dividends, 15 to almost 40 percent. And the death tax is going to go from 0 to 55 percent.

Let's take an example of what this death tax is going to do. You've got a couple of guys running a farm. You've got 1,000 acres, they've got some good equipment. It's a dad and his son. Tragically, as time goes on, the dad gets old and dies. The farm was owned by the dad. The son wants to take it over—take that equipment, take that acreage and make it go. They hire 10 people to work their farm for them—I just made up the number 10, I don't think they need that many maybe. But anyhow, they got some people that are hired to do that. And so the death tax comes along and says to the son, hey, you owe the government because we're going to tax your dad for dying.

□ 1850

We want 55 percent of the value of that farm. His son takes a look and

says, Well, Mr. Government, if I had to sell half the land, I'd be from 1,000 to 500 acres, and I'd have to choose which tractors that I sell. I couldn't make the farm work. If you take 55 percent out of it, I couldn't make the farm work. The government says, I don't care. Just give me my 55 percent.

It may not be a farm. It may be a small business, but that's what this death tax does. That's why we got rid of the death tax because we want those businesses to keep going. We want that money to be plowed in. And we're willing to live with the fact that somebody may be very well-to-do and very comfortable and having a very nice life. We don't begrudge it to somebody to work hard, save money, and do well. Because we realize if you allow that guy to do well, he's going to hire other people, and that's what creates jobs, and it increases everybody's standard of living.

This policy to allow this thing to go back to 55 percent is going to hurt the job situation. It's going to hurt the economy. It's going to hurt Americans.

Now, the other thing here, the capital gains is the same kind of thing. So if you keep taxing businesses a lot—now, there is this other thing, child tax credit, the marriage penalty and the average, those things are changing back again. And the lowest tax bracket, it goes from 10 to 15 percent.

Now, the Democrats may change this a little bit to make it look pretty to people, but if you don't deal with things like the death tax and qualified dividends and capital gains, these are the things that make the difference in whether or not there are going to be any jobs or whether we're going to have companies going bankrupt.

Well, you got the message. It's really dumb to be raising taxes when the economy is having a hard time. Everybody can tell you that. It just isn't smart. There aren't many people who have been dumb enough economically when the economy is in trouble to want to go ahead and push for the largest tax increase in the history of our country.

Now, I notice my Democrat colleagues were talking about how bad it is that things weren't made in America. They said we've got to bring those jobs back in the country. How are you going to bring jobs back in the country when we create a set of rules that makes it so expensive to build something here that you have a huge advantage somewhere else to build it in another place?

What sort of things would that be, Congressman AKIN? Are you telling me that America's got policies that make it so people don't want to produce things in America? Well, yeah.

Take a look at this. This is the corporate tax rates of a whole bunch of countries—you may not be able to read them all down here. But this is Ireland down here, has a 13 percent; and as you go down the line, let's see, this is Turkey over here. It's gotten to 20 percent. And let's see. Where else do we go?

Sweden, they're pretty socialistic. They're at 20 percent. Then you've got all the way over here to Canada and France. And that green line, that's the United States. We're second only to Japan in terms of corporate tax rates.

Now, it's pretty hard for me to see the logic of complaining about things being made overseas when what we do with our tax policy is tax corporations so heavily that you create an incentive to chase the production overseas. If you're a businessman, you're competing. You're competing with all of these other countries. And what you're going to have to do is be competitive or else people won't buy your product.

So for us in Congress to complain about foreign imports and things when we've got a corporate tax rate that's second highest in the world is once again an example of Democrat tax policy being completely at odds with a goal of a strong economy and lots of jobs. You can't keep taxing the creator of jobs without losing your jobs. I think it's straightforward. I'm trying to make it simple. Because there's one example after the other that our policies just don't make sense.

Here's a chart done in a little more colorful way. We compete with France and Spain, U.K. and China. We talk about China. They've got 25 percent. Here we are. We've got a 40 percent corporate tax rate. Why in the world would we want to be doing that? It just doesn't make sense, and that's why our economy is in trouble. And if we don't fix this, it will just get worse. Because what you do is you hammer a business and you hammer a business, sooner or later it's going to go out of business. Then it's going to be a whole lot harder for somebody to start up a new company and try and put those jobs that could have been there otherwise if our policies had been more favorable.

Now, here's what happened when we did the stimulus. The Democrats' answer to this is, of course, well, the government can direct things and make things work and they'll really make it good. So you've got to take a whole lot of money away from all of those taxpayers. Let's grab a whole bunch of money from the taxpayer, and we're going to spend it in this stimulus bill—which, by the way, went to pay, among other things, the teachers' union in California because they had overspent their pensions and were getting near bankruptcy; same thing in Illinois.

So we're taking this stimulus bill, taking money away from States like mine in Missouri, and giving the money to States that couldn't manage their budgets—like California and Illinois—and taxing the taxpayers all across America to bail out people who were irresponsible. That's where a lot of that stimulus money went. It also went to other various miscellaneous projects and all.

But what was the result of all of the stimulus spending? What you see is we've lost 2.6 million jobs since the stimulus started.

You see, Henry Morgenthau was right. It's not logical that, if government spends a whole lot of money, it makes the economy better.

If you ran your household and you're in trouble economically—you've got a whole lot of loan payments that are coming due, you don't have enough salary to pay those things, you've got some medical bills, everything is not right in your economic little family—and you say to your wife, Hey, here's what I'm going to do. I'm going to go out and get this credit card and I'm going to spend money like mad and that way we can fix our problems here with our little family, your wife would think you were nuts. She'd tell you to stay away from the bar or stop smoking them funny cigarettes because anybody's got the common sense to know that if you're in economic trouble you don't spend money like mad. And yet here we are in economic trouble, we spend money like mad, and then we're wondering how come we lost all of these jobs. What in the world are we thinking?

The Federal Government cannot create jobs by spending lots of money. The Federal Government can spend a lot of money and they can hire people. You say, Wait a minute now. The Federal Government takes a billion dollars and they hire all of these people. Isn't that going to create jobs, because you've got these people working for the government.

Well, here's the trouble with that line of reasoning. It's true; you have government employees. But for every government employee, you've taken money out of the economy which could have been used in the private sector. And when you do that, you lose more than two jobs out of the private sector for every government employee you hire. Obviously, you can't do that very long. Pretty soon you've got more government employees than you do people working in the private sector. And when you've got that, you've got a country that doesn't work anymore economically. And we are rapidly marching toward that point where these economic policies are going to bring a great deal of trouble down on our heads if we don't get sober and start taking a look at the hard facts about economics.

Now, there are a whole lot of people now suffering with unemployment, but it's important for them to understand the principle that you have got to allow businesses to prosper if you want to have employment.

This is where the Democrats should do some reading. This isn't too much reading to do for maybe a week or so. Here it is. Henry Morgenthau, Franklin Delano Roosevelt's Treasury Secretary, before the House Ways and Means Committee, 1939: We've tried spending money. We're spending more than we've ever spent before, and it does not work. I say, after 8 years of the administration, we have just as much unemployment as when we started and an enormous debt to boot.

How many times do we have to replay the sad lessons of history? Well, I can hear all sorts of things. Well, Democrats just saying, Well, the Chinese are fiddling with the currency, and President Bush's policies, they're the ones that brought us all this trouble. No, it's not. No, it's not. It's not President Bush's policies.

Look. President Bush spent too much money. His worst year was 2008 when NANCY PELOSI was Speaker of the House here. He had a deficit of \$450 billion. Too much. He shouldn't have had 450.

□ 1900

In 2009, under Obama's Presidency, \$1.4 trillion. That's three times Bush's worst year out of Bush's 8 years, Obama's first year. The amount of debt incurred in that year was three times in 2009 what Bush's worst was. Don't tell me about Bush. Obama makes Bush look like Ebenezer Scrooge. He's a mere piker when it comes to spending money you don't have. And 2010 you say—was 2010 any better? No, it was worse. It was \$2.5 trillion in deficit spending. We aren't listening to Henry Morgenthau. We should learn from Henry Morgenthau, if he is a Democrat. We should learn from JFK. If you want jobs, you can't destroy the businesses.

Take a look at these government deficits. That's the number that I am talking about here. This gives you a little bit of a sense. Now, you can't run your family that way. And over a period of time what we're going to find out is you can't run a country this way either. Because when you have deficits like this what's going to happen eventually is somewhere along the line you got to pay. And who's going to pay? Well, that hasn't totally been determined. But you can bet one thing: When the economy goes bad everybody suffers.

In fact, if I were a happy little Socialist, and I'm not, but if I were a happy little Socialist what I would want to do is I would want to implement an economic policy that made the economy strong because I would get more government revenues to slop around to my friends. If the job of the government is to redistribute money, is to be experts at bailout, which it should not be, but if that is your goal at least you should adopt policies that are going to provide as much revenue to the government as possible.

In 2001 and 2002, if you took a look at the items that the economists would say were the big ticket items of George Bush, one was the war on terror and the other was the tax cuts. And people said, oh, look at all the money the government lost from the tax cuts. So you add the war on terror and you add the cost of the tax cuts, and what you find is that the money that the government was losing in 2001, 2002, and 2003, in terms of the economy being bad, was worse than the tax cut plus the war on terror. And so when the economy is

bad, not only do people not have jobs and poor people suffer, and more well-to-do people suffer, governments suffer too. The governments don't have the money.

And if you happen to be a State governor and you have a balanced budget amendment in your Constitution, such as Missouri, you are in big trouble if you are the governor because you've got to do some serious cutting. And you're not going to be very popular when the economy goes bad and you happen to be a governor. On the other hand, if the economy's doing well it makes you look like a hero because you have plenty of money for everything and you can be benevolent. So when the economy goes bad it sinks all boats, everybody, including government's as well. So this level of deficit spending is unparalleled in our history, and it's going to destroy our country if we continue along the lines.

Here is one way of looking at the destruction right here. See when we have the Chinese buying up our debt, the Chinese are buying Treasury bills and the Chinese are happy because they're getting paid a certain number of percent by the Federal Government for every Treasury bill. And so they're willing to sit there quietly buying up America and they're getting their percent.

Well, what happens when we spend so much money that all the money that we're taking in with taxes can't afford to pay for what our debt service is? This would be the equivalent of you're at home and you've got these credit cards, the credit card companies really like you and everything, and so your family budget, well, you are spending a little more each month, a little more each month, and pretty soon you find out when you add everything all up that you take a look at your credit card debts and the interest rate that you are paying on all those credit cards is more than the amount of money you make. What's that mean? That means you are in deep doo-doo. You are paying more in interest than you are getting in terms of how much money you make.

When the Federal Government gets to this point what's going to happen is that the amount of tax revenue is going to be less than what we're paying on all this debt that we're buying. That's another way of picturing the fact that these economic shenanigans that are going on cannot continue forever. People understand that. It doesn't make a difference if you are a liberal or a conservative. If you have any understanding of economics, you are going to say, look, this is not sustainable. And that's kind of where we are.

This is Social Security and Medicare. This is what their entitlements are going to cost. This is what the U.S. economy is. You can't sustain this with this. It just doesn't work. And so that's where we are. I started with the premise that the Democrat policies,

the Democrat policies are actually destructive to the economy and they're destructive to creating jobs. And what are those policies? One after the other they are policies of increased taxation, more government programs, more government redtape. And the combination of those things, along with excessive Federal spending, basically creates a suction where there is no money in the economy for small businesses and you don't create any jobs. And that's what's going on.

So as I said as I began, it's not a coincidence that the 10 poorest cities in America, the cities that have the highest percent of people below the poverty level, have all been run by Democrats, some for over 100 years. And they keep electing Democrats because we don't understand the basic idea that jobs come from businesses. If you want a healthy economy and businesses, you're going to have to allow some people to prosper and just grit your teeth when you say it, some people are going to get filthy rich. But the benefit of allowing a few people to get wealthy means you are going to have some healthy companies and companies that are growing and hiring people. And when the economy does better, everybody prospers.

You got a guy on the street, just a little kid trying to make some money. He goes around mowing lawns. Now that kid, would he rather be mowing lawns in a rich neighborhood or a poor neighborhood? I would suggest the kid may be dirt poor, but he would do better in a neighborhood of millionaires because when he mows the lawn, they are going to give him a little bit better price. Another neighborhood full of people that can barely afford putting food on the table, they're not going to pay him much to mow their yard for them. So when the economy gets better, it helps everybody. And when you drive the economy into the dirt, then everybody suffers at the same time.

We may not like it or not, but we're all hooked together in this great country called America. Now, I think there are some ways we could get a little bit philosophical here. I think there are some places where we as Americans have to take a look at our forefathers and maybe learn some lessons from them. Our forefathers bled and died and sacrificed greatly for freedom. Their understanding of freedom was maybe a little different than the way we are today in America.

Their understanding of freedom was a sturdy independence, a sturdy character of hard work and wise decision-making. Honest business transactions. Courteousness. A sense of neighborhood and community service. It was so many things that I heard in an Eagle Scout ceremony on Sunday. All of these virtues about being courteous and cheerful and hardworking and diligent and all these kinds of things. And that was the freedom of our forefathers.

It seems to me that to some degree now in America we've started to adopt

an idea of freedom that it means that anybody can do anything they want regardless of whether it's very smart to do or not. And when things don't go well, we just want the government to come and bail us out. That's what I call bailout fever. I don't think that's the freedom of our forefathers. I don't think the idea is instead of saving for your retirement that you go out and buy the ski boat or whatever it is that you don't really have money to buy, you buy it on credit. And you buy a house too big for what you can afford, and then when things don't go right we say I'm a victim. Those rich somebody or others did this to me. It was George Bush's fault. No, it was the Chinese's fault. No, it's not my fault that I spent all that money on the ski boat. That's not freedom. That's not being responsible. Freedom doesn't mean do whatever you want to do and expect the government or somebody to bail you out and blame someone else. It doesn't mean you are dependent on the government or other people.

Freedom means that you have a right to certain basic inalienable rights, the inalienable right of life, to be alive so people don't kill you, and liberty so you have a right to free speech, to share with your neighbor what you think the truth is and to share your opinions. To be able to get in a town hall meeting and challenge people and say, where did you spend that money and why did we do that? We call it free speech. And to pursue happiness.

□ 1910

To pursue happiness, that means whatever gifts God gave you, whatever desires or interest that you can pursue that career, and you can succeed or you can fail based on whether or not you made good decisions, based on your being responsible.

When the Founders a couple of hundred years ago used the word "government," when they talked about government, they did not think about capitol domes. They did not think about Washington, D.C. They thought about the government that a man exercises over his own life, whether he was honest, hard working, trustworthy, whether he was friendly, whether he was a good citizen in the community, that was the use of the word "government."

Today, we tend to think of government in terms of capitol domes. We need to get back to the traditional view of things in America and not look at freedom as license to do things that are irresponsible and then ask Big Brother government to come pick up the pieces, because the government can't afford to do that anymore.

Recent statistics have just come out, I think it was the front page of the Wall Street Journal saying that in a good number of households in America, almost half of them, there is someone in the household that's getting government bailout of some kind, some type of government subsidy.

Now, obviously, if you keep doing that more and more, there is going to

come a point where it doesn't work and that's what all of these graphs and charts are showing, that you can't continuously have the Federal Government spend more and more money without the wheels falling off of everything. We have come to that point, and the point has to be turned around not even so much by people in Washington, D.C. It has to be turned around by the good citizens of America that look back to the strong parts of our past that have made America such a unique Nation, a totally unique Nation in the history of the world, and we have to go back to those virtues and that self-government that's necessary to rebuild this country.

America was built by these crazy people that came here with all these crazy ideas. They didn't know what "can't" meant. They didn't know what "I can't do it" meant. They just tried. Some dream became a vague possibility, then possibility, and then eventually that dream became reality and America was built one dream at a time.

It became so common we gave it a name. We called it the American Dream. It was a phenomenon of freedom, of citizens being able to be free to succeed or fail without all kinds of government red tape, without excessive government taxation, without bureaucrats looking over your shoulder. They could go out and try. And a lot of them failed.

There was one guy, his name was Edison. He failed a lot. He was trying to make light bulbs. He made a hundred of them. Every one of them didn't work. When he got done with a hundred, he said, well, now I know a hundred ways not to make a light bulb, and he kept on trying. That was that American can-do spirit.

He doesn't ask the government to subsidize his light bulb company; he didn't go to the government for a bailout. He didn't say his mom didn't give him enough chocolate chip cookies so he was really a victim. No, he just went back to the drawing board and kept on working.

And that was the American Dream. So America became a more and more unique country. We came to be the oldest country with the written constitution that we have. We were known for going all over the world when there is a hurricane or a tragedy. Where there is a war where people are being oppressed, you find the American soldiers there helping out. And people around Europe can be cynical; but when there is trouble, they sure like it when America is around.

America was different in other ways too, and in its perhaps most important way America was unique because we were built on a religious principle. We believe that there is a God and that that God granted to all human beings certain basic fundamental rights. We wrote it in a thing called the Declaration of Independence.

We believe that every individual should have the right to be alive. You

shouldn't just shoot people. People should have a right to be alive unless they do something terrible. Second of all, that they should have a right to liberty, the liberty to speak their own, to have the right to free speech and to own property, not to have their property stolen from them by the government and given to someone else.

We didn't believe it was ever the government's job to take money from one person and give it to the other. That was socialism, that was theft, that was immoral. You had the right to own what you worked hard for and you also had the right to pursue whatever it was that God had gifted you to do. If you were to be a singer, God would say go out and be strong and do a good job being a singer.

If you are going to be a businessman, be a good businessman. Treat your employees well. Work hard, be diligent. Don't waste; don't pollute.

If you are going to be someone who is a doctor, go to the top of your profession. Do a good job. Take care of people well. Come up with new procedures and new drugs so that people can be healthy.

And over a period of time the standard of living increased in America because we believed in these basic ideas, these traditions of America. But freedom never was a license to take from other people. It was never a license to make the government the big bailout expert.

That's not what our country was built on. And if we go back to this other approach, it doesn't work economically.

So Americans, again in November, they have a choice. You can believe all of the sophistry and the blame of George Bush and this and that, but we have seen the stimulus bill and it flat didn't work. We have seen the taxation of small businesses. We have seen unemployment go up and up and up, and people have a sense that all is not right economically at the tremendous rate we are spending money. They know that we can't keep on this path. And so the choice is to be made November.

Which approach are we going to take? I think the approach of our forefathers to have a sturdy, hard-work ethic, integrity and each person being responsible and accountable for their own decisions, and scaling back that Federal Government, I think a lot of Americans today believe that in an effort to maybe in a good intended effort to do right things.

We have made the government no longer a servant but a master. I think a majority of Americans now are threatened by the government. I think a lot of Americans realize the government is the problem, not the answer.

I believe those people are going to be rendering a verdict on that regard, into that regard. There is a point when the government becomes the master and not the servant. How close are we to that point? How much control do we really have to the machine that is

promising so much more than anybody has any reasonable expectation that there is revenue to pay for?

How much control do you have when the government agent talks to you about runoff of water? How much control do you have when you want to look for a loan for your kid to go to college and the government is the only one doing it. The government is in the flood business; they are into the automotive businesses. We have got Government Motors now, not General Motors.

They are in the insurance business. The government is going to take over all of health care. How much do you want the government to run and how good a job have they done with the Post Office?

We have a Department of Energy, that's an interesting Department, isn't it, created to make sure that we are not dependent on foreign oil. Boy, I am sure glad we have got that Department working hard.

We have got a Department of Education. That's a wonder too. The government runs that Department of Education. I think the Wall Street Journal about 3 weeks ago said the ACT test scores of kids that are being tested that want to go to college, 24 percent of them, are ready for college. That's amazing, isn't it? You have got a government product, State government and Federal Government product where 24 percent of them are acceptable.

If you bought gasoline and every tank of gas out of 100 tanks, 24 of them worked and the other 76 of them didn't work, you wouldn't buy gas there very much.

So we can let that government agency then run our health care? Is this what we really want in America? I don't think so. People in Missouri had a referendum on that socialized medicine bill, and they passed by 80 percent a measure to challenge that in court. It is unconstitutional to require people to buy health insurance, they be part of this big government bailout, socialized medicine boondoggle. They didn't want it.

And I have a feeling there is a whole lot of other States full of people who are tired of the government being the master and of the attitude that freedom means you can do whatever you want and if things go wrong you are going to live with the bailout.

We cannot continue the level of taxation that we have done. We have to start rethinking, and it doesn't start in Washington, D.C.

I think there are a lot of people that think if we got things right in Washington, D.C., everything would take care of itself. No, that's not right.

Freedom starts in the hearts of individuals that believe that God gives them basic rights. And when the Federal Government starts to take away the basic rights that God gives you, that's when there is really big trouble. That's where there is a clash; that's where true patriots stand up and say, enough already.



That's what happened in the War of Independence. That's what happened in the other wars of America's past. When people threatened our premise that God gives you certain basic rights, and they got in the way of that, that's when Americans stood up and they acted.

□ 1920

Today, there are a lot of Americans that are saying to our Federal Government, No, this is not what America is built on. Our government was built on justice. It was built on the concept that people are equal before the law. If you are a rich man or a poor man, it makes no difference. Everybody is equal before the law. That's not bailout fever.

We have given up justice and gone to socialism. It hasn't worked in Europe. It didn't work for the USSR, and it won't work for us. We need to go back to what works, and that is people are equal before the law and people are free to take a gamble and try to run their business, and if it doesn't work, then they've got to pick themselves up and try again and not complain that they need more bailouts.

In short, there is a reason why there is unemployment today. There is unemployment today because it was created by government policies. And those government policies have to change. We have to take the chains off of American business, and we have to go back to the principles that work.

Well, we've talked about a couple of very philosophical kinds of things: Justice, which is a very important word. Justice does not mean that Lady Justice who has the blindfold over her eyes is peeking. It does not mean that she peeks and gives a special deal to one person or another person. We have created now, with the law, a special bill to create a whole bailout section of the Federal Government so Lady Justice can peek and give money to one person and maybe not to another.

What confidence does the individual American have that the government is going to come and bail them out when they need it? Is the government going to be there? Do you want to be servant to Big Government or do you want to be a free person? Do you want to breathe the fresh air, live in the fresh air and the sunshine of being free, knowing that you also have to be responsible? Or do you, instead, choose the gloomy path of the promise that the government will take care of you even though you know that it can't economically, or it will not take care of you well and allow you to live in some sort of pseudofreedom where you don't make responsible choices and you hope the government will take care of you when it doesn't work?

That's where we are as Americans. It has to start in our hearts. Freedom starts in the hearts of self-governing people who love God. They love their family and they love their country. And America is full of those people.

And I have confidence, I have confidence that the American public still has a passion for freedom, still has a love for this country, still cares about the American Dream and wants to live in an environment where they can be free to exercise their God-given gifts and abilities. They want their children to grow up in a better condition than they are. They want to see civilization building and suffering going down. But the only way you can do that is you have to allow some people to prosper. You can't knock down all the businesses and anybody who makes money and expect to have jobs. You just can't do that. It doesn't work.

And so we come back as we started. Do you want jobs? Let's get rid of all this excessive taxation. Let's do what every President in the past has done when there is a recession—JFK, Ronald Reagan, Bush. Let's cut the taxes. That is what we've got to do. We've got to change the regulations in the banking system so there's liquidity for businessmen to raise money. We have to create an environment where people aren't afraid of some new whacky idea coming down the pike and totally changing the business climate. We have to create a condition where people have confidence that there will be a stable government in this country which is not hostile to business, and we've got to cut the red tape and the government mandates.

What that means is we basically need to take a look at the Federal Government, and we need to say anything that the Federal Government does not have to do, it has to be just gotten rid of. We need to delegate it back to the States or the local governments. We've got to get the Federal Government out of all kinds of businesses they have no constitutional reason to be in, and we have to focus on the basic things, which are justice. We need to make sure there is a level playing field at home for people to do their work, and there has to be a secure environment internationally, which means we have to have national defense. Those are the basic functions of justice. Those should be the functions of limited government.

When the government gets too expensive, you have to go back and say, Wait a minute. Let's do the basics. Let's do the basics well, and everything else the Federal Government does not have to do, then let's get rid of it. That's where we have to be going. That's a clear path. It's something that's not going to happen overnight because it has to change in the hearts of Americans, in the families of America. In the churches and places of worship, there has to be an understanding that it's not the job of the government to take care of everything that goes wrong in everybody's life, because it won't work.

And then Washington, D.C., will change, reluctantly, but Washington, D.C., will change, and we will see a new America and a brighter day and a better day for Americans. We will see a

place where people are employed and excited about their work and where there's a responsibility and a vigor and a vibrancy that was so common of the old Yankee that the Europeans used to make fun of. And once again, that Yankee will be back again, Yankee Doodle. They used to sing about it to make fun of us, but as we have seen tsunamis and hurricanes and all kinds of crises around the world, they like old Yankee Doodle to come to help them.

And so I'm proud to be an American. I know that you're proud to be Americans. We have to move back to the policies that made this country great.

And I see that a very good friend of mine, a former judge, a Congressman from the great State of Texas is here to join us before long, and perhaps he will carry on along these lines. I know he is a man who loves God. He fears God. He loves his country, and he loves his family, and that's why I love him. And so I think the next hour will be exciting, and I urge you to stick with us here.

#### VACATING 5-MINUTE SPECIAL ORDER

The SPEAKER pro tempore. Without objection, the ordering of a 5-minute Special Order speech in favor of the gentleman from Texas (Mr. GOHMERT) is vacated.

There was no objection.

#### LET'S FIX 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.

Mr. GOHMERT. Mr. Speaker, it is always an honor to speak here on the House floor and have that opportunity that was provided by those willing to show the greatest love, according to Jesus, willing to lay down their lives for their friends, their countrymen, so that we could have these freedoms. And when you read the Declaration of Independence, it talks about we are endowed by a Creator with certain inalienable rights, and all men were created equal; now, not with equal talents, not with equal abilities, not with equal money or substances. That was not the point. In God's eyes, we are equal. In the eyes of the Creator, we are equal. And so we are supposed to do the best we can with what we've got.

And as my friend from Missouri was talking about light bulbs, I couldn't help but scratch my head because here in Washington, we are told that the most environmentally friendly majority in the history of the country is in charge now. But I wanted a light bulb that was incandescent so I can see better, because it takes so dadgum long for those others with the curl in there to warm up where you can see. And sometimes, there's a tiny closet there, and I flip the light switch on, well, I just need to flip it on and off. Well, now I've got to leave the energy on long