(Rept. No. 111–671) on the resolution (H. Res. 1745) providing for consideration of the Senate amendment to the bill (H.R. 4853) to amend the Internal Revenue Code of 1986 to extend the funding and expenditure authority of the Airport and Airway Trust Fund, to amend title 49, United States Code, to extend authorizations for the airport improvement program, and for other purposes, and providing for consideration of motions to suspend the rules, which was referred to the House Calendar and ordered to be printed.

HONORING IKE SKELTON

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

Mr. POLIS. Madam Speaker, I rise today to honor my departing colleague, Representative IKE SKELTON. I did not get to work closely with Representative SKELTON, but I want to say it's the small things that make a difference. There was one day my sister, who had been working for the Pentagon at the time, was part of the Quadrennial Defense Review team, the QDR team. When they had that hearing, the chairman invited me right up to the podium with the committee members to be there during that presentation, and that was a great honor.

I would like to say that despite his political views in other areas, I never sensed that he treated me any differently because of my sexual orientation, and I think he fully respected me as a Member of this body.

It was really those small things and the courtesies that he showed me that made him stand out in my mind as an inspirational leader of this body who will be sorely missed. It will only be a short period of time, no doubt, until his name appears on a battleship or aircraft carrier, and I look forward to visiting that one day.

CONDITION OF OUR ECONOMY AND WORLD ECONOMY

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

Mr. AKIN. Madam Speaker, I appreciate the opportunity to join you and my colleagues tonight in a discussion that has been very much in the attention of people now for a number of years and something that because it is so important it has maintained the attention politically for many, many months, and that is the condition of our economy, indeed, the condition of the world economy as well.

This might seem like kind of an esoteric topic, but it affects Americans all across this great land, and the main effect is that people don't have jobs. When you don't have jobs, things don't go so well.

The American Nation was founded by many, many courageous people over a period of hundreds of years, and they came to this land with dreams in their hearts, an idea to try something out, idea to test their abilities, to make something that had not been made before, do something that had not been done before.

And so they came. Initially I talked a couple of weeks ago about that brave band of mothers and fathers and kids that we call the Pilgrims. They came to this land with a dream of starting a new Nation.

In the first few months half of them almost died, just slightly under half. And yet when the Mayflower left Plymouth Harbor, those people that had that dream in their heart stayed because they believed that this could be a special and a unique Nation. And they saw themselves, as Governor Bradford wrote, as stepping stones to others who were coming to found a new nation.

Starting with that little group and with others even before them at Jamestown, you have people like Thomas Edison. He had the idea that he would make a light bulb. So he made a 100 different lightbulbs, all of them failures, and his attitude was, well now I know 100 ways not to make a light bulb.

So it was that America, with all of these courageous people that had that perseverance and that grit, one person at a time started building this Nation, one dream at a time. It became such a common thing, we gave it a name: We called it the American dream. The dream was to be able to come here with barely the shirt on your back and end up in much better condition than when you started. And so the condition we find ourselves in with unemployment high, and the economic conditions difficult, is something that we should view is not very consistent with our past or what we expect from this country or the standards that we would hold up.

The condition of the economy is one of those things that if you look at it from a mathematical point of view, there are basic principles in economics that govern how things work. If you violate those principles, there are bad results. But if you keep to the principles, you do pretty well.

Unfortunately, over the last number of years, and with both Republican and Democrat sometimes at the helm, we have violated some basic principles, and now we are starting to see the fruit of that in a high level of unemployment.

Now, I have here a little cartoon. This is the President, and he is wanting to know, how come you are not hiring people? You have coming into the china shop, triple bulls here, the health care reform and the cap-and-trade or cap-and-tax bill, and the war tax. And this poor guy that has got the china shop is looking a little bit worried. This is a nice cartoon.

But the point of the matter is that there are things that we can do which are going to make it very hard to create jobs. Now if you were to try to categorize those things, and I have had a chance to go to my district in the St. Louis and St. Charles area in Missouri and talk to many small businessmen, medium-size businessmen, but people from across the Nation too up here in Washington D.C., and if you ask them this question, people who are in the business world, what are the ways that you can make sure you are going to kill jobs?

Maybe this is a reverse way of looking at it. I apologize for that, but there is a reason for why I am approaching it this way.

□ 1850

One of the things to do if you want to make sure that there's not going to be jobs for people, well, I think about the first thing usually, and I don't know that these are necessarily exactly in the right order, but certainly this first one is the one that comes to the mind of most people if you ask them, ''What are you going to do if you want to kill jobs?'' and the first thing they think of is excessive taxation.

Now, that might seem kind of theoretical, but it really shouldn't be any surprise to us. If you picture yourself with a lemonade stand or making some other kind of product and you figure out how much it costs you to buy your raw materials—you have, maybe it's a lemonade machine, so you have to put the lemons in it. You have sugar that you have to buy. You have to have some good water. You have to have an ice maker. So you put that all together and figure out what it's going to cost you to make some lemonade, and you look at the cost of the ingredients. People come and buy. It's a hot day, and so they are buying the lemonade you're making. There's a difference between what it costs you and what you can sell it for, and you make a profit. And that is basically the lemonade stand idea. It's not complicated.

But if the government comes along and taxes every glass of lemonade that goes out, it makes it a little harder to try and make a living. What happens if the government raises the tax too much on your lemonade? Well, nobody will buy it, and now you're out of business.

So this isn't a very complicated idea, that if you do too much taxation on a business, either the business sort of hibernates and tries to weather the storm, or they actually just plain go out of business and you kill the potential for creating any new jobs as well as getting rid of old ones. So excessive taxation is usually at the top of a lot of businesspeople's things if you want to kill jobs.

Another one, and this sounds like a big thing, insufficient liquidity. What that is saying is that businessmen need to borrow money at various times, and they have to get the loans from banks. And if the bank policy is such that the businessman has trouble getting a loan, then it makes it harder for him or her to expand the business.

In the current conditions, what we're dealing with, you find that a lot of Federal regulators are all over the banks and telling the banks to be very, very careful about any loans they make, and they have to have a tremendous amount of security to make sure that they can even have that loan on their books. And so depending particularly on Federal regulations toward banks, the liquidity is a big deal in our time right now. That liquidity is very tight.

The subject of our talk tonight is taxation. What should we do about the largest tax increase in history that's coming down the pike the beginning of next year? That's the question. But I want to put it in the context of jobs, because tax increases may sound theoretical. But having a place to work, being able to pay your mortgage and being able to put food on the table for your kids are very real things for Americans. The stress of being a good citizen, wanting to take care of your family and not being able to do that just puts a horrible stress on families and on Americans all over. And it's not the right thing, and it's because we in Congress have not done the right things.

So these are some job killers: excessive taxation, liquidity, and the economic uncertainty. That might not seem to people, right off the bat, is that really such a big deal? Well, it really is. If you own a business, every day, every week, every year you're in business, there are two degrees of gamble. You are gambling that you can keep your cost of making a product lower than what you can sell it for. But what happens if you're not quite sure what's going on with the economy? You're not quite sure about what's going on with the economy. You're not sure whether anybody wants to buy your product at all next month, and you have a whole lot of costs coming along. How do you figure that out?

Well, each businessman has to live in that area of taking risks. But you're not going to take many risks if it seems like every time you turn around there's something you weren't expecting that's coming and whacking you upside the head, something that's affecting your business and making it harder for you to operate. And so if there's uncertainty, that's one of the things that's going to guarantee that a business owner is going to hunker down and wait for better times. So economic uncertainty is a very big factor in employment or unemployment.

The other one here is, I guess, pretty self-evident, and that is government red tape and government mandates. Obviously, you have a lemonade stand and you've got your equipment and understand what the taxes are going to be, but all of a sudden somebody comes up and says, Are those glasses you're using clean enough? Have they been government certified? And you say, Well, we put them in a dishwasher.

That's not good enough. You have to turn in this, this, and this report. And, by the way, have you done this? Have you done that?

And all of these things may not affect your product at all, but it sure affects the cost of doing business, because you have to hire an accountant to keep up with all the red tape that the government lays on you. And so red tape, regulations and mandates is particularly difficult for small businesses because they don't have lots of employees, so they can just designate one person to cover it. It takes a whole lot of the owner of the business' time.

So all of these things are job killers. And, unfortunately—I have left one off the list—unfortunately, in every one of these areas, the last number of years we have been doing exactly these things. We've been killing jobs. We've been doing all of these things in spades. The last one is excessive government spending.

You put that package of five together, and I don't care what the chairman of the Fed does or what people want to say about the razzmatazz of Wall Street. The facts of the matter are, you do these five things and you do them aggressively and you will see jobs being scarce and actually going away.

Currently, supposedly, the unemployment rate is 10 percent. Is it really 10 percent? No. It's worse than that because, if you haven't had a job for a certain number of months, they just take you off the list. They say, Oh, you don't count anymore. But there are a lot of people who haven't had a job in a long time. They're not considered unemployed, and so they are not considered part of that 10 percent unemployment number. So the real number is even higher than what the government publishes.

All of those things, though, are largely the result of policies made by Congress, made by our President, that are job killers. And we have to turn this around if we really want to see the economy turn back and return to some version of normal and for the American Dream to work.

Now, obviously, in the political world there are different theories about what you should do in government and what would work, and during the days of FDR there was a theory that became quite popular. It was proposed by Little Lord Keynes, but also another person who was very much involved in that was Henry Morgenthau. And the theory was that if the economy were not doing well, if the government would just spend a whole lot of money, the money that the government spends would buy stuff, get people buying things and get the economy going, and therefore, by the government spending money, you could solve the problem of a recession. It was sort of the siren call to people in politics because it sounded like a good deal. You just take and spend a whole lot of money, which makes you popular because you get to spend money on all kinds of pet projects, and presto zingo, the economy is going to turn around and you're going to do better. That was the theory.

The problem is that the theory never worked. It never did work, and it's never going to work in the future because it defies the basic laws of economics.

Now, in my State, we talk a little about common sense. And the people in Missouri I don't think would buy this theory that the way to get out of economic trouble is to spend a whole lot of money. In fact, I think they would look at it a little bit like you grab your bootstraps and lift up and try and fly around the room. If you were the head of a family and you came home to your family and said one night, ''Hey, we have all kinds of credit card bills. We've overspent the budget and things are not looking good. I don't have a job anymore. What are we going to do for the family budget?'' and somebody proposes, ''Well, hey, let's go spend a whole lot of money,'' people would think you were nuts. They'd probably put you in a funny little white jacket there if you did that.

Well, this is what Henry Morgenthau, who was FDR's Treasury Secretary, did. And so they tried this little scheme. And then at the end of about 8 or 9 years, before the Ways and Means Committee, this was as late as 1939, Henry Morgenthau said, We have tried spending money. We're spending more than we've ever spent before, and it does not work.

Now, we just passed that supposed stimulus bill, and we were told it was going to work. We knew it wasn't going to work because we knew Henry Morgenthau knew it wouldn't work. It's never worked in the past. But we had to try it again. And we tried that last year. And guess what? It just does not work. And then he says, They say after 8 years of the administration, we have just as much unemployment as when we started and an enormous debt to boot.

What they had also done, which he does not mention, they had taxed businesses to the point that the businesses closed. And it takes time to open a new business, start a new business and get it going. So we were able to turn a recession into the Great Depression.

We should learn from the people that went before us. And particularly, I believe the Democrats should pay attention to this Democrat Secretary of the Treasury that worked for FDR, because he told us in 1939 it would not work.

□ 1900

And what are we doing, we are spending money at the Federal level at a rate unlike anything we have seen before. The budget this year is about the same in terms of deficit as last year. People said of President Bush that he spent too much money. Well, perhaps he did. When he was President and Speaker PELOSI was Speaker, he had his worst year of spending, about $450 billion of deficit. That is not good. But the deficit in 2009 was $1.3 trillion, and it looks like it is very close to $1.3 trillion for 2010. That is three times worse than the Bush years. We should be learning, it just does not work. We can't continue to spend money and think that we are going to deal with the problems of unemployment. In fact, we are making it worse.

Now, one of the things that the Bush administration did that was smart and that was right, they learned from previous Presidents. They learned that when you are in a recession that what you need to do is get off of taxation. You want to reduce taxation. They learned that not only from Ronald Reagan; they learned it from JFK. JFK, of course, was a Democrat. I wish the Democrats learned from JFK. He understood, cut taxes when you have a recession going on.

We had a recession when I first came to Congress in 2001. It started in 2000; 2001–2002, the economy was not good. President Bush understood that you needed to cut taxes. He told people that, and we were able to cut taxes. And so in 2003 particularly we cut three taxes that were very, very important. We are going to take a look at the result of that in just a minute. He understood that.

When we cut the taxes, what happened was the economy sprung around, and we had a number of good years in the economy until we turned back around and started getting into more taxes again. The taxes that we cut, those tax cuts are going to expire next year. A lot of people are talking about what are we going to do with this huge tax increase that is coming on top of us at the beginning of next year. Are we going to make the Bush tax cuts permanent? Are we going to extend the Bush tax cuts, or are we going to talk about it and do nothing? What is going to happen here?

Well, ordinary income, these are the top rate increases, moves from 35 percent to almost 40 percent. Capital gains goes from 15 to 20. Qualified dividends, 15 to almost 40 percent. And particularly the death tax, probably one of the most insidious, one of the most unfair and one of the most ridiculous of our taxes goes from zero percent to 55 percent. That is a killer of a lot of small businesses that have not protected themselves against these tax increases that are coming up. There are some other different ancillary tax increases that will be coming. The bottom line is the biggest tax increase in the history of the country. And when is it coming, when the economy is weak, when unemployment is high. This is a formula for disaster. We are going to talk about why that is so bad and why we must do something, and the thing we have to do is to make those Bush tax cuts permanent unless we want an even worse level of unemployment.

I am joined by my good friend, Congressman SCALISE, and I would yield.

Mr. SCALISE. I thank my friend from Missouri for hosting this hour and for focusing on this important issue. At a time when we are just weeks away from facing what would be the largest tax increase in the history of our country, we have been pushing to make the current tax rates permanent, to prevent, to stave off what would be that large, massive, job killing tax increase that is pending on January 1 if no action is taken. Unfortunately, the liberal leadership that is running this Congress right now will not address this issue in a proper way that ends that uncertainty.

You know, when you look out there throughout the country, when we talk to small businesses in our districts and all throughout the country, so many companies would like to hire, would like to make investment, even in these tough economic times; but because of the uncertainty created by the threat of these massive tax increases, it is holding back the economy. It is holding back the ability for these companies to make that investment and to create those good jobs. It is so unfortunate because we are at a point where there should be, and there is, I think, bipartisan agreement that, especially now in tough economic times, you shouldn't raise taxes on anybody, especially those small business owners who create the bulk of our jobs in this country, and yet that is exactly what they are facing and it is exactly what we are hearing from the people who say that they can't make decisions, they can't make those investments because they are looking out and they are seeing if Congress takes no action, or tries to play class warfare, which would be even worse, to try and pick winners and losers and say some people are going to see a tax increase and some aren't, what a bad message that sends to those people who are trying to get the economy back on track.

What is so sad about all of this is that history tells us, history tells us, whether you go back to John F. Kennedy, Ronald Reagan, you can go to President Bush, when taxes were cut, especially when you did aggressive tax cuts, not only did you see job growth, but you also saw a tremendous amount of money, billions of dollars more coming into the Federal Government, which goes against this myth that is out there, the President and others say, we can't afford to cut taxes.

Well, I think we can't afford not to keep the current tax rates. We surely can't afford to have a tax increase; but history tells us, any administration you look at, you can go to 1920, you can go to the sixties, the eighties, and 2003, when taxes are cut, job creation follows and more money follows and flows into the Federal Government. The reason we get deficits is because Congresses, both Republican and Democrat, have spent too much money. The deficits come because we spend too much money.

So the formula that has always been proven to be successful and the formula we should be following right now is cut taxes, make sure nobody's taxes go up and control spending at the same time. That way you not only stop getting more deficit spending, but you can actually get on a path to balancing the Federal Government budget, which is what we really need to do.

Mr. AKIN. I am delighted you made those points. And I have some charts here that have been kicking around my office for 4 or 5 years on the very points you are making because you are so absolutely correct. It seems to me that somehow President Obama and the other leadership here in Congress have forgotten some amazingly simple things, but we make life too complicated sometimes.

One thing is the American Dream was not to make rich people poor. The American Dream was about making people who didn't have much money to be richer. Sometimes richer economically, sometimes because they come here without a high school education and watch their kids pick up a college diploma. There are a lot of ways that American Dream works, but it was never to tear people down. It was always to build people up. That seems like kind of a basic idea, but it seems like the focus is we are so worried about somebody being rich that we are willing to melt the economy down just to try to get them. And the funny thing is that people who are very rich have ways of hiding their money, and all you do is hurt a lot of innocent people.

The other thing that seems so simple to me is if you are really honestly worried about unemployment and jobs, it seems like the obvious thing is jobs come from employers. And if you destroy employers, how are you going to have jobs? That is not a complicated formula. In Missouri we would say that is kind of a no-brainer; and yet somehow here in Washington, D.C. we make it too complicated. We have a tremendous level of Federal spending, bury people in red tape, mess with their liquidity, create uncertainty in the markets, spend money like mad, and tax all of these businesses, create uncertainty, and then wonder why there aren't any jobs. It doesn't seem like it is that complicated an issue.

Getting back to what you said, my good friend, right here, and this is May 2003, there were a series of tax cuts that happened right here in May 2003. The tax cuts was capital gains, dividends, and the death tax. Those are not really popular taxes. When the Republicans passed them, we were criticized, you are trying to do special deals for rich people and blah, blah, blah. The question is when we cut these taxes, the liberals were saying you've spend all of this money because if you cut the taxes, you won't get this revenue that comes in.

□ 1910

And that was their reasoning because their mindset is the government owns everything and we're going to let the people who work keep a little bit of it.

Well, we did this tax cut, even though it wasn't popular, in May of 2003, and this talks about job creation. I started on the subject of jobs. This is the job creation before and after taxes, and anything that's going down means we lost jobs. Any line that goes up says we gained jobs. Well, here's the tax cut here, and look at this. Look at this graph of the job creation. Now, that says that something is going on at this point. Now, why would that be the tax cut made jobs? Well, simply because you let the businessman keep more of what he owns. So, in terms of job creation, these taxes had a very beneficial effect.

What happens if we reverse this? What happens if we go from here? Now, right here, we have a lot of unemployment. What happens in a time of unemployment if we reverse this effect? What we're going to do is it's going to be the same process but backwards. We're going to take jobs that existed and destroy them. Are we in a position with 10 percent or more unemployment to turn around and destroy more jobs? That seems like a definition of an insanity.

And these are month by month, year by year. This is what happens after this tax cut and this is the job effect, and I will allow you to comment on it if you want. I've also got two other kinds of interesting charts here, not just jobs but gross domestic product, and your last point, which was government revenues, quite interestingly. I yield.

Mr. SCALISE. I thank the gentleman again for yielding.

The chart that you just showed really lays out in a very good graphical form what really does happen when you cut taxes, and unfortunately you don't hear this on the mainstream media. It's something that a lot of the pundits try to ignore. It's unfortunately something that the President I think has tried to cloud over and, in fact, speaks in contradiction to what really did happen when taxes were cut. You know, and the President is going around saying that he can't afford to keep the tax rates where they are and he needs to raise taxes on certain people, otherwise the government will lose money.

The problem with that is, it flies in the face of history. It flies in the face of facts; and in fact, your chart shows just what really did happen when taxes were cut for 48 consecutive months after those 2003 tax cuts. For 48 consecutive months our country had job growth. Every single month for 48 months, more American people were working than the month before, and during that same period of time of unprecedented job growth, 8 million new jobs were created, and your chart shows it very clearly. Not only were those 8 million jobs created, but the Federal Government took in over $750 billion more money.

Of course when I say that, somebody listening might say, well, hold on a second, the President just said, if you cut taxes, it costs money. If you maintain these current rates, rather than raising taxes, you have got to raise the taxes because it's going to cost the Federal Government money. The opposite happened, anytime in history, not just in 2003.

As I said in the 1980s when taxes were cut under President Reagan, tremendous job growth and tremendous growth in revenue to the Federal Government. Now, yes, we had deficits, because even though the Federal Government was taking in more money, they still spent even more money than all of that coming in, which gave you a deficit. But if they'd controlled spending, if they would have just frozen levels and had normal cost of living increases, just normal growth, you would have actually had surpluses because more money was coming into the Federal Government, and the same thing happened in the 1960s when President Kennedy cut taxes.

So this isn't a partisan issue, but this is history. Let's follow history. Instead of people making things up and saying things that are just flat out untrue, if we go back and use history as our guide, when we cut taxes in this country, job creators go out and create jobs, and the facts prove it.

I used the President's own Web site when I pulled the numbers to find out what really happened in terms of job growth which we confirmed on the President's own Web site and in terms of more money coming into the Federal Government. So when they say that they can't afford to keep the current tax rates the way they are, they think they need to raise taxes in order to bring in more money, just the opposite is true.

Mr. AKIN. They're exactly wrong. They've got it upside down, just as they have it upside down the American Dream is to make people that are poorer richer, not richer people make them poorer. They've got it exactly reversed.

If you want jobs, you don't have an employer. It's kind of a basic thing. I very much appreciate your perspective; and what you're saying is, absolutely, you can prove it by taking a look at the economics.

But when I first heard that, I was kind of scratching my head. I'm not a wizard at economics but I'm an engineer, and I was trying to say, now, wait a minute, you're telling me that if the Federal Government reduces taxes, they're going to take in more money? That sounds like making water run uphill, you know. And so I started to think about it, and actually it makes a whole lot of sense.

But here's the way it seems to work to me. Let's say that Congressman SCALISE is king for the year, and your job is to raise revenue for your government and the only thing you can do is tax bread. And so you start rolling this around in your mind, and you say I could put a penny tax on a loaf of bread, or I could put $10 on a loaf of bread. You think, a penny, nobody'd notice it, but I'd have to sell a lot of bread in order to make very much money; but if I did $10 a loaf, wow, wouldn't take too many loaves. I'd get a lot of money. Well, on the other hand, nobody would buy the bread. So your common sense says probably somewhere between $10 tax on a loaf of bread and a penny tax, there's some number that's an optimum; and if you raised it, you get less government revenue, and if you lowered it, you get less government revenue.

And what this effect is showing is that we're overtaxing; and by overtaxing, we're actually losing Federal revenue. So what you're saying is exactly right. It's been proven by history. We cannot afford to not cut the taxes. Certainly we cannot afford to allow a massive tax increase when the economy is on its knees and unemployment is running at 10 percent.

Let's take a look at what the numbers were. I think people might be curious about this. Here we've got job creation. Here's the tax. This is capital gains, dividends, death tax. That's what the tax cuts were. This is what happened to job creation. Let's take a look at another number here.

Let's look at the gross domestic product of our country. This is kind of a neck snapper of a chart, it seems like to me. If you can get into these funny economic charts, this, though, is a reflection of what our future could or could not be. This was the gross domestic product here before the tax cut. Here, again, is the tax cut right here, and take a look at the national GDP, even have a couple of times when we're actually losing GDP in a couple of months when the recession is bad, 2001. You see it coming up a little bit up here to sort of a sluggish two, but you see it's spotty; it's up and down.

And then we put these tax cuts in place. Not only did employment change but take a look at gross domestic product. Kabaam. You know, we're talking, we had one quarter where we had 7.5 percent GDP growth. That's a pretty decent level, but you can see quite an improvement after this tax cut went into place.

Now, as you would expect if you got GDP going along the right direction, employment going the right direction, here's the other thing, and this was your point. My respected colleague, take a look at Federal revenues. If the example of the loaf of bread and the tax line up seems a little bit odd, here's the evidence. Here's the tax cut. This is Federal revenues. Federal revenues are tanking because the economy is in trouble.

We do the tax cuts in 2003, just as we did with JFK, with Ronald Reagan. All of a sudden, you see Federal revenues coming up. Now, this is totally opposite to everything the President and the liberals are saying. They cannot explain this. This completely puts the lie to what they're saying.

If you do not cut the taxes, what's going to happen is we're going to continue in this death spiral that we've created, and we've created it out of stupidity because the facts are here. After that tax cut, four straight years of increases in Federal revenue, and so there you have the effect.

We are overtaxing. We have stalled the economy. It's a little bit like you're in that little World War I, World War II biplane, whatever it is, and you're in that spiral headed to the ground and you grab the stick and you pull the stick up and you pull the stick up and the plane just keeps spiraling and the ground gets bigger and bigger as you're losing altitude; and you pull the stick up and you say, oh, my goodness, everybody has gotten in a graveyard spiral and almost died and then one guy came along and said I'm going to do something that's a little counterintuitive.

□ 1920

What I'm going to do is I'm going to push the stick forward. It's going to allow the plane to stabilize even though it's going down, and when it gets stable, then I'll pull the stick back up.

In a way, that's what we did. We have got the economy in a spiral where we are taxing people and where we are red-taping them to death. Liquidity is a problem; there is uncertainty, and we are spending money like a bunch of fools. What we are going to have to do is use some sense from the past, from the people who came before us.

I would be happy to yield to my good friend from Louisiana.

Mr. SCALISE. You know, when you look at these charts, all it really is, you know, is a reflection of what really happened historically. They say, If you don't learn from the mistakes of history, you are doomed to repeat them. You can flip that around and say, Go look at what has always been proven to work. There are things that have been good and bad throughout history. You can go into the 2000's and look at 2003 when taxes were cut. There were some good things and some bad things that came out of that.

The good thing was, when the taxes were cut in 2003, you had, as your chart shows very clearly, a tremendous increase in Federal revenue, and you had a tremendous increase in job creation. Eight million jobs were created. The bad thing that happened was that you had deficits, but it wasn't because of the tax cuts. It was because more money came into the Federal Government, but Congress spent even more than that. When Congress spends more money than that which comes in, you end up with a deficit.

You can control that not by raising taxes, because if you raise taxes—again, use history as a guide. When taxes are increased, one of two things happens. In some cases, you'll get a flat line—you'll get a flat revenue intake—but in many cases, you'll actually get a decrease. Even though you're raising taxes—and it might seem intuitive to some liberals—what happens is it's the cost of doing business. If a company is looking to hire people and now it costs more money in America to create that job or to manufacture that product, then it explains why so many of our manufacturing jobs have been leaving this country and going to other countries.

The tax increase that President Obama is creating might be good for economies, but it's good for foreign economies because it's pushing more and more investment out of this country. So the jobs that will be created will be created in countries like India and China and other places where they don't punish somebody for manufacturing. In our country, unfortunately, there is this mentality, and there are some in this leadership who continue to try to play this class warfare game and pit one American against another.

What we ought to be doing here in Congress and at the White House is working together to put policies in place that will help everybody, that will not just help the job creators but will help the people who are struggling at the bottom, the people who want to find jobs. There are millions of Americans out there who want to find jobs.

You know, in my State of Louisiana, we are seeing the negative repercussions of these policies coming from President Obama: how it's costing us jobs with this permitorium, as we call it now, on drilling, and how the President bragged about lifting the moratorium on drilling but now has replaced it with a policy where they're just not issuing permits.

Then today, just today, the President and Secretary of the Interior came out and said they were going to shut off more areas around the country that were getting ready to be opened for the exploration of energy. They're shutting those off. So now they're not issuing permits in the Gulf of Mexico, which, according to the White House, has already led to about 12,000 more Americans losing their jobs. This is not because of a downturn in the economy. Because of the policies of President Obama, 12,000 more people have lost their jobs, and billions of dollars have left the Federal Government and are going to foreign countries. Our energy security in our country has decreased, and we are now more dependent on foreign oil because of the policies of this President.

So, on one hand, he is trying to raise taxes on our small businesses, which, as your chart shows, is going to devastate the economy and is not going to bring in more money to the Federal Government. On the other hand, he has got policies, like the permitorium and the lack of open areas for the exploration of drilling for natural resources, which are taking away what would have been thousands of more new jobs, and now he is shipping those jobs to other countries, like Brazil and Egypt, which is where some of these rigs are going.

You know, it's sad to think, but it's true. It's a sad day in America when it's a better business climate to do business in Egypt, which is where some of these rigs are going, than in the United States of America because of the President's own policies. This is reality. This is what is really happening, and that's why we have got the job creation problems. That's why we have got the lack of jobs we have today. It is because of the policies of this administration.

Mr. AKIN. You know, you're giving a very concrete example, and maybe I was being too general.

My point was, if you punish the business, you shouldn't be surprised if there are no jobs there. The business is the one that hires people. It's not that complicated. There is a direct connection between employer and employee. What you have just given an example of is: When you shut the company down, then you can't say, "Well, I'm so surprised that there is unemployment." You created the unemployment by the policy. It's crazy. It's really crazy.

I understand that the President did support some drilling, but it was off of a foreign coast, and it was with American tax dollars. We are encouraging them to drill, but we can't drill on any of the American sites. That just doesn't make any sense. I think that's what the voters were concerned with in this last election. I think they are concerned with that. They see that there are ways that we should be going as a country, things that we can learn from history, and if there is one thing we should be dealing with immediately, right now, it's making those Bush tax cuts permanent because the economics of that thing works both ways.

If you cut the taxes, you saw what happened to the gross domestic product. It goes up. Unemployment goes down. If we create jobs, we create more revenue for the government. If you do the opposite, then the result is going to be the opposite. You're going to have more unemployment. You're going to have less revenue, and you're putting us farther into this downward spiral. Our country can't take a whole lot more hits like that, especially with the incredibly aggressive spending schedule.

I don't recall specifically, gentleman, whether you were there with Dr. Laffer today as he was visiting us.

Mr. SCALISE. Yes, I was.

Mr. AKIN. He has some very simple and easy-to-understand ways even though he's one of these Ph.D.-type economists and all.

In fact, what we're talking about here was named after him, the "Laffer curve," showing that when you cut taxes—and he has proven that—that you're going to actually get more Federal revenue—if you do the right kind of taxes, that is. What he was saying today sort of captured my attention.

He said, Look at it from a simple point of view. If you're a business, are you going to hire somebody?

Well, what you're going to say if you're a businessman is, "It's going to cost me this much money to hire this guy, and if I do hire him, he is going to make this much.''

So you take a look at that. If he is going to make more for you than what it costs you to employ him, then you're going to hire him because that's the way businesses work. You hire people in order to make a profit, to make your business grow.

Now, what happens in this equation if the Federal Government says to the businessman, ''Okay. Now, before you hire that guy, just remember this, that we're going to tax you. We're going to put these additional costs into what you're going to have to pay if you hire this guy''?

Well, you don't have to be a rocket scientist to say, Oh, my goodness. If the government starts adding things that the businessman has to pay, it's going to make it harder and harder for him to find the economic ease to hire somebody.

That's another way of saying what we have done by these policies is we have essentially driven that unemployment number. We have actually created that by the foolish policies down here, by forgetting the simple fact that, if you destroy an employer, then you're not going to have employees.

The simple fact is that America wasn't based on class warfare, on uncovetousness, saying, ''Don't you hate that rich guy? Look at how much fun he's having. Are you having as much fun as that rich guy?'' That wasn't what made America great. What made America great is we're all on the same team, that everybody wants to see everybody else prosper, everybody working together, being honest with each other, each following the dream that God put in their own hearts. That's the America that our Founders built. That's the America that most Americans want to see us returning to. They want to see a win-win scenario, and they want to see us do the policies that are right here. We know we don't create any jobs here in Washington, D.C. Any time we create a government job, it takes two jobs out of the economy. We don't create jobs, but we do affect the playing field that jobs are on.

Why do we want to send our jobs to foreign countries? I can't see why we should be doing that.

Mr. SCALISE. You know, the gentleman referred to the meeting that we were both at today with Art Laffer, the brilliant economist who worked for President Reagan in the White House, who helped create a lot of those tax policies that gave us that unbridled economic growth. He goes into detail and talks about the decisions that went into that and what works and what doesn't work.

□ 1930

And there are things that don't work, but there are things that have been proven again historically throughout time.

Going back to the 1920s, you can go before that, things that you can do that have always worked in terms of cutting tax rates. And there are levels where you get above certain levels, and in the 20s is where you are starting to get into dangerous territory. Right now the President is trying to bring the highest rate up to 39.6 percent taxes, plus he's going to try to continue to allow this death tax to go to 55 percent. It's at zero today. If someone were to die today and have a family business that they built up over their lifetime, they could pass that onto their family, and there is a zero percent tax on their passing away, a tragic event that shouldn't be made even more tragic by government coming in and confiscating 55 percent of their business to the point where the children's decision, more of their grief is dealing not with the loss of their loved one but now the fact that they have to dismantle the company that their father built for his entire lifetime just to pay the taxes to the Federal Government. And that will happen. Starting January 1, that death tax goes up to 55 percent. It's one of the most onerous, obnoxious, and evil taxes, because you're talking about people who have already paid taxes to create that wealth.

I think one of the other things Art Laffer talked about today is if that person, instead of building up that company, creating that wealth and creating all those jobs that went along with it, if he would have just gone out and blown the money, he wouldn't have been taxed on that. There's no tax on just going out and spending the money and blowing it. But if he built his business and created hundreds of jobs and then wanted to pass that on to his children, the government is going to come in—starting January 1 if Congress doesn't take action—and tax that business 55 percent just by the virtue that that business owner passed away, to the point where now the family has to sell and dismantle the entire business and maybe have to lay off all those employees just to pay the taxes. That's not what America is all about, that's not what made America great, and yet that is tax policy that President Obama wants to put in place starting January 1.

Mr. AKIN. You know, the thing that was amazing, the way he explained it was really a contrast. You have a person, and say he's a couple of years away from dying and he has this business and this business is worth millions of dollars. Now there are two courses he can take. The first is he goes and drinks like mad, does drugs, chases women, gambles it all away, and in every way wastes the money. Does he pay any tax on it? He has already paid the taxes. No. So the government lets him off scot-free for that. So we encourage that behavior. But what happens if he says, hey, I have a son, I would like to pass the business on to my son. And he has some employees and they want to buy part of the business, so I'm going to not squander my money, but I'm going to save it. So he waits 5 years, saves his money, dies, and now what do we do? We tax the family 55 percent.

Now how many people have a business—picture if it's a farm or a manufacturing business—where you've got to take more than half of it, liquidate it to sell it in order to pay the tax on it. It's going to destroy the business. And so we have a policy that rewards people for being totally irresponsible and punishes people for doing the right thing. As Dr. Laffer said, that's just so contrary to common sense.

And what are we going to do? We're going to let that death tax go from zero to 55 percent. That is just nuts. And what it's going to do of course is, guess what? It's going to destroy jobs, it's going to reduce Federal revenues, and it's going to hurt the GDP. And yet here we go because we figure we've taxed them every which way, but we haven't gotten them one last clip when they die. And why we would even have a death tax, it just seems so abhorrent that we would possibly let that go on.

Mr. SCALISE. It is such a sad state of affairs that in the greatest country in the history of the world—and you and I both know we've got really serious challenges, we've got real big problems in this country that we're facing, but with all of those problems this is still the greatest country in the history of the world. But what that light of freedom, the Statue of Freedom at the roof of this building right here, the Capitol dome, what that statue stands for, and when you pass through Ellis Island and you see the Statue of Liberty, it represents a freedom that exists nowhere else in the world. All of that is at risk if these kinds of policies continue. I know that's a dramatic statement, but I think most people across the country have recognized that when you take into account the radical level of spending, the unsustainable level of spending going on here in Washington—trillion-dollar-plus deficits as far as the eye can see, the first trillion-dollar deficit in the history of our country was last year, only surpassed now by this year's, and next year looks to be just the same—everybody knows we can't sustain this level of spending. And then you look, and the President and Speaker PELOSI's plan for taxes is to raise taxes on American families and small businesses. And the American people get it. They know what that means to job creation. They know it's going to stifle job creation. It's going to make it harder for businesses to compete globally. And for many of them, it's going to make it harder for them to even keep their doors open. And yet those are policies that are continuing to be put in place by this administration.

But people know, I think—what's more than all of that, to a small business, if they don't make as much money as they did last year—you want everybody to be able to be profitable so that they can continue to create jobs. But I think to most people what is the most concerning is not maybe this year they're making less than last year, that's bad, but what I think is concerning most people is that the one great tradition of this country, from the day George Washington took that oath of office until this day today, every generation has had better opportunity than the one that came before them. Every single generation in the history of our country has had better opportunity than the one that came before them. And I think we all know if we stay on this unsustainable path of spending and taxing, with unemployment like it is, the next generation is not going to have that same opportunity, and we cannot let that happen. I don't think the American people are going to let that happen. And I think that's why in November, in that historic election that was just held a few weeks ago, people said they're not sitting on the sidelines anymore because they know what's at stake. They know we can't keep going down this road. And if we want to keep the light lit on that Statue of Freedom, if we want to make sure that the promise that's envisioned and represented in the Statue of Liberty, if we want to keep that torch lit for the next generation, we have to make serious changes right now starting today.

Mr. AKIN. I think you're absolutely right. I think that's what the American public is seeing and sensing. I might put it in slightly different words, and maybe just because I'm a little older than you are, but my sense is we had a tradition that the government was to be the servant of the people. It seems to many of us as though that has started to tilt, and the government is now a fearful master. I think the public is saying we have had way too much government, we're taking a look. The problem isn't the outside, the problem is the government, and the government has to be reduced back to its servant status, back to the basic principles of economics, back to honoring the traditions of our Founders and the dream of allowing people to use their imagination and their ingenuity, and to succeed or to fail. If we didn't let Thomas Edison fail hundreds and hundreds of times, we wouldn't have any lightbulbs. You have to allow freedom to work. I think that's where we have to go as a country; we have to go back to the traditional paths that have always worked for us.

We are a very unique Nation in so many different ways. People around the world, when there's an earthquake or when there's a problem, the Americans are there. After World War II, we defeated our enemies and we taxed ourselves to rebuild our enemies. We established no empires. We built no kingdoms. We are absolutely unique in the history of mankind, and it's because we have high standards, high traditions, and we believe in freedom and the American way. This is the way to turn things around.

My good friend, Congressman SCALISE, I thank you so much for joining us tonight. I know our time is starting to get a little bit short here.

I would once again encourage Americans—we know the solution to move forward, but we are not going to be moving forward if we allow the largest tax increase in the history of our country to settle in on January 1. It will have the same negative effect as its positive effect when it first went into place. We do not want that. We have to keep those tax cuts in place, and we have to make that decision and move forward for the good of all of America.

Mr. Speaker, thank you so much.

□ 1940

MODERN DAY SLAVERY REPARATIONS

The SPEAKER pro tempore (Ms. TITUS). Under the Speaker's announced policy of January 6, 2009, the gentleman from Iowa (Mr. KING) is recognized for 60 minutes.

Mr. KING of Iowa. Madam Speaker, it's my privilege to be recognized here on the floor of the House of Representatives in this great deliberative body that we are. And it is a blessing and a gift to the American people that we can have our debates and our discourse that rages back and forth here on the floor of the House. And sometimes we're not so polite to each other. I regret that. But the passions arise here rather than have them arise in the streets of America.

So in a way, we take a lid off the pressure cooker here in the House. And we vent these issues, and we find a way to at least sort out the policy that can be accepted or accommodated by the other side. And often we're able to come to a good product that's good and right for the American people.

Madam Speaker, I come to you tonight with a number of things on my mind and the primary issue that concerns me is what took place here in the House yesterday with the debate on the rule and on the bill and subsequently the vote spent another $4.6 billion, unbudgeted, unauthorized, unacceptable—and not just 41 cents out of every dollar borrowed, a lot of it from the Chinese and the Saudis—but all of this money, all of this unbudgeted funding is a hundred percent borrowed money because it goes above that level. It was unnecessary money to be spent. So every bit of it was borrowed money.

And by a vote of 256–152, this lame duck Congress, this invalidated Congress, this reputed Congress, this rejected Congress, has gone down the path over and over again of spending money that we don't have for causes that don't have the support of the American people spent by a Congress that's no longer the valid representatives of the people. That's why it's called a lame duck. We should have shot this lame duck a long time ago. It still limps along and it still flares up, and it still steps in and goes against the will of the American people.

Now, I would submit, Madam Speaker, if this Congress had reflected the will of the American people, the gavels would not be changing hands come January 4 of 2011. They'd stay essentially in the same hands with a smaller switch in seats.

But we can see this happen over the last 4 years as the San Francisco agenda began to manifest itself here on the floor of the House of Representatives. And it didn't really get enough traction that the American people really understood what was going on until such time as President Obama was elected and his agenda matched up so closely with that of the Speaker's agenda here—that San Francisco agenda—that the American people could see clearly. By the way, coupled with that of the gentleman from Nevada from down through across the rotunda on the Senate side, the three of them, HARRY REID, NANCY PELOSI and President Obama. I said this more than 2 years ago, 2½ years ago, If you elect this ruling troika, they will be able to go into a phone booth and do what they will to America, and they won't be accountable to anybody. And I should have said, Until the subsequent election.

Well, the American people did elect Barack Obama, and they sent NANCY PELOSI back here in a position to become the Speaker, which she was, and HARRY REID maintained his position as the majority leader in the United States Senate. And they did to the best of their extent what they could to America.

There's a whole list of things that aggrieve me and very much that must be undone. Some things that passed the House that didn't make it through the Senate were painful votes for some of the Members that will be going home. And I regret some of the friends that I have made on the other side of the aisle that I'm saying goodbye to this week and the next week and the next week. There are some good Americans that have served this country well that were voted out of office because of the anchor that was attached to them by the San Francisco agenda.

But there's this agenda, this agenda that I've called modern-day slavery reparations. And some think that might be a rhetorical stretch. But, Madam Speaker, I'll point out not only did JOHN CONYERS, as the chairman of the Judiciary Committee, hold impeachment hearings for President Bush and Vice President Cheney—he said they weren't impeachment hearings but they were, in fact, impeachment hearings, the basis of it I still don't know but I sat in on them—not only did he hold those, he held hearings on a whole number of things including hearings on slavery reparations.

And I made the argument that you cannot fix something that happened a