

5 or 6 or 7 years from now. So, instead, they just said we are appropriating it and you can't do anything about it, because under the House rules you try to bring up an amendment to rescind that, it's subject to a point of order objection and we can keep it from coming out.

The only way that I understand that this \$105 billion that's now been appropriated by the last Congress, the only way that can be taken out is to have a provision in the original bill from the appropriators, not an amendment, a provision that rescinds this \$105 billion of appropriations in this prior law from last year, and it's in the original bill. And then the Rules Committee waives any point of order objections to that rescission being in the appropriating bill. My understanding is that's the only way we can get it done.

The amendments we were trying to do and that we got done apparently are not going to accomplish that. We are going to have it in an original committee bill rescinding all of this massive amount of money. Right now, we will be borrowing 42 cents of every dollar of that \$105 billion. It's irresponsible. It's almost inconceivable, except here it is in black and white in front of us.

America deserves better than this.

I told some folks back home, I have mentioned before, it strikes me that this government in this last not just 4 years, but even going back into the last few years and especially the TARP bailout that was such a disaster and should never have been passed, that this government became like a parent who had an overwhelming desire to spend and could not control their own spending.

So the parent goes to the bank and says, You have got to loan me massive amounts of money. And the bank says, How are you going to pay it back? You are not going to live long enough to ever pay this back. And the parent says, No, but I have got my children here, and they are going to have children and those children will have children. So my children, my grandchildren, my great-grandchildren, I am pledging they are going to pay back all of this self-centered massive amounts of money I am throwing upon me and my friends, and I am pledging and promising my children will be indentured servants for the rest of their lives because I can't stop spending.

Now, in a case like that, you would probably have the Child Protective Service come swooping in and say you are an unfit parent. You have no business having children when you are selling your children's future for your own use of money now. How irresponsible that is. Do you care nothing about the children that you can't quit lavishing all that money and paying your friends for doing nothing?

□ 1540

You can't control your spending, so that your children, grandchildren and

great-grandchildren can have freedom like you had it? You can't control that? You're an irresponsible parent, and you shouldn't even have these children if you're going to do that. I've heard the Child Protective Services in Texas come in on a lot weaker claims to take children away from parents than that. It's irresponsible what we're doing. And to pass a bill that was against the vast majority will of the American people and to stick in \$105 billion of spending is just irresponsible. It's got to stop.

On one final note before my time concludes, having been a judge and a State chief justice, I'm sensitive when I hear judges threatened. And especially in the wake of the GABRIELLE GIFFORDS shooting and the loss of life in Arizona, we really should not be provoking actions to the point of violence or threatening actions. And I have certainly had my share of death threats as a judge. But it was usually only when they included my family that it got serious. And we have a group that's held itself out for years now, Common Cause, as this wonderful nonpartisan group. And yet you see over and over, like you did here recently with the rally they held in California with Van Jones—such an impassioned socialist—speaking and stirring people up against Justice Thomas and Justice Scalia.

Justice Thomas himself, after one of the most embarrassing episodes in American history, the way he was treated as he went through the hearings for confirmation to the Supreme Court, he said himself, it's a modern day lynching, high-tech lynching. And in his book, "My Grandfather's Son," where he describes coming out of poverty, severe poverty, and making it on nothing but hard work and his brilliant intellect he achieved the great heights he has. And I have heard him say himself, he started out in college as an angry black man and left-wing extremist who came to realize more oppressive government is not the answer. But he also came to see firsthand, as he has described it, that if you're an African American and you spout the words that the liberal left tells you to say, then they love you. But if you dare—as he points out, otherwise I wouldn't use these words—but he says if you dare to step off the plantation and think for yourself, then here comes all the groups that come after you. And we have seen that with this attack from Common Cause that they are using to fundraise this attack after Justices Thomas and Scalia.

And, again, I look for evidence, are they nonpartisan? Well, it seems like they only come after conservatives, mainstream Americans, but they encourage left-wing extremism on a wholesale basis. But to be attacking Justices Thomas and Scalia and stir up sentiment, they sent out the e-mails urging people to come, they sent out the notices of what they were doing, urging people to come. They knew who they were sending those to. They urged

these people to come. And what they got was the friends that they had invited saying that they wanted to string up, basically lynch, one of the most honorable people in the America, Clarence Thomas, that came from the most oppressive background and fought and worked his way up, as he would tell you, with the help of loving grandparents to the status that he has, and they want to do a high-tech lynching of him now.

Except the people that they stirred up aren't going to be satisfied with high tech. They want to lynch him, and they want to lynch his wife. And when you look for evidence, well, have they been saying this all along about other incidences that were similar? Well, when we got a national leader of the ACLU, they never mentioned one word about perhaps she should recuse herself from things that involve the ACLU, and our sympathies go out any time anyone loses a spouse, but when people on the Supreme Court who came from leftist backgrounds had spouses that had direct interests that were affected, Common Cause was silent. Oh, no, they raised their money on going after people that are mainstream conservatives and believe in the Constitution meaning what it says.

And after bringing this up at a press conference this afternoon, we get word that Common Cause has come out and said, we apologize. We never meant for them to say that. No, actually, that's not what they said. They came out and said—this is laughable—they didn't come out and condemn people that want to lynch a Supreme Court justice or justices and their spouses, family and torture them and do these terrible things. No, it didn't say anything about that. It just said this is laughable because they are still raising money. And it is time the Justice Department started being fair about justice and not "just us" at their Justice Department but look into Common Cause and look at whether they really deserve to be called "not for profit" and "nonpartisan" because what they are doing to stir up Americans against honorable Americans is intolerable. America deserves better.

The adage is, Democracy ensures—America, any country—Democracy ensures that people are governed no better than they deserve. My hope and prayer is we deserve better in the next election.

THE EPIC STRUGGLE OF PUBLIC SERVANTS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 5, 2011, the gentleman from Ohio (Mr. KUCINICH) is recognized for 60 minutes as the designee of the minority leader.

Mr. KUCINICH. Mr. Speaker, today in the State of Ohio, the State of Wisconsin and the State of Indiana there are epic struggles underway where those who serve the public, who teach

our children, who police our streets, who fight the fires and who perform a myriad of services at a State, county and municipal level, are under attack. Their wages are under attack and their benefits, pensions and working conditions are under attack. And these public workers are being made the scapegoats in all of the budget challenges which States face. They are now blaming the workers.

Our whole economy has been turned into a somewhat efficient engine that takes the wealth of the American people and accelerates the wealth to the top. That, after all, is what our tax system is about. That's what Wall Street is about. That's what banking is about. That's what our energy policy is about, taking the wealth of millions and giving it to a few oil companies. If you examine every area of our economy, you'll see that we're at a time in the history of America where the rich truly are getting richer, the poor are getting poorer, and the middle class is getting destroyed.

Enter public workers, people who have dedicated their lives to public service, people who are truly public servants in the truest sense of the word, people who were told that if they agreed to public service that they would have certain guarantees. And so they dedicated their lives.

□ 1550

Ohio has a new Governor, a person who I served with in this House, and from the moment he has come into office, he and his supporters, have run an agenda that is aimed at vitiating the rights of public workers. This resulted yesterday in the passage by a single vote in the Ohio Senate of S.B. 5, a bill that will strip collective bargaining rights just about across the board from public workers, that would take away public employees' right to strike, that would make the penalty for a strike removal with replacement workers that will open the door to privatization of services.

Now, my read of what is going on in Ohio, which is my home State, is this: That by attempting to crush public workers, by telling them you will not have any ability to negotiate your benefits, you will not have any ability to negotiate your working conditions, your health benefits, your pension, these provisions are not subject to discussion; the number of people working with you at any time, not subject to discussion. What has happened is that we have seen accomplished an economic attack on workers which will lead to them working for less, but opening the door to privatization schemes which, Mr. Speaker, works like this: You make public workers the issue. You say that they are paid too much when I have here a matter for the record from the Economic Policy Institute which says that Ohio public sector workers are undercompensated compared to private sector counterparts. But facts, unfortunately, mean little in this debate.

But you tell the public that these public workers are overpaid. And this new law, Senate Bill 5, would enable the State of Ohio to do this, you then say we are going to privatize this section of the workforce. We are going to put the work out for bids. We are going to get a private company in here to do it. And oh, we promise it will be done more efficiently.

While the taxpayers then go to sleep, they wake up one day and they discover that what has happened is that they have permitted a privatization of their services and they end up inevitably paying more and getting less. The corporations walk away with the profits; the privatized workers get paid less in order to enable the corporations to make more money.

So ultimately what Senate Bill 5 in Ohio will do is end up costing the State government even more. There is not going to be any savings when you set the stage for a weakening of workers, when you set the stage for making it illegal for them to strike and then knocking them out with replacement workers and then setting things on a path to privatization. That is what this bill is about.

You look in Wisconsin, and I believe it was Paul Krugman and others who pointed out that in Wisconsin, there was a provision in the Wisconsin budget from the Governor of Wisconsin's bill, it says sale or contractual operation of State-owned heating, cooling, and power plants, saying that the department may sell any State-owned heating, cooling, and power plant, or may contract with a private entity in the operation of any such plant, with or without solicitation of bids.

So you can have a private contractor just give it away without any bids at all. They are power plants that serve facilities in the State of Wisconsin. These are the kinds of thing that we can expect in Ohio, except in this case we are talking about the privatization of public services. Now, the privatization of public services in a way is well established already, unfortunately.

The AFL-CIO Public Employee Department produced a paper which talks about when you get into privatization, the public ends up having really little accountability on the question of public funds. They point out that private business has no business allocating public funds or monitoring the use of public funds. It is a question of fiscal accountability.

Look, we know when there are massive amounts of money available that goes from the public sector to the private sector, let's take Iraq or Afghanistan with respect to contracts, billions of dollars disappear, get wasted. It ends up being a racket. Reduce it to a State level, and you have the potential for fraud. You have the weakening of the community's ability to assert collective interests. And as I said, the resulting savings that taxpayers are being told will occur are actually directed to the corporations so they get higher

profits. Privatization is inevitably a racket.

As a Member of Congress in my home district in Cleveland, the Defense Finance Administration wanted to privatize a number of accounting jobs in Cleveland. Mr. Speaker, I had a 7-year battle with the Defense Finance Administration where we proved that the taxpayers were getting taken for a ride in this privatization plan that was being promoted by our government to the tune of tens of millions of dollars. We reversed the privatization. Privatization is at the core of this battle in Ohio because the assets of the State are worth countless billions of dollars.

You can take a workforce that is over 300,000, about 350,000 public workers in Ohio, that would be affected by S.B. 5. There is not a service that can't be privatized, but then the public doesn't have any control over it. They can't call up their elected official and complain about a service that is privatized. They have to call up the corporation. And they end up paying more in taxes. People need to understand that. States have budget difficulties they have to deal with. I've got that. I understand that. States need a revenue-sharing plan from the Federal Government, but the Federal Government doesn't have the money right now. Why doesn't the Federal Government have the money? Well, how about the fact that the Federal Government is spending trillions of dollars on wars, one of which is based on lies, the other one based on a misreading of history.

Joseph Stiglitz, a Nobel Prize winning economist, in his book with Linda Bilmes, it's called "The Three Trillion Dollar War," has stated that the cost of the work in Iraq will run between 3 and \$5 trillion, just to U.S. taxpayers; the cost of the war in Afghanistan is already over half a trillion dollars. The long-term cost of that, since we are still in a period of acceleration of that war, will certainly go into the trillions of dollars.

We saw a couple of years ago Wall Street come to this Capitol. Suddenly, the waves parted: \$700 billion in loans when Wall Street was flagging. That could have been anticipated that Wall Street would create incredible speculation when Glass-Steagall was effectively repealed when they took down the wall that separated commercial from investment banking. Those who were the cops on the beat kind of walked away while this bubble was building on mortgage-backed securities, hedge funds, speculating, inflating the bubble, it burst, and all Americans got hurt. But all Americans didn't get made whole. Most Americans have experienced a 30 percent drop in the value of their mortgages while Wall Street is enjoying record profits once again, while Wall Street, once again, is experiencing high salaries and high bonuses.

Not on Main Street, though. On Main Street, they have 15 million unemployed, 12 million underemployed, 50

million people without health insurance, and 10-12 million people whose homes are or have been in jeopardy.

So then you go back to the State level where States are pressed, but States are pressed in part because of the mismanagement of the national economy and because we have a monetary policy that has worked for Wall Street but it certainly hasn't worked for Main Street. So by the time this debate gets down to a State level, those executives who are more inclined towards a corporate point of view are saying, look, easy, we'll just knock out the public unions.

□ 1600

But there are serious implications to this type of thinking, because what we are actually doing is setting aside an entire struggle that has been part of America's history that we should all be proud of. The civil rights movement is part of America's history we should be proud of; the civil rights movement which resulted in constitutional changes; which recognized the rights of all citizens as being equal, truly equal; the civil rights movement which accorded women an equal place in our society, of course with the exception of pay; but nevertheless, the potential for an equal role in our society is something we should be proud of.

With that civil rights movement, the labor movement moved the pace, and that labor movement was about lifting everyone up, not just those who were members of unions. Unions came about because workers were being crushed; they were working in awful working conditions; they were subjected to forms of slave labor; they were working long hours and were paid very little; they were working under conditions that put their lives in jeopardy. America had a tradition of child labor at one time. All that changed with the laws that were passed in this Chamber.

We should be proud of what America has been able to accomplish in lifting up the status of working people in our society so that you could have an 8-hour day, so that you could have a safe workplace—so much so that today we understand that intimately linked to the very nature of our democracy is the right to collective bargaining, which is the very right that is under attack in Ohio and Wisconsin and Indiana and other States across this Union.

The right to collective bargaining is being able to assert a First Amendment right of association. It is being able to assert that workers have a sense of agency and to know, in a society where capital can be amassed in tremendous sums, that one individual has the right to be able to assert his or her rights because they have representation, because there is a law that says they have the ability to be able to have an influence on how much they are paid and on what their benefits and their working conditions will be.

That's the essence of what it means to be a democracy: that workers have a say and that it's not top-down.

This isn't a dictatorship. Yet S.B. 5 sets the stage for a kind of dictatorship, top-down. These are your working conditions. Take it or leave it. These are your benefits. Take it or leave it. Don't ask any questions. Shut up and go to work.

When did America buy into that? The minute we buy into that kind of mentality, how does that separate us from what's happening in China? I want people to focus on this for a minute. We passed a trade agreement with China, China Trade, which I voted against, which had no provisions for workers' rights, human rights or environmental quality principles.

A month ago, I had some paper workers in my office from Washington State, and they showed me how many jobs in their industry have moved out of Washington and how many plants for their industry have opened up in China. It's amazing to look at a map and see, well, they were here once, and now these same jobs are in China.

In China, workers don't have any rights. There is no right to collective bargaining in China. That's not part of the discussion. The government of China is run under a different philosophy. Workers don't have a right to strike in China. There's no right to decent wages or benefits. Oh, yes. It's called Communist China. Excuse me.

As part of a democracy, we assert—and have a right to assert—that workers here do have a right to collective bargaining, that they do have a right to join a union, that they do have a right to strike, that they do have a right to decent wages and benefits, that they do have a right to a secure retirement, that they do have a right to a safe workplace, that they do have a right to be able to challenge legally an employer who maintains an unsafe workplace. They have the right to participate in the political process.

So many of these rights are under attack at the State level today, and this has an effect not just on public workers but on all workers, because if America begins to take down the hard-earned rights of workers, whether it's in the public sector or the private sector, and if we try to justify it, here is what we can look forward to:

We can look forward to lower wages; we can look forward to people having zero health benefits; we can look forward to people having zero pensions; we can look forward to workplaces becoming less safe; and we can look forward to becoming a little bit like our trading partner in China, which, by the way, has about a \$200 billion trade advantage with the United States out of a trade deficit that is in excess of \$450 billion.

So are we exporting our democracy? Are we importing values that are estranged from a democratic society? That's really the question that we have to ask ourselves if we think that what happens in Wisconsin doesn't relate to us or if we think that what happens in Ohio is none of our business.

Mr. Speaker, I went to Columbus, Ohio, and stood with thousands of workers. I stood with firemen and policemen and teachers. I stood with people who care for children and seniors. These people are people who have dedicated their whole lives to public service. They have a middle class standard of living because they have that dedication. They are people who are not our enemies. They are our friends. They are our neighbors—and they serve us.

Since when are we now faced with looking at those who serve us as being opposed to us? How did our country get that way? Why can't we come to an understanding? We have a collective interest here. Why can't our Governors tell the truth about what's really happening?—which is that States are getting strangled because of policies at a Federal level that are making it much more difficult for States to be able to get any assistance at all.

I have not run into any single labor leader who said that they did not want to negotiate the issues that are at hand. I've not run into any labor leader who didn't understand that State budgets are tight and that they want to make sure that States can meet the needs of all the people. But this top-down approach, this political approach to dictating what the conditions are and what the rights are for State workers, sets the stage for an estrangement of people from their own government.

So we have to look at the issue of collective bargaining. In the State of Ohio, we have to understand that the fact that they have collective bargaining makes strikes less likely. This law was passed in 1993 in Ohio, and collective bargaining actually provides for the public's health, safety and welfare. This bill, Senate Bill 5, is aimed at eliminating collective bargaining. It would not only prohibit the State from being involved at this point in collective bargaining for the purpose of benefits and working conditions, but it would also prohibit counties, cities, and other local government employers from continuing to negotiate employee benefit plan coverage and also to set community-based standards for public employment.

□ 1610

What of home rule? I mean, at a State level, cities that are home rule should be able to make these decisions. This flies in the face of a constitutional right which cities have for home rule.

Senate bill 5 is really an attack on quality public service. It represents a destructive undermining of the compact between government and their workers. It changes the whole relationship. And it cannot do anything—cannot do a thing to improve the quality of service.

Look at some of the biggest industrial corporations in America. They had their battles with labor, but they

also understood that by having a workforce they could work with—the steelworkers work with the steel industry to produce a quality steel product, the autoworkers work with the auto industry to produce a quality car. In aerospace, we have some of the best technology in the world, and the industry works with unions.

The whole idea about being able to negotiate for your wages, to be able to negotiate for your benefits is so that you can elevate the condition of your family and yourself. These aren't selfish people; they're people just trying to make a living. They just want to continue to do their work, to have an opportunity to negotiate their pay, to be able to negotiate their benefits—to have benefits—so that then they can go home and put food on the table and maybe be able to send their children to a decent college and maybe be able to put a few dollars aside, maybe be able to save a little bit for their retirement in addition to a pension plan that they have at work. When has that become asking for too much?

I think it was Rachel Maddow the other day had something that was a joke on her show where she talked about—I'll paraphrase it: people sit down at a table and you've got a CEO sitting at a table and you've got workers and a tea party member sitting at a table and there's 12 cookies on a plate. The CEO grabs 11 of those cookies and then the worker goes to get that remaining cookie and the CEO says to everybody at the table, Better watch that person, he's trying to take your cookie. This is what's going on in State after State.

And this is actually what's happening in our economy, where it's working people who are the target of this attack. And it's not only at a State level. Every worker in America understands the downward pressure on wages unless you're on Wall Street. Every worker in America knows that if they don't have job security they can't plan for anything.

There are so many people in America who are a single paycheck away from losing their home, from losing everything they ever worked a lifetime for. And in this economy, where corporations have extraordinary power, where because of our trade agreements they can move out of this country like that, we're going to further weaken the ability of workers to have a voice at a State level, or anyplace at all? Come on, America, wake up.

We have to understand the implications of what's happening in Ohio and Wisconsin. We have to understand that our very way of life is at risk here, that if corporations can use their influence to get State leaders to knock down workers' rights, it won't be long before every worker in America is reduced to a form of peonage.

People can laugh and say, well, that can't happen. Well, you know what? I want to quote to you from a book by Robert Scheer called "The Great Amer-

ican Stickup." And the subtitle of it, so that you know that I'm not partisan here, Mr. Speaker, the subtitle of it is, "How Reagan Republicans and Clinton Democrats enriched Wall Street while mugging Main Street." I won't get into that too much, but I do want to quote from Mr. Scheer's book.

He talks about how two University of California economists, Emmanuel Saez and his colleague, Thomas Piketty, they analyzed U.S. tax data and other supporting statistics, and they concluded that the boom of the Clinton years and afterwards primarily benefited the wealthiest Americans.

During Clinton's tenure, from 1993 to 2000, the income of the top 1 percent shot up at an astounding rate of 10.1 percent per year while the income of the other 99 percent of Americans increased only 2.4 percent annually. In 2002 to 2006, the next surge of the boom that Clinton's policies unleashed, the numbers were even more unbalanced. The average annual income for the bottom 99 percent increased by only 1 percent per annum while the top 1 percent saw a gain of 11 percent each year. Further, just as the good times of the Bush years saw almost \$3 out of every \$4 in increased income go to the wealthiest 1 percent, the GOP cut taxes for the richest brackets.

So as I said at the beginning, the whole economy is being converted to an engine that takes the wealth of America and puts it in the hands of a few. How can you maintain a democracy that way? An economic democracy is a precondition of a political democracy.

The minute we start attacking what people make, the minute we start putting pressure on people's wages—and keep in mind, it's okay with Wall Street to have 15 million Americans out of work. Why? Because that creates a big labor supply, which does what? Keeps wages down. So instead of having a full-employment economy—which really ought to be what we should expect in a democracy, that everyone who wants to work has a place—we have 15 million workers out of work, 12 million underemployed, but Wall Street keeps making more and more money.

We're being told there's a recovery, but it's a jobless recovery. And so in this morass we see an attack on public workers. You have to recognize exactly what's going on here. This is still another attempt to grab more assets from the people and put it into the hands of a few. Just think what can happen in Ohio if the State legislature goes ahead and passes S.B. 5. If the State house passes it, the Governor signs it into law, we will just set the stage for massive privatization which will reduce service, increase its cost, and put money into the hands of private corporations; more wealth going to the top, less ability for workers to defend their interests. And these are people working for us. State workers, city, county workers, they're the govern-

ment. They are the ones who provide service.

I served at a local level, Mr. Speaker. I was a councilman. I served as a mayor. I served at that local government where government is really close to people. It provides an opportunity where people can get on the phone and say, hey, Mr. Councilman, we need somebody who's going to fix this street. Take care of it. Well, there's political accountability. You get enough calls, it's not taken care of, you won't be reelected.

But that control that comes from people in the neighborhoods to city hall, when you break unions and you set the stage for privatization of their jobs, you break that, you break the tie.

□ 1620

Then it's the government at the top that has to do with the corporations to make sure their workers are doing right by the people.

The essence of democracy is accountability. The essence of democracy is that people have the ability to be able to contact their government and be able to change conditions if they don't like it. And also the essence is service. People pay taxes, they should get something in return.

And yet the public workers who are being attacked in Ohio and Wisconsin and other places are the focal point of a great debate over whether or not we will continue to have something that we call government of the people.

All across this country, Mr. Speaker, there are Governors who are facing budget shortfalls, and they're watching events very carefully in Ohio and Wisconsin to be able to determine how far they're going to go. We're looking at cutbacks in pension benefits, cutbacks in health benefits—some of which the representatives of the workers are actually agreeing on in order to keep the jobs.

But we're also looking at this parallel attempt to knock out bargaining rights. What does one have to do with the other? If people don't have the right to collective bargaining, they don't have a right to a sense of agency in dealing with governments, they're just reduced to nothing.

Why do we do that to people who serve us? Why should we do that? And why shouldn't we be calling into accounting those public officials who, by and large, will be representing corporate interests or corporate thinking?

There are those who think that the interests of corporations and the government are one in the same. Oh no they're not. Government exists to provide service. Corporations exist to make a profit. Fine. But let's make sure we understand there's a difference.

Government does not exist to make a profit, but it does provide a service. And when government's resources are starting to be eroded, we have to ask why. I'll give you an idea, Mr. Speaker.

We're being told that there's just not enough money anymore. Let's look for

a moment at our monetary system itself.

When you go to a bank and you take out a loan, the bank will book that as an asset. Banks for years and years have been using a device known as a fractional reserve where they're able to create for every dollar they book as cash that they claim to have. They're able to create another \$9 or even \$10, maybe more. And that device, known as a fractional reserve, has given our banking system essentially the money to create—the ability to create money out of nothing.

Now, there's some people who are okay with that. They say, well, banks have to have this ability; but when banks have that ability, we also know that banks have been prone to being able to make transactions when they got involved, as a bank in Cleveland did on mortgage-backed securities and they began investing heavily, actually investing money they didn't have. When the market collapsed, the bank collapsed.

So this device of fractional reserve actually in this economy has ended up helping to fuel speculation.

And what about the Fed? The Fed, which this Congress has tried many times—and I've worked with Mr. PAUL on this—the Fed has virtually no controls whatsoever, limited accountability. When the Federal Reserve Act was passed in 1913, it really took out of the hands of this Congress the ability to have control over the monetary system.

Now, this Constitution of the United States, which I carry with me, article I, section 8, Congress has the ability to coin money. Now, to coin money doesn't mean just to make coins. It actually means to create money, to publish money.

That was a foundational principle of the ability of Congress to have a role in the money system. We basically sent that over to the Fed with the 1913 Federal Reserve Act. So the Fed, through another device known as quantitative easing—I want everyone to remember this—quantitative easing. What does it mean? It means the Fed has the ability to create money out of nothing to the tune of trillions of dollars—\$4 trillion in this most recent economic crisis.

Now, we're told that unless the Fed can do this, our economy would collapse. I think it's time we started to look at these institutions which we've created and ask if this isn't the time for us to take control on behalf of the American people to critically analyze the fractional-reserve system and see if it has any more viability, if it doesn't really expose us to more problems than it ends up creating.

I personally think that it's time to challenge the fractional-reserve system to the point of where you let banks loan the money that they actually have on deposit instead of creating money out of nothing, and then if the bank goes down, we have to bail them out.

I think it's time for us to take the Fed, which has been out of our reach, and put it under the control of Treasury again. And then if the government needs to invest money, and we do, then we invest the money, then we spend it into circulation. We're told right now we don't have any money. We don't have any money to fix our roads. There's over \$2 trillion of infrastructure needs. States don't have any money. That's what we're told. That's why we're told they're having these conflicts with the workers; they're out of money. We don't have any money to fix up our roads.

Well, FDR figured out what to do in the New Deal. You just create a WPA. You put millions of people back to work; you rebuild America. We're apparently not going to go in that direction. But why not? We're told we don't have the money. What, we have to borrow it from banks? Who's holding our securities?

If we can borrow money from Japan and from China and from the UK, and from the Cayman Islands to manage our economy, well, if we can borrow money to keep wars going, hello, why can't we spend the money into circulation, take back the power—which inherently is in the Constitution—and invest in the creation of jobs again and put those 15 million Americans back to work? Create a revenue sharing program for the States so States aren't faltering any more. Have a national health care system so you don't have to worry about health care being on the bargaining table. Absolutely make Social Security solid so there's never a question about a partial privatization—which is another agenda some people would like to run here.

It's not like we don't have within our grasp an ability to change the conditions in which we're operating.

But, instead, we have this poverty mentality which rivets us to control by corporate interests who are making money hand over fist, who we're being told all of America's poor except Wall Street. Huh? How did that happen? With our money nonetheless? How did that happen?

Why isn't unemployment a problem on Wall Street? Think about this. Why is Wall Street doing better than ever? Why do we hear these dark tales about speculations happening again? Are we getting ready for another pump-and-dump scheme where we'll be back here in a few years having to bail out Wall Street again?

Meanwhile, Main Street's infrastructure crumbles; Main Street's workers are hungry for work; Main Street's wages are getting depressed; Main Street's struggling for health care; Main Street's worried about its pension; Main Street's worried about whether they're going to have a home or not.

What's happening in Ohio and Wisconsin is relevant because every single economic issue that is facing this Nation today is part of that debate.

□ 1630

Why should we accept an economy where people are told they have limited expectations? This is America. We have shown the world the ability to create untold wealth. But if we keep shipping it offshore . . .

Why shouldn't people who have an education, who have strived to achieve a middle class standard of living, why shouldn't they expect that their government will stand next to them? It's time for people to understand that we need to take a strong stand in favor of the rights of workers.

Now, how do we do that? Let's look at our trade agreements, Mr. Speaker. Every trade agreement needs to be renegotiated. We need to renegotiate NAFTA, and the General Agreement on Tariff and Trade, and China trade, and we need to say that every single trade agreement has the right to collective bargaining. We're going in the wrong direction in the States. Every agreement we have should have the right to collective bargaining, the right to join a union, the right to strike, the right to decent wages and benefits, the right to a safe workplace, the right to be able to sue an employer if they maintain an unsafe workplace, the right to a secure retirement, the right to participate in the political process.

If we had those in our trade agreements, if in our trade agreements we had prohibitions on child labor, slave labor, prison labor, if in our trade agreements we had the protection of the air and the water, then these corporations wouldn't be running to China or anywhere in the world in order to have the people of that country subsidize their profits through dirty air, dirty water, low wages, slave labor, child labor. Think about it. That's why we need to go back to the trade agreements.

We need to elevate the condition of workers in our society. We need to think in terms of raising people's standard of living. We need to think in terms of helping people save their homes. We need to think in terms of more competition in our economy. We need to think in terms of how do you create wealth in our society, not just how do you create debt. Because right now, Mr. Speaker, our whole economic system is money equals debt. And as long as we're locked into that mentality of money equals debt, then all we're going to have is debt no matter where we look. And our ballooning debt keeps getting larger and larger, and we're told, well, we have to pay off that debt before we can deal with our problems. Baloney. We don't have to do that.

What we have to do is to start looking at what can be done to prime the pump of our economy, to get America back to work. We have the resources. And if we have to change the way that we handle our money system, we should do that. The Fed has not been responsive. The private sector isn't creating jobs. They're getting rid of jobs.

If the private sector created jobs, then right after we gave hundreds of billions of dollars to Wall Street we should have seen millions of people go back to work. That did not happen. We are in at least a double-dip recession. We have Americans struggling to survive, and they could read the daily reports about how great Wall Street is doing.

Let's go back to Ohio and support those workers. Let's support those who teach our children, who police our streets, who put out the fires, who serve our elderly, who take care of our children, the people who perform the services at the myriad of State offices and at county and city offices. Let's respect and honor those who are in public service, as we ourselves would want to be honored for taking the path that we chose in our careers. The people who chose the civil service, the people who chose to do that day-to-day work of being involved in a community, they are no less important than we are as individuals. We're part of the same tissue that makes up a democracy.

And so I want to appeal to my colleagues to look at this moment in history, to understand the deep threat which the breaking of collective bargaining represents to our democracy, to understand how urgent it is that we support workers everywhere, that we express our appreciation to them, that we understand that in this House there are many different points of view.

We have different points of view about the amount of power we would like concentrated into fewer and fewer hands. But we should have no difference of opinion, there should be total solidarity on protecting those who serve the public and on protecting workers whose basic rights are cardinal principles of a democratic society.

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

COMMUNICATION FROM CHAIR OF COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

The SPEAKER pro tempore (Mr. YODER) laid before the House the following communication from the Chair of the Committee on Oversight and Government Reform:

HOUSE OF REPRESENTATIVES, COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM,

Washington, DC, March 3, 2011.

Hon. JOHN A. BOEHNER,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: I write to notify you pursuant to Rule VIII of the Rules of the House of Representatives that the Committee on Oversight and Government Reform has been served with a subpoena for documents issued by the United States District Court for the District of Columbia in a civil case now pending before that Court.

After consultation with the Office of General Counsel, I will make the determinations required by Rule VIII.

Sincerely,

DARRELL ISSA,
Chairman, Committee on Oversight
and Government Reform.

OUR FISCAL SITUATION

The SPEAKER pro tempore. Under the Speaker's announced policy of January 5, 2011, the gentleman from New Mexico (Mr. PEARCE) is recognized for 30 minutes.

Mr. PEARCE. Mr. Speaker, I appreciate the opportunity to address the House this afternoon.

Mr. Speaker, there are many people who are wondering in the Nation exactly what it was we were doing up here a couple of weeks ago as we were talking about amendments to cut the budget, amendments to increase the budget. And for myself, I like to keep it in very narrow terms and like to get it as simple as possible.

So we went across the district last week, had town hall meetings trying to explain to people exactly the situation that we're facing here in the country. And I've got a chart here which is very instrumental in helping me to visualize what's going on. And basically, this chart is one which shows that we're spending \$3.5 trillion at the current moment and we're taking in \$2.2 trillion, and that begins to give the basic understanding of where we are.

Now, if a local family were in this position, they would be maybe spending \$3,500 a month and bringing in \$2,200 a month, and their banker would not be pleased with that. Their banker would say, well, we probably need to do better, especially if they were borrowing money every month. And we are borrowing money every month to work here. And so our government is just as stressed with the debt and with this imbalance in spending and imbalance in revenues as a family would be.

Now, our banker in this country is used to Americans saved and they bought Treasury bills. That's how we would finance our government. But Americans across the country basically don't save anymore, and so we have to find other people who will buy our Treasury bills. And that's the Chinese Government. So China is our borrower of record, our lender of record.

And so we would watch what the Chinese have said in the past couple of months, in the past couple of years, and a couple of times China has said, We're not going to buy any more of the Treasury bills from the United States Government. At one point they said, We'll buy South Korean treasury bills, meaning the South Korean Government was a better bet than the U.S. Government. And so our banker has been giving us signs that, We're concerned. We're concerned about the economic health of your country, because they see that we cannot long continue.

Now, for myself, I've gone ahead and done the mathematics that, if you are spending 3.5, you are bringing in 2.2, well, you are running a deficit of \$1.3 trillion every year. Now, that's a deficit as long as it's unaccounted for, as long as it hasn't been spent. But the moment that the money spends, then it goes into the debt barrel, and that's the top small barrel. And then we have

a debt of approximately \$15 trillion. Might be a little bit less.

To put that in perspective, that debt barrel began to build in the early days of our history, and we accumulated up to \$5 trillion worth of debt to the second President Bush, George W. Bush. And during his term, we increased that debt from 5 to basically 10. So, a very rapid escalation of debt accumulation during the second Bush years.

□ 1640

But then, under President Obama, then we have seen an acceleration even faster so that we have already added almost another \$5 trillion in debt in 2½ years under President Obama, and we are on track to maybe add another 6 or 7, maybe 8 in the next 2 years. This 1.3 deficit for this coming year, that was last year. This coming year, that number becomes 1.6 trillion. So you can see that the gap between what we are bringing in and what we are spending is absolutely increasing rather than decreasing.

Now, to put this in a bigger perspective the last year of President Bush, the deficit was about \$200 billion so. Instead of 1.3, it was about 0.2, if we round it off to 0.3. You could see that almost immediately under President Obama that we increased our deficit. That is, we increased these outlays by almost a trillion dollars so that our economic condition is worsening very rapidly.

Now, the unsettling pieces, I mean, if you look at the 15 trillion in the top debt barrel and then you look at the revenues that we are bringing in from the government, you say, well, we could pay off 7 or 8 years. If we weren't spending a thing, we could pay off for 7 or 8 years and still not have quite all of our debt paid off.

But then the alarming piece is this fiscal gap at the bottom, that is Social Security, Medicare and Medicaid. And when we consider those elements, then we are looking at a \$202 trillion deficit, a debt, a debt that we owe. Those are mandated spending programs that we are not going to turn off.

So we can already understand that we would pay almost 100 years if we were only getting \$2.2 trillion into paying off this fiscal gap that we experience here.

Now, over in the far right corner of the chart, we see now a graph. The thing about graphs is they go on in time, this bottom line, the horizontal line is actually years and then the vertical line then is representative of the average income, per capita income that we as Americans have had through our history.

So I ask our listeners always, are you doing better than your parents did? And almost always the answer is yes, I make more money than my parents did and I, I myself, made more money than my parents did. That's shown on this chart that every year the chart has been increasing as we go through time, the numbers increase and so it shows that.