

the House, but on a bipartisan basis, this is a very, very spirited and ram-bunctious delegation on both sides of the aisle, and a lot of seniority is leaving the Congress with this delegation, a lot of expertise. But I'm very proud to have served with all of them and for their contributions and the sacrifices they made in public office on behalf of public policy that they strongly believe in and became advocates for.

With that, I yield back the balance of my time. I want to recognize Mr. BERMAN who is here and thank him again for his service.

PUTTING OUR NATION'S FISCAL HOUSE IN ORDER

The SPEAKER pro tempore. Under the Speaker's announced policy of January 5, 2011, the gentlewoman from Tennessee (Mrs. BLACKBURN) is recognized for 60 minutes as the designee of the majority leader.

Mrs. BLACKBURN. Mr. Speaker, I appreciate the designation of the time and appreciate the opportunity to come to the floor tonight and discuss the issues, the very serious issues, that are in front of us. Now, this is something that we Republicans have talked about for quite a period of time, that we had to get the Nation's fiscal house in order.

The reason we had to do this was because we had a spending issue that was in front of us. Many of us felt that running deficits of several hundred billion dollars a year was not acceptable, and we've watched what has transpired through the years as this has continued to grow. And we all know that the last few years of the Obama administration has run deficits, annual deficits, of well over \$1 trillion.

Now, I am constantly hearing from people, How did this seem to happen so quickly? Well, it's been decades in the making. And as I said, indeed, many of us have come to the floor regularly, we've talked about it, and we've offered bills that would address this. A great example of this, every year I've offered bills that call for 1, 2 and 5 percent across-the-board spending reductions. Little bits add up over a period of time.

We have the appropriations process where Members have come to the floor and they've offered amendment after amendment that would reduce what we are spending.

We on this side of the aisle also believe that you have to have a budget. Now, the President had a proposed budget, and nobody wanted to vote for that. We put it on the floor, and I think it got one or two votes from the Democrats. The country has not had a budget in over 1,300 days, and there's a reason for this. It is because the budget that we have passed out of this House has gone to the Senate each and every year, and it sits on HARRY REID's desk, and he does not take it up.

We have passed this budget, and I commend Congressman RYAN who leads our Budget Committee. We passed it

because we think you've got to tackle the drivers of the debt. You've got to bring out-of-control spending under control. You have to restore economic freedom and ensure a level playing field for everybody by putting an end to special interest favoritism and corporate welfare.

We feel as if it is imperative to reverse this administration's policies that are driving up the cost of gas at the pump, that we need to be promoting an all-of-the-above energy strategy unlocking American energy production to help lower costs, to create jobs, to reduce dependence on foreign oil, and to strengthen our health care and our retirement security by taking power away—away—from government bureaucrats and empowering patients and letting patients and doctors make the decisions that are important to them.

Now, as I said a moment earlier, so many times people will say, How in the world did we get here? Well, as I said decades—decades—in the making.

Then we went through the Budget Control Act exercise a year before last in August. We had a select committee that was put in place. That didn't work out. So we ended up with the sequesters. And many of my constituents—and I'm sure other Members are seeing this too—they are saying, Tell me what the sequester is all about.

□ 1830

This is what it is. It's going to take place on January 2, 2013, and the defense budget is going to see the brunt of these spending reductions. Most everything gets 2 percent across the board. With defense, you're going to see additional cuts of \$55 billion per year. That is going to give them a total of \$492 billion additional cuts. This is going to leave our military with the smallest ground force since 1940, the smallest naval fleet since 1915, and the smallest tactical fighter force in the history of the Air Force. Medicare could see \$16.4 billion in annual cuts, leading to the elimination of 496,000 jobs in 2013. There will be 62,000 physicians that will be adversely impacted. We know that the sequester cuts are not fair to everybody.

As I said, we've been taking steps. Every year for several years, we've talked about getting the fiscal house in order and cutting spending and fighting the growth in the debt. We've also passed some bills this year. And I would like to remind the Members of the body, Mr. Speaker, of these pieces of legislation that this House of Representatives has already passed, and that are sitting on the desk over in the Senate.

On August 2 of this year, by a vote of 232-189, we passed the Pathway to Job Creation through a Simpler, Fairer Tax Code Act of 2012. That was H.R. 6169. It would provide an expedited pathway to pro-growth tax reform in 2013. To deal with the spending issues, to deal with the deficit, to deal with the debt, yes,

you have to cut spending, you have to reform your Tax Code, and you have to have a pro-growth agenda. That legislation, as I said, was passed on August 2.

On September 19 of this year, we passed the National Security and Jobs Protection Act that would deal with the sequester that I spoke about a few minutes ago. That passed with 223 votes. We also had on May 10 the Sequester Reconciliation Act of 2012, H.R. 5652, which passed with 218 votes. We then had the Job Protection and Recession Prevention Act passed on August 1, and that was H.R. 8. It passed with 256 votes. H.R. 8 is the 1-year extension of all the tax rates.

We keep hearing that the President wants to extend the tax cuts for those making \$250,000 a year and less. What that would do is catch a lot of our small businesses. About 20 percent of our small businesses have already said that this would adversely impact them to the point that they would be cutting jobs, not growing, but actually cutting jobs. So I would point out that 256 Members of this Chamber, on a bipartisan basis, voted to extend the tax cuts for everybody.

When people say, Why can't the House and the Senate get together, Mr. Speaker, our bills—as I've just mentioned, these bills are sitting on the Senate leader's desk dealing with the sequester, dealing with taxes, dealing with the reform issues that we have in front of us. These four bills are sitting there waiting for action. The House has done its job. We've agreed to not raise taxes on anybody. That's only one part of this issue.

Certainly, with the way the President is wanting to approach tax reform, his proposals would raise enough revenue to run the Federal Government for about 8 more days. He's going to raise taxes on the top 2 percent basically to pay for 2 percent of next year's spending. This is not sustainable. We do not have a revenue problem in this town, we have a spending problem. We have a crushing burden of debt. And now I've got some posters that I would like to show regarding that.

This first poster that I want to call your attention to points out exactly what we have in this crushing burden of debt. You will see that in World War II, it lays out our country's long history with this debt and shows where this burden has been passed. As I said, it's been decades in the making. Take a look at this. In 1940, the percentage of our gross Federal debt was 52.4 percent. That's where we were. By the end of World War II, the debt had skyrocketed. It was up to 117.5 percent of our GDP in 1945, and then it peaked in 1946 at 121.7 percent of our GDP. That was through the war. But you know what? We did what Americans generally do. When you have got a problem, you get behind it and you get it solved. So we doubled down on getting the spending under control, and you can see what happened. Then our Federal debt pretty much stabilized in the

mid-30 percent range. And during the Reagan administration in 1981, the gross Federal debt was 32.5 percent of GDP.

Well, those old spending habits kind of die hard around this place. The Federal Government and the bureaucracy never gets enough of the taxpayers' money. When the President took office, our gross Federal debt was 84.2 percent of the GDP. This takes us back to swearing-in day in 2009. That's the figure that neither party could celebrate, and both parties share responsibility.

This Federal Government spends too much money and has for decades. Today, according to OMB, our projected gross Federal debt is 105.3 percent of our GDP. These are just simple facts. You can see what is going to happen if you look at where we are headed. Now we are over 100 percent. Look at how quickly we're going to get to 200 percent, then 300 percent, and 400 percent.

This points out how unfair this debt is to our children and grandchildren. Indeed, Mr. Speaker, I think the debt that we have in this country is the ultimate cap-and-trade. What is happening? We are capping our children's futures, and we're trading it to the countries that own this debt.

Let me point out who owns this debt. I've got another chart that I want to show you on this specific issue. A lot of people will ask about this. And of course last year during the debates on the debt, we had so many discussions about this. A couple of my colleagues and I went down, and we asked who owned our publicly traded debt. We wanted to know who was buying this American debt. Of course, we've been frustrated with the Fed monetizing some of this debt and running the printing presses. We know that devalues it. We're frustrated that we are running about \$4 billion worth of debt a day, and that is adding to the annual deficit, which accrues to the Nation's debt. That frustrates us. So what we've done periodically in my office, Mr. Speaker, is to go back in and check with Treasury and see who owns our debt.

As of right now, China owns \$1.15 trillion of our debt. Then number two on the list is Japan with \$1.13 trillion of our debt. This is interesting. Out of this debt, number three on the list is OPEC. OPEC is an entity. That's the countries of Ecuador, Venezuela, India, Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, the UAE, Algeria, Gabon, Libya, and Nigeria. Guess what? They now are number three on the list, and they own \$267 billion of our debt. Brazil comes in at number four, \$250.5 billion. And then number five on the list—new to the top five list—the Caribbean Banking Centers, who now own \$240.4 billion of U.S. debt. By the way, the Caribbean Banking Centers are the Bahamas, Bermuda, Cayman Islands, Netherlands Antilles, and Panama. This is who owns us. This is who owns our debt. This is why on

this side of the aisle what we continue to say is the spending has to be dealt with.

We've heard from everybody. We are hearing from economists all around the globe, and they repeatedly say what we are saying, what we've been saying for years as we've come to this floor, that we have a spending problem. The spending has to be dealt with. We are drowning under a mountain of debt. You cannot continue to borrow nearly 50 percent of what you are spending. We think that it is problematic, if you will, Mr. Speaker.

It is disconcerting that the President doesn't want to talk about the spending, but is instead offering to raise enough taxes to fund additional spending for 2 percent of the year by raising taxes on the top 2 percent. I guess he's not worried about the other 98 percent of the year. This is how we have to get this under control, by reducing this spending.

I'm so pleased to be joined by my colleagues who share a passion for freedom and for economic freedom, and understand that economic freedom and political freedom are linked, and that this is a task that we are passionate about, we are given to solving this problem so that we remain a free Nation.

□ 1840

At this time, I want to recognize the gentleman from West Virginia (Mr. MCKINLEY).

Mr. MCKINLEY. Thank you, Congresswoman.

I rise today in a belief that America can handle the truth. Abraham Lincoln said, "I am a firm believer in the people. If given the truth, they can be depended upon to meet any national crisis. The great point is to bring them the real facts." To that end, Speaker BOEHNER has been candid about the fiscal challenges facing our Nation and has put forth a balanced plan. However, as the President continues to promote his own plan, he seems to be deliberately not sharing key details with the public.

First, the plan will hurt nearly a million small businesses by treating them the same as the wealthy Americans. Secondly, the plan ignores the central driver of our deficit—government spending. It ignores that.

On the first matter, why should we lump the owner of a hardware store together with Wall Street executives and tax them at the same rate? When the President talks about the rich paying their fair share, he fails to mention that he also raises the same rate of taxes on small businesses. Earlier this week, the President told factory workers that his plan is to "ask the wealthiest Americans to pay a slightly higher tax rate." Previously, he said, "Millionaires and billionaires can afford to pay a little bit more." But not once did the President publicly acknowledge his plan will raise taxes on owners of small family businesses.

I'd like to give you an example of a small business owner who would fill out the tax form here, a 1040. This form is for a single woman, Mary Workman, who is in software development. She makes \$50,000 in wages, and the company makes \$150,000. She picks up some dividends and capital gains, so she has a total family income of \$210,000. Under the President's proposal, Mary would be hit with the same tax rate equal to those of millionaires—at \$50,000 in wages.

Where is the fairness in that, Mr. President?

It's one thing to ask Bill Gates, Warren Buffett, or Donald Trump to pay more in taxes, but it's something else to penalize the small businesses of Main Street, like the software developer, for example.

This is not an isolated case. According to the Joint Committee on Taxation, 940,000 small businesses will face higher taxes under this President's plan. These are not the wealthiest Americans, but they're proprietors of small, family-owned businesses that are located in every town across America. According to the report by Ernst & Young this summer, 710,000 jobs will be lost by these companies if they're taxed at the same rate as corporate America.

The President's proposal, curiously, would raise taxes on small businesses to as high as 39 percent, but for larger, mature corporations, the President is seeking to lower their tax rate to 25 percent. Although reforming and lowering the corporate tax rate is a worthy goal, neither Congress nor the President should give tax advantages to large corporations at the expense of the owners of small, family businesses.

Generally, Mr. Speaker, I am opposed to raising taxes. However, if in the spirit of compromise Congress is forced to adopt new revenue in order to achieve reductions, then Congress should insist that personal wages be separated from small business income and taxed differently. This could be done by using the information already filed on the 1040, which is just like they do on capital gains, dividends, and interest payments.

Now on to the second matter, the spending side of the equation. Surely, the President understands that raising taxes on small businesses and Wall Street executives won't sufficiently cover the deficit. Despite this reality, he consistently confuses the public by ignoring the role that reducing government spending would and should play in deficit reduction.

According to the Office of Management and Budget, this administration's plan to raise the top rates generates an average of \$43 billion a year, yet we are faced with a deficit of \$1.1 trillion. This new revenue, as you pointed out, Madam Congresswoman, is only enough to fund the government for 8 days. During the campaign, the President proposed that there should be \$2.50 in new spending reductions for every dollar in

new revenue, but now that the campaign is over, his latest plan calls for just the opposite—an unacceptable ratio of \$4 in new revenue and only \$1 in spending cuts.

Speaker BOEHNER is right: America has a spending problem, not a taxing problem. While the President has consistently told the American public that he is merely asking the wealthy to pay just a bit more in taxes, when was the last time the President also reminded the American public that we borrow 46 cents out of every dollar we spend? Congress is chasing the wrong rabbit. Raising taxes on small businesses is no more a solution to fixing the deficit than is cutting worthy social programs. The problem lies much deeper than that.

Federal Reserve Chairman Ben Bernanke admitted that the spending levels of this administration are unsustainable. Just as President Clinton declared years ago that the era of Big Government is over, this Congress needs to man up and declare the era of taxing, spending, and borrowing into perpetuity is over as well. Now is the time for the President to provide leadership, to level with the American people, and to set aside the campaign rhetoric of class warfare, division, and envy.

Small, family-owned businesses cannot and should not be painted with the same broad brush as millionaires, billionaires, and Wall Street executives. We must protect our small businesses and stop promoting the treatment of their income to be the same as that of the wealthy.

□ 1850

At the same time, this administration needs to admit that raising taxes on businesses will not pay the excesses of spending that has occurred over the last 4 years. We must prioritize our fiscal negotiations by putting spending reductions before addressing new revenues.

Mr. Speaker, I came to Washington 2 years ago to get something done. Speaker BOEHNER has shown that he understands the gravity of the situation and wants to find a solution that is balanced and realistic. I stand solidly behind him. Protecting small businesses and addressing our spending problems are too important to the economy to ignore. The situation demands that we deal in reality. Once again, Mr. Speaker, America can handle the truth if given all the facts.

Mrs. BLACKBURN. I thank the gentleman, Mr. McKINLEY, for his well-thought-out presentation and for putting this 1040 form up here from the IRS. And it reminds me, we're coming up on the 100th anniversary of the income tax, the Federal income tax, which was to be a 1 percent tax on the top 1 percent for 1 year. Now the 100th anniversary of that is going to be February 25, 2013.

Mr. Speaker, I think this is a grand time to say let's totally overhaul this

Tax Code here in the United States. Let's make certain that, indeed, it is fair. The gentleman talked about the small businesses that he interfaces with. My goodness, a convenience store operator, a female that runs a seven-person service shop, a medical application device creator—I've met with all of them in the last couple of days. They can't afford to stay in business because, guess what, they will not be able to make a profit by the time they pay escalated tax rates and are treated, as the gentleman said, like they're some Wall Street business.

Also the \$63 per health insurance fee that goes on this next year, driving their health care cost up, the \$3 medical device fee that is going to be applied to our mobile medical applications. You know, they're taxing every single thing they can find to tax. There are 21 new taxes in ObamaCare, plus all of this we have. This is why we are so passionate about solving this spending issue.

I want to welcome to the floor the gentlelady from Wyoming (Mrs. LUMMIS) who has been a stalwart in making certain that we cut what we are spending. Cut, make some cuts, so that we're wise stewards of the taxpayers' money. I yield to the gentlelady.

Mrs. LUMMIS. Mr. Speaker, I want to compliment the gentlelady from Tennessee for organizing this group to talk about this essential issue that is coming before the people of this country as described to be a fiscal cliff. Quite frankly, we need to look back at Alice in Wonderland to see from whence we have come.

In the case of Alice in Wonderland, there's a line that says if you don't know where you're going, any road will get you there. Certainly in the case of Congress, the Republicans have laid out a road. It's a road map for America's future. It was designed by our House Budget Committee chaired by Congressman PAUL RYAN from Wisconsin, and it lays out a plan for spending. It lays out a plan to sustain the viability and vitality of Social Security and Medicare and Medicaid into the future, to make sure that seniors now can enjoy the benefits that they've earned through Social Security, Medicare and Medicaid. And the young people who are paying for it now will have those benefits available to them when they retire or when they need them.

That is our road map to America's future. That is our budget. It passed this House unanimously through Members of Congress who are of the Republican persuasion.

By contrast, the Democrats have not tendered or put forward a budget for over 1,300 days. Now, Tim Tebow was a quarterback at the University of Florida 1,300 days ago before his career at the Denver Broncos, before his career now in New York. So many things have happened in those 1,300 days in America. How could one important political party in this country not put forward a budget, a road map, to where we want

to go with our spending and to retire our debt?

Something that our budget, the Paul Ryan/Republican budget, put forward is a pathway to eliminate our debt and our deficit without raising taxes and while preserving America's social safety net. And yet the other side of the aisle put forth nothing in response. And the answer is because, I believe, they don't know where we're going so any road will get them there.

The President's budget was presented by Timothy Geithner to the House Budget Committee. We asked him: When does it balance? At what point out in the future does it eliminate our debt and our deficit? And the answer was, Never. Never.

Our country needs direction right now; and the people who are here tonight want to make sure that the people of America know where we're going and yet our President put forward a budget that never balances. And his answer now on this road to however and wherever we're going is, I want to tax people who can provide enough income for our Nation to fund it for 8 days. That's not a budget. That's not an answer. That's not an American value. That is not where we should be going.

Our own Government Accountability Office has put together three volumes of reports that contain in them ways that we can consolidate spending, create efficiencies in government, save money, and make our government smaller, more robust, serve the people, and yet save \$900 billion a year. Now, that is three-fourths of the way to solving our entire deficit, and yet why aren't we grabbing that and running with it? Why are we talking about raising taxes on the American people, on our small businesses?

I come from a State where there are no big cities, Madam Chairman. I come from a State where the largest town has less than 60,000 people. I come from a State where there are no Big Four, too-big-to-fail banks. A place where you go to your local Main Street banker if you want to borrow money and present a plan to pay it back, a secured loan that comes to you and that you do pay back, from people who know you, that know your reputation and your ability to repay. And yet laws like Dodd-Frank and this mysterious creation called Basel III will put global banks and my little banks on Main Streets in Wyoming on the same capital plan. That was never intended. That's so irrational.

Let's work together, Republicans and Democrats, to help our country rationalize and put things back on the right track and focus on our spending problems.

□ 1900

Use the nonpartisan Congressional Budget Office reports to eliminate even half of the items that we're overspending. It would be a stunning victory for the American people, and we know how to get there.

Mr. Speaker and Madam Chairman, you are leaders in this caucus, this conference, this country. We, in this House, know how to solve these problems. What we lack is gumption. What we lack is the relationship with the President of the United States to sit down and talk to him about these issues.

One more thing, Madam Chairman. I realize we have very important remarks to be made from others here tonight, but I want to tell you a story. There is a group here in the House that gets together once a week. And one day we had Bob Schieffer come in and speak to us, Bob Schieffer of CBS News, a long time, highly respected journalist.

And I had the chance to ask him, When you look at the crises in negotiations that are occurring now, between Members of Congress and the President, why are we having so much trouble communicating? Who have you witnessed in your lengthy, illustrious career that did it better? Who would you hold up as an example?

Well, Bob Schieffer first started covering Lyndon Baines Johnson in Texas many years ago, and he told a story about how LBJ would have handled this. He mentioned that LBJ would religiously watch the Sunday morning talk shows. He would watch "Meet the Press," and he would watch the shows that were on the networks because that's all we had back then was networks.

He would watch the Speaker of the House on those programs. And if the Speaker would give an avenue for compromise, he had him on the telephone before the Speaker of the House left the studio. And he'd say, Mr. Speaker, why don't you come over to the White House tonight?

Lady Bird and I'll put on some fried chicken and we'll just sit around in the kitchen and talk this over. I see an avenue for us to agree on 10 percent or 20 percent of where we need to go to solve this Nation's problems.

He would connect, on a personal level, and on a level that found that crack in the armor of failure to communicate. And that's how he solved the problems.

What we find now is that if the Speaker goes on television and leaves a crack in the armor, say an offer to come up with \$700 billion or \$800 billion in new revenue, something that this President campaigned on, instead of having the President call the Speaker and say, Mr. Speaker, I think we're getting somewhere. Why don't you come over. We'll get together around the kitchen table and just talk about this. I think we're getting somewhere. Instead, the Speaker is blasted by the press shop at the White House within hours of his making a presentation on the Sunday morning talk shows. And people wonder why we can't solve these problems?

There is a way to solve these problems. We know what to do to solve these problems.

I compliment the gentle lady from Tennessee for her hard work to solve these problems, to illustrate for the American people that there's room for compromise in Washington. And I salute your efforts to reach out to everyone, to the American people, and across the aisle to make that happen.

Madam Chairman, I yield back with my compliments.

Mrs. BLACKBURN. I thank the lady for yielding back, and I have to tell you, I loved her Alice in Wonderland example. Sometimes I feel like we should read the "Emperor Has No Clothes" because we're spending money we don't have, or maybe "Goldilocks and the Three Bears" because it's never quite right what seems to be presented.

By the way, Mr. Speaker, I know our colleagues appreciate Mrs. LUMMIS and what she does; but when she talks about the Nation's Treasurer coming forward and having something that never comes into balance, she knows what she was talking about. She was a State treasurer in Wyoming before she came to Congress. She knows these issues. She knows how you balance a governmental budget. She's an expert in these issues.

And to have a budget where you say you never plan for it to balance? Well, when my children were growing up and they were struggling and something was going to be too much of a heavy lift or too hard, I would say, if you fail to plan, then you plan to fail.

For this great Nation, for the endurance of freedom, failure is not an option; and it is imperative that the fiscal house of this great Nation be put in order.

Someone who knows how to do that so very well, who has done it as a wife, a mother, a State legislator and a small business owner is Mrs. HARTZLER from Missouri, and I yield to you.

Mrs. HARTZLER. Thank you. I sure appreciate your leadership on this issue and drawing attention to the very real crisis that we have in this country and the very real opportunity we have.

You know, the real issue that is before us today is that it's time for Washington to stop spending money it doesn't have and the fact that Washington has a spending problem, not a taxing problem.

The President's proposal is a non-starter, and it's a red herring. It might sound good to some, but it doesn't solve the problem, and we are problem solvers and that's what we're here to do.

Even if we gave the President what he wants and raised taxes on family business owners in America, it would only generate enough revenue to fund the government for 8 days. It would not make a dent in our yearly deficit or reduce our national debt.

Only by creating jobs and reducing spending will we balance our budget, and the American people understand that.

I would love to share with you a few comments that I received. I don't know

about you and your office, but I've received hundreds of emails and phone calls from people at home who want to weigh in on this very important issue, and I love their commonsense advice. You know, the best knowledge and expertise on these issues is from the people. It's not from the bureaucrats here in Washington, D.C.

Here's just a few of the comments that I've received this week from people back home. Mike in Sedalia says: The issue is not the raising of taxes, but good solid budget cuts.

Curtis from Lebanon said: There are still a bunch of us out here that do not want a spend and tax government. New taxes mean new spending.

And I thought that was a great comment, especially with the President's proposal that he brought forth the other day when he wanted more stimulus spending. So the cuts that he was proposing, just like Curtis said, were just going to be immediately funneled over to new wasteful stimulus spending. They would have nothing to do with reducing the debt or the deficit. I thought Curtis was right on.

We have Lawrence from Pleasant Hill. He said: Good morning Representative HARTZLER. I know we are being told we are at the edge of a fiscal cliff. We did not arrive there by not paying enough taxes. The Federal Government spends insane amounts of money, and even by reducing us all to serfs, the taxes will not cover the spending.

Well said.

Here's Jerri from Lamar. She said: Please stop spending our money. Walk away from the table if they are not willing to stop wasting our hard-earned money. Reform the entitlements and lower the taxes. Nothing else, in my opinion, is acceptable. Do not go back to the Clinton era. That administration led us into a recession. And do not raise the inheritance tax.

And then listen to this. She said: I am from a family of farmers. That will kill our family and many others and make it impossible to keep farms that have been in our family for generations. That is the most unfair tax there is. This country will not survive more blows to small business and the middle class. Stop the insanity and stop it soon.

And finally, from Patricia in Jefferson City, she said: I want to voice my opinion on what has happened in Washington right now. Politicians have put us in this mess with excessive spending. I want to see huge spending cuts out of the Federal spending before I see any taxes.

Now, that's common sense. That's the voice of the American people.

You know, Missouri is the Show Me State, and I believe it's time for Washington to show the hardworking taxpayers of my State and every State that they understand it's time for Washington to do what we do at home, and that's live within our means by cutting spending, tightening our belts, and not raising taxes on any American.

□ 1910

Washington would be better off focusing on job creation to raise revenue rather than taking more money from its citizens.

So that's the common sense from Missouri I wanted to share tonight, gentelady, and I sure appreciate your leadership on this issue.

Mrs. BLACKBURN. I thank the gentelady. And I know that you're doing a telephone town hall with your constituents tonight. I know you'll probably hear some of the same things that you've said. I've heard from my constituents, too.

I heard from one lady who is a small business owner, and she said, I wouldn't mind if my taxes went up and it helped pay down the debt; but she was astounded when she found out that the President wanted to spend this much, and more, and that her taxes would not go down. The money raised from the tax hike would be spent, plus another trillion dollars, and she was not going to see the debt paid down. She was very concerned about that.

Well, coast-to-coast we're hearing the same thing. The gentleman from Colorado (Mr. TIPTON) is also on the phone with his constituents, and we appreciate that you're on the floor with us.

I yield to the gentleman.

Mr. TIPTON. I thank the gentelady from Tennessee for this time and for her leadership on this important issue for every American.

I'm glad to hear my colleagues continue to talk about the real issue that we face in this country. We did not tax our way to a \$16.3 trillion debt in this Nation. The Federal Government spent its way into that debt. The responsibility that we need to have that comes from the Show-Me State of Missouri in terms of commonsense proposals is something that needs to be heard in Washington, D.C.

This President has been focused on raising taxes. He is implying that Washington, D.C., needs the money more than our people at home. Well, if you come into my district, the Third Congressional District of Colorado, we go to Pueblo, and the real unemployment rate is now at better than 20 percent. My second largest community, Grand Junction, Colorado, the real unemployment level is at 19.5 percent.

My folks aren't looking for an unemployment check. They're looking for a paycheck. They're looking for responsibility out of Washington. And when we are looking at this fiscal challenge that we face, this fiscal abyss, a fiscal black hole which is engulfing the economy of the United States, we need that responsibility out of Washington.

But how are our dollars being spent? Are they being spent wisely or does Washington continue to waste the efforts and the hard-earned capital of the American people? Let me give you a few examples.

We had \$700,000 that came out of the pockets of hardworking Americans to

be able to conduct a study on methane gas from dairy cows. Now, the gentelady from Tennessee, you've got a few dairy operations in your State. I think we could have saved \$700,000. It comes naturally. We need common sense when it comes to handling the American taxpayers' dollars.

We had another \$137,530 of American taxpayer dollars that was used to be able to create a video game called "Layoff." That's what the policies of this administration have literally yielded. We are not growing the economy, putting people back to work.

As we approach this Christmas season, we have families across the country right now that are hoping to be able to provide for their children. We can create that certainty by addressing an unwieldy regulatory process that's inhibiting our ability to be able to create jobs. And if Washington needs revenues—and we know that government needs revenue to carry out specific functions—let's get the American people back to work, those folks in Pueblo and Grand Junction, Colorado, who actually want to be able to have a job.

But we need to be very concerned, once again, about where's that waste of the Federal dollars going. The gentelady from Tennessee noted that \$1.5 trillion of the debt of this country is owed to China. So what did the United States do? We sent 17.8 million American dollars for China to be able to study environmental programs and social programs in China. So effectively, what we did, we borrowed money from China to be able to send it back to China to be able to study problems there. Let's get Americans back to work.

We took another \$2.6 million to be able to train Chinese prostitutes not to drink too heavily. I think we have a better use for American dollars.

Right now, America is facing a fiscal challenge, a fiscal abyss. The problem resides not with Americans being taxed too little but government spending too much. We have a caucus that's dedicated to getting Americans back to work, to bring fiscal sanity into the process, and to never, ever forget it is not Washington, D.C.'s money. It's the American people's money. Let's stand up for them first rather than for more and bigger government.

Mrs. BLACKBURN. I thank the gentleman. So well said—jobs, the economy, economic growth. We have to have economic growth. And continuing to raise tax rates, continuing to escalate spending doesn't do that. What we want to see is a healthy economy for our future because we know a healthy economy is going to give us jobs growth. Jobs are going to give us the economic growth and prosperity that is necessary for today, for tomorrow, for a healthy economy in this Nation.

We know that a healthy economy is going to lead to continued economic freedom and, thereby, political freedom. We know that freedom leads to brighter futures for our children and

our grandchildren, and that's what we want. We want these children to dream big dreams and to live in an America where they can come true.

Someone who shares the passion on this issue is STEVE SCALISE, a Congressman from Louisiana, who has recently been elected as chairman of the Republican Study Committee for the next Congress.

I yield to the gentleman from Louisiana.

Mr. SCALISE. I want to thank the gentelady from Tennessee for her leadership and for hosting not only this hour, but for being so passionate about the need to control spending and to get our economy back on track. I know she was on one of the Sunday talk shows just this weekend talking about this issue and talking about conservative solutions to avert this so-called fiscal cliff. And if you look at how we got here and what American families are facing starting January 1, if nothing gets resolved out of Washington, it's an abyss that doesn't need to happen.

If you just go back and look at some of the promises made by President Obama when he was running for office, when he was running for reelection, he talked about working across the aisle. He talked about bipartisan solutions. He talked about it a lot, and the American people expected that the President would keep that promise. But before the ink was even dry, before some of the States had even confirmed and finalized their vote totals for this last election, the President comes out with a hyperpartisan solution. That's his approach.

First of all, when the President comes out with his plan to raise taxes on some and to not renew others and to threaten, literally, middle class families with a tax increase if some people don't get their taxes raised—there already was a bipartisan solution to avert this cliff.

Just a few months ago, here in this House, we passed a bill with 19 Democrat votes—a strong bipartisan vote—to make sure nobody sees their taxes go up, completely avoiding this coming crisis. We passed that bill and sent it over to Senate. Of course, the Senate has refused to take any action on it because President Obama, and his Treasury Secretary I think has confirmed this, they're eager to go off the cliff. They think they'll get political points by doing this. This is a political calculation by them to try to blame the other party, and let's have this crisis and then go and push more taxes on the American people.

I think if you look at what the message of this campaign was—there were a lot of messages. One was people wanted us to work together on bipartisan solutions. And we've got those bipartisan solutions to avert this crisis but also to avert so many of the other crises facing our Nation.

But another thing they said—and probably the loudest thing people said—is they wanted us to focus on the

economy and creating jobs. That's the biggest concern for most families across this country. People I talk to in southeast Louisiana, they're concerned about a sluggish economy, and, in many cases, it's some of the policies coming out of Washington that are creating all of these problems.

□ 1920

If you want to say, will tax increases solve any of these problems, first of all, let's go back and look at history. We've gone and combed through and there has never been a time in modern history where raising taxes got you to a balanced budget. Never. It's never happened. The last time that a Republican House has balanced a Federal budget was back in the year 2000. Not that long ago. It seems like a long time ago. Washington has balanced its budget. We were living within our means back then, and we weren't doing it through tax increases. It was done through controlled spending.

The last time a Democrat House has balanced a Federal budget was 1969. So maybe there aren't many people around here on the Democrat side that know how to balance a budget. But you don't do it by raising taxes. In fact, John F. Kennedy when he pushed through his economic plan that got growth going in the mid-1960s, it was through tax cuts. Go back and look at the quotes. Some of the best quotes against growth in government, against tax increases were made by John F. Kennedy when he pushed for a tax cut that ultimately was passed by President Johnson.

So where do you get economic growth? Go back and look at those years. In the 1960s when they cut taxes, there was tremendous economic growth. A lot of jobs were created. In the 1980s when Ronald Reagan cut taxes, there was tremendous economic growth, one of the greatest times in history. Ultimately, if you look at the deficits in those periods, it came because you had a Congress that didn't control spending even with more money.

And then you look at the Bush tax cuts, because that's what we're talking about here today: the expiration of the 2001 and 2003 tax rates. When those tax cuts were put in place in 2003, after that happened, within 3 years of tax cuts, the Federal Government took in 40 percent more money. Now, you wouldn't believe that if you listen to some of the mainstream media. You would think that cutting taxes takes money away from government and you need to raise taxes to bring in revenue. The opposite is true when you look at history. Forget about what politicians in Washington tell you who want to take more of your money to go and spend it on Big Government. When they cut taxes in 2003, within 3 years the Federal Government took in 40 percent more money.

Mrs. BLACKBURN. If the gentleman would yield, I think that is such an im-

portant point to make, that when you raise the rates, which is a regressive action as you look at tax policy, what you do is to drive down the revenues. If what the President says, Mr. Speaker, is that he wants more revenue, the way to get to more revenue is to clean up the Code, to actually lower your tax rates and to generate more economic activity and growth so that we can begin to grow and reshape our way out of this. You're never going to tax your way out of it. You can't spend your way out of it.

I want to invite the gentlelady from New York into this because she is a physician. She knows, with all the ObamaCare taxes, that you're not going to be able to deliver health care with escalating the taxes that are on the books pertaining to ObamaCare.

I yield to the gentlelady.

Ms. HAYWORTH. I thank the gentlelady from Tennessee for leading this session and our chairman of the RSC. Indeed, it's true: as of January 1, 2013, in fact, Congresswoman, there will be five new burdens, new tax burdens, on the American people related to the enormous cost of the Federal takeover of our health insurance and in certain respects of our health care.

For one thing—and this is really, really a sad thing—right now, families with special needs children can use pretax dollars. They can protect those dollars to spend them on care and even education for their special needs children in flexible savings accounts. As of January 1, 2013, one of the new tax burdens on those families and on every family that relies on a flexible savings account will be that they will be limited to \$2,500 per year. That's it.

Now, tuition at some of the schools for our special needs children run to many thousands of dollars a year, \$10,000 or more. It used to be that families could use those dollars for their special needs children. Now they won't be able to. Does that seem fair? It certainly doesn't to me.

Mrs. BLACKBURN. You said there are five taxes that go on January 1. If our colleagues want to look at this list of taxes, are they listed on your Web site?

Ms. HAYWORTH. We will post a link, because I'm not sure they are right, but we will post a link. Dividend taxes are going to go up on our seniors, on our fixed income families, on our savers. That's another burden, the new taxes that are going to be related to health care, and there are three others other than the flexible savings.

Mrs. BLACKBURN. As the gentlelady yields back, to the gentleman from Louisiana, I would think that the Republican Study Committee has this linked on their Web site so people can see the taxes that are already going to go up on them because of ObamaCare. We reiterate that what we want to do is lower the spending and get the fiscal house in order.

I yield to the gentleman from Louisiana.

Mr. SCALISE. I thank the gentlelady from Tennessee again for yielding and the gentlelady from New York for pointing those important facts out, because if you look at an important point that was just brought up, under ObamaCare, there were more than 20 different tax increases in ObamaCare, many of which, by the way, hit the middle class. Sure, in ObamaCare the President went after those rich people that he despises so much. He's happy to take their campaign cash during elections, but he went after them in ObamaCare with tax increases. But he also went after middle class families. This medical device tax that hits January 1 hits every single American that has medical procedures.

Mrs. BLACKBURN. To the gentleman from Louisiana, I hate to interrupt, but the Speaker is telling me that our time has expired. We have so much to cover. We were joined by the gentleman from Tennessee (Mr. DESJARLAIS) who's been on the phone. I regret that we are out of time. He has been doing a telephone town hall.

We have solutions. The fiscal house has to be brought into order. I thank my colleagues for joining me on the floor tonight to help make the point to the American people. We are going to stay with this fight and solve the problem. Our children and grandchildren deserve it.

I yield back the balance of my time.

INVESTING IN THE AMERICAN ECONOMY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 5, 2011, the Chair recognizes the gentleman from New York (Mr. HIGGINS) for 30 minutes.

Mr. HIGGINS. Thank you, Mr. Speaker.

We hear a lot of the rhetoric on debt and deficit, and I think it requires a recent review of history.

Less than 12 years ago, the United States had a \$258 billion budgetary surplus, meaning that we were taking in \$258 billion more each year than we were spending. That budget surplus 12 years ago was a direct result of having created 22 million private sector jobs in the previous 8 years, underscoring the fact that the best tax policy is bringing back lost taxpayers to productivity, more people contributing to the Federal Treasury and less people dependent on governmental programs.

That \$258 billion budgetary surplus was used as justification to enact tax cuts in 2001 and in 2003. Those tax cuts disproportionately benefited the wealthy. The supply side theory, if you ascribe to it, says that if you give large tax cuts to the very wealthy, that money will find its way back into the economy in new business investment and job growth. Eight years later, we had the worst recession in the history of this Nation, and we had the worst job loss in 60 years.

This economy is not growing to the extent that it needs to in order to