

Prix. But will that spotlight shine into Bahrain's prisons as well?

Nabeel Rajab, a Bahraini human rights activist sentenced to 2 years in jail simply for engaging in nonviolent political protest, is one prisoner who deserves public attention. Nabeel is a focus of the Defending Freedoms Project, a collaborative initiative spearheaded by the Tom Lantos Human Rights Commission that invites Members of Congress to stand up for individual prisoners of conscience around the world. Today, I invite my colleagues to take part in this important, nonpartisan opportunity.

Nabeel is not alone. The Bahraini Government has also imprisoned 13 prominent activists, and Amnesty International reports that it may soon jail anyone found guilty of insulting the King.

It is time for the leadership of Formula One Racing to end their silence on Bahrain's crackdown. It is time for them to take a stand in favor of human rights, and it is time for each of us to speak out for the nonviolent human rights defenders like Nabeel Rajab.

10 YEARS SINCE THE DECLARATION OF GENOCIDE IN DARFUR

(Ms. LEE of California asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. LEE of California. Mr. Speaker, let me first send also my well wishes, prayers, and my sympathy to the city of Boston, the families and friends, and all of those touched by yesterday's horrific tragedy.

Ten years ago this month, the international community joined together to bring the world's attention to the brutal attacks by the Government of Sudan against the people of Darfur.

The Congressional Black Caucus, Leader PELOSI, and others stood united and, led by our beloved, the great gentleman from New Jersey, Congressman DON PAYNE, introduced H. Con. Res. 467, declaring that genocide was occurring in Darfur. Many of us also traveled to the region several times and later passed the Darfur Peace and Accountability Act.

Yet even after then—Secretary of State Powell finally declared genocide in 2004—the international community failed to act decisively to stop it. If we had acted then, we could have saved many innocent lives. If we do the right thing now, we could end the suffering, violence, and insecurity that tragically continues to plague the region to this day.

Now is the time for the United States to provide high-level leadership and press for full humanitarian assistance in memory and in honor of our beloved DON PAYNE, our great warrior. He did so much for the people of Darfur. Let us do the right thing in his memory so that the next time we say, "Not on our watch," we will mean it.

PAUSING FOR A MOMENT OF REFLECTION

(Mr. ENGEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ENGEL. Mr. Speaker, last night I received a phone call from our former colleague and my good friend, Jean Schmidt of Ohio. As you know, Jean is an avid runner, and she has participated in many, many marathons.

She was at the Boston Marathon yesterday; and 13 minutes after she crossed the finish line, she heard the bombs go off and saw debris and people running and things were falling all over the place, and called me to tell me that she was okay. She was waiting for her sister to finish when this happened.

You know, when tragedy like this happens, you think, there, but for the grace of God, go I; and that was clearly the case with Jean and so many others.

I just wanted to take this opportunity to pause for a moment and reflect on what happened in Boston yesterday, and pour my heart out to the injured and to those that were killed and their families, including an 8-year-old boy we heard about today.

Whoever would do such a horrible thing to take innocent lives and cause terror amongst the population has to just be horrible people and people who care nothing about their fellow human beings.

I want to take this opportunity to let the people who are injured and families of those who are injured and the families of those who perished know that we, in the Congress, are thinking about them, that we care about them, that we will reflect on what they went through. And we won't stop until those who committed the crimes will be brought to justice.

□ 1430

REMEMBERING CONGRESSMAN CHARLIE WILSON

(Mr. RYAN of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RYAN of Ohio. I also join with my colleagues from Ohio to honor the memory of Congressman Charlie Wilson. He was just a fun guy for so many of us who spent a lot of time in Washington, D.C. We shared a district in southeastern Ohio, and Charlie was one of the most popular politicians in the history of southeastern Ohio. He loved bonding with Members. He could very easily work across the aisle with Democrats and Republicans. He always had a funny story or something to tell.

I always appreciate when someone talks about their parents. He would always talk about growing up in southeastern Ohio and his dad and the furniture store and the funeral home and picking Democrats up in funeral cars to take them to the polls to make sure that they can vote. He loved telling

those stories. But he loved his kids and grandkids. He would beam when he would talk about being with them for the holidays.

And so we honor him and send our heartfelt wishes to Angela, who was just a lot of fun to be with, too. I know her and Charlie had a lot of good times and a lot of good years together. And I want to say, Charlie, thanks for being a great friend to us and a great Member of the United States Congress. Southeast Ohio is a better place because of your service and your life.

REMEMBERING CONGRESSMAN CHARLIE WILSON

(Mrs. BEATTY asked and was given permission to address the House for 1 minute.)

Mrs. BEATTY. I come to join my colleagues with a heavy heart to honor the memory of Charlie Wilson. I had the opportunity of having my House of Representatives office across from him in the early years of my career. Charlie is a great mentor and someone who always took the time to help others.

I also had the opportunity to hear those stories about the funeral home. It was Charlie's family's funeral home that would actually take African American families when other funeral homes wouldn't. So I always respected that he looked at all people the same.

Like many others, I had the opportunity to spend time with him on Lake Erie in the summers because we were both boaters, and had the opportunity for him to join my husband and Angela as we took trips together.

So to his four sons and to Angela, know that you are in our hearts and our prayers. And I say to you, celebrate his life, because he had a life that was full of honor and celebration.

FAIR TAX ACT OF 2013

The SPEAKER pro tempore (Mr. STOCKMAN). Under the Speaker's announced policy of January 3, 2013, the gentleman from Georgia (Mr. WOODALL) is recognized for 60 minutes as the designee of the majority leader.

Mr. WOODALL. Yesterday was tax day, and I've got taxes on my mind, Mr. Speaker. You know, as most folks in this Chamber do, that H.R. 25, the Fair Tax Act of 2013, is the most widely cosponsored, most widely supported fundamental tax reform legislation in the House and in the Senate. In fact, both the House and the Senate. Sixty-four of our colleagues in the House, Mr. Speaker, have put their name on H.R. 25, the Fair Tax Act. Eight of our Senate colleagues have put their name on H.R. 25, the Fair Tax Act.

The FairTax is a revolutionary proposal, Mr. Speaker, in that it takes all of the power of the Tax Code out of Washington, D.C., and returns it to men and women back home. You know that we can manipulate the behavior of absolutely anyone in America through the Tax Code. If I want folks to wear

more pink ties and fewer blue ties, I'll subsidize pink ties to the tune of 50 percent and I'll tax blue ties to the tune of 50 percent and we'll change behavior overnight.

Do you remember, Mr. Speaker, when we had the Electric Vehicle Tax Credit back in 2010? It was a \$7,500 tax credit. And we said we're going to give \$7,500 to every American who goes out and buys an electric car. Now the plan was folks were going to go out and buy these \$100,000 electric cars and we were going to defray a little of that price. But it turns out the lawyers got involved and figured out that golf carts were electric cars. And if only we put seatbelts and rearview mirrors and brake lights on these golf carts, every American could get a free golf cart.

Mr. Speaker, I'm not going to ask if you got one of those free golf carts, and I'm not going to ask my colleagues who are back in their offices watching on TV to send me a note if they got a free golf cart. It was the law of the land. And if you got a free golf cart, I guess you deserved it.

But so abused was that tax provision, Mr. Speaker, that at the end of 2010 the IRS released tax guidance that said, We wanted you to have to take delivery of these golf carts before the end of 2010 to get the tax credit, but the demand has been so great, the manufacturers cannot fill it fast enough. Actually, you just need a VIN number and you can take delivery into 2011. Well, that's not the way the American Tax Code ought to be used, Mr. Speaker, and it's not the way American tax dollars ought to be used.

There are so many challenges we have in the American economy and so many reasons that American-made products cost more than the products that our competitors produce overseas—and so many of those reasons we do not want to change. The fact that American wages are higher than Chinese wages, I want to celebrate that. I don't want to bemoan that. The fact that environmental regulations in America are stricter and protect us in ways environmental regulations in India do not, I don't want to bemoan that. I want to celebrate that. But the fact that the American Tax Code places the highest burden on businesses and employers in America than any other place in the world, that's a problem.

We live in a very fluid economy, Mr. Speaker. Folks can locate their business anywhere on the planet they want to. They don't have to come to America. Why is it that America's not the magnet for capital around the globe? Why do we have the absolute worst Tax Code in terms of rates instead of the absolute best? And that's what I want to talk about. Because it's one of those areas of agreement, Mr. Speaker.

This is a quote from President Barack Obama in his 2011 State of the Union address. He said:

To put us on solid ground, we should also find a bipartisan solution to strengthen Social Security for future generations.

I mention Social Security, Mr. Speaker, because the Fair Tax Act, that bill, H.R. 25, the most widely co-sponsored bill in the U.S. House of Representatives for fundamental tax reform, replaces income taxes and the payroll taxes—payroll tax is that 15.3 percent that comes out of every Americans' paycheck in order to fund Social Security and Medicare. It replaces both of those with this 23 percent sales tax. It replaces all your income taxes, all your payroll taxes with a sales tax.

And so for the first time, Mr. Speaker, we would begin to link the size of the Social Security trust fund not with wages in this country but with the size of the economy in this country. So when we double the size of the economy, we double the contributions to the Social Security trust fund, we protect Social Security for future generations.

Mr. Speaker, in a poll, I think it's been 3 years ago now, they asked young people, college-aged students, Do you believe in UFOs? Folks said yes, folks said no. They said, Do you believe you're ever going to see a Social Security check? Folks said yes and folks said no. Do you know that more of those young people believed in UFOs than thought they'd ever see a Social Security check, Mr. Speaker? That's outrageous. Because Social Security, by the very nature of its name, is to provide security. And if you don't believe it's going to be there, it provides no security whatsoever.

We can guarantee Social Security not just for the current generation but for future generations by reforming the way that we pay for it, by reforming our Tax Code, by moving to a pro-growth system like the FairTax.

□ 1440

The President knows we need to, and yet in his budget this year we did nothing to extend the life of the Social Security trust fund. In fact, the Social Security disability trust fund, Mr. Speaker, that trust fund that so many Americans depend on, that runs out of money before this President even leaves office. It runs out of money within 4 years, Mr. Speaker, and yet the budget proposal this year provided absolutely no certainty that changes would be made in order to protect that for future generations. That's wrong, and it's an opportunity for us to come together and do things that we all agree on.

Here's another quote, this time from President Obama's 2013 State of the Union Address:

Broad-based economic growth requires a balanced approach to deficit reduction, with spending cuts and revenue, and with everyone doing their fair share.

Who disagrees with that, Mr. Speaker? We talk so much about fair share here; I can't find anyone who disagrees with fair share.

I think about Dr. Carson at the annual Prayer Breakfast. Did you see that, Mr. Speaker? Dr. Carson was

speaking at the Prayer Breakfast right down the street this year, and he was telling a tale of billionaires and someone who might have made \$10 billion but they were taxed to the tune of \$1 billion. They chipped in \$1 billion to help fund America and folks were complaining that they hadn't done enough. I have not chipped in \$1 billion, Mr. Speaker, far from it.

What does it mean to do your fair share? For me, it means having skin in the game. One of my great regrets, Mr. Speaker, is that during the Bush administration, for the first time in American history, we cut taxes and went to war at the same time. I think that's wrong, Mr. Speaker. I think about all the young people who had skin in that game.

In my part of the world down in Georgia, Mr. Speaker, a lot of folks are in the military, a lot of sons and daughters in uniform. Those families have skin in the game of foreign policy. But if you don't have a son or daughter in uniform, if you don't have a husband or wife in uniform, where is your skin in that game when you're not paying for those decisions? And when we make decisions that we don't have to pay for, we make bad decisions.

I agree with the President: folks need to pay their fair share. I think we all need to have some skin in the game. Folks who make more ought to pay more; folks who make less ought to pay less. But we are all members of the board of directors of the United States of America, Mr. Speaker. All 320 million of us sit on the board of directors of the United States of America, and, yes, you ought to have skin in the game when you're making decisions about how this organization runs. How do we create revenue? How do we reduce deficits? How do we make sure that folks are paying their fair share?

Well, the good news is, Mr. Speaker, the President is aware of the FairTax. I'm not willing to call him a FairTax President yet—again, the Fair Tax Act, that's H.R. 25, Mr. Speaker. I don't think the President is quite on board. We're not going to wait on the President to get on board though. We're going to go ahead and drive forward here in the House.

The chairman of the Ways and Means Committee here in the House, Mr. Speaker, that committee that has jurisdiction over all tax legislation, they are serious about fundamental tax reform in this Congress like I have never seen in my lifetime. I dare say that folks with a lot more gray hair than I have, Mr. Speaker, who've been here since 1986—the last time we did fundamental tax reform—looked at the kind of work that Chairman DAVE CAMP and his entire committee, majority and minority alike, have put into fundamental tax reform. And I have more hope that we are going to see fundamental tax reform—not just in this Congress, Mr. Speaker, but in this calendar year—than I have ever had before. The FairTax is going to be a part of that discussion.

The White House, to its great credit, Mr. Speaker, the White House is just leaps and bounds ahead of other White Houses in terms of how it deals with the public. They have this online petition process, Mr. Speaker, where anybody can go out there, and if you have enough folks sign your petition, you can ask the White House to do whatever you want to do. Well, here in FairTax world—which is where I come from down in Georgia, Mr. Speaker, where folks believe in the FairTax, believe in its power to reenergize the economy, believe in its power to return freedom to families and individuals and take it away from the Federal Government—we started a petition to say, Mr. President, please meet with Neal Boortz. He's one of the leaders of the FairTax movement. He has a radio program and has spent a lot of time investing in the kinds of freedom and opportunity the FairTax would bring us. It said, I want you to meet with Neal Boortz to talk about the FairTax. I want you to give Neal Boortz 1 hour.

Well, we got all the signatures that were required on that petition, and the White House's response was this:

The FairTax would apply to virtually all expenditures on goods and services, including tuition, medical care, and new homes, all typical family purchases.

Well, he's partly right. I highlighted tuition here, Mr. Speaker, because the FairTax doesn't tax tuition; it taxes all consumption. Tuition is more of an investment in your future, so it's not taxed. But the question isn't: Why does the FairTax tax everything? The question is: Why are some things exempted in the current Tax Code, Mr. Speaker? Why do Americans get free golf carts? Why is that? Is that a real national priority that we make that happen? Why is it we subsidize some loans and we don't subsidize other loans? Why is it folks are able to deduct some interest but not other interest? Why is it that we're willing to help people get some businesses started but not other businesses started? That doesn't speak to fair share to me, Mr. Speaker.

Running for Congress, you get this voting card and you slide it in the little slot here on the House floor, Mr. Speaker, and you get to make some decisions. For me, it's on behalf of about 640,000 people back home in Georgia. But even more power than that voting card, Mr. Speaker, is the way people use their wallet. Those 640,000 people back in Georgia, Mr. Speaker, use their wallet every day to make millions of decisions: Am I going to buy this or that product? Am I going to support this service or that service? Am I going to be involved in this activity or that activity? We run this country, Mr. Speaker, not just through our votes in November, but through the power of our wallet every single day.

In order to find the broadest tax base of all—because economists tell us, Mr. Speaker, if you have a lower tax rate and a broader tax base, you get more economic growth in your economy. The

Joint Tax Committee did a symposium on that, Mr. Speaker, in the late 1990s—because we didn't have a computer model at that time that would model a consumption tax system—and they asked eight macroeconomic modeling groups: What would happen if we switched from the income tax America has today and moved to a consumption tax? Well, these economic modeling groups from the left and from the right, Mr. Speaker, some in the center—you know, economists, for Pete's sake, they don't agree on much. In fact, the results of these modeling groups were all across the charts, across all of the metrics that they were working on, except for one.

When the question was would the economy grow faster under a consumption tax than under the current income tax system, every single group said yes. Now, some of those said it would grow a little bit faster, some of those said it would grow a lot faster, but every single macroeconomic modeling group said the economy would grow faster, that Americans would generate more wealth, that employment would be more available if we moved to a consumption tax system.

The question isn't, Mr. Speaker, why we tax some things. The question is, today, in the current system, why don't we tax everything, tax everything once, but only once, because when we don't, we pick winners and losers.

Again, through the power of my voting card here in the House of Representatives, Mr. Speaker, I can manipulate the lives of every single American back home by taxing this good and subsidizing that good. That's wrong. That's wrong. Because as all members of the board of directors of the United States of America, Mr. Speaker, the entire United States of America, all of our citizens, we have the power to make those decisions with our wallet; we don't need the law to tell us.

Now, what price, Mr. Speaker, today do we pay for that law? Thirteen hours is the time the average taxpayer spends paying their taxes.

Mr. Speaker, #taxreform will bring folks to all the information that has been coming out of the House this week during tax week—hour after hour, 13 hours of productivity for the average tax filer. Now, of course, some people's taxes are simple and some people's taxes are complicated, Mr. Speaker, and we're sucking that time out of their day.

What does it turn into in dollars, Mr. Speaker? \$168 billion American taxpayers spend each year to comply with tax rules. \$168 billion produces nothing. It doesn't help us with our trade deficit with China. It doesn't help us export more grain to Russia. \$168 billion we ask American taxpayers to dig into their pocket and pay for the pleasure of paying their income taxes.

More and more Americans every year, Mr. Speaker, find they cannot do

their own taxes, that they have to go to a professional tax preparer. Doggone it, Mr. Speaker, I don't mind paying my taxes. In fact, I think America is a great country and I think I'm getting my money's worth, but to have to pay somebody to help me pay the taxes makes me angry. And it's wrong. It's wrong.

I look at what's happened in those former Soviet Bloc countries, Mr. Speaker. Do you know those former Soviet Bloc countries have all moved to flat taxes? What they found is, when they had really high tax rates and they were very difficult to comply with, folks just didn't pay their taxes at all; but when they lowered that rate, made it flat and applied it across a very broad base, folks began to voluntarily remit their taxes. That's not rocket science.

□ 1450

Well, that's not rocket science. That's exactly what we've seen in example after example after example around the world; \$168 billion, Mr. Speaker, Americans waste simply trying to pay their taxes each year.

Now, why is tax reform so complicated? I have another quote from the President here, Mr. Speaker. This is from his weekly address back in December. He was talking about the fiscal cliff, to be fair, to put this into context. He said:

We've got to do what it takes to protect the middle class.

Now, there's great disagreement about who the middle class is, Mr. Speaker. When I go back home to townhall meetings, absolutely everyone I meet believes they're in the middle class. Whether they're at the low end of the income spectrum or at the high end of the income spectrum, that's who we are in America. We believe in that middle class dream, that upward mobility to move from that space on the bottom rung of the economic ladder up to that middle class rung.

Folks worry about the middle class, as well we should. FairTax takes that into account. The big knock, Mr. Speaker, on consumption taxes, is that rich people have to spend less of their income buying things than lower income people do. Now, that's absolutely true. At my first job out of school, Mr. Speaker, I was making under \$20,000 a year. I was trying to pay rent and pay back student loans and pay insurance on my automobile. It was tough to sort all those things out in a high-rent district, high cost of living. I had to spend every penny of that \$20,000 just to make ends meet.

Now, if I had been making \$100,000 at that time, Mr. Speaker, I would have had a lot left over. So, yes, if you make more, as a percentage of that income, you consume less.

Well, we take that into account with the FairTax, Mr. Speaker. This is what we say. The poverty level—the poverty level in America—is calculated on

what it takes for the average individual, the average family to pay for their basic necessities. We all have rent, we all have clothes, Mr. Speaker, we all have to eat, we all have health care expenses. What is it that is kind of that basic level of subsistence? We call that the poverty level.

Now, what the FairTax does is through a tax rebate check—it's actually a prebate check because it goes out the beginning of the month instead of the end of the month—it indemnifies every American, every American family from the tax consequences of spending up to the poverty level. So that, in effect, if you're a miser, Mr. Speaker, you save every penny you have, and you're only spending up to the poverty level, you would pay no taxes. I don't care if you're Warren Buffett, I don't care if you're Bill Gates, I don't care if you're that young person just graduating from high school and getting your first job. No one taxed up to poverty level spending; everyone taxed on every penny of spending beyond that.

Here's the thing. When you open up *The Wall Street Journal*, Mr. Speaker, and it bemoans consumption declining in America, it hurts me. Because when consumption is declining, that means savings are rising. We need more savings in this country, Mr. Speaker. Oversaving is not a problem in America. I wish that problem upon us all. And we have a unique—a unique—window in the world economy right now, Mr. Speaker.

For years, it's been America that has been consuming everything that the world has been producing. We used to be the manufacturer for the world; now we're the consumer for the world. But as literally millions and millions and millions of new middle class consumers are coming online in China and in India, millions and millions and millions that are going to continue to grow, we have a window of opportunity right now to quit being the consumer for the world, as we have been for the past few decades, and return to our status as manufacturer for the world.

We're having this natural gas boom right now, Mr. Speaker, that's driven the cost of manufacturing down in America, the likes of which we haven't seen in decades; that's made us competitive, even with our higher wages, even with our more aggressive environmental protection regulations, made us more price competitive with goods from all across the world. We can be the producer for the world, Mr. Speaker. We don't need to be the consumer.

That's why the FairTax taxes consumption. We shouldn't tax people based on what they earn. If you're earning a lot and you're saving a lot, we should applaud you for that, not punish you for that. Mr. Speaker, when you're in the low-income class today and you're trying to move into the middle class, you begin to lose benefits—you lose your health care, you lose your education subsidy, you lose some food subsidies.

The marginal tax rate, Mr. Speaker, when you're trying to get from the lower rung of the ladder to the next rung of the ladder, can be upwards of 60 percent—60 percent on folks who are trying to make it. The FairTax says, no, no, we shouldn't tax anyone up to poverty level spending, and we should applaud anyone who finds a penny to save, because savings is what drives an economy, not consumption.

So here we have a chart, Mr. Speaker, of what happens to the FairTax rate for a two-adult, two-child household. And what you see is if you're down at a lower income bracket, Mr. Speaker, earning under \$20,000 a year, you're not going to pay a penny in taxes, not a penny in taxes. In fact, you're actually going to get some money back through the FairTax rebate. If you get up to \$30,000 a year, you're still not going to pay a penny in taxes; you're going to break even paying zero. If you're doing better, if you're making \$45,000 or \$60,000 or \$121,000, you're going to see your rate continue to climb. Not the marginal rate, Mr. Speaker, but the effective rate. That's what's so lost in this body.

So often when we have our tax debates, I can have a single flat rate for everyone, a single rate; but based on what the standard deduction is at the bottom of that rate, I make that rate progressive such that folks at the bottom end of the income spectrum are getting a check back so that folks in the middle aren't paying a penny at all and so the folks at the top are paying more and more and more, depending on how much they spend. Progressive tax with the FairTax, Mr. Speaker.

You can't see this chart, Mr. Speaker, but it's the most dangerous chart that anyone is going to have on the House floor today. It shows two diverging lines. It's a chart that goes back to 1979, Mr. Speaker. The last time we had a President from the great State of Georgia was Jimmy Carter. We go back to 1979, and we chart who's paying the taxes in America, going back to the President's vision of having a FairTax system.

This blue line, Mr. Speaker, is the bottom 80 percent of all Americans, bottom 80 percent. Most of us—80 percent. It's tough to call yourself the bottom when you're the majority. But 80 percent of income earners, just distinguishing that part of America from the top 20 percent—80 percent of income earners.

What percentage of the American tax burden, income tax burden, is that 80 percent of America paying? And conversely, because we talk so much about the 1 percent, Mr. Speaker, what percentage of the American tax burden is the 1 percent paying?

And I have something that's just staggering, Mr. Speaker. Folks wouldn't believe it if you didn't see the data. Back in 1979, when Jimmy Carter was leaving office, 80 percent of Americans paid 35 percent of all the tax bills in this country, all the income tax

bills; 80 percent of Americans paid a total of 35 percent of the burden. Now, we can argue whether that's too much, too little; but 80 percent were paying 35 percent of the burden.

Today, Mr. Speaker, go all the way out to 2009—it's the last year for which the IRS produced this record, that's why it's the last year that we have information for—come out to 2009, 80 percent of Americans are now paying 6 percent of the bills in this country. Eighty percent of Americans, 80 percent of the voters, are paying 6 percent of the bills. That's staggering. Most of us are in the 80 percent, Mr. Speaker, and we think that we are paying our fair share. In fact, so many of us think we probably ought to cut taxes a little bit more, and yet we're only paying 6 percent of the bills.

I want to tell you that that's dangerous. It's dangerous because that free golf cart I talked about earlier, there is no way I'm paying \$7,500 for a golf cart. I would rather walk. I don't need a golf cart, don't have any place to put a golf cart, don't know how much it costs to charge a golf cart, don't really have any place I can go on a golf cart. I'm not paying \$7,500 for a golf cart. But if you give me the golf cart for free, I'm going to tell you where to deliver it. I'm going to phone it in today—free golf cart—and tell you right where to send it.

□ 1500

When we don't have skin in the game, we make different decisions. In fact, we make bad economic decisions. They may be good decisions for us, right? It's a good deal if you can get a free golf cart. I recommend it to everyone. But it's a bad deal for the American taxpayer who's giving away those free golf carts.

When we, the 80 percent, Mr. Speaker, are only paying 6 percent of the burden, we begin to make bad voting decisions about what the cost of government is. And here's the other thing: it goes again to that innate sense of fairness that everyone in America believes in. We all believe in fairness. We may not believe in equal outcomes, but we believe in equal opportunity, that everyone should have a fair shot at success.

That top 1 percent that we talk about so much about, Mr. Speaker, I'm not in it, but I aspire to be in it one day. I hope I'm successful. I don't see the pathway from here to there yet, but I'm going to keep working at it. In 1979, when Jimmy Carter was President, that 1 percent paid 18 percent of all the bills in the country. Today, Mr. Speaker, 1 percent of the people pay 38 percent of the bills. The 1 percent are paying more than 80 percent combined. In fact, the 1 percent is paying more than 90 percent combined.

When you live in a land of self-governance, the biggest experiment in self-governance the world has ever known, an experiment about which Alexis de Tocqueville said, when he wrote about

it in the mid 1800s. As soon as the American people can decide they can vote themselves benefits, that will signal the end of the Republic.

They wonder how does America work, how can self-governance work. And de Tocqueville said, It's working today because everybody is pulling the wagon together, but as soon as they figure out that 51 percent of the Americans can tax the other 49 percent of the Americans, that's going to signal the end of self-governance.

We all believe in the fair share, Mr. Speaker. Folks ought to do their fair share of the work; folks ought to get the fair share of the benefit. We all believe in fairness. It's something that every preschool in America is teaching children, every family in America is teaching their children. But in the past four decades in my lifetime, every single year we've shifted the burden so that most of us don't have to shoulder the burden as heavily as we did the year before, such that 80 percent of us in 1979 were carrying 35 percent of the weight, and now we're only carrying 6 percent.

I don't know whose definition of fairness that falls into, Mr. Speaker. It threatens self-governance. I want a seat at the decisionmaking table. I want to be a part of the solutions for everything that happens in this country. I want to pay my fair share, and I want to do my fair share. And I think that is the feeling, the sense, the commitment of every single American today, Mr. Speaker, but we hide those results in a Tax Code that folks can't see: 80 percent of the people paying 6 percent of the bills.

Now, I know what you're saying Mr. Speaker. You've looked at some of those income distribution tables too, and you're thinking, Well, golly, ROB, maybe that 1 percent is just earning that much of the income. No, that's not true. Again, this is the latest year, 2009, for which the IRS has produced records. The top 1 percent, as the share of the pretax income, all the income earned in America, the top 1 percent earned 13 percent of the income and paid 38.7 percent of the taxes.

Now, here's the question, Mr. Speaker: If the top 1 percent—again, I'm not there. I don't know if I'll ever get there. If I stay in public service, I will absolutely never get there. If the top 1 percent are paying 38 percent of the bills while earning 13 percent of the income, in what world are they doing less than their fair share?

Here's the thing: I need to borrow money from time to time, Mr. Speaker. I borrowed money for my house. I borrowed money for my car. I need to borrow money. If folks aren't saving money, I can't borrow the money they put in the bank. I want folks earning money and saving money so that I can borrow money. Every single one of us who borrows money, we're not borrowing the bank's money; we're borrowing another citizen's money who put that money in the bank so the

bank could lend it to us. We need those savings in this country, Mr. Speaker. I'm glad folks are successful. I'm glad they're creating businesses. I'm glad they're employing me and my neighbor's and my neighbor's children. I'm glad they're building my community back home.

I don't demonize success. I celebrate success. You know, Bono from U2, Mr. Speaker—I don't know if you're a fan of U2 like I am. Those were some coming-of-age albums they were producing back in my youth. Bono said what he loved about America is that in America you put your arm around your son, you take him and you look up at the big house on the hill, and you say, Son, one day if you work hard, that could be you. Bono then said over in Ireland, they put their arm around their son, they look up at the big house on the hill, and they say, Son, one day we're going to get that guy.

That's not who we are in America. We celebrate success, and we believe—in fact, we're certain of it—that if we work hard, we apply ourselves by the power of our ideas, the sweat of our brow, we can move our fate from yesterday to tomorrow. We can elevate ourselves pursuing whatever it is that we want to pursue from yesterday to tomorrow because we live in America. But something has gone on in this body, Mr. Speaker, not just in the House of Representatives, but across the street in the Senate and down the street at the White House, where folks have begun to demonize success.

Home Depot came out of the great State of Georgia, Mr. Speaker. I love Home Depot. I encourage everybody to get themselves an orange apron, put that on and get some work projects done. They do great activities for the kids on Saturday morning. They get folks started with building activities at an early age, Mr. Speaker. That company was started in the great State of Georgia, and the four men who started Home Depot—and you all know Home Depot as well as I do—they said if they got together today to try to start Home Depot, they would fail.

In America today, we are so demonizing success, we are so punishing success, we are making it so difficult for entrepreneurs to get started, that if the same four people with the same good idea got together today, they would fail. The only way this country works is if entrepreneurs succeed.

The Department of Labor, Mr. Speaker, they keep statistics on these things. They say today in America, these years during the President's administration, we've had the lowest level of entrepreneurial activity since the Department of Labor began keeping records. It's not the lowest level of people succeeding, but the lowest level of people trying. The word is out, Mr. Speaker, that you cannot succeed in America any longer, and it's just not true. If it is true, we have the power to change it. We get to decide the rules of this country, Mr. Speaker. We sit on the board

of directors of America, and we get to make these rules.

Success, Mr. Speaker. Opportunity. America. Those are synonyms. They have been synonyms since 1776. They will be synonyms until the day that I die unless you and I trade those things away.

The FairTax says we're not going to be in the business of punishing people any longer; we're going to be in the business of celebrating success. The more you save, the less you'll be taxed; the more you spend, the more you'll be taxed.

Now, you all know, Mr. Speaker, about jealousy just as well as I do. I don't know if you had this same issue, Mr. Speaker. When I got ready to apply for college, I applied for all the Federal grants. I filled out that big FAFSA form trying to get some help from the Federal Government. I got nothing. They said, Sorry, your family has saved too much money.

Now, we come from a single-income family, Mr. Speaker, but my buddy down the street, he came from a two-income family. His mom was an architect and his dad was a lawyer. They had money stacked up in the windows, Mr. Speaker. They had vacation homes. They went skiing in Vail. They had boats. They all drove—I say all. There were four of them in the family, and three of them drove Mercedes and one of them drove a BMW. They all were new. When he applied to get money from the Federal Government, the government said, You know what, we've looked at your savings account for the family and you don't have a penny in it. You need help. Here's some money for you.

Something's wrong in our Tax Code, Mr. Speaker. It celebrates the consumption of goods, and it penalizes savings. We need to be in the opposite camp. The reason we have to go to China and to Germany to borrow money to fund America is because Americans can't fund it any more. Back in the 1970s, Mr. Speaker, we were still borrowing money, we still had a national debt, but Americans lent the Federal Government the money to fund the processes of the Federal Government.

□ 1510

Today, almost 50 percent of the money we spend and 50 percent of the money we borrow comes from foreign nations. We as a people can't even save enough money to fund the United States Government any longer, and our Tax Code encourages that conspicuous consumption at every level.

Mr. Speaker, let me just show you some of the things that are in the Tax Code. Again, these are all complicated questions. You've got to make these decisions for yourself. If they were easy questions, Mr. Speaker, they wouldn't need you and me and these two new freshman classes to sort them out. The easy questions were sorted out long, long ago.

Again, Mr. Speaker, you wouldn't believe this unless you dig deep into the numbers. We spend more in tax credits and tax loopholes and tax giveaways than we do on all other discretionary spending accounts combined.

What do I mean by that?

We have what we call "mandatory spending" here. That's Medicare, Medicaid, Social Security, and interest on the national debt. We call that "mandatory spending." Everything else—roads, bridges, courts, parks, the environment—is what we call "discretionary spending." Everybody knows what the tax rate is. Everybody knows they're paying into the tax system. We give away things in the tax system—promote this idea; promote that idea; give away this pot of money. We give away more through the Tax Code—we spend more through the Tax Code—than we spend on all other aspects of government combined, but the spending is hidden.

I've put up a few of what we'll call "income tax expenditures" here. Let's see what that is.

For example: exclusion of interest on public purpose State and local bonds. Right? That seems pretty innocuous, State and local bonds. We want to encourage State and local governments to take responsibility, so we're going to allow those bonds to pay interest tax-free. Well, okay, but it's not free. Somebody else is paying for it. Those folks who have those bonds aren't paying for it, but the rest of America has to pick up the tab.

Here is one: individual retirement accounts. Right? If you put money in your IRA, we want you to save for your retirement. We don't tax you on that money, but it's not free. Somebody else is paying that tax. It's just not those folks who are saving their money in their IRAs.

I'm not saying these things aren't good ideas. I'm saying we have to talk about where this money is coming from. I'm closer to death than I am to birth, Mr. Speaker. This \$16.7 trillion that we've borrowed from America's kids, I'm going to be dead before we pay that back, but it is going to be an albatross around their economic neck for another generation or two or three, and we're making those choices today. We're spending money through the Tax Code instead of through the appropriations process.

The FairTax says: no more. The FairTax says: a tax isn't about manipulating behavior. A tax is about collecting revenue to fund the necessities of a government.

We can argue about what those necessities are. Should it include the President's health care bill? Should it not? Should it include wars in Iraq and Afghanistan? Should it not? Should it include environmental protections? Should it not? We can argue about all of those things, but that's what revenue is for. You collect the revenue to fund those priorities that we, the American people, believe in.

But what we use our Tax Code for today is for the Congress of the United States, for the President of the United States and other folks with political power and influence to pick winners and losers through the Tax Code, so much so that we spend more money through the Tax Code than all other aspects of government combined—everything on the discretionary side.

It wasn't this way when we got started. Back in 1913, the passage of the 16th Amendment allowed Americans to have an income tax for the very first time. Do you know what they said, Mr. Speaker? You've probably heard this before. They said, This is only going to be a very small tax on the very wealthiest of Americans.

My calculations, using CPI, Mr. Speaker, tell me that it was a 1 percent tax on folks who made over \$9 million a year. On \$9 million a year, a 1 percent tax—I'm pretty sure we could get 51 percent of the folks to vote for that—but over time, that income tax grew so that it touches every single American family. Thirteen hours, on average, an American family spends to comply with the Tax Code. And for what? It destroys opportunity. It hides spending. It protects from scrutiny those items that this U.S. House of Representatives has decided are worthy of taxpayer expense.

We have a choice: don't lower wages in America. In fact, study after study says, if we pass the FairTax, we're going to see wages go up. It's going to increase economic activity and make us a magnet for capital from around the world. Why in the world are we borrowing money from China when we could just change our Tax Code, and money that American companies have already earned would flow back into this country in order to create jobs?

The FairTax says: no more. Let's have one tax rate on everything that Americans buy and consume.

I'll close with this, Mr. Speaker. Here is the catch. We are the only OECD country in the world—the Organisation for Economic Co-operation and Development—that does not have a consumption tax.

Now, what does that mean?

It means, when we build a Ford right here in the United States of America, that Ford has buried in the cost of that Ford that 15.3 percent payroll tax that every employee and employer has to pay, the income tax that every employee and employer has to pay—all of the tax burdens of the United States of America. Again, the highest corporate tax rate in the world is buried in the price of that Ford. When it gets to Germany, they add their Value Added Tax on top of that, and they ask, Who wants to buy a Ford? But the BMW that's leaving Germany, where they have a consumption tax, doesn't have those taxes buried in it, Mr. Speaker. In fact, it's tax free because the tax goes on top of it at the sale. So, when they ship that BMW overseas, it comes over here completely tax free, and then

we add on top of it our income taxes, our payroll taxes, our corporate taxes.

That's an unlevel playing field, and the person it disadvantages is not the owner of Ford. The person it disadvantages is the employee at Ford, who needs that job. We used to have a Ford line and a GM line in the city of Atlanta, Mr. Speaker. They're both closed. They are both closed today because they couldn't make it work.

We can bring those jobs back to America. More importantly, we can prevent jobs from leaving America, not because we're making them stay, not because we're going to tax them if they leave, but because we make America the magnet for job creation and economic activity across the planet. Today, we're the worst. Tomorrow, we can bring ourselves back to the middle.

My question to the body today is: Why don't we commit ourselves to making America the very best place to do business on the planet?

We can continue to borrow money from the Chinese if we want to. We can continue to add burden to all the young people in America if we want to—or we can take America back to our roots. There is no more productive worker on the planet than the American worker. If we free the American worker, if we free the American entrepreneur through a Tax Code that the American people can understand, we will bring a new era of prosperity to America, the likes we have not seen in my lifetime.

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

IMMIGRATION REFORM

The SPEAKER pro tempore (Mr. RODNEY DAVIS of Illinois). Under the Speaker's announced policy of January 3, 2013, the gentleman from Iowa (Mr. KING) is recognized for the remainder of the hour as the designee of the majority leader.

Mr. KING of Iowa. Thank you, Mr. Speaker. It's my privilege to address you here on the floor of the House of Representatives.

It's a bit of a frustration not to be picking up after Mr. WOODALL in support of the FairTax; although, I want to let you know that I had long been a supporter of the FairTax before it had a name, before it had a bill, before it had a concept that was nationally discussed. I just began to discuss it from my own business perspective because of my experience in starting a business in 1975, employing people and seeing what happens when you have a tax system that doesn't tax consumption but punishes productivity in America.

□ 1520

But I came here, Mr. Speaker, to bring up the immigration issue, which has been operating in the media to some degree, but mostly behind the scenes, delivered by the Gang of Eight over in the Senate and a group behind the scenes here in the House of Representatives. They will put out a little