

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. BOOZMAN) is recognized for 5 minutes.

(Mr. BOOZMAN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

REPUBLICAN CONFERENCE BILLS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, the gentlewoman from Wyoming (Mrs. LUMMIS) is recognized for 60 minutes as the designee of the minority leader.

Mrs. LUMMIS. Mr. Speaker, tonight's discussion will be about bills that Members of the Republican Conference have sponsored that have not yet gotten a hearing that we still think are very good ideas for our country at this time of high debt, high deficits, and when regulation is being heaped on businesses that actually need the chains to be broken so they can pursue the American Dream of hiring people, creating jobs and fulfilling our role in the country and the world, which is to feed people, clothe people, create jobs, create wealth, create opportunity and so that all Americans have the opportunity to do so without being shackled by the Federal Government.

With me this evening is BOB LATTA, who is from one of the most diverse districts in the entire United States. It has everything from agriculture to manufacturing, and it has experienced every up and down that is possible for one district to experience. During the course of this evening, Mr. LATTA and I hope that we will have the opportunity to refer you frequently to www.americanroadmap.org, which is a draft of the Budget Committee on which we both serve, an opportunity that provides Americans the chance to get out of debt and to eliminate the deficit, and to comprehensively do so without raising taxes.

It takes a long time, but it creates a very smooth landing for our country. And we also want to refer you to www.americaspeakingout.com.

Americaspeakingout.com is an official function of the Republican Conference here in the U.S. House which allows you to weigh in on ideas that you have for our country that will make it stronger, safer, more efficient, more cost effective and will unshackle this Nation's economy in a way that will allow us to once again pursue our role as a global leader in terms of innovation and jobs.

So at this time I would like to yield to my colleague, the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Speaker, I would like to thank the gentlelady for yielding. This is a very important issue that we are talking about: jobs, small businesses, and how we can get this country moving. I rise tonight to discuss a bill that I have sponsored, H.R. 1763, which is the Responsible Reinvestment Act of 2009. But before I do, I would just like to make a couple of comments, as the gentlelady just said, about the uniqueness of my district.

I have the number one manufacturing district in the State of Ohio. I also have the number one agricultural district in the State of Ohio. And about 2 years of this time, according to the National Manufacturers Association, I had the ninth largest number of manufacturing jobs in the United States House of Representatives. But because of the recession that we've seen happen across the country, I have dropped to about 20th, which is totally unacceptable because last summer we had unemployment rates raging across our district and across the State and the country. Two of my counties had over 18 percent unemployment. I had four others over 16 percent. So we have to do something in this country to get this country moving.

It's kind of interesting. We talk about having a district that's number one in manufacturing and also a district that's number one in agriculture. So how did that work? Well, I have so many of my farmers that work full time off the farm, but they work full time on the farm. So like my relatives who also live in my district, you know, they're working a lot more than 40-hour weeks, and they are making sure that the American economy keeps moving, they are making sure that Americans are fed, but they are also making sure that we don't have to rely on foreign countries for our food, like we have to do when it comes to oil, relying on foreign countries for our needs.

So we need jobs. We need jobs that are created by the private sector. We don't need any government jobs that are really just make-work jobs out there. Small businesses continue to bear the burden of this economic slowdown, and they need relief to be able to survive and continue to remain in business. Currently, small businesses employ over half the private sector workers in America. To assist small business owners, I introduced the Responsible Reinvestment Act. Specifically, this bill focuses on the following areas that I believe will not only help small businesses grow throughout the country but also help put our neighbors back to work.

The bill does the following: a 20 percent tax cut for small business is equal to 20 percent of the total income of the business. It permanently repeals the estate tax, or the death tax. You know, we have to do something in this Congress because if we do not act by the end of this session, the death tax will revert to where it was 10 years ago

without any adjustment to inflation, and that will hit small businesses and farmers alike. So, again, this bill repeals the death tax; it increases the expensing for small businesses to \$500,000; a full first-year expensing for farm and manufacturing equipment; and the full deductibility for the self-employment tax in relation to health premiums, which is extremely important for small businesses across this country.

The items in this bill will also be very beneficial to small business owners by freeing up capital for them to use to reinvest in their business. And through doing that, it will bring stability back to the communities in which they exist.

The future of our country depends on a proactive approach to creating viable solutions for small business owners to exceed and remain profitable. Small businesses are the lifeline and the heartbeat of our Nation's economy, as these are the companies that we rely on for products and services. As a Congress, we must absolutely stop passing legislation that contains massive spending and, instead, pass legislation like H.R. 1763 that will help small businesses rather than hurt them.

President Obama submitted his administration's fiscal year 2011 budget proposal with a record-breaking cost of \$3.8 trillion. This budget proposal includes a \$2 trillion tax increase over the next 10 years and projected record deficits. This proposal will double our Nation's debt in 5 years and triple it in 10 years from fiscal year 2008 levels.

The Congressional Budget Office has stated that under current spending levels, by 2020 American taxpayers will be paying \$2 billion a day in interest on the national debt alone. And, again, let me reiterate that—\$2 billion a day. I think we have to understand what this is going to do. It hasn't been all that long ago that we look back to the late seventies and early eighties when we had 21.5 percent interest rates in this country. And it wasn't very long ago I was talking with some small business owners in my district, and they said, Well, we even had problems getting a loan at over 26 percent interest.

Now, if the Federal Government is borrowing over \$2 billion a day—and you know, when you are talking about that, you are looking at the Federal deficit or, I should say, the debt going to \$20.3 trillion by the year 2020, and now the U.S. Treasury is coming out and saying that that could be at least \$26 trillion, that \$2 billion a day is going to be much higher, and businesses out there are going to have to do one thing—compete against government to borrow. That means the interest rates are going to skyrocket again, and how are we going to get small businesses moving again in this country?

Mrs. LUMMIS. Will the gentleman yield briefly?

Mr. LATTA. Absolutely. I yield to the lady.

Mrs. LUMMIS. That \$2 billion a day you just mentioned, that would only

take either 3 or 4 days for the entire budget of the State of Wyoming for 2 years. That covers our whole budget. It's a stunning number. That's how much money we're talking about.

And I yield back.

Mr. LATTA. I thank the lady for yielding back. Because again, you know, when you are looking at these staggering numbers—I'm sure Wyoming, like the State of Ohio, in our Constitution we have to balance our budget. I was a county commissioner for 6 years when I was first elected to public service. We went through the '91-'92 downturn at that time. And what did we have to do? Well, we had to cut back. We didn't just say we have to spend more. We had to cut.

Mrs. LUMMIS. Will the gentleman yield?

Mr. LATTA. I yield to the lady.

□ 1845

Mr. LATTA. Well, what we had to do was when we did our budget for the year, there are certain things in Ohio that the commissioners are responsible for. You looked at things. You thought, we have to budget for things like bad weather because you have to have more overtime.

One of the things that we always hoped we never have happen was a capital murder case because we know how much that would cost. We had to sit down with all of the other elected officials and say, We have to make cuts across the board and scale back. If we didn't, we were going to be in trouble. Again, our Constitution says you shall balance your budget.

Mrs. LUMMIS. Are you aware of any circumstance since you have been in Congress where the Members of Congress in the leadership have been called to the White House to sit down and talk about how we are going to cut spending?

Mr. LATTA. Again, this is a problem we are facing. Instead of saying we are going to increase certain budgets by 12 percent over the year before, we have to go back maybe a budget before that and say that is where we need to start the cuts. One of the things that is happening with small businesses across the country, or large businesses, when I go across my district and when I have the opportunity, I try to go to as many factories and businesses as I can. And when I am talking to these individuals, I like to find out what is happening to them.

But they like to ask this one question: We have cut way back to keep our doors open; what have you done in the Federal Government to help along these lines?

I think one of the interesting trips I was in was at a factory in my district. I went into the plant and they had to scale back. They had to unfortunately cut employees. But at the same time they were in there saying we had to reduce the number of hours people were working. So maybe it was not 40-plus hours, but it was a 32-hour work week.

Then they said we have to make sure that management does their share. They were cut 10–20 percent in their salary. And management was cleaning the restrooms in the factory to try to help do anything to scale back on costs that they would pay someone else to do.

Mrs. LUMMIS. Is there any instance where the Federal Government has done the same thing? Has the Federal Government gone to its employees and said, We need to cut you back to 32-hour weeks so we can keep you employed, keep you on your benefits so you don't lose your health care, but we need to save some money. Are you aware of that?

Mr. LATTA. Again, I think we would have heard it if something like that would have happened. But at this stage of the game, the Federal Government has a trump card some people think, and that we control the printing presses for putting out money. The big problem is we watch dollars being put out, but at the same time the United States Treasury is out there at an auction, and at that auction you have the Federal Reserve buying it, and all of a sudden we are monetizing our debt. We are moving one IOU from one pocket to the other. We are not accomplishing anything. We are not cutting anything. And we watch expenses keep rolling up.

The American people understand that what we do at home when we sit around our kitchen tables and you get out the family budget and say these are the things that we are going to have to pay for. It is the question of wants and needs. There is a big difference between what I want and what I absolutely need. I think the Federal Government has got to go to what is needed, and we are going to have to start scaling back immediately.

I am sure you have students and constituents who come here. When I had a group of students here today on the Capitol steps, and I look at these kids, juniors or seniors in high school, I look at what their future is for the next 10 years, and I don't care if it is \$20.3 trillion in debt or \$26 trillion in debt, according to the Treasury, we are in trouble.

Mrs. LUMMIS. What do you hear from your constituents? Do they believe that they are ready for the kind of reforms that you believe are necessary to save our country?

Mr. LATTA. I thank the gentlelady. I think what you are looking at is from the small business owners. They understand right off the bat that something has to be done. They understand that they have had to make deep, deep cuts.

Until recently, I served on the Budget Committee, and you are still a member. Sitting through those hearings with the Congressional Budget Office director or the Office of Management and Budget director or Secretary Geithner or when we heard from Mr. Bernanke, we heard the same thing: we are on an unsustainable growth of spending in this country. It has got to

be stopped. They don't offer a solution, but it is a very simple solution: you don't spend what you don't have.

I was one of 19 grandkids on my maternal side. I will never forget my grandmother, the good German farm woman she was, she had a simple saying, that he who goes a borrowing goes a sorrowing. She pretty much made sure that all 19 of us understood that. Again, you don't spend what you don't have because we cannot spend our way out of this mess. If we are going to be doing that, all we are doing right now, and have been doing, is mortgaging the future of the next generation of Americans.

You know, the question when you talk to parents out there and say are your kids going to be better off than you are, most parents don't believe it. They think that their kids are going to have a harder time of it than they have, and that is a bad sign for America's future.

Mrs. LUMMIS. The chart I have to my left, the viewer's right, is exactly illustrating what the gentleman has just been discussing. If you look at the spread between spending and taxes that occurs on the far side of the dotted line, that shows you what is projected into the future. That spread between spending and taxes going into the future is enormous and consistent. And if you look at what that produces in terms of deficits, look at the bottom line, the red line again on the far side away from me from the dotted line, and you can see that deficits are projected into the future. When we say unsustainable, that's what we mean. The long-term consequences to this country is that our children and grandchildren will inherit the consequences of our reckless behavior. How do we resolve this?

Mr. LATTA. Well, when you look at these budget projections, you have to have people working. When we are looking at an unemployment rate of 9.7 percent in this country and a little under 11 percent unemployment in the State of Ohio, and we all know what is going to happen later this summer when all of those people who were hired to be census takers, working for the census are going to be back on unemployment, these numbers are going to go right back up because it kind of is a false data time that we are in right now when we are looking at these numbers.

Of course we saw what happened when the unemployment numbers came out and only 41,000 jobs had been created in the private sector, what Wall Street thought of that. They are looking at things are not going well for this economy.

I know you heard these same statements that were projections from the Congressional Budget Office director when he was before the Budget Committee. We are looking at probably 2014 or 2015 before we get back to, and I don't care if you want to say normal employment or normal unemployment

in this country. The question is for areas that are hard hit like a lot of parts of Ohio and a lot of parts of the Midwest where manufacturing takes place, what are we going to do in our areas for the next 4 or 5 years with these high unemployment rates? Where are people going to go?

Mrs. LUMMIS. This chart illustrates exactly what the gentleman is discussing. If you look at the blue line, that is private sector employment. That is employment in the entrepreneurial economy. This is employment that comes from the employer class of Americans. If you look at the red line, the skyrocketing government employment, that is just that. It is the Federal Government attempting to replace the private sector with public sector jobs. The only problem is a public sector employee pays the same taxes that a private sector employee does. However, the public sector employee's salary comes entirely from private sector employment and the taxes generated by it. There is no way that we can sustain an economy of totally government employees when we have lost the private sector jobs, the kinds of jobs that Mr. LATTA has been referring to this evening in his district.

Mr. LATTA. One of the things that we are talking about, those jobs, and it goes back years ago when I was a county commissioner. You wanted to make sure you had as broad a tax base as possible in your county or State or country. It is like a pyramid. You want as big a base on that as possible. But the thing we were worried about, what happens if? We were losing jobs and we had fewer and fewer people. All of a sudden that starts shifting that base, and pretty soon you have a very small tax base out there of individuals, and you have a lot of other people up on top. It doesn't work.

What we can't have in this country is killing the entrepreneurs. When you look at all of these different scenarios out there, the bills that have come before this Congress, and these are the same people that I talk to in my district. And again, when you are dealing with the largest manufacturing district in the State, 20th largest in the Nation, they are concerned. I hear all the time about the issues out there that will help bring them down, is about the best way to say it.

You know, we have the second highest corporate tax rate in the world. What are we doing about that here? When we talk about the health care costs, a lot of them are saying when they hit that certain magical number, when they get above it, they are asking why do I want to expand if I will be paying more. It won't work. Folks in business understand it. It gets to the point of economics 101 from your first year of college which is the law of diminishing returns. It is the more I work, the more I get taxed, and the less I have; why do it? People aren't going to do that. It is against human nature to do something like that.

Mrs. LUMMIS. Would you recommend reducing the corporate tax rate?

Mr. LATTA. We have to go across the board. If we are going to compete against our foreign competitors, and that is who is out there today. Because when we look at a lot of these regulations that are coming down on businesses, you look at the corporate tax rate and you look at what has happened here with health care, we have seen these numbers coming out today of what is going to happen on the health care side. They are saying you get to keep what you want; well, that is not going to happen for a lot of individuals.

When you look at the regulations, companies are saying we don't have to worry about that if we are someplace else. I have had companies that are located in a village or city, and when the EPA puts a mandate in for water or sewer, but the parent company is some place outside the State, and they are told if their rates go up to a certain amount and they are no longer profitable in their area, well that company is going to be moved. When you are looking at losing 300 jobs or 400 jobs or 600 jobs, that is totally unacceptable.

Mrs. LUMMIS. Are you aware of any employers in your manufacturing district that have pulled up stakes and moved their businesses elsewhere?

Mr. LATTA. That happens all of the time, unfortunately. We have situations where we are competing. I know years ago when I was a county commissioner, we were competing against many other parts of the State of Ohio or maybe someplace in southern Michigan or eastern Indiana. In a short 20-year period, now we are competing with somebody 8,000, 12,000 miles away. If they are in a situation where they have lower labor cost, and if they have lower cost for their electricity or other fuel costs, and we are all for clean air and clean water, but if they are in certain areas where there is no concern for that, and we have heard under the cap-and-trade legislation, if we did everything that was asked for under this piece of legislation that passed out of the House, in 8 years there would be absolutely no difference in CO₂ emissions. Why, because China and India would be making that amount up. But at the same time, we would have lost all of those jobs in this country. Those jobs would have moved someplace else.

□ 1900

Mrs. LUMMIS. Are you aware of any manufacturer that has moved into your district from a foreign country, saying this is a better place to do business? It's more economical here? I can make a better profit here?

Mr. LATTA. I thank the lady for yielding.

This is the problem you run into. In my opinion, I truly believe that the United States has the greatest workforce in the world. We have the best trained workforce. We have the best

educated workforce, but we just need to be put on an equal footing. And when companies understand that—you know, it's just like with that small entrepreneur.

If they toil day after day—I knew somebody that, to get their company started, they had a small bed that could roll up in their office. And his wife would come in and help work, and she slept on the couch. But, you know, they put hours and hours and hours into that business, first of all, to get it off the ground, to grow it, and then to make it successful.

But if you put the roadblocks in front of these people, you know, some folks aren't going to be as steadfast as they were, and they are going to say, You know what? It's just not worth it. Why kill myself? And I think that, again, it's the spirit of entrepreneurship in this country that makes this country work.

It's like when I talk to these kids on the Capitol steps. You know, why did a lot of our relatives ever get on—some people's relatives came on the Mayflower. Most of ours came on the Poorflower. And when people got off that boat, and my relatives came down by barge on the Ohio River, and they came up the canal system, and they cleared the land, and they started farming in Putnam County in Ohio. They had a desire. They wanted land. They wanted to grow that land. They wanted to make sure that they had something not only for themselves but for their kids. They wanted a future. And I think that's what we are losing track of in this body and in this Congress, that what's happened is that it's no longer about the future, but too many are thinking, "It's about me." And the problem with "me" is we are not growing it. And we have to grow the "we" and the "us" to make this country successful.

Mrs. LUMMIS. My daughter did a study for an economics professor about externalities, meaning decisions you don't necessarily see in black and white on a business plan, that might affect a Wyoming rancher's decision to stay in agriculture or leave agriculture. Because we know that in Wyoming agriculture, especially beef production agriculture—of course, there are no subsidies in beef production agriculture in Wyoming, and other States as well.

So the largest group in Wyoming are those that make from 0 to 4 percent profit. The second largest group are those that make from 0 to minus 4 percent profit. And after looking at many factors of what would motivate a person to stay in a business where the profit margin is that low, the answer for especially second, third, and fourth generation ranchers was the ability to pass it on to my children, to give my children a better life, to give my kids the ranch.

Now, Mr. LATTA has mentioned two things that are of concern if a person's motivation is to give their children a

better standard of living, a better life, an opportunity, a shot that maybe they didn't have or that they have enjoyed and they just want their children to have as well. You mentioned that next year the estate tax is going to go back up to a maximum amount of 55 percent of the value of the estate, with only a \$1 million exemption; whereas, this year there is no estate tax whatsoever.

Think about that and how that will affect you if you have spent your entire life building something with the one motivation of giving that to your children or your grandchildren. That is going to be devastating. Many people I know would accept a smaller estate tax with a higher exemption, but no one I know is going to be satisfied that a 55 percent tax on your life's work that you wish to pass on to your children is anything but a taking. And takings are unconstitutional under our Fifth Amendment. I mean, that's how people look at it.

And, you know, if you worked your whole life for something 7 days a week, not 5 days a week, not 40-hour weeks, but every minute of every day that you are awake, growing your family, growing your business, growing their opportunities, creating a community, creating the kind of American Dream that so many people came here with nothing and then built over their lifetimes or their parents built over their lifetimes and want to pass on to their children.

The other point you made that I think is going to affect that American Dream is our debt, is these running deficits that are unsustainable over time. Because if we mount our children and our grandchildren with debt, it will crowd out private investment. If we are spending the entire Federal budget, all of our tax dollars on the combination of entitlement programs and interest on the national debt, we have crowded out the opportunity for private investment as well as for discretionary spending within our economy.

I yield back to the gentleman to tell us more about the consequences of these bad policies and the kinds of bills that he has proposed to change all that.

Mr. LATTA. Well, you have touched on something when you are talking about the death tax, the estate tax. And, you know, when you are talking about something going from having zero death tax this year, which won't ever happen because, you know, there will be a retroactive clause put in somewhere saying that they are never going to let people off the hook, and they are going to say anybody that passed away this year, somehow they will try to bring them back up, and I am sure the lawsuits will begin.

But you are right about a couple things right off the bat. You know, family businesses, family farms, I know it's difficult for some folks when you are only looking at a very small percentage of about less than 2 percent of Americans now that make their livelihoods from the farm. And when you

go to your local county fairs and you go to look at these implements and the costs, and when you are talking about a \$425,000 combine with one head, or you are looking at a couple hundred thousand dollars for a tractor, and you start adding all these pieces of machinery up. People say, well, if you have got a couple million dollars you are rich. Well, most farmers that I know are land rich and cash poor.

And what happens in a lot of cases or a small business, what do they have to do? Well, number one, okay, they have to start doing estate planning early on. And I am an attorney by trade. But when you start talking about that we have to tell the American people they have to expend millions and billions of dollars when it comes to estate planning or doing the taxes every year, we should simplify this. But, also, we shouldn't be taking what they have worked hard for. And when people are out there thinking, Is it going to be worth it in the end?

Because this will be—you know, if we get to a point in this country, people are going to say, You know what? If the government's going to take it in the end and I can't pass it on, what are they going to do? Either, A, I am not going to work that hard, or, B, I am just going to spend it. And if they spend it, what's going to be the result of that? They are going to say, Government, you take care of me now. I am not going to worry about my livelihood or I am not going to worry about down the road when it's time for me to retire. Just have the government take care of me. And that's not going to work.

So, you know, we have got to keep this entrepreneurship. We have got to make sure that people in this country have the ability and the thought that they can succeed. You know, a lot of people sometimes are jealous of people that come here as new immigrants to this country, but the thing that they know is they come to this country like a lot of our ancestors did. They want to make something of themselves. They want to make something of their future. They want to have something for their kids. But when you kill that entrepreneurial spirit, that's when the beginning of the end becomes.

And you know, it's kind of interesting. There used to be a saying years ago before the fall of the Soviet Union that the people pretended to work and the government pretended to pay them. And we never want to have that happen in this country, where people get to the thought that there is this hopelessness, that there is no reason to do it. We want to make sure that the people have the ability in this country to get ahead.

And I yield to the lady.

Mrs. LUMMIS. The gentleman has mentioned a couple of things that are important to recreating a vibrant economy and to taking the shackles off of American business, and tax policy is high on the list. The fact that we could

have an estate tax that is much smaller in terms of its impact on a family, and the American people would accept that is in fact the case. I hear it over and over in this country. We have also heard that it would be helpful in terms of American competitiveness for us to reduce our corporate tax so we are more globally competitive.

Among the provisions that anyone can read about is in americanroadmap.org, and that is the proposal to create a flat income tax. That would be a rate, such as 10 or 11 percent, that you would pay on all of your income, regardless of source, regardless of whether it's active or passive, whether it is capital or income from a job, whether it is rental income, royalty income, or, again, active income. All sources of income would be taxed at 10 or 11 percent.

So you take all your income annually times 10 percent or 11 percent. Maybe you have a deduction of \$20,000, so your first \$20,000 worth of income isn't taxed. And then whatever that amounts to, you just write a check and send it in to the IRS. You don't need to have CPAs help you fill out your tax returns. And I can tell you, if we did that, it would save the American people a lot of money. We would garner a lot of tax revenue that we aren't collecting now because of the efforts and machinations that people go through to try to protect as much of their income as they can from being taxable because, A, there is no way to avoid it, whether you are rich or poor; and, B, it's predictable. You know that the person across the aisle from you at work or at church is also paying 10 or 11 percent, whatever it is, of their paycheck.

That sounds so fair to me. It sounds so logical. And yet that is something that is so hard to change with all of the interest groups that affect the appearance and shape of our Tax Code.

I do want to encourage, as we go along, everyone to go into AmericaSpeakingOut.com and weigh in on ideas that we have proposed to reduce the Federal debt and deficit and stimulate the economy and take the shackles off the American entrepreneur. And also to just weigh in and give your own thoughts about how we might do it.

I would like to talk about one of the bills that I have sponsored, and it's a way to reduce the number of Federal employees without firing anybody. It is a bill that would provide that if you look at the curve off here to my left, your right, you will see Federal employment in the year 2010, which is the farthest bar away from me, has absolutely skyrocketed. And this is Federal Government employment full-time equivalents excluding the Postal Service. So it has just grown leaps and bounds.

Now, how do we soften the landing for those people that were hired in a way that will allow our economy to return to normal so we can begin to reduce all this deficit spending? And the

answer is for every person who retires or voluntarily vacates a position, that vacated position, that vacant position would be moved into a position pool, and only half of the positions would be moved in the position pool. Then the executive branch of government, run out of the President's office, would have to determine whether that position was essential to that agency and needed to be placed back in that agency and then filled with an employee, or whether that position should be moved to another agency that had a more impactful mission on our American economy and on our government regulatory needs.

So it's a way over a 10-year period to reduce the number of Federal employees through attrition. They leave. Their position becomes vacant. Half of those positions go away. That saves about \$70 billion. Not a small amount of money.

Some of the other ideas that Republicans have filed go way back to the stimulus package. We sponsored a bill that would have stimulated economic growth; in fact, it would have created twice as many jobs at half the cost of the majority party's \$787 billion stimulus package. How did we do it? We did it by investing in infrastructure instead of earmarks and by cutting taxes. This is something I believe, Mr. LATTI, that you and I both supported.

□ 1915

Mr. LATTI. Thank you very much for yielding, and again, you go back to the Responsibility Investment Act again, you were talking about cutting taxes here and what we can do to really get things moving. Again, if you get rid of and make permanent the repeal of the death tax, well, what happens? People are going to say, now I can invest that money back into the business instead of going out saying, how am I going to try to soften the blow when the taxes finally come, you know, through buying insurance or, you know, going to multiple years of tax planning on how you're going to get this thing done?

And I'm sure everybody this year is going crazy with the thought that the death tax comes screaming back at the \$1 million level at the end of this year, and you have a lot of folks with their A and their B trusts already funded where they're supposed to be, and they're going to say, now what am I supposed to do? So it's right back doing what? You know, it's not just the money that people invest, it is also the time. If you think how much time is invested by businesses to try to figure out how they have to cope with all these taxes and regulations out there, I think that that's one of the important things out there.

Again, in a piece of legislation that I have on the Responsibility Investment Act, again, repealing that death tax, we're talking about what we can do on the small business side. You know, if we're doing a 20 percent cut for small

businesses and 20 percent tax cut for businesses, that's going to allow those businesses to take up to a 20 percent deduction equal to their income. And it's regardless of whether they're paying corporate or personal income tax.

So those are things we have to do to try to make sure that we get businesses back moving in this country again, and again, we just can't expect folks out there to say, you know what, I'm going to work like a dog 24 hours a day, 7 days a week for X number of years to try to get this off the ground and then have to watch it all be taken away from me.

Mrs. LUMMIS. You know, among the other pieces of legislation that Republicans have sponsored includes reducing our salaries or freezing our salaries, freezing government salaries, reducing spending across the board. There have been Republican proposals, anything from 1 percent to 5 percent to 10 percent. There have been Republican proposals that would take spending, as Mr. LATTI referred to earlier, back to 2008 levels or even 2006 levels. You know, we had enough government then. There were not a lot of complaints that, my gosh, we don't have enough government; we need to spend more on government.

So we could take spending back to 2006 or 2008 levels, and I don't believe the American people, other than those who have benefited specifically by being employed by those Federal agencies and Federal programs, would notice the absence of that money, and in fact, they'd probably benefit mightily because it would save so much money that interest payments on the debt and the deficit would be reduced, and we would not have to borrow so much money.

A couple weeks ago here in Washington, some U.S. Treasuries were issued. They are issued every day that we are working, Monday through Friday. There's a sale of U.S. Treasury bonds because we are going into debt so much we have to sell Treasuries every day. This particular issue was under-subscribed. That means there were not enough buyers for the money that we attempted to sell, and the reason is that for the risk that the buyers were taking, they wanted a higher rate of interest. They wanted a better return. When you take more risk on an investment you're purchasing, you want a higher rate of return.

As soon as we have to start paying higher interest in order to attract buyers to our debt, we are ensuring that our children and grandchildren are going to be saddled with higher interest payments once again, crowding out other investments in our economy. These are the kinds of things that absolutely stifle economic growth in our country and encourage some businesspeople, as was mentioned by Mr. LATTI, to move their businesses elsewhere.

We do know that, for example, in the Gulf of Mexico right now, with the

moratorium on drilling and no end in sight to when it might be lifted, that there are drill rigs that are considering moving to that tremendous oil and gas find off the coast of Brazil. If one of those enormous rigs is moved off to the coast of Brazil, it will be 5 years before it comes back. It's not going to move back at a moment's notice. That takes so many thousands of jobs away from workers in Louisiana. So they're doubly punished. They're punished because their shores are polluted by oil from the Deepwater Horizon rig which exploded, destroying the fishing industry and retarding the tourism industry. And then they're adding insult to injury; the oil and gas employees lose their jobs in areas where you could drill at a shallower depth or a medium depth in a much more safe and well-understood manner. This is the wrong reaction.

You know, the President is speaking later this evening about the situation in the Gulf, and what I would note about that is, we can't legislate our way out of the damage and the devastation to the Gulf. We have to clean it up, and we have to make BP pay for it. Those are our alternatives: Clean it up; make BP pay for it.

The President, if he had had executive experience, would likely have called the head of BP within 48 or 72 hours of that oil spill and said, I want you on a conversation with me every single day at a specific time. I want you and me and the Coast Guard and the Governors of the affected States and anyone else who is able to help us clean up this mess, and they could get on the call every day at the same time. The President could have opened a call, and he could have said, I'm not going to stay on this call for more than a minute, but I'm going to tell you that the people on this call are responsible to the people of this Nation to make sure that that oil does not get to our shores, and I want you to do everything possible. BP has said they will pay for it. BP is on this call, and are you assuring us you will pay for it? I mean, under which circumstances, they would have said, yes. And it could have proceeded that way every day with the President's full support for the Governors' requests, for the Coast Guard's requests, for repealing the effects of the Jones Law, which inhibited our ability of getting other countries to help us in the response. All of that could have been handled if it would have begun earlier enough.

But the fact that there was an effort to run away and avoid the problem and deal with it not until it was just completely out of control is, I believe, an indication of someone who had legislative skills and not executive skills. There is such a difference. We cannot legislate our way out of the situation, and we should not have a cap-and-tax bill as a response to a devastating accident that may be the worst ecological disaster we've ever had, because taxes are not going to change it.

BP has said they're going to pay the bill. To do otherwise would be to impose taxation on the people in this country who can least afford it, those of low and moderate income who are trying to make ends meet at a time when unemployment is still 9.7 percent, at a time when we should be helping them find jobs, not imposing a moratorium on safe drilling, that takes jobs away from them. The Gulf is just one example of where that's true.

And I yield back.

Mr. LATTI. I thank the gentlelady for yielding and a couple of your earlier points, you know, you were talking about pay here in Washington. I've got a bill that hasn't had any hearings, and what that bill says is that there are no COLAs anymore for Congress. If you think you deserve a pay raise, then you should introduce a piece of legislation saying that, and what this bill would do is say no more COLAs, period. We wouldn't have a 1-year freeze or a 2-year freeze; this bill would say no more COLAs.

Again, going back to what you said on that interest on that debt, and I mentioned a little bit earlier about going back to the early 1980s, with that 21.5 percent interest rate that people experienced. I was first starting to practice law that year, and I'll never forget, we had to do land contracts. And what a land contract, of course, is, say you want to buy my house, well, you couldn't go to the bank and get a loan because you couldn't borrow any money. So I would have to, as the owner of the home, would sell you the house. We would have a contract that you pay me the principal and interest over about a 3-year period of time, and hopefully, at the end of that 3 years, then you would find a bank that you could go out to and get a loan from.

We don't want to see this go back, like I said, to where we had 21.5 percent interest. We don't want to go back to have some businesses out there at over 26 percent. When the Federal Government is out there, as you said, you know, if they have to start raising the interest rates to make it more profitable or for either the country—of course, right now, we know \$3.7 trillion of our debt is owned by foreign countries, and you know, we're only seeing that only grow, where they will control more of our public debt than anybody else.

So it's important that we get this under control because we cannot have interest rates that high into future. Businesses will stagnate. Businesses will not have the ability to go out and borrow money. And that's what we're going to be looking at. We'll be staring that in the face in a very short period of time, and what we need to make sure is that businesses can go down to that local bank on the corner, that people can go down to that bank on the corner and draw money and also loan money from that bank because, again, if we're in a situation that we were, you know, having learned that a life-

time ago already, not too many years, but back in a situation that we would be in where we were before, we can't compete.

And something else I guess we're kind of forgetting, when you look back on some of these statistics, maybe 10, 20, or 30 years ago, the United States was pretty much at the top of the heap. We could make some odd, dumb mistakes along the line, but we could correct them pretty quick because we controlled about everything. Not anymore. When you're looking where the Chinese want to be in the next 10 to 15 years and where other global competitors are, we're not going to be there. So that's why the United States and this Congress cannot misstep at any time, from now or into the future, because our future, not only for this generation but the generations to follow, are at stake.

Mrs. LUMMIS. Mr. LATTI has announced a call to action for all Americans, and we are attempting as a Republican Conference to solicit ideas and priorities from all Americans, regardless of party affiliation.

Please visit americaspeakingout.com.

This will provide an innovative online forum for policy debate and idea generation. It gets us outside of Washington to talk about policy solutions at town hall meetings across the Nation. It allows us to discuss how our principles of freedom and smaller government could be applied to the priorities of the American people.

In time, we will produce a new governing agenda for America guided by this open process and built on our conservative principles, and we want to demonstrate that Congress should pursue different policies and operate this House more responsibly than both Democrats and previous Republican majorities. And if I hear something all the time on the Republican side of this room, it is that we don't want to treat the Democrats the way we used to treat them, and we don't want to be treated the way the Democrats have treated us.

I really believe that the 112th Congress that begins in January could be a new beginning for our country. It will only be so if the American people say it will be so because the American people are the ultimate governors of this country, and they govern with their vote, and they will have an opportunity in November to vote.

So please visit americaspeakingout.com. Give us your ideas. We want to know. We want to build a working, bipartisan majority with the American people so we are legislating what the American people want, not what liberals want, not what conservatives want, what the American people want.

So americaspeakingout.com is a state-of-the-art Web site that allows individuals to suggest ideas of their own or weigh in on ideas offered by others. Everyone can see the ideas that

are on the table, make comments on them, and register their approval or disapproval.

□ 1930

This Web site brings the Halls of Congress into American homes and uses the best of social media to allow America's many voices to be heard.

And we would conclude by saying, to change the way Washington works and the policies it pursues, it will require Washington to listen when America speaks out, and we hope all Americans will join us in this unprecedented process of engagement.

For concluding remarks, I yield back to the gentleman from Ohio.

Mr. LATTI. I would just like to conclude on a statement that was made as you talk about Americans getting reinvolved.

Again, when I speak to the students on our steps here at the United States Capitol, I can't think of a better place to tell kids what they have to do. But one of the interesting things, especially when I have seniors in high school and I say, how many of you are registered to vote, I remember one day we had about 100 students out there, and I probably had maybe 20 percent of the kids sheepishly start trying to raise their hands. They were going to put them down and I said, wait a minute, leave your hands up. I said, I want everyone to look at who has their hands up because they're going to be making the decisions for you. I said, if you want to participate in this great experiment, you have got to be registered, you have got to be involved.

It kind of goes back to what Benjamin Franklin said. It was reported when he left the Constitutional Convention—it was very contentious—a lot of people think it was just fine and dandy. They showed up in Philadelphia starting in May of 1787 and they wrote this great document. But it was hard-pressed, hard work, and they got it done. And when Franklin left, a woman asked him as he left, she said, Mr. Franklin, what have you given us? And he said, "A republic if you can keep it."

I yield back.

Mrs. LUMMIS. I thank the gentleman from Ohio for joining me this evening.

I look forward to hearing the remarks of the next group. They are our Democratic colleagues from across the aisle. This group will be led by Representative WASSERMAN SCHULTZ, who I had the privilege of visiting Israel with earlier this year. She led a congressional delegation to Israel. And for this neophyte in international policy, it was a fabulous experience. We had the opportunity to meet Israeli President Shimon Peres. We visited with Benjamin Netanyahu, with the minority leader, Tzipi Livni, and also with Palestinian Authority leaders. We visited Jerusalem, the Golan Heights, and some of the fabulous farming communities near the Sea of Galilee.

For someone who had never visited Israel—in fact, I had never seen the Mediterranean Sea in my entire life, and to get to visit it with people who are steeped in the history, the politics, and the worldwide consequences of our relationship with Israel, it was a tremendous experience. So I want to thank the gentlewoman from Florida, Representative WASSERMAN SCHULTZ, for including me on the congressional delegation that she led to Israel.

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

THE ECONOMY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, the gentlewoman from Florida (Ms. WASSERMAN SCHULTZ) is recognized for 60 minutes as the designee of the majority leader.

Ms. WASSERMAN SCHULTZ. Mr. Speaker, first, before she departs the Chamber, let me just say what an absolute pleasure it was to travel to the Middle East with the gentlelady from Wyoming. Mrs. LUMMIS was a pleasure to have as a companion. She was inquisitive. The purpose of that trip was particularly to bring Members who had not been to Israel before so that we could learn about the importance, not just strategically, the importance of Israel in terms of its relative location to its neighbors so that Members like Mrs. LUMMIS could see and understand just how important it is that we continue to be supportive of Israel as a Jewish and democratic state.

Everyone I know that travels to Israel comes back a stronger supporter and a stronger pro-Israel advocate; and I commend you, Mrs. LUMMIS, for doing just that. It was an absolute pleasure. We began a friendship that I know will continue many years into the future, so thank you very much.

With that, Mr. Speaker, I am thrilled to be joined by my colleague, the gentleman from New York (Mr. TONKO), this evening. We're going to spend some time talking about our economy and talking about the evolution of our economy. There certainly has been some ebb and flow in that regard, but we are here tonight to talk about the success that we have had in turning the economy around and beginning to see progress. Inch by inch, month after month, there is more and more progress as we move forward.

This evening I want to highlight, Mr. TONKO, the fact that if you look back—and I know we have a chart on this which I would love to go get in a minute—but if you look back to just before President Obama took office in January, at that point, for the months leading up to his inauguration, we were bleeding, the United States was bleeding 700,000-plus jobs a month, and we weren't able to stanch those losses. The Bush administration handed President Obama the largest deficit in history, and one which they created after being handed a significant surplus from President Clinton.

And to have to deal with the amount of problems that our economy was facing when President Obama was inaugurated was astonishing and appalling, Mr. TONKO, because to have been left a mess and to have the economy driven off a cliff as it was just absolutely irresponsible and it was avoidable.

It was avoidable because during the Bush administration, instead of focusing exclusively on the wealthy and having a tax-cutting policy that was focused exclusively and irresponsibly on the wealthiest 1 percent of Americans, instead what should have been done is there should have been a focus like there has been every single month since President Obama took office; there should have been a focus on broadening that tax-cutting policy and focusing on targeting tax cuts for the middle class. That wasn't done, and so the economy essentially was careening out of control.

Now you fast forward to a year and a half after he first took office, you fast forward to a little more than a year after we passed the American Recovery and Reinvestment Act, which invested \$787 billion into our economy to jumpstart the economy, to create jobs, to provide 98 percent of taxpayers in this country a tax cut. Where you had the wealthiest 1 percent get tax cuts under the previous administration, 98 percent of Americans got a tax cut last year. And we actually have the lowest tax rate now that we've ever had. It is just really amazing the way things have been turned around, and we should be very proud of that.

Today, in terms of job creation, from bleeding 700,000-plus jobs, we are now adding an average of 200,000 jobs a month since the beginning of this year. That is a really incredible accomplishment. I'm going to toss it to you in a second and go get those charts so we can have an illustration of what we're talking about, but we have a lot to be proud of. We have a long way to go. I mean, granted, we certainly aren't out of the woods yet, but we have turned things around and are beginning to see that in the economic indicators that I know we will talk about tonight. So it is a pleasure to be with you this evening.

Mr. TONKO. Thank you, Representative WASSERMAN SCHULTZ. And thank you for bringing us together for this Special Order which obviously will speak to the wisdom of sound policy that breaks from the failed policies of the past.

What is startling is that we should have learned from decades ago that the trickle-down theory simply does not work. It does not work because there wasn't a benefit felt by the working middle class, a large group of people across this country who in many situations live paycheck to paycheck, putting aside money for their mortgage payment, putting aside savings for college for their children, putting aside some reserves for unexpected expenses. That kind of situation must be re-

sponded to. And I think the fact that you talk about 98 percent of Americans getting what was now recorded to be historically the largest middle income tax cut in this Nation's history was a big part of the Recovery Act. It is what started to circulate the dollars.

When we look at the economic advice that we got, not only as the House of Representatives, but the United States Senate and the White House, with President Obama and Congress being advised by a team of economists that ranged over the broad spectrum of philosophy in the world of economics, and from the far-right thinking to the far-left thinking, from more conservative viewpoints to the more liberal viewpoints, there were recommendations made by this panel of economists who spoke to the priorities that needed to be embraced by this Nation. The time had more than passed to invest in the recovery for America, and the results are astounding.

When we look at the Recovery Act, we can witness that the bleeding has stopped. The telltale indicators suggest in many cases that there is slow and steady progress, that the bleeding has stopped, and the Recovery Act can be credited for that.

The investments that were made were in three categories: tax cuts, as the representative, the gentlewoman from Florida indicated, a historically large impact, a historic largest middle income tax cut for this Nation. That was shared with the middle income community, the working families of this country.

Next, an effort made for issues like FMAP and education aid that went to States. I know that my home State of New York did extremely well with the Medicaid relief monies, did extremely well with the education investments so that we are able to keep some of the public sector employment situations, from educators to public safety, alive and well, and to allow for those families who were in need of assistance to receive some of the Recovery Act monies. And the unanimity with which the economists spoke in this situation simply was driven by the very forceful thinking that these entitlement situations—the need for food and clothing and shelter in tough times where people were finding themselves without a job through no fault of their own were allowed then to, with dignity, continue forward in these tough times; and they reinvested in the local regional economies. That got the local economies circulating and began the work, the progress of pulling ourselves out of this recession, which was, again, a historic situation as was witnessed by the previous speaker.

And then finally, investments, investments in a way that went to projects that were back-burnered, investments in technology, technology and education, in energy situations, in health care, in all sorts of activities, in transportation and infrastructure, utilizing technology in a way that could