

And I know that, like many of my colleagues, I will be proud to go back home to Maryland and say to the folks in my State, we are bringing \$782 million in transportation and infrastructure funding to our State. I will be proud to say we are bringing \$1 billion back to Maryland to help offset that horrible \$2 billion deficit that we are facing. And to 89,000 students, you are going to be able to get your average award of \$3,000 for Pell Grant assistance. Those are the kinds of things: elderly nutrition programs, real job creations, investment in science and technology.

I mean, our district houses some of the labs that are on the forefront of development in this country for science and technology and research, and we are going to be bringing dollars home to create jobs and make those investments for the future. And so like my colleagues around the States, we are going to go home to our folks and we are going to say we are bringing jobs back home.

And then we will come back into this Congress, and we will work for working people. We will fight for working people. We will do that every single day. And as members of the Progressive Caucus, our job will be every day to come here and fight for the American people.

And so it is an exciting time, but it is just a first step. And our job will be to work with this President to make sure that we take this first step into the next step for the American people.

And we've created jobs, don't forget that. We have created jobs today for the American people, 3 million to 4 million jobs created or saved today for the American people.

And I thank my colleague, and I yield the balance of my time.

Mr. ELLISON. So let me just close it out and say that it has been a pleasure coming to you with this special order with a progressive message with my colleagues, Congresswoman WOOLSEY, Congresswoman CLARKE, Congresswoman EDWARDS. And this has been the progressive message here. Thank you.

I yield back the balance of my time.

#### AMERICA'S FINANCIAL CRISIS

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

Mr. AKIN. Mr. Speaker, I appreciate your patience in working with us here and allowing us to have this time to talk about something which is a very important and serious topic which has captured the attention, I believe, of most Americans: the work of the House of Representatives in Washington, D.C., today on the floor of the House. We have in a way created history here in a unique way.

We have heard for the last 6 or 7 years, depending if you are talking

about the war in Afghanistan or the war in Iraq, about the tremendous costs of these two wars, particularly the war in Iraq. Year after year we hear from all different sources, all different political stripes, that these were very, very expensive wars. And yet, if you were to add up the total cost of the war in Iraq over the past 6 years and add that to the cost of the war in Afghanistan for the last 7 years, adding those two numbers together, in one fell swoop this afternoon we spent more money than that, in excess of \$800 billion.

I want to repeat that, because this is a fact that I think people are starting to add it up and say this is what is going on, but I don't know if that has sunk into people's minds:

Today, on this floor, we voted on a bill which will spend more money than the war in Afghanistan and the war in Iraq added up.

Now, how did we get to this strange position where we are so concerned about our economy, so concerned about deficits, so concerned about the government overspending? We have heard that from both political parties for some period of time. How do we get to the point where, in one fell swoop, we just passed \$800-plus billion?

Well, in order to try to put that in perspective, what I am planning to do tonight, and I am going to be joined with a number of my colleagues of very great reputation from all over the country; what I am going to be doing tonight is talking about how this developed, what is the nature of the problem, how did it occur; and then, how do we scope how big the problem really is, and what are the natures of the different ways that people might want to solve the problem?

The bill that we passed today was theoretically to solve a problem, and so let's go back just a little bit and say, how did we get into this particular mess that we are in?

Well, it goes back quite a ways to the Jimmy Carter years when we created various programs to try to help people to be able to get loans on houses, people that lived in areas where certain particular geographic areas were hard to get loans. And so the Carter administration put together the Community Reinvestment Act, and it was originally saying that when we are doing these different home loans, that we need to have some mechanism so that we can create some way for people that live in some more difficult areas to get loans in, for them to try to be able to get loans. I would suppose you would call it the economically disadvantaged areas. Well, that was under the Carter years.

Now, when we move forward in time, under President Clinton what was done was it changed this Community Reinvestment Act and it said that and it increased the percentages of the loans that had to be made from a banker's point of view to people who were not as good risks. In fact, it demanded that

there were loans made to people who were just flat a bad risk and very likely would not be able to pay the loan.

□ 1945

At the same time in the 1970s, we created Fannie Mae and Freddie Mac, and these were two quasi-governmental agencies, and the purpose of them was also to provide loans for people in the sort of middle-income type bracket of housing so they could get loans at a reasonable rate. So Freddie and Fannie were born. They were really not quite government and they were not quite private. They were in the in-between zone, and they started more and more to make real estate loans, to the point that a few years ago when Freddie and Fannie got into trouble, more than half of the home loans in America had been made through Freddie and Fannie. So they had grown over the years to tremendously large quasi-governmental organizations.

What happened under the Clinton administration was Clinton forced Freddie and Fannie to take a whole lot of loans, loans that were not going to be very good loans, and he said you have to take them along with the other loans that you are taking. So the government, as a matter of policy, forced Fannie and Freddie to make loans to people who were going to have a hard time for some of them to pay back.

This starts to go along at the same time with Greenspan reducing the interest rates, so there was a whole lot of money available for people to put into houses. And probably many realize now when we talk about 2001, 2002, everybody's home values were going up like a skyrocket. Everybody was happy as their house was getting more and more valuable. Just in the 2000s alone, they doubled. And many people took secondary loans on their homes.

So this easy money in combination with the fact that you have now got all of these different speculators jumping into this housing market, and what happened was because of the fact that Freddie and Fannie were playing very, very loose with their rules and regulations, were taking loans. And they wouldn't ask anybody how much money they made. And they wouldn't ask whether they were able to pay or whether they were going to make a downpayment. They said, you want a loan, fine, we will give it to you, because the assumption was that you and I and the American taxpayer would back these Freddie and Fannie loans. But more and more loans were being made to all kinds of people, including speculators, where there was no way they would be able to pay those loans back.

So as the housing bubble burst. All of a sudden these loans started coming due and people were defaulting on their loans, and there were cries of crisis on Wall Street.

An additional fact that was going on here, you have the rating agencies, one of them is known as Standard & Poor's

and the other was Moody's, and I believe there was another major rating agency, what they would do, they would look at all of these loans that came to them, and they would rate them as to how good the loans were. Well, they wouldn't be asked to do any rating if they rated the loans not very good, so these loans were all rated AAA. That means this is good stuff, you can afford to invest in it.

So these loans were sliced and diced. They were sold all over the world, and many different banks and institutions held these loans on their books as an investment.

Well, what started to happen, these investments became of no value. People couldn't pay the loans. They started to realize what had happened was there was an absolute runaway on the loan process and the people that had gotten the loans didn't really have jobs and couldn't really pay off the loans. And so you started to have all of these mortgage-backed securities started to seize up, and the entire credit market started to seize up.

That was last fall, and it was that time when Secretary Paulson approached Members of Congress and said we have a huge crisis on our hands. It is a disaster, and what you all have to do is you have to give me \$700 billion. And I would like it in a brown paper bag in unmarked currency, and I would like it in a hurry, too, please. A lot of congressmen were going: \$700 billion? So you have the cycle of the first bail-out.

Today we come to the second. We have already spent \$350-plus billion of that \$700 billion, and people could argue whether it has had any significant effect. Certainly it was not spent in a transparent way. Most people don't know if we got anything for our money, but it was a tremendous amount of money that was spent.

So today we come to the floor with the economy still in bad shape. Why is it in bad shape? Well, it is in bad shape for a couple of reasons. First, of these bad loans, only about half of them have come down and different institutions have had to write them off. There is still another half of what are called Alt-As or ARMs, there are two different kinds, that will probably also in the next 2 years be defaulting as well. So we have only drunk about half of the cup of poison of bad loans that were created by liberal policies and an unwillingness to regulate these quasi-governmental agencies.

I would like to call to your attention a New York Times article, not exactly a right-wing oracle, and this article is dated September 11, 2003. It says, "New agency proposed to oversee Freddie Mac and Fannie Mae." So it wasn't like everybody was asleep at the switch. People were starting to wake up in 2003 that Freddie and Fannie were out of control.

The beginning of this article, "The Bush administration today recommended the most significant regu-

latory overhaul in the housing finance industry since the savings and loan crisis a decade ago."

The Bush administration called on Congress to get these wild and woolly loans under control. And so what happened? Well, the Republican Congress passed a bill to do what the President was asking for, to put much tighter regulations on these loans so we are not making a whole lot of loans that are not going to be paid and create a huge crisis as the savings and loan crisis of a decade ago.

Here is an interesting quote in the same article, September 11, 2003. "These two entities, Fannie Mae and Freddie Mac, are not facing any kind of financial crisis." Who said that? Well, "said Representative Barney Frank of Massachusetts, the ranking Democrat on the Financial Services Committee."

Who is it that is overseeing this bill that we passed today? It is one and the same.

So in 2003, the Democrat Party, the Democrat ranking Financial Services Committee chairman, he is saying that Freddie and Fannie are not facing any kind of financial crisis. Now there are people who want to say that the economic problems that we are facing show that capitalism isn't any good. This has nothing to do with capitalism. This has everything to do with the practice of telling financial organizations that you must make loans that we know are going to fail. That is not a very smart thing and is not looking very smart now, but this is where we were in 2003.

And the article goes on to say that the opposition to the bill that we passed in the House and Senate was the Democrat Party, and the bill was not passed because we didn't have 60 votes, and so we didn't oversee Freddie and Fannie until the train wreck actually occurred.

So how did we get into the crisis? Well, the simple answer is we got into the crisis because we started to demand that financial institutions accept and make loans to people that really couldn't afford to pay for them.

Now that raises an interesting question. How compassionate is it, how compassionate is it really to be making loans to some family that can't afford their mortgage payments? You have a mom and dad and some kids in some house, and they start arguing and fighting because the mortgage payment is too much for them. And so they get the credit card and the credit card has a high debt level. And so they start to say you shouldn't have spent money because we have this big loan. So how is it compassionate to put someone in a house they can't afford? Yet that is what we were defending and doing, and that is what caused this financial problem.

Now the interesting thing is that people say when America catches cold, the world catches pneumonia. And so this little oversight in assuming that the American taxpayer was going to

bail out loans that were made irresponsibly has had worldwide implications and has caused all kinds of trouble in major Wall Street corporations closing up, and banks hunkered down worried about more of these loans that are going to be coming due in the next 2 years.

People are very mad at the banks. They say we gave you all of this bail-out money. Why aren't you using it to get the financial service markets up and going? The answer is because we are afraid that when the rest of these things come down, we are going to need this money to cover all of the bad debts that are made.

So that is really the nature of where we are. This is something that is a result of active decisions on the part of people in Congress who are supposed to be, among other things, responsible for keeping an eye on our currency and the solvency of our economy, and we just basically have ignored what was our responsibility.

Now this is not something that you can dump at the feet of Republicans. The President, and once again I want to read this, this was 2003, the article says, "The Bush administration today recommended the most significant regulatory overhaul in the housing and finance industry since the savings and loan crisis a decade ago." This was something that we saw coming and it was something that the other party was unwilling to deal with. So that is how we got to where we are.

Now today, today we adopted spending over \$800 billion. Now as I said before, \$800 billion, it is hard for many of us to think about how much that is. But we have heard how expensive the Iraq war was, all these past 6 years: "We can't afford this war in Iraq. We can't afford Afghanistan. That is bleeding us dry."

So now facing this crisis, what are the solutions we have because it seems like a very dire thing and it certainly is very serious, something that deserves our full attention. What are the different tools that we have to deal with this big mistake that we have been dealt?

Well, there are basically two theories of economics, and one of them is called the Keynesian approach. It is older and has been around since the Great Depression. And the Keynesian approach says that the Federal Government needs to spend some money. If the Federal Government spends a whole lot of money, that will stimulate demand and people will want things and therefore somehow or other we are going to get out of this recession or depression if we just spend enough money with the Federal Government. Well, I guess that was an interesting thought when the budgets were closer to balanced.

But if that were true, we have already spent way more money than we have as a country. We are already in debt. We should have a great economy if that theory were true because we have already been spending a whole lot

of money. But that is the Keynesian approach. It seems by some degrees like the idea of grabbing your shoelaces and lifting up and flying around the room. If we just spend enough, everything will go okay. Can you imagine any American family that would dare to try such a strategy if they were in financial trouble with their family budget? Are they going to spend a whole lot of money and hope that it will make everything okay? I don't think so.

History seems to indicate the same result. When FDR used that approach with the first big recession that came along, he turned it into the Great Depression. He spent a tremendous amount of money on public works projects, and some of them might have been useful, but the net result in the economy was that the recession just kept going year after year after year, and we called it the Great Depression.

Now, he wasn't the only one who tried this. The Japanese tried this in the 1990s, and they basically had an entire decade of lack of productivity and complete stagnant economy in Japan because they did one massive spending bill after another thinking it was going to work to pull them out of a recession, and it just made matters worse and worse and worse.

In contrast to that economic approach is another thing that is typically called supply-side economics, and that is the theory that government really cannot stimulate the economy at all.

□ 2000

The only thing the government can do is tax or not tax. And when it does tax, it can slop money around. But the government cannot actually create wealth whatsoever. It merely can take wealth away from citizens and redistribute it or refuse to take the wealth.

Instead, the supply-side model suggests that the best way to deal with a recession is to try to allow the people who are the inventors, the investors and the various risk-takers and entrepreneurs, allow them to have money to spend on new ways of doing things to build productivity in America. Particularly targeted with this approach would be the small business people, because small business people provide about 80 percent of the jobs in America. So if you have small businesses going strong, people investing in new ways and better ways to do things in small businesses, obviously some of those ideas will succeed or fail. But the result is you drive numbers such as unemployment and the overall productivity of the economy. And this is called a supply-side model.

We have had several examples of the supply-side approach. One of the earlier ones was done by JFK, who was a Democrat, of course. He did a major tax cut. And he did the tax cut in the right areas, and the economy snapped back and responded very favorably. He was followed another number of years later

by Ronald Reagan, who did the same thing. He did a very large tax cut. But he made sure that the money got into the hands of the people that are going to be able to create the productivity. And we had a decade of fantastic financial success and productivity in America as a result of Ronald Reagan's tax policies. People made fun of it at the time. They scoffed at him. But the reality was that the economy was very strong.

It was tried again just a few years ago when I was fairly new here in Congress, and that was in the second quarter of 2003. I have some charts here which show what happened. What we did in the second quarter of 2003, which is the vertical black line on a couple of these charts, what we did was, we reduced the taxes of capital gains and dividends. Now what that was calculated to do was to allow the people who were the small business investors, the small business owners and the entrepreneurs, it allowed them to keep more of their money that they earned and plow it back into the small businesses.

And so what was the result of this particular tax cut in the second quarter of 2003? Well, as you can see, this is a picture of gross domestic product. Now we had done some tax cuts in the first couple of years of the Bush administration. But you can see that the gross domestic product averaged about 1.1 percent, but was also up and down. It was pretty spotty. What you see happening here then, as a result of dividends and capital gains where we are pumping money into the small business, into the investors, you see this tremendous increase in gross domestic product running out to 2007 of 3.06 as opposed to 1.1.

Now this tax cut is set to expire before long. But you can see the impact of the supply-side model. We're not the only people who have tried this. The Irish did this. They dropped their taxes on businesses and small businesses, and Ireland has just been booming and is almost an exact opposite model of what happened in Japan.

You might ask, well, what happened with this gross domestic product? That sounds like some sort of a boring government number. How about telling me something about jobs? This is the same time period. You have got May of 2003. These lines going down are job losses. The average loss of jobs per month was 99,000 jobs a month during these earlier years of 2001 and 2002.

Now you take a look at when we do the dividends and capital gains and take a look at the jobs gained. We went from a loss of 99,000-plus jobs lost per month to a gain of 147,000 jobs gained per month. This is an example of the supply-side kind of model. What it is saying is that government should not be spending tons of money.

Government should be cutting back what it's doing. And, in fact, what government should be doing is allowing productivity to take place in the mar-

ketplace and allowing the people that own small businesses to make those investments which result then in employment, and it results in better gross domestic product.

But last of all, and this is kind of an interesting idea, take a look at the effect of Federal revenues. Now, it seems to almost make water run uphill when you say, hey, we're going to cut taxes. What would you expect would happen to Federal revenues? Well, you would expect the revenues to go down. If you lower the taxes, you're not going to collect as much money. But that is not what happens. Why is that not what happens?

Well, this is actually the result of Federal revenues. Take a look at where they turned around. Again, the beginning of 2003 and after 2003, after these tax cuts went into place, Federal revenues are going up even though we cut taxes. Now how could that be? How could that happen? How could that be true?

Well, think about it for a minute. Let's just say you are king for the day. And your job is to try and raise as much government revenue as you can to pay for the cost of government. And you're allowed to tax loaves of bread. Now you start to think in your mind, let's see, I could tax 1 penny per loaf and it would hardly be noticed. But then you start adding it up. And you say, I wouldn't get very much money that way.

Then you think, a-ha, I will charge them \$100 a loaf. By golly, that will get a lot. But if you tried it, you would say, no, what is going to happen is nobody is going to buy a loaf of bread if you have a \$100 tax on it. I will get something else instead.

So common sense would say to tax somewhere between \$100 a loaf and a penny a loaf. There is some optimum point where you adjust the tax and you are going to get the maximum amount of revenue.

So what has happened here is that we have taxed our citizens so much money that when we reduce taxes, the result is the economy surges and we end up with actually more tax revenue, which is what actually happened here following 2003. So this is the other approach.

There are two approaches. One is the Keynesian approach, spend tons and tons of money and somehow it is going to make everything better. Or the other one is, no, don't spend a lot of money. Let the money work in the hands of people that can be productive to build productivity, to build jobs, to build GDP and to allow the Federal revenues to increase.

And so we have these two approaches. Now, today, we had to take a choice, which approach are we going to use? And it was a straight party line vote, at least from the Republican side. Not one Republican supported this Keynesian idea of just stopping a tremendous amount of Federal spending—the money that we don't have, by the

way—as if that is going to fix this problem.

So our problem with it is, it was very courteous of the President to stop and pay us a visit yesterday, talk to us about what he wants to do with the economy and plead with us not to make it political. And it is not our objective to make it political. But the President said, but if you think it's not going to work, that is a different matter.

And so I stood up and talked to him. And I said, Mr. President, you have been very courteous talking with us today, but I think you made a couple of bad assumptions; and so my belief is that the package that you are proposing will not work. It is not only not going to work. We can't afford it, and not only can we not afford it, it's going to make matters worse; and here is why.

And so today we had a choice. We had a choice between the Keynesian model of spending a ton of money or the other model, which we proposed, which was not to spend a whole lot of money, but make sure that the money gets back in the hands of the small businessman and to allow American productivity to take place.

Well, as I said in my introduction at the beginning of my comments here tonight, what happened was we just passed an \$800-plus billion. That is, once again, take all of the money for the cost of the war in Iraq, take all of the money for the cost of the war in Afghanistan over the past 6 and 7 years, and you put that together, and what do you end up with? You end up with the fact that this bill costs us more than all those wars. And that is on top of this big bailout from just a couple of months ago.

Can our economy handle that? What that does is it puts us more into debt than we were during World War II. As a percentage of our overall budget, we're getting close to 10 percent debt, whereas in World War II, we were looking at 6 percent.

I'm joined here by a good friend of mine, my colleague from just over in Iowa, just a State or so away from the great State of Missouri, and he is going to be joining us in just a minute to talk a little bit about his perspective on this absolutely incredible bill that we have just passed today.

So I would yield to the gentleman from Iowa.

If you would like to jump in here and tell me, what do you think about the fact that we just—I mean, I almost have to pinch myself, gentlemen, to think that just standing here a couple of hours ago, we just voted to spend \$800 billion more than the cost of the war in Iraq and Afghanistan. There are other ways to look at that number.

Would you like to jump in?

Mr. KING of Iowa. I would like to thank the gentleman from Missouri for taking the lead on this and giving me the privilege to join with you here on the floor to say a few words.

I would take that \$825 billion, and I would add to that the number, which I believe is \$347 billion, which are interest costs as we calculate here over the next 10 years; and it takes this cost to \$1.1 trillion plus another more than \$1.1 trillion. And as I look at this—and I heard some of the gentleman's remarks—I would just submit this question that I can only come to one conclusion when I ask it, and that is, what is the most colossal mistake the United States Congress has made in the history of America? And how would we measure that?

Have they passed a policy that sends us down a path that we couldn't get back from? Have we declared an unjust war? Have we spent so much money or created so many government programs that there is no way to ever set up the politics to repeal them again, nor is there a way for a free-market economy to ever fund them? And has it done so much as diminish the independent spirit of the American people that they slow down or cease to produce?

And I can come to only one answer on that. The most colossal mistake in the history of Congress that I can come up with in a quick inspection of my recollection of history is this mistake made today, this very idea that we can spend money, and we can spend our children's and grandchildren's money and, for all we know, our great-and-great-great-grandchildren's money. There is no prospect of ever getting out of this debt. And the proponents of this, as it is described, "stimulus plan," neither will they predict a result that will come if they follow through on the spending that is designed.

We know that a minimal amount of this money will be spent in this fiscal year or this calendar year. I think the number is 12 percent. As it happens it's a coincidental number. I remember it because there were some of FDR's programs that of the millions that were invested there during the New Deal, only 12 percent made their way actually to the ground into projects, and the balance of that, the balance of the 88 percent was just sucked up and drained out for the cost of government administration and inefficiencies to come.

One of the theories that I think has some validity to it, and I subscribe to it almost totally, and that is that if the private sector doesn't do it, chances are it is not a viable economic model. So how can government come along and take an unviable economic model and prop it up with the fruits of someone's productive labor—because that is what taxes are, they are the fruits of someone's productive labor—and drain them off and take them away from the producer and put them into government programs that have already been demonstrated not to work?

And they can't describe for me an historic model of this Keynesian approach of being able to stimulate economy by massive government spending

and show me the results. And the most obvious one is the Great Depression.

Mr. AKIN. Of course, in the Great Depression, you took a recession and turned it into a Great Depression and it just kept going and going and going.

Because what they are doing is they are vacuum cleaning all of the money out of the economy for Federal jobs programs, supposedly creating jobs and starving the very productive sector of the economy that could be solving the problem.

Mr. KING of Iowa. And as an engineer, you understand this analytically. If the gentleman from Missouri were a trained economist, you might just understand it esoterically. For me, I understand it from the perspective of one who has started a business with no capital, a negative net worth. For 28 years, I ground my way through establishing a business in a free-market economy. And I made my living off of low bids in the construction business. We know what it's like to compete, but government doesn't seem to understand this.

Look back at the track record of the New Deal in the 1930s. And I represent the State from which Herbert Hoover originated. He was a brilliant man. And I will defend him on a lot of fronts.

□ 2015

But his success, I think, at some point gave him a level of overconfidence where he started us down a path of Smoot-Hawley, trade protection, tax increases, and the barriers to free market that set the stage for FDR to be elected in almost the same scenario as President Obama was elected in an economic crisis situation.

And then, we see almost the same scenario with President Obama as we have seen with FDR, create and grow huge government programs under the belief that there's going to be a solution there. And I would challenge this administration—now, maybe in the thirties FDR didn't have the model, he couldn't look back on the Great Depression and see where somebody else really went wrong. But I would challenge this administration to point to this Great Depression and show me where the New Deal actually did anything to help our economy recover. I'll say that can't be proven, even by the Keynesian economist, even by those people that voted for this classic boondoggle today.

Mr. AKIN. If you allow me—

Mr. KING of Iowa. I yield back.

Mr. AKIN.—to just reclaim my time for just a minute, it seems that we have quite a number of different historic models to look at now where the Keynesian approach of big government spending has fallen on its face. It was not just the Great Depression, it was also Japan. And if you really want to say that, you could also quote America right now, because we have spent way more money than we should have spent, and yet our economy is not so strong. So if the theory is spend a whole lot of money you don't have, it

should have worked by now because we've been practicing that more than I wish we had as a Republican conservative.

And so there are models. And yet at the other end there are models showing what you're saying, that productivity of the businessman in America is what really works. It happened that productivity of businessmen in Ireland really worked very well. You could almost contrast Ireland and Japan using the two different approaches. And as you know, gentlemen, you've had the responsibility of meeting payroll and running a small business, the discipline that's required to do that. And you also have the satisfaction of seeing a worthwhile product that is added to the market and is there for some period of time because of the fact that you have enriched Americans through the work of your business.

Mr. KING of Iowa. If the gentleman would yield. In the last visit I made to take a look at the economics in Ireland, they informed me that there were 560 American companies that were domiciled to do business in Ireland. Many of them were attracted there by a 10-year suspension of corporate income tax which the EU found to be a little bit too difficult to compete against, and so they used leverage and took it up to—I believe the number is 13.5 percent. But still, many foreign companies took their business and set their operations up in Ireland for the favorable tax scenario.

Mr. AKIN. If the gentleman would yield, are you saying that originally Ireland was going to get rid of all income taxes on corporations to encourage them to locate there and to work their free enterprise magic there, if you would; is that what you're saying?

Mr. KING of Iowa. Is the gentleman yielding?

Mr. AKIN. Yes, I do yield.

Mr. KING of Iowa. That the policy in Ireland some years ago, as I recall it, was that they would suspend income tax on a company that would move to Ireland for a period of 10 years, get them established and in order to track them. And it worked very well. And it turned something around that Ireland's greatest export 25 years ago were young, well-educated people. They would raise their children, send them off to school and college—many of them with graduate degrees—then they would go across the rest of the world to apply their trade because the economy in Ireland was a shrinking economy.

And business and labor understood that you have to have profitable corporations or otherwise there won't be jobs for the skilled employees or the blue collars. So they came together in agreement, both the unions and business, to propose this policy which then was leveraged into—I'll call it a flat corporate tax by the EU's leverage that they used.

I yield back.

Mr. AKIN. Well, it's just a treat to have you here and to bring that free

enterprise perspective that you have. And there is something that just seems kind of amazing to me in a way, the irony in a way, of the fact that this whole problem with the economy that we're dealing with, even now and for the last couple of years, is the result of people that were liberal Democrats unwilling to regulate Freddie and Fannie. And that's recorded right on the old New York Times. The President says, You've got to get these wild-and-woolly loans under control. They said we're not going to do it. And boy it hit the fan.

And it seems to me there's an ironic twist that this quote that I put up earlier, the chairman, the current chairman of the Financial Services Committee—who is now tasked with getting us out of this problem—there's a certain irony in the fact that this is the guy that makes the quote, "These two entities, Fannie Mae and Freddie Mac, are not facing any kind of financial crisis," said Representative BARNY FRANKS of Massachusetts, the ranking Democrat on the Financial Services Committee. It seems ironic to me that he makes that statement, the whole top blows off everything, and now he's in charge of fixing this thing. The thing that concerns me is the way he's going to fix it is going to make it worse. And what we've done here today is we've spent more money than we spent in Afghanistan and in Iraq over the last 6 and 7 years, and we did it hardly with a blink of an eye.

Mr. KING of Iowa. If the gentleman would yield.

Mr. AKIN. Yes, I do yield.

Mr. KING of Iowa. I thank the gentleman.

And looking at the poster there of September 11, 2003, second anniversary of the attack on the United States, and then 2 years later and a few days, October 26, 2005, Congressman Jim Leach offered an amendment on the floor on a Financial Services bill that would have required Fannie Mae and Freddie Mac to undergo the same kind of capitalization requirements of other lending institutions and the same kind of regulatory requirements of other lending institutions. And the same individual, the chairman of the Financial Services Committee here today, came to the floor and right over here challenged that amendment and argued that no one was saying that Fannie and Freddie were in trouble, that they needed to be regulated, that there was a problem with their liquidity, that this was simply an attack on Fannie and Freddie, and he was successful in his debate. That amendment failed. And so you know that there have been several efforts in this Congress to try to bring Fannie and Freddie under a regulatory guideline by Republicans, fought off consistently by Democrats in this House of Representatives. And I yield back.

Mr. AKIN. And of course the Democrats are in charge. They got 60 percent of the votes today. They passed a real-

ly historic—it puts America into uncharted waters. And it was a very bold stroke on their part, but I'm arguing not as a Republican, but simply as an American, that the stroke that was taken is going to cause a whole lot of trouble.

I really appreciate if you could stick with us. We are joined also by a very respected Congressman, Congressman CASSIDY from Louisiana. And we're just delighted to have you here with us this evening and talking about some really boxcar size numbers, really some unprecedented times that we are going through here.

And this particular solution that was passed today without any Republican votes in favor of it just makes the Marshall Plan look like child's play, even when you adjust it for current value of money.

But Congressman CASSIDY, please jump in. I yield.

Mr. CASSIDY. You know, I was just kind of sitting in my office, kind of sitting there staring at the Capitol dome, kind of frustrated. And I came to Washington—I'm a freshman, this is my first talk—and I came not to oppose what Democrats do automatically because they're Democrats, I came to try and do something good for my country.

And the remarkable thing is there is an incredible amount of agreement between the two parties. We agree the economy is in trouble. We agree that the government can do something to make it better. We agree that tax cuts and infrastructure can create jobs. And I'm sitting there thinking, man, we've got so much we agree on, why don't we just pull it together and pass a bill? And yet, where we disagree is whether or not discretionary spending—you know, stuff that doesn't create jobs, but folks want to get it—whether that should be included in the bill.

And so I'm sitting there thinking, wait a second, we can consider that in a spending bill, why do we have to put it in this? And as a Republican, I have to say that I don't think we should, and I don't think we should for at least three reasons. First, we said we're going to have a bill that creates jobs, and this is about discretionary spending. The second thing that just kind of disturbs me, as you have spoken about so—

Mr. AKIN. Congressman CASSIDY, I think you're going pretty quickly here, and I think there may be some that aren't catching the implications of what you're saying.

What you're saying is, this bill is not really stimulus at all, it's simply putting more money into things that we normally budget anyway. Is that what you're saying?

Mr. CASSIDY. You know what this bill is like? When my wife sends me to Wal-Mart and tells me to buy bread and milk, and instead of coming home with bread and milk, I come home with CDs, I come home with DVD players, and I come home with all this stuff

that actually I've had my eye on for a long time. And when she finally sends me to Wal-Mart, I get to get what I want. And yet, really what's important to my family is that I come home with bread and milk.

Mr. AKIN. Excuse me to the gentleman. The parallel then would be, what we should be coming home with is not bread and milk, but jobs for the economy; is that right?

Mr. CASSIDY. Exactly. And we should not be running up our credit card bill to get the DVD player and the iPod and that other stuff that is purely discretionary. You know, we have a credit card debt here which we're eventually going to have to address.

And so, there are three reasons why I don't think we should do this. One, we said we're going to do a job bill and we're doing something more than that. Two, there's going to be a \$1.2 trillion price tag on much of which is not related to job stimulation. And you know what the third thing is? I'm 50 years old, but I'm still kind of a young idealist. I thought those people at home heard "a change you can believe in" and "yes, we can," and they thought that this was a new era of politics. And yet, if I may point out to the gentleman, it almost seems as if we've taken those two phrases, which hold so much promise, and we're making them out to be nothing but cheap political slogans. We say we're going to give you a job bill, and instead we give you a discretionary spending bill. We say we're going for jobs, and instead we go for that which is—maybe important, but certainly not related to job creation.

Mr. AKIN. Could I reclaim my time on that point?

One of the things that you might think of is, if you're talking about jobs, one thing that might occur to you is that, depending on what you call a small business, 50 percent of the jobs are companies that have less than 100 employees, or if you consider a small company bigger than that, 80 percent of the jobs in America are small business. So wouldn't you think, if you were really coming home—using your analogy with the bread and the milk, if you're really coming home with jobs for America, don't you think you would have some provision in there for particularly small businesses? And yet this bill, for every dollar in there for small businesses they've got \$4 for seeding and sodding the Capital Mall. That seems like a weird set of priorities. And I see your analogy to the DVDs, and I would yield back to my good friend from Louisiana.

Mr. CASSIDY. Yes. I think that, again, what we agree on is that tax cuts—particularly for individuals and small businesses—infrastructure, that can create jobs. If we could just focus on that, we would have a bipartisan bill that all of America could sign onto, and no one would wake up and suddenly feel like there's been a bait and switch; rather, they would say this

is what we asked for, this is what we've been given, now let's see the benefit.

And as a personal observation of my very first speech, I would ask that we, as both parties, give the American people what we truly said we would as opposed to something which is more than we said we are.

Mr. AKIN. Well, reclaiming my time, I believe the people of Louisiana are probably watching one of their newest sons with his experience on the floor. You know, there's something fresh about somebody coming in here that hasn't been, in a way, influenced by all of the pressures and everything that Washington may try to exert on someone. And it sounds to me like you're talking just plain old American common sense. And I think an awful lot of Americans don't want Republicans and Democrats and all that stuff going on, they want solutions to problems.

What we have today is basically a 10-year-old shopping list that has nothing to do with real genuine stimulus because that has to come from the private sector. And this bill does everything to harm that because it's taking money out of the economy, it's spending money at an unprecedented rate. And I just think that you are so much on target and your common sense—obviously you may be new to Congress, but you're not new to what's going on in the world. And it's just a treat to have you here. I hope you will stick with us, and we will continue this as a little bit of a dinner table kind of conversation.

I notice that we're also joined by a good friend of mine from Georgia, a medical doctor, someone that has already risen to be highly respected among Congressmen. And I would yield to the gentleman from Georgia.

Mr. BROUN of Georgia. Well, I thank the gentleman for yielding.

You know, Mr. AKIN, as we dealt with this issue, I think there are a lot of Democrats around this country who want the same thing that we do, and that's jobs. But I think they've been sold a bill of goods by Speaker PELOSI and the liberal leadership in this House and in the Senate too, as well as what President Obama is promoting. Because, in my opinion, this bill is not going to create jobs.

□ 2030

It may create some government jobs, but, actually, as you said, what it actually does is take money out of the economy. It takes away from those who are producing and it gives to government. And what it does is it creates a bigger government that's not going to ever go away.

This is a huge leap towards socialism in our country. To give my picture of this, this is a steamroll of socialism. It's a steamroll of socialism that's being forced down the throats of the American people and down the throats of most Democrats and Republicans alike in this House.

Mr. AKIN. If I could reclaim my time for just a minute, those are strong

words that you're saying, and yet there is an element of truth to what you're saying because, first of all, we're taking advantage of a crisis that people know is a crisis and we're exploiting the crisis to push a solution which is a big government solution. This money is being placed into places in the budget which once those things are jacked up, nobody is willing to touch. So basically what you're doing is you're taking these entitlement programs and you're inflating them and you're increasing the rate at which essentially the government is going to grow beyond the ability of the American taxpayer or the economy to finance it. Essentially, when the government gets that big, we start to think in terms of words like "socialism," even though that's a strong expression.

But I yield back. I just thought you were making some interesting points.

Mr. BROUN of Georgia. If we were to engage in a colloquy, I would enjoy doing that if the gentleman will agree.

I use those words not unguardedly because I see this as a huge leap towards socialism as a Nation. It's creating new government programs. It's creating new government jobs that don't have any sunlight to those programs, to those jobs. It expands programs that are already there.

Some of the tax relief, I believe and hope the gentleman will agree with me, actually just furthers, through the refundable tax credits, a dependency upon government. My friend Star Parker wrote a book one time that she called "Uncle Sam's Plantation." And what this does is it economically enslaves people, and that's what we see happening.

I agree that this is strong, but I believe that it is appropriate. I believe it is absolutely correct because I see this as a huge grab of power away from the private sector, away from small business, small business that creates jobs. I see this as a huge grab of dollars from the producers to bring it here to Washington and put it in the hands of government so that they can dole it out as they please.

I appreciate your leadership in bringing this to the floor tonight, but don't you think that the American people are wise enough that they can see really what's happening here? We all know that we have to do something about our economy.

Mr. AKIN. Reclaiming my time, I think you've raised an interesting question, and I think the American public is probably watching this far more closely than a lot of Washington insiders may think. And when the American public understands the size and the scope of what we are dealing with, we're looking here, this bill is 33 percent larger than all of our spending on Social Security.

Mr. BROUN of Georgia. This is the biggest grab of social spending, our biggest budget bill we have ever faced in the Congress, I believe. Do you know of any bigger?

Mr. AKIN. This is 33.4 percent more than we spend on defense in this country. There's a reason for us to have a sense of urgency and to use strong language. To me, this is a bridge to bankruptcy is the way I would put it.

I yield to the gentleman from Georgia.

Mr. BROUN of Georgia. I think you're exactly right, Mr. AKIN. I think it is a bridge to bankruptcy. In fact, I believe in my heart, without question, that this is going to delay a recovery. I think it very potentially is going to force us into a deep depression in this Nation because of this so-called stimulus bill. I call it a nonstimulus bill because I don't think it's going to stimulate the economy.

Let me ask you a question. I know in my office, I'm not sure we had even one call supporting this bill, and I think most offices got a lot of calls in their office.

Mr. AKIN. Reclaiming my time, that's a good question. We received hundreds of calls. Almost all of them were completely against this massive, massive spending.

I note, though, that we've also been joined by the very distinguished judge from Texas noted for his wit and his good common sense.

Congressman GOHMERT, I would yield to you if you have a comment that you would like to make.

Mr. GOHMERT. I appreciate the gentleman's yielding. Obviously he was mistaking me for TED POE, but I appreciate the comments.

Mr. BROUN of Georgia. Judge CARTER too, Judge.

Mr. GOHMERT. That's right.

One of the things that really breaks my heart, though, about all of this, we can talk about it from a lofty level here in the second floor of the U.S. Capitol, but the truth is during the Bush terms of office, Republicans went from a time when they were the ones that balanced the budget in the 1990s, and they moved to a time when there was just euphoria. Yes, tax cuts happened, and as a result, record revenues just poured into the U.S. Treasury in greater amounts than ever before. It wasn't the tax cuts that were a problem. It wasn't the record revenue coming in. We, and it was before I got here, but we were spending too much money. In my first 2 years here beginning in January of 2005, we were spending too much money. It was a problem. We were not reining in money. And as a result, by November of 2006, people were sick of it. It was irresponsible, and it was so grossly unfair to our children and the generations to follow us, we got voted out of the majority. And Democrats talked about our irresponsible spending, that we were running up the deficit and it was so unfair to the children, according to the Democrats at that time. And the voters said, you're right, these Republicans have lost their way, get them out of the majority.

And now here we've seen with the Democratic majority, about an 80-vote

margin in the House, a Democrat majority in the Senate, in a week's time, there has been \$1.2 trillion in allocations above the budget. That's the same amount that all American income taxpayers will pay in for personal income tax for 2008. We'd have been better off telling everybody that paid individual taxes in America for the whole year you get all your money back.

Mr. AKIN. Reclaiming my time for just a minute, what you were just saying is today—it wasn't quite the snap of a finger. It was 15 minutes. It was a 15-minute vote. We spent the entire money that's going to be collected in tax revenue from America for the year 2008.

I yield to the gentleman.

Mr. GOHMERT. I appreciate the gentleman's yielding. When you add the \$350 billion that was just last week, then that gets you there.

But the thing is, as a judge, my friend Judge CARTER, Judge POE, we have sentenced people who have done irresponsible and just really unconscionable things to their children. We have sent them to prison. And here in this body has so loaded up our children and our grandchildren with debt that it is unconscionable. We're out here just throwing money around, and they're going to have to take care of that debt.

They didn't get the message. They told America, you put us in the majority and we will be more responsible. And what they have done is multiplied the irresponsibility, and it's heart-breaking.

The only reason we don't already have a runaway inflation with the kind of money that's been spent and printed and borrowed is because fuel went down by more than 50 percent. As fuel goes up for the summer, we're going to have runaway inflation, and nations have fallen for that reason.

Mr. BROUN of Georgia. Will the gentleman yield?

Mr. AKIN. I yield to the gentleman from Georgia.

Mr. BROUN of Georgia. I just want to ask a question.

I know you introduced a bill that I was a cosponsor of that would give people a 2-month tax holiday that would actually put money back in the hands of people.

Did you get any positive response from the Speaker, from the Democratic majority to allow that to even go forward?

Mr. AKIN. I yield to the gentleman from Texas.

Mr. GOHMERT. I appreciate the gentleman's yielding.

Actually, I got a number of positive inquiries from some of our Blue Dog friends. But as far as from the Speaker, there has been no interest in bringing it to the floor.

When I met President Obama yesterday, I brought it up to him and I said, This does everything you promised, giving a tax cut to everybody. I said, It doesn't have the \$250,000 cap on in-

come. We could add that. It does what you promised better than anything.

He said, Wow, have you talked to Larry? He was talking about Larry Summers, who was standing right there.

I said, No, I haven't.

He said, You guys need to talk.

Mr. AKIN. Gentlemen, I think we are done with our 1 hour. I'd also like to recognize the good judge from Texas and appreciate your stopping in. We will try to fit people in again. We will have this discussion, I believe, next week.

Mr. BROUN of Georgia. And Congressman WESTMORELAND is here also. He was here to join us also.

#### MESSAGE FROM THE SENATE

A message from the Senate by Ms. Curtis, one of its clerks, announced that the Senate has passed without amendment a Concurrent Resolution of the House of the following title:

H. Con. Res. 26. Concurrent resolution providing for an adjournment of the House.

The message also announced that pursuant to Public Law 96-114, as amended, the Chair, on behalf of the Majority Leader, appoints the following individual to the Congressional Award Board:

Rodney Slater of the District of Columbia.

The message also announced that pursuant to sections 276h-276k of title 22, United States Code, as amended, the Chair, on behalf of the Vice President, appoints the following Senator as Chairman to the Mexico-United States Interparliamentary Group conference for the One Hundred Eleventh Congress:

The Senator from Connecticut (Mr. DODD).

#### INCOME TAXES

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

Mr. CARTER. Mr. Speaker, I appreciate being recognized.

I sure enjoyed hearing from my colleagues talking about the work of the day in, I think, a very accurate way.

I'm here tonight to talk about, I think, correcting some potential inequities.

I'm very blessed in my life. I spent 10 years practicing law in the town of Round Rock, Texas, in Williamson County, at that time a small town where a lawyer in that town pretty well did anything that walked in the door, from criminal cases all the way down to property tax cases. And I had a lot of clients back in those days that were in small businesses or who might be individuals who sometimes, I would say, unintentionally failed to pay some of the taxes they owed to the IRS. And inevitably when those things would