For a large portion of my life, I joined Ross and other businessmen and professionals for lunch at The Roundtable. While there was a lot of talk of sports and politics, I learned a lot more about life by listening to Mr. Beach. From our earliest meeting to just last month, he was my friend and adviser. I hate the thought that no longer do I have the ability to pick up the phone and see what Mr. Beach thought of one of my ideas or to discuss what was going on in our small-town neighborhood or what was happening on the world stage.

My friendship with Mr. Beach certainly opened doors in business and politics; but, more importantly, he gave me the confidence to realize that this small-town Kansas kid could one day be able to serve his State and the Congress of the United States of America.

While my family and I are saddened by the death of Ross Beach, we take comfort in knowing the legacy of Mr. Beach will endure far beyond our own generation. While Ross Beach may have donated his talents and treasure, it is his caring nature and generous soul that I and many others will miss most. To Marianna and daughters Mary McDowell and husband Gary; Terry Edwards and husband R.A.; and Jane Hipp and husband Steve, I offer my deepest sympathies. I ask my colleagues to join me in celebrating the life of a man dedicated to service and committed to making Kansas and America a better place to live and work.

We are told to whom much is given much is expected. Ross Beach more than fulfilled this expectation, and I'm honored this evening to pay tribute to an amazing, larger-than-life man that I had the fortune to know for nearly 35 years. The man who loved to fly soared throughout his life and landed safely on heaven's shore.

PRINCIPLES OF HEALTH CARE

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

Mr. THOMPSON of Pennsylvania. Next week will mark the 8-month anniversary of the new health care law. When we started this debate almost 2 years ago, I relied on my longtime experience in the medical field to come up with four principles that I strongly believe should be in any health care reform. The first was that health care reform should lower costs. That has yet to happen under this law. Instead, the Federal Centers for Medicare and Medicaid Services projected that overall national health spending would increase an average of 6.3 percent a year over the next decade under the new law. In addition, the law imposes more than half a trillion dollars in tax increases. It imposes more than $210 billion in new payroll taxes that could hit small business owners.

The Medicare actuary has reported that health care costs would actually increase over the next decade by a total of $310.8 billion. The Congressional Budget Office, or the CBO, wrote that most of the major saving proposals in the health care law are ''widely expected'' to be scaled back or would be difficult to sustain for a long period. That means higher deficits.

The second principal for health care reform is that it should increase access to care. That has yet to happen under the new law. Instead, major health insurance companies in California and other States simply have decided to stop selling policies for children rather than complying with the new Federal law that bars them from rejecting youngsters with preexisting conditions. While these insurance companies are not distinguishing themselves, the reality is that they will always look out for their bottom line.

The Medicare actuary found that provisions in the law will cause as many as 40 percent of Medicare providers to become unprofitable over time, thus ''providers would have to withdraw from providing services to Medicare beneficiaries.'' This will mean problems with access to care. An example is, in Texas, over the last 2 years, more than 300 primary care physicians have stopped seeing seniors.

□ 1950

My third principle is that we should preserve the innovations and improvements that have allowed this country to pioneer new treatments, medications, and equipment. Yet, under this law, there will be $107 billion in taxes on drug and device manufacturers and insurers. That is more money for taxes and less money for innovation.

The bill requires small businesses to file 1099 forms to any vendor with which they spend more than $600 in a given year. That will affect 40 million businesses that will be involved in increased paperwork at a huge cost, detracting from their ability to invest in research and development.

Finally, I believe that any reform of our health care system should preserve the decisionmaking process between the patient and the patient's physician, not the government, not a bureaucrat, and certainly not anyone from a health insurance company, but the new health care law does just the opposite.

In one estimate, the law creates 159 various bureaucracies and commissions, Mr. Speaker. In fact, the Congressional Research Service essentially threw its hands up in the air and concluded ''the precise number of entities that will be created is currently unknowable.'' The administration has released 4,103 pages of regulations and is still going strong. Soon the government will be in control of every aspect of health care, but I assume that was the ultimate goal.

This 2,700-page law is, as the CRS says, ''currently unknowable.'' Our Speaker, NANCY PELOSI, had it right when she said the House would ''have to pass the bill so you can find out what is in it.'' Yet what we do know about it violates all four of the principles on which any health care reform should be based.

I supported the Republican alternative 6 months ago, H.R. 3400, the Empowering Patients First Act. It includes my principles and it deserves support.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. LINCOLN DIAZ-BALART) is recognized for 5 minutes.

(Mr. LINCOLN DIAZ-BALART of Florida 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 North Carolina (Mr. JONES) is recognized for 5 minutes.

(Mr. JONES 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 New Jersey (Mr. SMITH) is recognized for 5 minutes.

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

MAKE IT IN AMERICA

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

Mr. GARAMENDI. Mr. Speaker, I thank you for this opportunity.

Coming off the elections, everyone wants to know what the voters had on their minds. I'll share with you a few things that I heard from my voters in my district and throughout California—perhaps experiences similar from around America.

They want jobs. They want to work.

I think all of us in one way or another understands and feels within us the need to work. It's part of our lives. There are a few, undoubtedly, around who don't ever want to work—and okay for them—but for most Americans, they want a job. They want the opportunity to bring home a paycheck, to support their families—to provide for their food, their shelter, their opportunities for education, and to go on a vacation every now and then. That basic instinct—that basic desire to care for your family, to help build a community—I think is part of America. Americans want jobs. If there were ever a message from this year's elections, it's that.

Now, this isn't new to those of us who are here in the Chamber. It's not

new to the Democrats, and I'm sure it's not new to my Republican colleagues also; but who actually over the last 2 years amongst all of us in this Chamber and in government have actually been working to create those jobs? I think it's the Democrats. We are going to make that point here today, not only about the past actions that have been taken over the last 2 years, but about what's coming in the future.

Early in 2010, many of us on the Democratic side began to formalize and to formulate a strategy, and we call that ''Make It In America.'' If America is going to make it, then we must, once again, make it in America. We must rebuild our manufacturing industry, which is where we make things.

As a child, I remember looking at the pictures of America, of the great poetry of America's birth of industry, when the robust strength of this Nation was seen in the manufacturing sector. It was heavy industry at the time. It was the steel industry and the auto industry. That enormous strength of America carried us through World War II when we literally built the armaments to take on Nazi Germany and Japan. It was done here in the industries of America. The manufacturing base of this Nation needs to be rebuilt, and it is the Democratic Party and the programs that my colleagues and I will be talking about today which will cause that to happen. America will make it when we make it in America.

Joining me tonight are two of my fellow colleagues—PAUL TONKO, from the once and future great industrial part of New York, and Mr. ELLISON, from the great Midwest.

So I would like to turn to them for a few moments for introductory comments, and then we'll turn back, and we'll begin to hit not only what was done over the last 2 years but, also, where we are going in the future.

Mr. TONKO.

Mr. TONKO. Thank you, Representative GARAMENDI, and thank you for bringing us together on a very important topic. ''Make it in America'' manufacturing matters, absolutely. I think what has been promoted also as a subtheme here has been the investment in basic research, R&D, and in scientific research, making certain that we can move forward with cutting-edge, ahead-of-the-curve sort of technology that enables us to create jobs on the radar screen that simply are not there today, and it allows us to advance, I think, an energy agenda and an environmental agenda that allow for us to grow jobs.

Now, as you were making your introductory comments, I was thinking about America COMPETES, which is the legislation we did on this House floor several months ago. I think 98 percent of our Republican colleagues voted against the measure. We got just about no support. Yet it was supported by the United States Chamber of Commerce. They understood the wisdom of investing in R&D and basic research and in providing for the modernization of our manufacturing sector.

I am convinced, like you, Representative ELLISON and others, that we can make it smarter in America, which will allow us to be very sharp, competitively speaking, on the global market scene. I think that we can do it in a way that allows us to advance jobs in this country simply by embracing the intellectual capacity of this great country.

In my home district of the 21st Congressional District in New York—the upstate region, the capital region—we are home to GE Corporate. I just witnessed their moving forward with plans to do advanced battery manufacturing, which will be the linchpin to all sorts of energy innovation. As we do that, we can grow jobs here in America by investing in R&D, by coming up with new product lines, and by making certain we're ahead of the curve on science and technology opportunities that are available to this Nation.

In the construct of the 21st Congressional District, I represent the old passageway—the Erie Canal, the route of freight-hauling—that really built America and inspired the westward movement. In so doing, in building that canal, we also gave birth to a necklace of communities called ''mill towns,'' and they became the epicenter of invention and innovation. So it is within our DNA, that pioneer spirit, here in America to continue to do that, and I think we need those incentives that we talked about.

This leadership and this House during the 111th Congress gave birth to a number of ideas, including America COMPETES, closing tax loopholes for investments taking jobs offshore, taking them into other locations. We want to close those loopholes and absolutely promote the Small Business Jobs Act. Those were great cornerstones of development that will allow us to grow jobs, and as we know, we've had 10 consecutive months of private sector job growth.

□ 2000

We've now surpassed the million mark for private-sector jobs, and that's a great accomplishment in light of the 8.2 million that were lost during the Bush recession. And speaking of President Bush's track record, they were losing jobs. They were losing a net—we had a net zero gain of private-sector jobs during that administration. This 1 million is a great mark as we move forward in this calendar year to turn this country around, and we need to just continue along that road of progress.

So it's great that you have brought us together, and I'm happy to join you during this hour.

Mr. GARAMENDI. Thank you very much, Mr. TONKO, and I know that you are going to have to leave us in a few moments, but you just reminded me of one of those little charts that I often have here, and this one really does show what you just talked about. It displays that the gold here are the Bush years. You can see the enormous number of losses of jobs, and right down here, right here at the bottom, that's the start of the Obama administration in January of 2009, and each month thereafter, each quarter, we saw an improvement. We didn't see the jobs really coming back in the private sector until the last several months, but clearly, in the last several months, those jobs are there. Interestingly, the unemployment rate has not dropped because it is the government jobs that are now being lost but, nonetheless, a net gain in the jobs in the private sector.

Mr. TONKO. That's absolutely the progress we wanted to witness, and was it fast enough? It's never fast enough for us after we've lost 8.2 million jobs, after the American households in the last 18 months of the Bush presidency lost $18.5 trillion. That was pain that was very deep, deep and dark, and it's never fast enough, but it is certainly a rise in the right direction and a movement that needs to continue along that road of progress.

Mr. GARAMENDI. You also raised the very, very important part is that the industrial strength of America has almost always occurred as a result of the research and innovation that has been the hallmark of America. You mentioned the COMPETES Act which deals with energy research in the United States. It deals with scientific research. It's an extremely important one, and unfortunately, our Republican colleagues refused to support that bill when it was here on the House floor. We had enough Democrats at that time to move the bill out.

Also, as I recall, I wasn't here and my two colleagues were here at the time—it was the American Recovery and Reinvestment Act, otherwise known as the stimulus bill, that created the largest increase in scientific research ever in America's history. Now, the public may not appreciate that, but that research is finding its way into every part of our industrial future, and from that, the billions of additional dollars that were spent, two things happened: scientists, technicians, lab techs, engineers were employed. They had jobs, and they were developing the future industries of America.

Enough from me. Let me turn to my compatriot from the Midwest. Mr. ELLISON, you have a very, very important part of the country. It wasn't particularly friendly to us Democrats but friendly to you because of your outstanding leadership. So please share with us your experience there in the upper Midwest.

Mr. ELLISON. Well, Congressman, let me just thank you for holding down this Special Order and congratulations to you and Congressman TONKO. In California, you-all conveyed the message, and I want to congratulate your whole State for your success from our side of the aisle.

But unfortunately I'm going to have to be here for a short while tonight,

but I just wanted to come down and share a few moments with you and the Speaker and the American people, talk about the importance of maintaining and holding on to that vision of making it in America because we did it before, we can do it again, but it will not happen by magic. It's going to take some things.

It's going to take, first of all, some investment in education. It's going to take some investment in our Nation's infrastructure. It's going to take some real investment in our small businesses so that they can get it moving, and it's going to take some real investment in our belief in ourselves to reclaim this mantle of manufacturer for the world.

This can happen. We've done it before. America still is the leading manufacturing Nation in the world, but we've seen other nations creeping up on us. We can do it but these investments are going to have to happen.

In this Congress, we made tremendous investments in, as you already pointed out, the American Recovery and Reinvestment Act. Important. We call it the stimulus for shorthand, but the fact is it was reinvestment. Reinvestment is one of the R's in that American Recovery and Reinvestment Act, and Mr. Speaker, I want the American people to bear in mind that investment is what we need at this time so that we can continue our upward trajectory for jobs.

I hope that our friends on the other side of the aisle who are going to get the gavels after they assume leadership continue this effort to try to reinvest in America for the sake of manufacturing. We will see. They will have the chance. But the fact is that this Democratic Congress put this country on a platform and a foundation for future growth in jobs and manufacturing.

There was mention a moment ago of the investment act. Not only did we invest in scientific research, we invested in infrastructure. We not only invested in infrastructure, but in our health care bill we invested in making sure that we have the educational wherewithal to take care of our people into the future. Tremendous investments in education, for medical education, so that we can take care of our people. That, again, will fuel manufacturing because part of manufacturing is medical device manufacturing so that we have the educational talent to make those instruments that are life saving in this world.

So you put the health care bill, together with the Recovery Act, what you're talking about is a recipe for making things that will help life-saving research take place through American innovation and manufacturing.

So I just want to commend you for being down here week after week. Whether you have a bunch of people helping you or whether you're by yourself, you have an enduring commitment to making sure the American people know that manufacturing is not declining—well, it has been but it doesn't have to be declining—in America. It can be ascending in America if we make the investments in education and research and the things that we talked about earlier.

I want to say that being from the Midwest, and I'm so proud to be from the State of Minnesota, wonderful State. We already had a little bit of snow there. I know you all don't know what that is in California. It's white, fluffy stuff. The fact is we even in the State of Minnesota are investing in wind. We are investing in biofuels. We are investing in all sorts of green energy producing methods that also require that we're going to be manufacturing new technology but also transmission lines to transfer the energy that we make based on our innovation.

In the course of the time between August and now, we've been home a lot, working hard but back in our districts, and I had the opportunity to go to a number of manufacturing companies in my district. 10K Solar, they know who they are. They're in Minnesota. They are a cutting-edge solar innovation manufacturing company. Other companies are making new fascinating things with wind technology. And this is the kind of thing we want to stimulate. This is what is going to continue to make America the great economic power that it has been, and I just hope that we can get some real bipartisan cooperation to continue this drive so that we can continue to make America that country that is the envy of the world.

And so unfortunately, Congressman, I'm going to have to leave you to carry the weight tonight, but again, I just want to thank you for your commitment and just say that I draw inspiration from the pictures that you're about to explain right now.

Mr. GARAMENDI. Well, Mr. ELLISON, thank you so very, very much, and it's a busy night for all of us. We've just come back to reorganize ourselves and to go forward.

Earlier today we selected a minority leader for the next year. It is our current Speaker, NANCY PELOSI, and as she left the caucus today she very clearly laid out an agenda for the Democratic Party. That agenda was Make It in America: Manufacturing Matters, and Take Care of the Middle Class. These two things go together. If we are going to have a robust economy, if we are going to be able to move up the employment and reduce the unemployment in America, then we must make it in America. As we do that, we will recreate those very, very important, critical, middle class jobs. There's a whole strategy that's underway here.

□ 2010

I used to play football when I was back at the University of California a few years back and did fairly well at it. But there is an analogy that I think we need to keep in mind here to the current economic situation in America.

Let's envision for a moment that the first quarter was the 8 years of the Bush administration. What happened? Well, I had a little chart up here a few moments ago, and maybe I ought to put it back up. The first 8 years of the Bush administration—be with me for a moment here—were the years of the first quarter. What happened? It was a wipe-out. It was horrible. The American team was decimated. We were on our backs. We were losing 800,000 jobs a month in the last year of the Bush administration. It was 8 million jobs lost.

The second quarter, we brought in the Obama team. It didn't start off too good. The first few minutes of that quarter were rough, but it was an improvement. Each minute that went by, each quarter that went by, we saw an improvement; and by the end of that second quarter, we were building jobs. We were building jobs in the private sector.

Now, we're into the second half of the Obama administration. What's going to happen? The Obama team is still on the field. The President's in place. We have a strong minority position going forward in the Democratic Caucus. Our Republican colleagues will take over the management of the House, and we'll see how that goes. On the Senate side, the Democrats are still there. So let's continue the second half as the Democratic half.

Here's our plan: we are going to develop strategies—many of them are already in place—to make it in America so that America can make it, and it is based on this: manufacturing matters. That was the Speaker's message. The minority message going forward in this House next year will be ''make it in America so that Americans can make it.'' It's important to be able to take that paycheck home.

My oldest daughter, now a little bit older—well, I should say more than a little. I'll never forget the day she came back from her first summer job. She came back, and she showed us her check. She held it up like that; and she said, Dad, I've got my first paycheck. She was proud. She was so proud that she was a working American.

And I know for those millions of Americans out there today that can't find a job, they want to be able to come back to their home with that check in hand and tell their children, I'm back at work. I'm working again. I can take care of you. I can provide for your education. I can put the food on the table. That's what they want. And we have a strategy in mind on the Democratic side that will do that.

This first quarter that I was talking about, the strategy was basically to increase the wealth of the wealthy, to start two wars and never pay for them, and to take the referees off the playing field and just let it rip. And we were ripped to a fare thee well. Wall Street just went crazy with ultimate greed. And the result—we should have expected it—you take the referees off the field, take the rule book, throw it off into the shower; and what do you think's going to happen in an NFL

football game? Well, that's what happened when Wall Street was allowed to run amok during the George W. Bush years.

It was the Democrats in this House, in the Senate that laid out a structure to stabilize the financial industry. We got most of that money back, and we'll probably get it all back in the years ahead. It was stabilized, not as good as we would want; but it was stabilized.

And then the next piece was brought forward, which was the American Recovery and Reinvestment Act. By all accounts, by learned economists, 3 million jobs were created or saved as a result of that. And that wasn't the only piece of legislation. There was in that piece of legislation reinvestment in science and technology and research, reinvestment in our roads and streets and bridges, building the foundation for the future of America.

Followed up later in this session by Democrats with legislation called the HIRE Act, to put people back to work, to give businesses the financial incentive to hire people, to bring people back onto the payroll, subsidizing those rehires so that people can take that paycheck home and say, Dear, I'm back at work. I've got a job again. That's what Americans want. And the Democrats were delivering that.

The last piece of legislation before we went into the election was a piece of legislation to help the governments of America, the cities, the counties, the States, keep people employed in the essential jobs that are the public sector jobs: police, fire, teachers. In California alone, 16,000 teachers are in the classroom this year as a result of that piece of legislation. We want people to work. We put those bills on the floor. Some were actually passed by the Senate, much to our delight; but many, many were not. There were many pieces of legislation that passed here without Republican support, but nonetheless were an effort on our part to put people back to work. We're going to take this thing further in the year ahead and up through the next session of Congress.

Let me put this up here for you to see. My colleague, Mr. ELLISON, was talking about wind turbines and photovoltaic. Interesting, but not many of these are made in America nowadays. Most of these are imported: wind turbines from Europe and China; photovoltaic cells now mostly from China; buses from Europe and other places. We can make these things in America. We can make these things in America because we once made them in America. In my own district, in the Fairfield/Solano Counties area of California, we used to make a lot of solar panels. And in the Bay Area, there still is a bus manufacturer, one of the few left in America that actually produces buses, the GILLIG Corporation.

I will never forget the day that I went out to visit the wind farm in Solano County and talked to the companies that were putting those wind turbines up. I asked them, Boy, that's quite a tower. It's 400 feet high, a lot of steel. Oh, yeah, yeah. We bring that in from Korea. That's interesting. And those blades stretching out the length of a football field, 300 feet? Oh, yeah, those are brought in from Europe right now, but maybe we can begin to manufacture those once again in Colorado. And all the gear boxes and all of the electronics, all of it is imported.

And I told them, I said, You want me to continue to support American tax money, subsidizing your wind turbines and your business, and you want those things made overseas? Well, they don't make it in America anymore. And I said, Well, let me put it to you this way: if you want my help, if you want American taxpayer money for subsidies, then you damn well better make it in America; otherwise, our tax money ought not be used to support industries overseas. If it's private money, do what you want to do. If you want to buy a turbine from Europe, fine. If you want to buy a turbine from Japan or China, fine. But use your own money. Don't you use American taxpayer money. But unfortunately, far too much of that has gone on in the years of the past.

I have introduced legislation and others are following along so that our tax money is going no longer overseas for buses, for bridge steel, for photovoltaic systems, for wind turbines. Our tax money, when these Democratic bills pass this House and the Senate and signed by President Obama, our tax money will be used to support American industry.

□ 2020

Think of what that means. We spend $4 billion a year buying buses with our tax money, our gas tax money. Where is it going now? A lot of it is going overseas for foreign-made buses and trains and equipment. We don't want that anymore.

In the American Recovery and Reinvestment Act, some $12 billion was set aside for a high-speed rail, and a sentence was added to that particular piece of the bill that said that when high-speed rail is built in America, it will be built in America by American manufacturers.

There are some companies overseas that build these high-speed rail systems. Some of them whined, and others of them—Siemens, in particular—said, Well, if that is where the money is and that is the requirement, then we will build the Siemens high-speed rail system in America.

It makes a difference in how you write laws, and the laws that we should write that use our gasoline and our diesel tax money to buy buses, trains, other kinds of rolling stock, and to build bridges and to build highways, that is our gas tax money, that is our diesel tax money, then spend that money on American-made equipment, whether it is a bus, a high-speed rail, a train, or whatever. Again, if you want to use your private money, if you want to buy a Mercedes-Benz, go for it, but not with our tax money.

It also applies in the area of energy policy, the same thing. In the American Recovery and Reinvestment Act, there were substantial subsidies for wind and solar and green technologies of all kinds, nuclear and the rest. Good. We need to change our energy policy. We have to move away from our dependence on coal and oil into new, renewable technologies that do not contaminate our atmosphere with carbon dioxide.

Are we going to do that successfully? If we allow our tax money, our subsidies to be spent on equipment made overseas, I don't think so. I don't think so at all. That is our money. We should spend it in the future on American-made equipment of all kinds. That should be our policy. That is legislation that I have introduced. That is legislation that is strongly supported. And, I dare say, it is legislation that will be a major part of Make It In America, the Democratic agenda to rebuild the manufacturing sector of this Nation.

There is another piece of this puzzle that we need to keep in mind, and that is tax policy. There was a lot of discussion during the campaigns, and a lot of Democrats lost their jobs on this issue. It is the big ''D.'' It is the deficit. A lot of our Republican colleagues, rightfully, said the deficit is a problem.

Well, you can go into economics. You can talk about Keynesian countercyclical economic policy and all the rest. And I happen to believe that when the economy is going in the tank, countercyclical measures, Keynesian, using the government purchasing to encourage the growth of the economy, to stabilize the economy, unemployment insurance and other benefits that provide a foundation are extremely important. And, we will soon, on this floor and over in the Senate, take up the extension of the unemployment insurance.

I know our Republican colleagues are opposed to this. They think that by ending the unemployment insurance, people will go out and find a job. I think not. And even a few Republicans lost their jobs in this election, and we will see if they get unemployment insurance. They may very well apply for it, and maybe some of my Democratic colleagues will also. But that unemployment insurance keeps food on the table, keeps families together, and provides the shelter that is necessary, because the jobs are not yet there, because these policies are just now going into legislation and eventually into the law and into place.

The deficit, what are we going to do about the deficit? We are going to have to get the economy going. That, all economists say, is the most critical part of dealing with the deficit. If the economy doesn't grow, the deficit cannot be dealt with. So we grow the economy. Policies such as we have talked about here are a way of doing it.

There is another thing about the deficit that needs to be taken into account, and that is: Where did it come from? Here is a fact. The day that George W. Bush took office in January of 2001, he was handed a $230 billion surplus. The day that President Barack Obama took office, he was handed a $1.3 trillion deficit. Why did it occur? Collapse of the economy, clearly a big piece of it. And the policies of the government just letting Wall Street run amuck, the housing industry run amuck without any rules, all of that was part of it. But there was more to it.

The Bush tax cuts in 2001 and 2003 added billions and, over time, trillions to the deficit. And the Iraq war and the Afghanistan war, two wars that were financed by borrowing money from China, added to the deficit.

Those are the realities. The deficit is part of the economy now; it is part of our fiscal situation. It started, grew, and manifested itself during the George W. Bush years, and now we need to work our way out of it.

So how are we going to do that? How do we work our way out of this deficit? Well, with policies like Make It In America, clearly important. The countercyclical measures, providing unemployment insurance, using the power of government to bring jobs into reality, all of those are important. Tax policy, also.

A big debate will occur in this Chamber in the days ahead. Before December 31, a debate will occur as to what will be the tax policy of the United States. The George W. Bush tax cuts, which I talked about a moment ago that created a large part of that deficit, are up for debate because they expire on December 31, 2010. The expiration of those tax cuts, most of which went to the wealthy, are going to be up for debate.

Our Republican colleagues want to extend all of the tax breaks. The Democrats, President Obama and the rest of us, have a different idea. We think the deficit is really important. We believe that we have to address the deficit. The extension of all of the Bush tax cuts will significantly increase the deficit.

Now, on the Democratic side, we believe that the tax cuts to the middle class are extremely important, because they give the middle class the opportunity to have a larger paycheck, less taxes taken out, so that homeowners can pay the mortgage, put food on the table, provide for their families, give kids the books, the backpack, the things they need to go to school. That is our view. The tax cuts should be extended for the middle class.

Let's look at what happens in a very, very important policy discussion between the Democrats and the Republicans about taxes. There are a lot of bubbles on this page, but these bubbles represent real money. The George W. Bush tax cuts, if extended, have this effect:

For those people that are earning $10,000 or more, they will get $52 in reduced taxes. And so it goes. Let's say a person is earning $75,000 a year. They will get $1,800 of tax cuts. And then it continues to grow. The more income you have, the more wealth you have, the greater the break, the greater the tax cut for you, so that by the time you are a millionaire, your average tax reduction is $17,000.

Under the George W. Bush, that is average. That is between $500,000 and $1 million. But if you are a millionaire and you have $1 million adjustable tax, you will receive an enormous benefit. And then, if you get up to the gazillionaires, here is where you are.

□ 2030

The Democrats have a different idea. Our idea is that every taxpayer, every taxpayer, the very wealthy and those who are making just $10,000 a year, should receive a tax break on the first $200,000 that an individual makes and $250,000 for a couple filing joint tax returns. Let me make that clear: Every taxpayer gets a tax break, up to $200,000 for an individual and $250,000 for a couple filing a joint tax return.

What is wrong with that? Millionaires get a tax reduction, billionaires get a tax reduction, every taxpayer gets a tax reduction. And this is our plan. But for those who are very, very wealthy, those who are making over $250,000, $500,000, $1 million, $1 billion a year, we think they have an obligation to America, and they should not receive a continuation of the tax break that they have had for the last several years, this kind of a tax break.

So we would suggest that their tax break go back to what it was before 2001. In the case of those earning up to $1 million, it would go from 33 percent to 36 percent. Oh, my goodness, a 3 percent increase. How horrible.

I think not. What does that amount to for somebody making $1 million a year? Three percent, $30,000. That is not going to bust their checking account. But it is certainly going to be important if you are concerned about the deficit. If you care one iota about the deficit, you better be caring about this, because here is where the real money is, right here.

For the tax breaks to continue, for those above $250,000 we are talking about over $700 billion of increased deficit. You can't have it both ways here. You cannot have it both ways. If you are concerned about the deficit, then why in the world would you want those people who are not hungry, who are not homeless, who are not working in our manufacturing plants, why would you want them to be responsible for increasing the deficit? Well, perhaps because that is your constituency.

That is not our constituency. The Democratic constituency is the hardworking middle class that will get a tax break, a continuation of what they have had for the last 7 years.

This is important. This is about the deficit. Remember, every taxpayer in America gets a tax break up to $200,000 or $250,000. They get a break. But you get more money above that, and your adjusted gross income is greater than $250,000, then for that amount, up to $1 million, you are going to pay 3 percent more. For a millionaire, $30,000. For a billionaire, okay, it will be more dollars, but the increase is only going to be 4-plus percent. This is not going to bust their bank, and it is not going to hurt small business.

Let's be clear about this: Small business is not impacted, except for just 3 percent of the small businesses in America, meaning this proposal that the Democrats are going to put forward will provide a tax break for 97 percent of small businesses. It will not increase their taxes for 97 percent of small businesses.

For 3 percent, and here is the definition of small businesses, the world's largest construction company, Bechtel, in California, is by the definition that the Republicans use a small business. Billions of dollars of annual income. It is a small business. I think not, but that is the Republican definition.

Now, one of my colleagues earlier tonight did a little thing that I just have to do again, because it is very illuminating, so let me do that. I will take down our principal message for the two years ahead: Make it in America. Manufacturing matters. If America is going to make it, we must make it in America.

I was talking a moment ago about the Bush tax cut. Here is what it means. The Republican plan, if the Bush tax cuts are extended, will cut taxes for the rich an average of $83,347 a year. $83,347 a year is the average tax reduction for the 1 percent wealthiest Americans, the 1 percent wealthiest Americans.

Well, what does that mean? Well, it means that for the next decade, they will be able to buy an $83,000 Mercedes Benz E-class every year for the next decade. Or maybe they want to buy their wife, girlfriend, whatever, a modest purse, a Hermes, just a handbag, $64,000, every year. That is a lot of purses for the next 10 years.

Now, if that is not sufficient, we like to characterize some of these fat cats with their cigar. Well, they won't have trouble buying cigars. These are topline cigars. They can buy 800 cigars every year. And that is not all. They can light those cigars with a $100 bill. Every single cigar, that is 800 a year, and 800 $100 bills used to light them.

I could go on and on, but I see my colleague PAUL TONKO has returned.

Here is the alternative, Americans. Here is the alternative to the Republican plan. Instead of giving $83,000 a year to the wealthiest 1 percent of Americans, you can take that same amount of money and give a $30,000-a-year job to 3 million Americans.

Our work is about choices, our work is about values, and, frankly, our work is about morality. Tell me what is the morality of allowing the richest 1 percent of Americans to buy 800 cigars a

year and light those cigars with $100 bills, $83,347 in tax reductions, versus 3 million Americans, 3 million unemployed Americans who have a family, who are losing their home, who cannot provide food if the Republicans are able to block the extension of the unemployment insurance.

This is a moral question. This is a question of what is right and wrong in America. This tax cut shows the dividing line about where you stand in America.

Where do you stand? Are you with the richest 1 percent, so they can go out and buy a Mercedes E class $80,000 vehicle every year for the next decade, or do you stand with families and want to put a paycheck on the table? I think it is pretty clear.

Mr. TONKO, thank you for rejoining us.

Mr. TONKO. Thank you, Representative GARAMENDI, for an enlightening discussion on job creation, making it in America, and tax policy that can empower our middle class. The strengthening of the middle class, enabling them to have more purchasing power, has got to be the guiding force as we continue to do work in the closing stages of the 111th Congress and move into the next session of Congress. It is absolutely essential. I think it is what everyone heard out on the campaign field this past fall and summer. People were concerned about the economy.

Again, we have surpassed that 1 million count for new jobs in the private-sector realm, but after 8.2 million jobs lost, it simply isn't getting us there quickly enough.

□ 2040

I understand the impatience. I understand the fear. Obviously, people need to have a job. The dignity of work enables them to dream the American Dream of house ownership and allowing them to encourage their children and help their children pursue their careers through perhaps higher education. So it's important that we respond to that dynamic of empowering the middle class.

I think there's some telling statistics that are really highlighting the concern that people are expressing these days. Some 83 percent of all United States stocks are in the hands of 1 percent of the public. Now that is a very lopsided statistic. We're also told that some 61 percent of Americans always or usually live paycheck to paycheck. That is up from 49 percent just a year ago and then 43 percent just 2 years ago. So that climb from 43 to 49 to 61 percent of those who usually or always live paycheck to paycheck is a concern or at least ought to be a concern to the Members of this body.

And so it is important for us to make certain that we break some of those barriers and we allow for some of the benefit to flow to the middle class. Sixty-six percent of the income growth, for instance, between 2001 and 2007 went to the top 1 percent of all Americans. And when we look at the difference between the Obama tax cut and the Bush tax cut, the Bush tax cut borrowed money from China to enable us to give as a government the top percent of wealth—top 1 or 2 percent of wealth of America—to receive their tax cut. We borrowed. It was off-budget, as you indicated earlier. So we borrowed to pay for a tax cut; to spend for a tax cut for the wealthiest of Americans. Now when we look at the Obama tax cut, it was the largest historic tax cut for middle-income America.

Mr. GARAMENDI. That was in the American Recovery and Reinvestment Act, wasn't it?

Mr. TONKO. Absolutely—and oftentimes a fact missed on many out there. It was the largest such tax cut for middle-income America, a historic statement. You compare that Obama tax cut to the Bush tax cut that borrowed to spend for the tax cut for the wealthiest of Americans. And so now we shouldn't be surprised when we see these stats that show more purchasing power there for the wealthiest, who are now usurping all of the purchasing of stocks out there. One percent reflecting the 83 percent of all United States stock, for instance.

So we need to do better than that. And I would suggest that all income strata fare better when we have a strong middle class. You need someone to purchase your products. You need someone to build your products, to manufacture your products. We need a strong middle class. We need to invest in that opportunity. And I think all of that recovery that we're hoping for becomes all the more expedited.

It was shown to us in the Clinton years. By creating economic recovery, by producing jobs, you solve the Nation's deficit. President Clinton inherited a deficit from the first Bush administration, and he handed over a $5.6 billion surplus to the next administration. And then what did we inherit but a record deficit that was then passed on to the Obama administration at their beginnings in 2009 with, again, a recession that was more painful than any economic consequences in the past 70 years.

So the track record is such that you have seen Democrats working with the Democratic administration to build us out of deficit situations, create a surplus, and then have it spent down again and giving priority to those engines—economic engines that simply don't work. When the Obama tax cut—again, historically large for the middle class—was implemented, we saw that what the economists, from far-right thinking to far-left thinking, as a team had suggested would happen. We actually saw that happen. And these economists were right on. As soon as the middle class was given its tax cut, that tax cut was brought back. It was spent back in the regional economies. And we saw the beginning of the end of that bleeding of the recession. It ended the bleeding simply by creating that recovery, having those dollars recirculate in regional and State economies across the country, the telltale indicators then proved that the bleeding of that recession had stopped. And it was that empowerment of the middle class that enabled, I think, the economics of it all to work.

So we should take lessons from history, and we can take that Obama tax cut and contrast it with the Bush tax cut and see what really happened. And your whole statement about those thresholds, those households of $250,000 or less, with that as a threshold we can see the empowerment that comes when we concentrate on that portion of the tax cut that I believe will have a trickle-down value. The $700 billion price tag on the upper income strata in terms of spending on a tax cut for that strata is a hefty one and we need to understand, analytically understand, what the payback would be. What is the dividend; is there a lucrative dividend by spending such money on that given strata of tax cut.

Mr. GARAMENDI. Thank you, Mr. TONKO. If you or anyone really cares about the deficit, you need to really pay very close attention to this debate that is going to happen here in this chamber and here in Washington, D.C., in the days and weeks ahead. And that is, do we give an enormous tax break to the wealthiest of America, and in doing so increase the deficit by over $700 billion, or do we limit that tax break to all taxpayers up to $200,000 or $250,000? An extremely important debate that will take place.

For me, it is time to think about the deficit. It's time to get real about the deficit. And if you really care about the deficit, if you really care about growing the economy, the point that you just made, then limit the tax reduction so that all Americans receive a tax deduction up to $200,000 or $250,000 of adjusted gross income. And keep in mind it's adjusted gross income, not gross income. Adjusted gross income. That's after all the deductions.

Mr. TONKO. And I would suggest to you also that we need to accompany that sort of analytical thinking and that sort of dividend associated with the spending that would be done on a tax cut so that we maximize the benefit for the economy. But we also have to think of the stewardship, the sound management that was part and parcel to the Clinton years when we contrast that with the management post-Clinton or pre-Clinton. It is absolutely essential to incorporate concepts like PAYGO so that you pay as you go. You are forced then to come up with the ideas that will produce the revenues in order to initiate the new spending.

Mr. GARAMENDI. By PAYGO, you mean that the Congress and the Senate in enacting tax cuts balance those tax cuts off against reductions of program or vice versa. If you have a new program, the way you get the revenue to pay for it.

Mr. TONKO. Absolutely.

Mr. GARAMENDI. The PAYGO, meaning as applied to us in the Congress.

Mr. TONKO. Exactly. And it creates that sort of stewardship over the budget that doesn't find us in situations where we paid for two wars, we initiated a part D Medicare doughnut hole which impacted our senior population with their pharmaceutical needs and gave a tax cut to the wealthiest of Americans and did it all off-budget. And so that when this President assumed office, one of the first tasks assigned the administration or embraced by the administration so as to truth in budgeting and honesty in budgeting is to bring it online, which grew the deficit, but it was a truthful budget. You can't continue to have an off-budget, borrow from China or whatever, in order to pay for programs and say, Okay, we'll pay for it into the future. The PAYGO concept requiring us to find the revenue sources in order to do these orders of programing or tax cuts will be accompanied by the mindset, the logic of just how do you pay for it. And PAYGO means being fiscally responsible.

Mr. GARAMENDI. Excuse me for interrupting. That was the policy during the Clinton period, and it led to the surplus because it put fiscal discipline into this building and over on the other side in the Senate. Similarly, it has now been reinstituted by the Democrats a year and a half ago.

□ 2050

I want to just wrap up here. I want to go back to ''Make It In America'' and wrap with this. Our time has almost expired here.

Mr. TONKO. Sure.

Mr. GARAMENDI. With this ''Make It In America'' agenda, as Speaker PELOSI and soon to be Minority Leader Pelosi said as she exited the Organizational Caucus of the Democratic Party today, there are two principles that the Democratic Caucus will follow: One, we will make it in America so that America can make it. Two, we will do this on behalf of the middle class so that those jobs are there.

Interestingly, while the President hasn't used this term very often of ''make it in America,'' President Obama has nonetheless proposed policies that are directly in line with this—specifically, that every business in America be given the opportunity to immediately write off any capital investments they make. Now, it's already in the law. In the American Recovery and Reinvestment Act, there is in the law an automatic write-off of a capital investment made by a small business. That was increased in a subsequent bill that we voted out, without any Republican support, that allows small businesses to write off immediately.

The President would go further. I've introduced a bill that would do that—other members of the Democratic Caucus have also—so that businesses would be incentivized to invest now in the capital equipment that will provide the foundation for future jobs. Invest now.

This is part of our strategy. It is an overarching Democratic strategy, one that we have been working on for some time, beginning with, among the first bills passed by Congress and signed by the President way back in 2009, the American Recovery and Reinvestment Act.

Would you like to wrap this up here?

Mr. TONKO. Let me just state this, that the landmark Small Business Act, which is intended to create jobs—we're anticipating 500,000 jobs—allows for investment in exporting, which I believe is critically important; it allows for investment in our modernization of manufacturing and small businesses, and it allows for the unleashing of some $300 billion worth of loan opportunities to our small businesses.

We profess small business to be the economic engine, to be the springboard to the economic recovery. To the credit of Speaker PELOSI, whose leadership has led this House through the 111th Congress, we have made that our focus. We came out of a deep, deep recession, and, unfortunately, there wasn't enough time for us to feel the effects of the progress made by such legislation. I just think we need to pursue that path to progress.

Thank you very much, Representative GARAMENDI.

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

THE ECONOMY, UNEMPLOYMENT, AND THE ADVENT OF THANKSGIVING

The SPEAKER pro tempore (Mr. POLIS). 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. Thank you, Mr. Speaker. Good evening.

I would like to talk about several different topics today. One, I think, is on the hearts and minds of Americans everywhere. I want to talk a little bit about unemployment. I want to talk about the economy and what the solutions are to this problem. This isn't very complicated, but people try to make it more complicated than it needs to be.

When we get done with that subject, I'm going to change gears and do something that's a little bit more topical for the Thanksgiving season. I'd like to tell you the actual story, a great adventure story, about the Pilgrims, about the Thanksgiving that they celebrated and about the many other ways that they have blessed our country.

First things first, let's talk a little bit, though, about something that's on everybody's minds—the problem of unemployment and the problem of the continuous and rapid growth of the Federal Government, which stifles our freedoms and liberties, which buries us in red tape and bureaucracy, which raises our cost of living, and which makes life more and more miserable for Americans as they lose their freedoms, and the Federal Government's out-of-control spending that accompanies that.

These are problems we've talked about, and these are problems that the voters have voted on. The voters seem to think that this is a problem in spite of the fact that we're going to try and shove socialized medicine down the throats of Americans and in spite of the fact they don't want it. We're not dealing with unemployment. We're not dealing with the causes for unemployment, but I think we need to talk about it a little bit because it isn't as complicated as some of my colleagues seem to make it out to be. It's not a matter of class warfare. It has nothing to do with that. It's just simple economics.

Now, if you want to talk to anybody who is a small business man and ask him what are the things that kill jobs and ask him what are the job killers, I would bet you he's going to be talking about things on this list right here.

The first thing is excessive taxation. The second is insufficient liquidity. What does that mean? It means it's hard for businessmen to get money from banks.

Economic uncertainty. People don't want to take risks when they don't know what's going to happen next. Then, of course, there is a whole lot of red tape and government mandates. All of those things are enemies to jobs and job creation.

Now let's go into this just a little bit because this isn't so difficult. It's not a matter of class warfare. It's not a matter of rich people not paying enough. In fact, there is an interesting statistic or two. What percent of the overall tax burden do you think the top 1 percent of Americans carry? What percent do you think the top 10 percent of Americans carry? Well, the top 10 percent of Americans carry about 70 percent of the tax burden in this country. How about the bottom 50 percent of Americans? What percentage do they carry? Less than 10 percent. So I guess we've got a pretty graduated income tax. If that were the solution, we'd already be in great shape, but let's get back to the basics about jobs.

First of all, why is it that excessive taxation kills jobs? Well, the reason is that the people who own small businesses create most of those jobs. Small businesses—maybe we should say medium and small businesses, which have 500 or fewer employees, are the businesses that hire 80 percent of Americans.

Now, my Democrat friends can't seem to make this connection. If you kill the business, you're not going to have the jobs. If you tax the businessman's hide off, he's not going to hire people because he's not going to have the money to buy new equipment, to