

reconciliation and peaceful conflict resolution.

As he left Afghanistan, General Petraeus said, "We should be clear-eyed about the challenges ahead." His successor, General John Allen, said, "There will be tough days ahead, and I have no illusions about the challenges we will face together."

But I say, Mr. Speaker, continuing with the current policy demonstrates that, in fact, we are not being clear-eyed at all, that we are gripped by dangerous illusions about what a military occupation can achieve. This strategy has been given a chance to work—10 years. It hasn't worked. It's time for something new. It's time for SMART Security, and it's time to bring our troops home.

FIGHTING FOR THE WELL-BEING OF CHILDREN AND SENIORS

The SPEAKER pro tempore. The Chair recognizes the gentleman from New York (Mr. TOWNS) for 5 minutes.

Mr. TOWNS. Mr. Speaker, this is a sad day in America. There are people who have to choose between paying their bills and eating a decent meal.

All I hear is that we have a spending problem. "We have a spending problem. We have a spending problem."

I want to be sure we do not try to solve our spending problem on the backs of the poor, on the backs of children and on the backs of our senior citizens. We have been cutting services for the poor, children and seniors for years. Go back and look at the record, and you will see that this is a fact. If you add up all of the money we are spending on children and seniors, it would not begin to make a dent in the Federal deficit.

We spend less than 10 percent of the budget on children. That means we are not seriously investing in the future of this Nation. When we cut programs like WIC, we are literally taking the food out of the mouths of babies, so I say our priorities are certainly misguided or upside down. When we cut tens of millions of dollars from juvenile justice delinquency programs, then we'd better get ready to spend hundreds of millions of dollars on more prisons.

When we look to save money by cutting Medicare and Social Security, we really do a disservice to the senior citizens in this country. Senior citizens have worked all of their lives putting a good portion of their paychecks into a system that paid for the well-being of their parents and grandparents.

If the truth is to be told, today's seniors have paid more than \$2.5 trillion extra into Social Security so that it would be safe, and here we are talking about making cuts. When President Ronald Reagan signed the law to increase the payroll tax, it was to make sure Social Security would be there for future generations; but the government spent the money, and now we want to make seniors pay again. That is wrong.

Our senior citizens have paid enormous sums of money into Medicare, and now people are talking about ending it as we know it. Certainly, rising health care costs are causing Medicare problems, but we can fix those problems without making it a voucher program.

I call on my colleagues on both sides of the aisle to take a deep breath and to think clearly about what we're doing. Children and seniors are the most vulnerable citizens in our country. They are depending on us to use sound judgment and not be swayed by the political gamesmanship.

I stand here this morning to tell you that I intend to fight for the well-being of our children and our senior citizens. Of course, we need to uncut, uncap and get some real balance into this discussion, recognizing the fact that our children and our seniors must be protected. Of course, every time I hear one of our Members talking about the fact that we need to cut Medicare, that we need to cut WIC, I think that we need to stop and take a real, real deep breath and recognize that, when we do that, we end up creating other things, and we do not save money.

□ 1040

LET'S ADDRESS CAUSES, NOT SYMPTOMS

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from Ohio (Ms. KAPTUR) for 5 minutes.

Ms. KAPTUR. Mr. Speaker, too often, Congress and Washington deal with symptoms, not underlying causes. And that's what's going on with this current debate about the debt limit. It's kind of like you have an ill patient that has a fever, and you say, well, they're sick so throw some water on the patient and their fever will go down. But you never deal with the underlying infection, the underlying cause that is tripping the fever in the first place.

Let me put a little map on the table here this morning, to look at the nature of current economic challenge. When you have 14 million Americans out of work, and up to 24 million who are working part-time that want to work full-time or others who have completely dropped out of the workforce, none of them are earning a full check. Money is not being taken out of that check to pay their social insurance for Social Security, and they're not going to pay their regular income taxes either. And so the government falls short on revenues. It's quite clear.

We have a jobs problem. That's the causal problem that underlies the deficit problem that America faces.

Now, if you look just at this year alone, 2011, so far this year the government's taken in over a trillion dollars—\$1.2 trillion in revenue. That's not bad for an economy that's just limping along. But we've spent \$1.8 trillion. So we've spent already this

year over \$600 billion that we didn't have. We've had to borrow that money. That borrowing gets added to the long-term deficit. But why do we have that deficit this year?

We have that deficit because the revenues aren't coming in at the same rate as in prior years because there is a jobs problem. When you have 14 million to 24 million people who want a better job and can't get one, that's the underlying cause which Washington fails to see or address.

Now, the cost of that unemployment with the attendant shortage of revenues, is added to this huge accumulated debt, which now is over \$14 trillion. So where did that come from? Let me outline the reasons. The largest share, not only of this year's deficit but of prior debt that we've accumulated, is due to a lagging economy. Families know this. They can't pay as much in taxes or any taxes when they're out of work. Companies, banks, and real estate firms that go bankrupt can't pay taxes either. Revenues fall short.

If you take a look at the cost of our sluggish economy triggered and caused by Wall Street abuse, that's what threw us into this mess in the first place, right, back in 2008. The increased costs of resulting unemployment are staggering indeed: Add them up. First, we have to pay the unemployment checks, and some people even got 99 weeks of unemployment because jobs are scarce. Add to it the costs of food for those unemployed people. They are enormous.

When an economy isn't fully functioning, the Federal costs of medical care skyrocket because people fall off their own insurance. So many in this country simply can't get good care, and that's all tied in to a very sluggish economy. Yes, the costs of unemployment are huge.

Then let's add the cost of the housing meltdown. All of the bad mortgages, four out of five bad mortgages were dumped on the Federal Government. Did Wall Street take care of its dirty laundry? No. They gave it to you, the American people. At the FHA, the Federal Housing Administration, at Freddie Mac, Fannie Mae, the Veterans Administration, guess who's holding all of the mortgages that are under water? Eighty percent of them. Us, the people of the United States, because Wall Street's insurance company or vacant units become the property of Uncle Sam; not Wall Street. Did Wall Street write off any losses? Oh, no, no, no. They gave them to us. That is a huge and growing part of the Federal deficit related to the housing crisis and what it is going to cost to revitalize or demolish that housing inventory.

Then, add to all this a trillion dollars more that's been spent on two wars that have not been paid for. That is a major part of the growing deficit. We can't ignore that. Do we say we should have a war tax? Do we say we should end the wars? Do we say our allies

should pay more? The point is we haven't said anything other than just add that trillion dollars on the deficit.

Now let's take a look at the Bush trillion-dollar tax giveaway to the very wealthy, who said that if we gave them the money, they would create jobs in our country. Guess what? They took the money and they created jobs offshore. Corporate profits are at all-time highs, but are jobs increasing in this country? No. Those corporate profits are due to the booking here in our country of profits earned offshore.

So some say give them more tax breaks. Why, unless they invest in our country in job creation here at home. We would be foolish to waste precious dollars on more outsourcing.

And finally, former President Bush had this idea for pharmaceuticals. He said don't let the Federal Government bargain the cost of pharmaceuticals in Medicare and Medicaid expenditures. Yet when we can't do that, when we fail to negotiate the best, competitive prices, that omission adds hundreds of billions of dollars to our debt.

Mr. Speaker, to solve the deficit problem, Congress and the executive branch must focus on employing the citizens who are out of work. That is the real cause of our economic sluggishness. America ought to address causes, not symptoms.

THE FAIRTAX

The SPEAKER pro tempore. The Chair recognizes the gentleman from Georgia (Mr. WOODALL) for 5 minutes.

Mr. WOODALL. Mr. Speaker, I am pleased to come to the floor today. I'm still a little bit winded. I was over in the Ways and Means Committee room where we were talking about exactly these issues. I'm embarrassed that my fitness is in such a state that running up the stairs winds me.

But that's what happens when you don't focus on something, when you don't put in the time it takes to stay fit; things degrade. And that's exactly what's happened with our economy, Mr. Speaker. It's absolutely true that folks are out of work, and it's absolutely true that the best form of unemployment relief is a paycheck. It's not an unemployment check. It's a paycheck.

But why are these jobs going overseas? And this is the real debate that happens up here absolutely every day because people just believe different things about how it is that we put Americans back to work. Every single person who comes to this House floor wants Americans to go back to work, wants America's economy to be the pride of the world once again.

But I will tell you the reason we lose jobs overseas is not because we're taxing businesses too little; it's because we're taxing businesses too much. We have the single highest corporate tax rate in the world in America. Why does Sony want to locate their next plant here? Why does Rico want to locate

their next plant here? Why does Whirlpool want to keep their plants here? We punish business in this country through our Tax Code like no other country in the world.

Now, is there a regulatory component to that too that we need to solve to make America attractive for business? There absolutely is. Is there a health care component of that if those costs rise? Absolutely there is. Is there a payroll tax cost in that we need to address, the largest tax 80 percent of Americans pay? Absolutely there is.

There is only one proposal in the House that does it, and the Ways and Means Committee right now across the street right here behind you, Mr. Speaker, in the Ways and Means Committee room, is holding a hearing on H.R. 25, the FairTax.

The FairTax eliminates these income taxes and moves America to a consumption tax model. America is the only country in the OECD nations, those economically developed nations, that does not have a consumption tax. The FairTax shifts us in that direction.

And what it does for the first time, the only bill in Congress that does it, it eliminates every single bit of corporate welfare in the United States Tax Code. Oil companies, gone. Solar companies, gone. Foreign companies, gone. Every single tax break in the Code is abolished, Mr. Speaker, because we know the free market works best when the market is free. And we know that businesses don't pay taxes. Consumers pay taxes.

There is not a penny that we charge Walmart that they don't roll right into their costs and pass it along to us. You see it. You see it absolutely every day. If we raise gas taxes, gas prices are going to go up. If we lower gas taxes, gas prices go down. The market sorts those things out.

Have you ever been to a Coke machine, Mr. Speaker? I'm from Atlanta; so I'll talk to you about Coke machines. But usually they're going to sit beside a Pepsi machine. Have you ever seen that Coke costs \$1 and the Pepsi right beside it cost \$2? No. Do you ever see the Coke sell for \$1.50 and the Pepsi beside it try to sell for \$5? No. And that's not just because Coke's a wonderful product. It's because the consumer rules in America and price matters. You can't charge whatever you want; you can only charge what the consumer will pay. And when taxes go up, consumers have to pay more.

The FairTax, Mr. Speaker, will bring those jobs back to America like no other proposal in this Congress. It eliminates those corporate income taxes, and it eliminates payroll taxes. Have you thought about your payroll tax recently? It is 15.3 percent of every paycheck that you get.

Now, the wealthy don't pay payroll taxes because they're making their money in interest or dividends or capital gains, these things that payroll taxes don't come out of. Those of us who work for paychecks, we pay pay-

roll taxes. And at 15.3 percent, the payroll tax is the largest tax that 80 percent of Americans pay.

□ 1050

The largest tax that 80 percent of American families pay, and we don't spend any time on the floor discussing that. We argue about income tax all the time. Half of America doesn't even pay income taxes anymore. Payroll taxes are the taxes that American people pay, 15.5 percent; and it comes out of your paycheck before you even get to see your paycheck.

Milton Friedman, the Nobel Prize-winning economist who helped during World War II establish the withholding system—the government needed money in a hurry. It was wartime. That's when we began sucking money out of your paycheck before you ever see your paycheck. Milton Friedman said the worst decision of his life was not working to do away with the withholding system once World War II ended because you need to know how much money you are paying. You need what it costs you to run this United States Government.

We talk about trillions. Have you thought about \$1 trillion, Mr. Speaker? One trillion dollars, the cost of the President's health care plan, for example. If you started a business on the day Jesus Christ was born and you were so bad at your small business, Mr. Speaker, that you lost \$1 million a day, every day, 7 days a week from the day Jesus was born through today, you would have to continue losing money for another 700 years to lose your first trillion dollars. We throw that number around like it is nothing. It is something. We need jobs back in this country. The FairTax will do it.

I encourage folks to pay attention to what's happening in the Ways and Means Committee today on H.R. 25.

RAISE THE DEBT CEILING

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from Texas (Ms. JACKSON LEE) for 5 minutes.

Ms. JACKSON LEE of Texas. Mr. Speaker, my good friends have come to the floor of the House. My good friend just came and offered some solutions, and I would say that it's important for Members to have ideas and to be able to engage on behalf of the American people.

Every time we stand in this well, we should be rising to make the lives of the American people, those who have entrusted us to be the holders of the values of this great country, we should be moving on on their behalf. So this morning, I'm asking that we get on with it. It's important to be discussing tax reform. But as many of us know, that is a long, protracted process of give-and-take. And many Americans will understand what the payroll tax is all about when they look in the faces of their seniors and themselves and they know that part of that is Social Security. We know for a fact that Social Security has been a lifeline for millions