

So please contact your neighbors, your friends, get them to read the Constitution. Read the "Federalist Papers." Read what our Founding Fathers said about government. Understand how far we have gotten away from those original principles, how much we have lost our freedom, how much we have gotten away from liberty and how close we are to becoming a socialistic, communistic nation in this country. That is where we are headed.

The only way it is going to change is if the American people will stand up and demand something different, start throwing people out of office that violate their oath of office, and put people in office that are going to stand firm for freedom, for liberty.

I am going to stand firm for the Constitution as it was intended, and I am going to continue to fight for the Constitution as it was intended. There are precious few here in this body that will stand and even vote that way. The only way we are going to change it, the only way we are going to save America, is for we the people to stand up and demand it.

I believe we can; I believe we will. I believe we are at the beginning right now today of a new dawn in America, a dawn of liberty, a dawn of freedom, a dawn of limited government, a dawn of strong national defense and national security, a dawn where our children and grandchildren are going to grow up in an economically prosperous Nation where there are going to be jobs in the private sector, where people are going to be able to operate within their society without all of the constraints of government.

We have got to demand it. The future of this country depends upon it. Your children and your grandchildren depend upon it. Join in the fight.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1473, DEPARTMENT OF DEFENSE AND FULL-YEAR CONTINUING APPROPRIATIONS ACT, 2011; PROVIDING FOR CONSIDERATION OF H. Con. Res. 35, CORRECTING THE ENROLLMENT OF H.R. 1473; AND PROVIDING FOR CONSIDERATION OF H. Con. Res. 36, CORRECTING THE ENROLLMENT OF H.R. 1473

Mr. NUGENT (during the Special Order of Mr. BROUN of Georgia), from the Committee on Rules, submitted a privileged report (Rept. No. 112-60) on the resolution (H. Res. 218) providing for consideration of the bill (H.R. 1473) making appropriations for the Department of Defense and the other departments and agencies of the Government for the fiscal year ending September 30, 2011, and for other purposes; providing for consideration of the concurrent resolution (H. Con. Res. 35) directing the Clerk of the House of Representatives to make a correction in the enrollment of H.R. 1473; and providing for consideration of the concurrent resolution (H.

Con. Res. 36) directing the Clerk of the House of Representatives to make a correction in the enrollment of H.R. 1473, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1217, REPEALING PREVENTION AND PUBLIC HEALTH FUND

Mr. NUGENT (during the Special Order of Mr. BROUN of Georgia), from the Committee on Rules, submitted a privileged report (Rept. No. 112-61) on the resolution (H. Res. 219) providing for consideration of the bill (H.R. 1217) to repeal the Prevention and Public Health Fund, which was referred to the House Calendar and ordered to be printed.

FISCAL CHOICES

The SPEAKER pro tempore. Under the Speaker's announced policy of January 5, 2011, the gentleman from Kentucky (Mr. YARMUTH) is recognized for 60 minutes as the designee of the minority leader.

Mr. YARMUTH. Mr. Speaker, it is a great honor to be here on the floor of the House of Representatives talking to the American people about one of the most critical things that this body does, and that is to decide how much money we ask our citizens to contribute to the government and how that money is going to be spent.

I didn't come here intending to respond to the gentleman who spoke before me, but he cast in one respect the whole debate over our budget very well when we had Mr. BROUN's four-way test. The first thing that Mr. BROUN listed was: Is it right/moral? And I agree with him because when we debate the budget of the United States, when we debate how we are going to spend the taxpayers' money, the first question we should ask is: Is it right, and is it moral? The converse is if we don't spend something, is it wrong and is it immoral.

Today, I had the great honor of visiting Walter Reed Hospital. I got to speak with several of our extremely brave, courageous soldiers who have been injured in battle. And one young man who lost both legs, one just above the knee and one all of the way to his pelvis, and lost a little bit of finger on one hand was on what can only be described as bionic legs which he said are extremely good, the technology is extremely advanced; but they still don't help him walk. He talked to us for a long time about what he had been through, the progress he had made, and what he hoped to achieve with technology.

□ 2010

His parting comment to us was that this is the result of the Federal Government spending money on medical research. This is helping people not just in the military, not just in the

Armed Forces, but also in the private arena as well.

So I look at what the Republican budget has done, which we will consider later in the week; and it slashes money for medical research. I say let's apply Mr. BROUN's four-way test: Is it right? Is it moral? Also, does it make any sense to cut medical research when we have brave men and women who after making incredible sacrifices are reacquiring some of their lives because of the taxpayer money we have spent in funding critical research? It would be immoral—Don was his name—to deny Don his request that we continue to fund medical research that is going to help him regain his capabilities, his physical function, as well as to continue to fund the medical research that will help the thousands of young men and women who have sacrificed so much for us.

So as we enter this debate this week on the Republican budget proposal/the Democratic alternative budget proposal, we have choices to make. That's always what government is about. It's about choosing: How do we spend the taxpayer money that we ask our taxpayers to contribute to the general welfare of this country?

Last week, we sat in the Budget Committee and considered the Republican budget. I'm sure that my characterization of the Republican budget will be different than the Republicans' characterization of their budget. Yet I will say one thing, that we all agree that we have a fiscal challenge in front of us. We have enormous deficits. We can argue about how we got here, but I'm not going to spend time debating that tonight. We clearly have a challenge, and the future is even more challenging. So the question is:

As we approach this budget deficit, this future of deficits, a very, very large national debt, what is the best way to approach it?

Now, the Republican answer is that there is only one side of the ledger. Most homes, most businesses have two sides of the ledger. They have an income side, and they have an expenditure side. As far as the Republicans on the Budget Committee are concerned, we only have an expenditure side. You've heard the Speaker of the House say we only have a spending problem; we don't have a revenue problem. You've heard my senior Senator from Kentucky, the minority leader of the Senate, say we don't have a taxing problem, a revenue problem; we have a spending problem.

In fact, if you look at our situation right now, we're no different, in a lot of respects, from the average household or the average business. If we have a financial challenge, we do a couple of things. We ask, Okay, where can we cut costs? Then we ask, How can we generate more revenue? Those are the two options. As far as the Republicans are concerned, there is only one option. It is to cut expenditures. Unfortunately, my characterization is that they cut

the programs which help the most vulnerable people in our country.

On the other hand, what do they do on the revenue side? They say, Well, let's see. Millionaires and billionaires haven't done quite well enough over the last decade or so. Twenty years ago, they only earned 9 percent of all income in the country. Now they earn 35 percent of all income in the country. That's not quite good enough. Let's give them another tax break. The Bush tax cuts were okay, but they weren't quite large enough. So instead of cutting their rate from 39.6 to 35 percent, let's cut their maximum rate to 25 percent, and let's see what that does for the economy.

I think most of my Democratic colleagues would agree that, if we're going to approach this deficit and the national debt in a responsible way, we'll look at both sides of the ledger. We will ask people who have done extremely well and who have the capacity to give more to pay a little more, and we will make responsible cuts that are balanced across the sector.

There are so many ramifications to this debate, and we're going to be debating it all week, so I am proud to have with me today some members of the Budget Committee from the Democratic side to help me discuss this.

It is my great honor now to yield to the gentleman from New York (Mr. TONKO).

Mr. TONKO. Thank you, Representative YARMUTH, and thank you for leading us in this discussion.

It is rather interesting to hear you, with your introductory comments, speak of the approach to one side of the ledger. What has been advertised out there, what has been messaged, is that what we have are these cuts that translate into savings: we're going to save at the expense of the middle class. We're going to cut programs for seniors, for veterans, for children, for working families, for small businesses. That will produce savings—this propensity for tens of billions of dollars' worth of cuts, for \$100 billion worth of cuts, and an insatiable thirst for cutting domestic programs that really provide the dignity factor for many families as well as provide for job creation and retention.

We saw what happened when we invested in job creation, which was to gain over 2 million private sector jobs in just over the last year. So we know that those investments oftentimes will lead to lucrative dividends. They will relate to programs that are required for our working families, for our middle class Americans across this great country. Also, they provide for an opportunity for job creation, which produces the sort of mix—that down payment, the priming of the pump, if you will—that makes it all happen.

So, Representative YARMUTH, you are correct in talking about this as a one-sided approach. Yet what troubles me is that there is this messaging effort under way that would try and convince

the American public that it's producing savings. But where do those savings go? There are trillions of dollars of cuts to the middle class in this Republican plan. Those trillions of dollars of cuts that they deem as savings are then that fuel that provides the resources to cut the trillions of dollars' worth of millionaire/billionaire tax cuts to provide for the continuation of services that contractors will provide, which have been deemed wasteful or at times fraudulent, with the Pentagon. They will continue to protect those investments. They will allow for additional relief for corporations.

So it's sliding dollars out of the pockets of the middle class and investing them, the spending that they do, as they accrue those savings. The new spending that they do is tax cut delivery for those in the upper echelon. To me, it sounds very much like the pre-recession situation under the Bush administration which led us to this deep and very painful and long-term recession. Their plan has been dubbed by themselves, by their own Members, as the Path to Prosperity. I would suggest that it's a road to ruin for the middle class and that it's a road to riches that paves the streets with golden opportunities for those who are the most comfortable in society, for those deemed on top of the perch.

This is a very interesting scenario that is being placed before this body, before all of Congress for that matter. We need to put it under the microscope, and we need to message to America what is happening. You take from the poor and the middle class. You slide it over to the most comfortable—to corporations and millionaires, billionaires, oil company handouts, mindless handouts. That's how they pay for those, by sliding that cash down that slippery slope and investing it in tax cuts, spending it on tax cuts for those, as you indicated, who just didn't get quite enough under the Bush tax cuts.

In a while, too, I want to go toward the Medicare situation. They want to end Medicare with this budget. I want to talk about that after we hear from some of our other colleagues.

This is an interesting scenario—a road to ruin, a road to riches. It's a complete separation, a dichotomy, of special needs out there, coming at the expense of middle class America. It's a raid on our middle class. It's paving the road to riches for the very fortunate, and it's creating the road to ruin for America's middle class.

□ 2020

Without a strong middle class, without enhancing the purchasing power of our middle class, we have a weakened America. That is easy enough to prove through history.

So thank you again, Representative YARMUTH, for bringing us together on a very important discussion here in the House of Representatives as we continue to fight for the middle class that

has been impacted severely and would take even more hits if this budget were allowed to pass through.

Mr. YARMUTH. I thank the gentleman. He mentioned the "road to ruin." It's also a road we've been down before.

Mr. TONKO. Absolutely.

Mr. YARMUTH. It is a road we've been down before.

Back under the Reagan administration, this whole magical economic theory of trickle-down economics was developed. And the idea was, you let people at the top make as much as they possibly can, do as well as they possibly can, and that will trickle down and help everybody else. The man who was largely responsible for that policy under the Reagan administration, David Stockman, who was his budget director, he said just last year, "I find it unconscionable that the Republican leadership, faced with a \$1.5 trillion deficit, could possibly believe that good public policy is to maintain tax cuts for the top 2 percent." That was last year when we were actually debating whether to return to the Clinton-era tax rates—the Clinton era, by the way, which resulted in one of the most impressive decades of job growth in this country.

Now they even want to double down on that. They not only don't want to go back to the Clinton era tax cuts; they want to cut it even further. And their theory is that by cutting the tax rate by 10 percent more on the wealthiest people in this country, that they will create more jobs. Where do they get this stuff? Well, the only source they have for that theory is the Heritage Foundation. Now the Heritage Foundation was also the group that said that if we cut taxes under the Bush administration, that we're going to have this enormous job growth and this enormous surplus. It didn't quite work out so well. But they're saying now—this is what I call the "Harry Potter budget." You wave your magic wand and you make anything sound like it's true—cut taxes further on the rich, slash spending to help the low- and moderate-income people in this country, and the economy will bloom. Well, I'm not buying it. I don't think most Americans will buy it. But again, it's a road we've been down before, so we have some evidence.

At this point, I'd like to introduce and yield time to a great new Member of Congress and also the Budget Committee, the gentlelady from California (Ms. BASS).

Ms. BASS of California. Thank you very much, Mr. YARMUTH, for your leadership in this effort.

You know, as a new member on the Budget Committee, we had an interesting week last week. We really just completed a week where we saw the far right of the Republican Party take their party off the ledge and way out of the mainstream. They've declared war on seniors, on the disabled, on the sick, on children, and on the underserved by

proposing to end Medicare and Medicaid as we know it. They've championed the budget, entitled the Path to Prosperity.

This is a plan that simultaneously ends Medicare while giving billions in tax breaks to Big Oil and the wealthiest Americans. Mr. TONKO called it the "path to ruin"; I thought about the "Ryan-to-ruin" plan.

It generously gives senior citizens a gift, and that gift is a voucher to purchase health care. The senior citizen then has to identify an insurance carrier that will take the voucher; and if the person is lucky, the voucher will cover all the cost. I do think that this would be rare. And I don't know what happens in this plan if after a couple of years or a couple of illnesses the insurance company decides to drop the person or raise the rates. You know, under the Affordable Care Act, of course, they couldn't do that, but if the Ryan plan does what he wants, he wants to repeal the Affordable Care Act, so all of that would come back into play. The person would have to pick up the rest of the cost under the Ryan plan.

Now, I believe that we are simply foolish and we are fooling ourselves if we think all seniors will be able to just write a check and pay the difference. That's what is said, they will just pay the difference, they will just have to absorb more cost. A more likely scenario is that seniors will simply not have medical coverage, and we will be sent back in time to when seniors did not have coverage because insurance companies didn't want to cover them. I often say to people that you can judge a society by how it treats its elderly and its children. The "path-to-ruin" plan hurts both populations.

What I wanted to do today was to share a story, but just talk for a moment a little bit about the Ryan plan. When it takes effect in 2022—that's only 11 years from now—the average senior would receive an \$8,000 voucher to buy insurance. What I wanted to share with you was the years that I spent working in the emergency room. I worked in Los Angeles County, USC—one of the largest emergency rooms in the United States. And the emergency room is so large, it is divided into different sections. One section that I spent a couple of years working in is called ambulatory care, but we used to call it the "walking wounded" because, frankly, the people that came to that section of the emergency room shouldn't have even been in an emergency room, but the reason why they were there was because they didn't have health insurance, they didn't have access to care. And what typically happens is that if you don't have access to care, by the time you eventually see someone, you are much sicker than you would have been.

So I remember a case where a diabetic patient, who was not 65 and, therefore, he couldn't access Medicare, he came into the walking wounded area or the ambulatory care area with a

sore on the heel of his foot. He told me in the history that he was a diabetic. But he had tried a series of home remedies and he finally came to the ER when his heel started turning purple. Well, as I interviewed the patient and I asked about his medical history, he told me that he had been diagnosed with diabetes years ago, but he couldn't afford his medication. So he was trying to watch his diet and do the best he could. Well, for those of you who don't know, a patient with a history of poorly controlled diabetes who presents to an emergency room is likely to have a series of complications. Well, this man ended up as an amputee because the sore on his heel—that he didn't realize—had developed into gangrene, and that's why his foot was turning colors.

So just thinking about the cost of this, the total cost of this visit was \$12,000 and his leg. That bill included a \$2,000 charge for his emergency room visit and lab tests, a \$6,000 charge for an amputation, and a daily charge of \$1,400 for aftercare. If this patient had had access to routine preventive care, he would still have his leg, and \$12,000 would be saved.

So why do I share this story with you? Well, we're fooling ourselves if we don't understand that turning Medicare into a voucher and leaving seniors to fend for themselves is simply denying adequate health care that in the end will cost us so much more in suffering and in hospital costs that will ultimately be borne by taxpayers.

Today in my office I met with representatives from several hospitals who were describing the challenges that they face now. So there is an area of Los Angeles County where 600,000 people live—and the last time I checked that was around the entire population of the State of Vermont, 600,000 people—where there is not one trauma center, there is not one emergency room because all of the four hospitals in that area have closed. Now that's today.

Under the Ryan plan, vouchers for seniors and vouchers for States—because that's the bottom line as to what a block grant is, it's a voucher; instead of a voucher for an individual, it's a voucher for a State. The hospitals they represent that all border this area—that has no trauma center in it and has no emergency room and has no hospital because they're all closed up—they would essentially have to absorb—and they have been absorbing—the population, these 600,000 people. So they were concerned, and they came into my office today concerned that they could potentially face closure now, given the situation.

If we were to adopt the Ryan plan—the "pathway to ruin," however you want to describe it—I think we would be setting the stage for hospital closures to continue, for more patients to come into the walking wounded area of emergency rooms, for there to be more amputations, for people to be sicker

and eventually come to the emergency room—which is so incredibly short-sighted because in the end it winds up costing taxpayers so much more money because these people are going to be cared for. So we are fooling ourselves if we think that seniors are just going to be able to meet what the voucher doesn't cover.

Thank you very much for your leadership in this.

Mr. YARMUTH. I thank the gentlelady for her contribution and for her work on the Budget Committee.

I know somewhere toward the end there the gentlelady mentioned jobs, and this is something that is kind of at the core of what we're trying to work toward.

□ 2030

We're trying to find a budget, develop a budget that will stimulate the economy, that will create jobs. And we know that under the Ryan budget, again, according to the Heritage Foundation, the way they get to some kind of fiscal sanity is they project that unemployment in the country will be reduced to 2.8 percent by 2016.

Now, I don't know any reputable economist in the country that thinks that's feasible, particularly when you're slashing a lot of government spending that does create jobs, particularly in the health care arena; but no one has been more vocal and more knowledgeable and more articulate about what it takes in this country to create jobs than Mr. GARAMENDI from California.

I welcome him to the discussion and yield to him now.

Mr. GARAMENDI. Thank you very much, Mr. YARMUTH.

For the members of the Budget Committee, you've had a steep and difficult job as the Republicans have attempted simply to ram down the throats of this Congress a really unacceptable budget, one that does destroy opportunities.

I would love to talk about Make It in America, and I will in a moment, but I was just listening to my colleague from California, and she raised the issue of the medical care here in the United States.

It was 1964 that the United States set out on a very, very important mission, and that was to provide health care to seniors. Prior to that time, and I know from my own county where I grew up in Calaveras County, if you became a senior, you were destined for a very, very rough road. There was literally no insurance available for you, and there was no opportunity for you to get yourself out of poverty unless you happened to be among the wealthy. It was a terrible situation.

So during the Lyndon Johnson period in 1964, they created a program called Medicare so that when you became 65, you had an opportunity to get a solid health care program available to you—a doctor program, a hospital program. You had to pay a little bit for the hospital program, but it was guaranteed

available to you. And every American 65 and over had that policy.

Here we are, 40-some years later, and what's taking place? Our Republican colleagues are determined to terminate, kill, stop, eliminate Medicare. They do it in a subtle way.

But I want everyone to know that this year if the Republican budget goes forward, this will be the tombstone for Medicare: "Medicare: 1965–2011. Created by Lyndon Baines Johnson, LBJ. Destroyed by the GOP."

How do they do it? They do it by saying everyone that is 55 years old today will never get Medicare. It's over. And for those that are on Medicare, their lives will move on and eventually they'll be gone also. And Medicare dies with this budget. This is a central part of the American promise to every senior, and the Republicans are determined to terminate Medicare and put a tombstone dated this year, 2011.

You'll get a voucher; but as my colleague from Los Angeles so eloquently said, that voucher will be worth very little when the time comes. And you'll be thrown to the insurance sharks.

I understand insurance. I was the insurance commissioner in California for 8 years, and I know what the health insurance companies want to do. They want to make sure that they insure somebody who will never get sick. Pre-existing conditions, raise the rates, change the benefits, increase the co-pays, end the deductibles, all of that. So the future population of seniors in just 10 years will be thrown to the wolves, and they'll be at the mercy of the health insurance companies.

We cannot let that happen. This is a fight for the very nature of America. This is a fight not only to protect seniors but to protect those who want to become seniors. I want to know what American out there today does not want to live long enough to get to Medicare.

They know that today because of the Democratic Congress they have an opportunity to get insurance with the Health Care Reform Act, but they know that the Republicans want to take that away, too. The very first piece of legislation that the new Republican Congress passed was the repeal of the Affordable Health Care Act. This is step two, to dismantle.

Now, I'm going to take another 30 seconds and then turn it back to my colleagues on the budget side.

But here's what we must do. We must get to the root cause of the underlying inflation in health care.

Terminating Medicare does not stop health care inflation. What could stop it are the kinds of reports and the kinds of suggestions that I made 5 years ago when I wrote this document called "Priced Out." Forty-three separate things that we can do—specifically for California, but it's applicable for America—43 separate things that we can do to bring down the costs of medical care.

It turns out that about a dozen of those were in the Affordable Health

Care Act, very specific things to rein in the cost of medical care.

Two examples. One: hospital infections. Not only deadly, but costly. Now every hospital in the United States is forced by the Affordable Health Care Act to pay attention to hospital infections. It's probable that one of our colleagues who was with us here in this House last year died as a result of a hospital infection just last week. This is serious stuff. It's in the Affordable Health Care Act. Hospitals would be penalized.

Secondly, electronic medical records so that the mistakes are eliminated.

Let me turn this back to you, Mr. YARMUTH and Mr. TONKO. You on the Budget Committee have served so well, so hard, fighting the initial battle to protect America's seniors and to protect this Nation's future. Thank you for the opportunity to join you.

Mr. YARMUTH. I thank the gentleman for his contribution and also want to segue from what he said because he talked about Medicare and the ability to save money in Medicare. One of the ironic things about this debate has been that last year when we were passing the Affordable Care Act and found \$550 billion over 10 years that we could save in Medicare and reinvest in new benefits, during the campaign that year, we were chastised for slashing Medicare. Yet those same Republicans, in developing their budget and saying how great they are at cost-cutting, are using the same savings that we found, the same savings of \$550 billion, that they ran millions and millions of dollars against Democratic candidates last year. And they're taking credit for that in their budget, which is interesting.

I know Mr. TONKO is chomping at the bit to talk about Medicare some more, so I'll yield to him at this point.

Mr. TONKO. Thank you, Representative YARMUTH and Representative GARAMENDI. Thank you both for your input.

Now, Representative BASS of California talked about the Medicare transformation that would really hurt people across this great country, and it seems as though you would expect everyone that serves here to be an avid fan of history, that we would want to be taught by the history that has built this great Nation.

We heard earlier from Representative YARMUTH about the repeats of the tax cuts that were recent history. We saw it during the second Bush Presidency. We saw it during the Reagan era where we did this trickle-down theory: if we reduce the burden at the top, it will trickle down and everyone will have jobs galore.

Well, you look at the history, and those two scenarios just did not work. They did not work. And as students of history, all of us as Representatives, we should absorb that lesson, and we should know that a repeat of that kind is only going to wreak damage on the American economy and, more impor-

tantly, on the American families, the middle class.

What did work, what lesson in history stands very strong and tall is that during the FDR Presidency when this country was hurting from one of the worst economic struggles it had to face, they came up with a program that invested in job creation, invested in the American worker, invested in American families.

We created infrastructure; we built across America the needs of this great Nation. And today, some of those institutional efforts are still serving our needs. They stand as a monument of government responding in a way that embraced compassion, that came forward with an intelligence that enabled us to grow out of those economically difficult times. And we were benefited by that sort of leadership.

□ 2040

What we need today is an investment in job creation. Think of it. As we enter into a global race on clean energy and innovation, other nations are bulking up and we are defunding with this budget. We are defunding R&D, research and development for science and tech jobs. How can we expect to win a race, a global race, when we're tying our hands behind our backs and are not allowing us to go forward?

But to Medicare, the history learned there, and Representative GARAMENDI pointed it out, pre-1965 people were being cherry-picked, they were being led along without appropriate health care coverage, without insurance because they were perhaps dealing with a preexisting condition, they were a complex case, they were ignored, they were totally just abandoned by an insurance opportunity. Because of that, our Nation, with compassion again, the history it wrote through those LBJ years was to establish a Medicare program.

Look what happens. This chart will tell us when we get rid of Medicare, when this Republican plan, if it had its way, ends Medicare, we are going to see this very impact coming upon our seniors. We will go back to the pre-1965 years. Look at this. This is the current Medicare program, where benefits for our seniors enable them to avoid oftentimes the out-of-pocket expenses.

It is forecasted by independent groups out there, not by partisan thinking here in the House, but independent bodies are suggesting that it will double in the early years in terms of what is expected of our seniors digging deeper into their pockets. And by the year 2030, it's forecasted triple what they are paying today. This is another way to provide savings for the sole purpose of investing those savings in millionaire, billionaire tax cuts, in oil company handouts, in corporation relief. This is the effort here. It is a reverse Robin Hood. It is going after the middle class, which is the strength of America.

Give that middle class its purchasing power. Give our middle class seniors

their Medicare program. Let them have dignity. Let there be a quality of life. Let there be the opportunity for work, for employment, and let the masses enjoy the benefits of those sorts of programs. That's what we're talking about here. History repeated. Bad history repeated. Good history ignored. And our seniors will suffer from this Medicare program. This end to the Medicare program will bring about suffering for them because of greed and because of the road to ruin that has been established by this so-called path to prosperity.

Representative YARMUTH, I believe that we need to do better than this. We should not fail our seniors, our disabled, and as Representative GARAMENDI said, future generations of seniors, an onslaught of baby boomers that will be impacted by all of this activity.

Mr. YARMUTH. Thank you very much, Mr. TONKO. There are so many aspects of this that deserve to be discussed. One of the things that's kind of sad is that the Republicans, in talking about their plan to privatize Medicare, say, oh, this is just like the plan that Members of Congress have. Well, first of all, Members of Congress have the same plan as every other Federal employee, so it's not necessarily anything special that we have.

But the only thing that is somewhat similar about this is that you have some options in the private sector. We buy insurance from private vendors, and we have a certain allowance. And under the Ryan plan, the Republican budget, seniors, all those under 55 now, when they become seniors they would have a certain amount that they could spend—not just could spend, had to spend in the private sector because they won't be allowed to buy into any Medicare program or a public option. The difference is, as you pointed out in your graphic there, that Members of Congress and Federal employees pay about 28 percent of the premium. Under the Republican budget, seniors are going to pay 68 percent of their premium.

This is shifting the burden, the cost, and putting it on seniors who are on fixed incomes, who don't have the ability to pay. And what's going to happen to them? This is so unlike the Federal insurance program. It's frightening in its dishonesty.

But I want to talk about one thing quickly and then yield to Mr. GARAMENDI again, because we talked about taxes and tax rates. In the Budget Committee last week I offered an amendment to the Ryan budget that would have restored the Clinton era tax cut, highest tax rate of 39.6 percent on Americans making \$1 million a year or more. Now, that is a very small percentage of Americans. Very small percentage. Less than 1 percent of the Americans make over a million dollars a year.

I said let's just have them pay what they paid under the Clinton era. Not

one Republican voted for that. And their argument was, and I know they believe this because they keep saying it and have always said it, that if you raise the tax rate on the highest-income Americans that they're going to lose incentive, that they're not going to work as hard, that they're not going to make investments because you are eliminating their incentive.

Well, for those with a long memory, the highest marginal tax rate in this country's history back in the sixties was 91 percent—I am sorry, under the Eisenhower administration—was 91 percent. When my father built his company in the sixties and seventies, the highest marginal tax rate was 70 percent. When Ronald Reagan took office it was 50 percent. Now it's down to 35 percent, and they want to cut it even further.

Now, they had this belief, again, that if you raise rates you're going to destroy incentives. I built a company, both my brothers have built very successful companies, my father built a very successful company. Not one of us has ever said, oh, my gosh, because I can only keep 60 cents of that next dollar I make rather than 64 cents or 65 cents, I am just not going to make that dollar. Just doesn't make any sense for me to work harder. Business people don't think that way. That is not human nature.

I have one brother who is very successful. He is in the barbecue restaurant business. You have all heard me tell this story a hundred times. I am going to tell it again. I asked him, "What about this marginal tax rate thing?" And he said, "You know, if people can't afford barbecue it doesn't matter what my tax rate is." And that's really where we are as a country. That's where we've come as a country. Because we have let the middle class decline, because their buying power has declined not just in relative terms, in absolute terms over the last decade, while the wealthiest Americans, these people making \$1 million, \$1 billion and more have done extremely well.

Right now 1 percent of the American people make as much as the bottom 90 percent combined. We have the greatest disparity in income and wealth in this country that we have had in almost 100 years. Yet ask millionaires and billionaires to pay a little bit more—not a lot more. We are not saying go to 70 percent. We are saying go to 39 percent from 35 percent. Not one Republican vote.

We've seen in the past what's happened with tax rates. We have been talking a lot about history tonight. Under the Clinton administration, during the Clinton years, top tax rate of 39.6 percent, 20.8 million jobs created. After the Bush tax cuts, reducing that top rate to 35 percent, 653,000 jobs lost. That is not evidence for cutting the marginal tax rate on the highest-income Americans even further.

We have seen again right now the Bush tax cuts—this is the job loss

thing—the economy floundered after the Bush tax cuts went into effect. So again, all we're saying is if we're going to ask people to sacrifice as we try to get our fiscal house in order, we need to ask everybody. In particular, we need to ask the people who have done the best and who have earned the most and who have the most wealth.

Again, the person who has talked more about what it takes to create jobs in this economy is my colleague from California. I yield to him again.

Mr. GARAMENDI. Thank you very much, Mr. YARMUTH. This is what you were talking about here, a different way of saying the same thing that you discussed. This is over the period of time from 1979 to 2005. This is the income growth by each 20 percent of the population. So those people at the very bottom saw almost no income growth at all, 200 bucks. And as you go to the next 20 percent and the next 20 percent, you get up to the last 90 percent, they did okay. They made about \$745,000.

□ 2050

So that's the 90 to 99 percent of the population. Those are very, very wealthy people. They did okay.

But you go to the top 1 percent, the top 1 percent—excuse me, I am wrong. That's the top one-tenth of 1 percent, not even 1 percent. One-tenth of 1 percent. That population saw their wealth increase by nearly \$6 million each, and that's what you were talking about, a different way of displaying it.

What's happening in the United States is this enormous shift of wealth to the super wealthy, and our Republican colleagues want to reward them for their good success by reducing their tax rate. So much for shared sacrifice.

And as Mr. TONKO pointed out, the sacrifice is really the middle class, because the benefits that the middle class had, the future opportunity for Medicare, they are going to wind up paying more, getting less, as the Republicans terminate Medicare as we know it today.

The other part on taxes, and then I want to turn to one of my favorite subjects, and that is how did we get to this deficit, Republicans want to continue giving \$12 billion to \$15 billion of our tax money, this is money that you, I, the stenographer there, the people that work here, the men and women across America that are working, \$10 billion to \$12 billion of their tax money, and they want to hand it over to the oil companies.

Now, what in the world did the oil companies need a tax break for? They need a subsidy like, well, like they don't need it. Why? Because in the last decade, the oil companies, the big oil companies in the United States, have earned \$947 billion dollars in profits. That's just shy of \$1 trillion dollars in profits. And yet our Republicans demand that we give them another \$12 billion to \$15 billion a year.

Now, that's bad enough. But I just came across this fact. ExxonMobil was

the most profitable company in the world in 2008. In 2009, ExxonMobil made \$19 billion of profit. Well, good for them. And I am sure they paid their fair share of taxes, right? Wrong.

Their effective tax rate was zero. So since they didn't pay any taxes, we ought to give them another \$12 billion, to the oil industry. This is just plain wrong. This is not good economic policy.

One thing, and then I know you want me to talk about Make It in America, and I will in a few moments, but I get so concerned when people talk about the Democratic deficit. Hello? Not so, not a Democratic deficit; really, a Republican deficit.

That fellow over there, that's Ronald Reagan. President Ronald Reagan left at the end of his 8 years with a projected \$1.4 trillion deficit, followed by George H.W. Bush. At the end of the George H.W. Bush period the projected deficit going forward would be \$3.3 trillion. Thank you, George H.W. Bush. Between the two of you, you really ran up the deficit.

Then along came this fellow Democrat, Bill Clinton, put in policies voted by Republicans and Democrats, raised the tax rate to what you said, 39 percent for the super wealthy, and put in place PAYGO. That PAYGO required that any new spending had to be paid for with cuts or new taxes.

The result? Bill Clinton left office in 2001 with a projected \$5.6 trillion surplus.

Then along came George W. Bush, Jr. What did he do? First year in office, a tax cut. You were here weren't you, Mr. YARMUTH?

Mr. YARMUTH. I am sorry, no, I wasn't here. I didn't have the honor of voting against those.

Mr. GARAMENDI. Okay, so you weren't here. A tax cut year one, a tax cut year two, a war, two wars, Afghanistan and Iraq followed by a Medicare drug program that wasn't paid for and the deregulation of Wall Street. The result: He left office with an \$11.5 trillion projected deficit going forward. This is where we are.

The day Obama came into office, President Obama came into office with a \$1.3 trillion deficit the day he took office, and we worked ourselves out of it. Thank goodness the two of you were here to vote for those pieces of legislation. We are working ourselves out of it. That chart that you showed a moment ago shows the growth of the economy.

We need to understand that we are not going to get out of this deficit with the kinds of cuts that are being discussed by our Republicans. It's going to take a balanced approach.

President Obama has set out a balanced approach. He said no growth, no growth in the discretionary Federal budget. He will probably, tomorrow, talk about how to hold down medical costs, and I gave you some examples a moment ago. Those are the big drivers, and the military.

You want to deal with this deficit? End the war in Afghanistan and bring home \$120 billion a year. We can do this. Tax policy? Let's let the wealthy pay their share, let the oil companies pay their share.

Hold the expenditures steady and reduce it, as has been proposed, and do it in a way that creates economic growth. We can do this. I know you gentlemen on the Budget Committee fought hard for that kind of policy. The Republicans refuse.

In fact, their proposal, it's 30 years before you eliminate the deficit. We can't have that.

I will talk about Make It in America before we are finished here, but I am going to turn it back to you Mr. YARMUTH. But I think it's really important for the American public to understand where the deficit came from and how it can be solved over the long run without harming seniors, without taking away Medicare and by making the critical investments that you have talked about, Mr. TONKO, education, research, Make It in America, those kinds of things.

Mr. YARMUTH. I thank the gentleman. Just to elaborate a little bit on the issue of what creates jobs and what kills jobs, under H.R. 1, which was the Republican continuing resolution that was passed earlier this year—we are still fighting that battle, and we will be fighting it this week—but these are the principles that were reflected in here that are now reflected in the Ryan budget.

And this is what various economists said would happen if H.R. 1 would go into effect, and this was just for 6 months of the year. Call it "Slashonomics." Federal Reserve Chairman Ben Bernanke—again this is 6 months, 200,000 jobs lost; Mark Zandi, who was JOHN MCCAIN's economic adviser during his Presidential campaign, 700,000 jobs lost; the Economic Policy Institute, 800,000 jobs lost; and the Center for American Progress, just shy of a million jobs lost. That's over 6 months.

Now as we saw on the chart before, contrast that with what's happened just under the Obama administration and the policies that we adopted when we were in the majority. Job growth now, over 200,000 private sector jobs last month created. We are on the right track.

And to slash spending the way that the Republicans have proposed, without an accompanying increase in revenue, is going to do further damage to what is now a solid recovery that's under way.

I just have to laugh a little bit again about the projections of the Ryan Republican budget, because they have made a big deal out of saying this is \$6 trillion better than the Obama budget over the next 10 years.

Well, the way they get to that, once again we said it earlier, is to project that unemployment will come down to 2.8 percent in 5 years, which no economist says it would be. But more impor-

tantly, they say, that we will increase revenues by almost double from \$2.2 trillion dollars last year to \$4.3 trillion 10 years from now.

Now, to put that into perspective, the 10 years before that we went from \$1.9 trillion in revenue to \$2.2 trillion in revenue. Now, we have been up higher, we have been up around \$2.5 trillion. That's the highest we have been.

□ 2100

Now they're saying we're going to cut taxes on corporations from 35 to 25 percent, we're going to cut taxes on the wealthiest Americans from 35 to 25 percent, and yet we're going to experience unprecedented growth in revenue even though we are cutting taxes. Again they can't get anybody to verify this except the Heritage Foundation, which has not been particularly accurate in the past. This is the Harry Potter budget. This is their theology: Cut taxes, the economy explodes.

We've been down that road before, Mr. TONKO. I would like to yield to you to talk about the Road to Ruin that we are about to be asked to drive.

Mr. TONKO. Thank you, Representative YARMUTH. I believe we don't have much time left in this hour of discussion. But let me just indicate that this entire House experienced an election last November. Everyone was up for election. And I would dare say in talking to many, many colleagues about the message that resonated back at home it was about jobs, jobs, jobs. It was about the economy. That was the driving dynamic I believe at the voting booth.

And look at our track record here for the first 3½ months for the 112th session of Congress. Not one bit of legislation that would produce jobs was brought to the floor. However, that budget, as you just pointed out in your Slashonomics bar graph, might take as many as 975,000 jobs off the picture for American workers, after we've spent just over a year creating over 2 million private sector jobs. Now that's in contrast with 8.2 million lost under the Bush recession. So we've got a long way to go.

But why would you reverse progress with a budget that, with Slashonomics, reduces nearly—well, we'll even take some of the lower estimates of 400,000; why would you want to do that at a time when we are recovering from that very difficult economic time?

I think it's so important for us to inform the constituents out there and tell middle class America this is a tipping point in our history. This is whether we fix an economy, create a situation where we come forth and produce products not yet on the commercial scene. A leading nation can do that when it embraces its intellectual capacity. You build products not yet discovered and engineered. That is making it in America. That's what we can do if we invest in our workforce and invest in our education. But we're

denying all those investments with this budget, just like this Medicare chart which, as you indicate, will have seniors receiving 32 cents on every health care dollar they require, and they're going to have to fend for the rest.

So we're asking middle class America to pay more, everything but 32 cents on the dollar for their health care as seniors qualifying for Medicare, and then we're going to take and destroy this economy and snuff out the dreams and the opportunities for America's middle class. We were told in November, America start growing the economy, stop draining and reducing the middle class. You are reducing, you're snuffing out that middle class. And that was the message.

And also on taxes I believe America is waking up to what has happened here with some of these scenarios. They understand it is not about who's cutting taxes but whose taxes are you cutting? Whose taxes will you cut? There's a big difference. And when you do this mindless handout to profit-rich oil companies, historically profit rich, sitting on about a trillion dollars worth of profit, and mindlessly for nearly a century we have handed out these benefits to oil companies. It's wrong. We can do better. This plan is the Road to Ruin.

Mr. YARMUTH. I thank the gentleman. We have a couple minutes left. I would just like to yield to my friend, Mr. GARAMENDI, for some closing comments about making it in America.

Mr. GARAMENDI. If America is going to make it, we have to make it in America. Once again, manufacturing matters. The problem with the Republican budget is it hollows out, continues the hollowing out of American industry by denying the research, reducing research and reducing job training and continuing the kind of tax policies that actually give corporations tax breaks when they send jobs offshore. We want to reverse that. We're putting together the Make it in America agenda, a real jobs agenda for the middle class.

Mr. YARMUTH, thank you so very, very much for bringing this to our attention and carrying this discussion tonight.

Mr. YARMUTH. I thank the gentleman and thanks for his participation. I just want to say in closing that budget battles are more about dollars, and I think all of us on both sides of the aisle believe that and live by that, or want to live by that. Budgets are about values. Budgets are about what we care for in America. And one of the things that I think we have always stood for in America is the idea that anyone has the opportunity to reach his or her full potential, and to be wealthy, but certainly to be happy and to be healthy.

What the Republican budget does is destroy much of that hope, destroy much of that dream, slashing education, slashing research and develop-

ment, and slashing investment in infrastructure while at the same time giving more and more tax breaks to wealthy individuals, millionaires, billionaires, oil companies, Wall Street hedge fund managers, and the people who have already had more than their share of the American blessing.

So as we proceed in this debate this week on the budget and throughout these next few months in the Congress, I want to make it very clear that our values are at stake, not just our dollars, but our values, and whether you call it the Road to Ruin, or as I look to call it, the Pay Back for the Prosperous, the Republican budget does not reflect our values. It does not lead to a brighter future for the vast majority of Americans, and it should be rejected. We should move forward with a budget that invests in our dearest, dearest asset, and that is the American people.

THE BUDGET

The SPEAKER pro tempore (Mr. STUTZMAN). Under the Speaker's announced policy of January 5, 2011, the gentleman from Nebraska (Mr. FORTENBERRY) is recognized for 27 minutes.

Mr. FORTENBERRY. Mr. Speaker, any American that may be watching tonight is probably bewildered by all of the discussion of budgets and continuing resolutions and perhaps debt ceilings, as well as the appropriations process. In order to understand where we are currently, it is important to look back at where we were. And what I would like to do tonight is share a little bit of information about what the government spends, where the revenue comes from, and then how we got into this current situation we are in. Right now, we have a \$1.6 trillion deficit. We have \$14 trillion of debt. That means every man, woman, and child in America, if we were to pay it off right now, owes \$45,000. And the trajectory of spending is simply unsustainable. We are borrowing about 40 cents on every dollar that we spend. America cannot continue to do this. We all know that. We all know we are going to have to act with bold resolve to get the fiscal house in order.

But let's look at this chart, Mr. Speaker, for a moment. It shows the President's 2011 budget proposal. There was no budget in 2011, and this is part of the confusion. There was no finishing of the appropriations process. Right now we are trying to finish the appropriations process, cleaning up the mess from last year by passing what is called a CR, continuing resolution, that will fund the government for the rest of the year. But a lot of the numbers are based off a somewhat mythical budget, and it's just easier to talk about, I think, the President's 2011 budget to get a snapshot currently of where we are in terms of the fiscal situation.

Here is what the government spends and the categories in which it spends.

If you look at the blue side of that chart there, that is what we in Washington call discretionary spending. And defense is about 20 percent of the discretionary spending here in the United States. The other section of the blue slice of the pie there is what we call non-defense discretionary spending. That's about 14 percent of the overall budget. A lot of the negotiations about reducing the budget at this time have centered around that particular slice of the pie.

The other aspects of government that we fund, Social Security, this maroon slice right here, is about 20 percent of the budget. Medicare is about 13 percent, Medicaid about 8 percent, and then another mandatory spending category, these are programs that are on auto pilot, whatever the demand is, we spend, we write the check. And it has grown very rapidly since the year 2008 when it was 11 percent. It is now 17 percent of the budget. This includes unemployment, welfare, supplemental security income for the disabled, jobs programs, as well as some of the TARP money, the bailout money for banks and Wall Street. That's the lion's share of the budget here, 57 percent. It is called mandatory spending, discretionary, 36 percent spending, that's defense and non-defense discretionary, and then we add interest on the debt, that yellow section right there, and that's about 7 percent. So that's basically what the government spends right here. And that totaled about \$3.8 trillion in last year's projected budget for this year.

Now, where did the revenues for the government come from?

□ 2110

It is important to remember this number, \$2.567 trillion; \$3.8 trillion expenditures; \$2.567 trillion in revenues. In this blue area over here, this is the largest area where we obtain income for the government, and that is the individual income tax. That is about 44 percent of overall revenues to the government. About half of Americans are paying income tax. This orange area is what we call payroll taxes. That is about 36 percent. Anybody who is working is going to pay a payroll tax. Corporate income tax, this yellowish area here, is about 12 percent. And then the rest of the budget receipts come from estate and excise taxes, as well as customs and other receipts.

But the important number to remember is \$2.567 trillion as opposed to \$3.8 trillion in spending. This shows you the imbalance. Again, remember, this was last year's projections. We were projecting \$1.267 trillion based upon this spending level and this amount of receipts. But in reality we have just found out that the new deficit estimate is actually about \$1.6 trillion. It is skyrocketing. It is simply unsustainable.

Now, let's look at the next chart, which is the budget proposed for this year by the President; and it has spending a little less, down from about