minute and to revise and extend his remarks.)

Mr. PAULSEN. Mr. Speaker, this week, I had the opportunity to hold a Congress on Your Corner event with my constituents in Bloomington, Minnesota. During one-on-one conversations, I was able to discuss the issues that my neighbors feel are important in Congress.

The number one issue that did come up, Mr. Speaker, was the awareness that for far too long Americans have been tightening their belts only to watch as Washington's addiction to spending continues to grow along with our Nation's debt.

This week, the House Budget Committee passed a budget that the House will vote on next week. This is important, Mr. Speaker, because it is a budget that addresses the serious fiscal challenges that are facing our Nation.

First, it outlines tax reform so that it is simpler, fair, and more competitive to grow our economy. Secondly, it actually produces a balanced budget. Why is this important? A balanced budget will give young people more opportunity; a balanced budget will protect programs and preserve programs that are essential for seniors; and most importantly, Mr. Speaker, a balanced budget will encourage and promote a healthier economy.

Mr. Speaker, it's time for Washington to take a lesson from Minnesota families and deliver on a balanced budget.

CONGRESSIONAL PROGRESSIVE CAUCUS UNVEILS THE BACK TO WORK BUDGET

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2013, the gentleman from Wisconsin (Mr. POCAN) is recognized for 60 minutes as the designee of the minority leader.

Mr. POCAN. Mr. Speaker, I rise today on behalf of the Congressional Progressive Caucus to repeat and enhance our calls made by our colleagues today to talk about the budget introduced by the House Republicans.

We have a number of members of the Progressive Caucus who will be addressing various components of the budget. I will start out with one of the freshman Members from the great State of California (Mr. TAKANO).

I yield to the gentleman from California.

Mr. TAKANO. I'd like to thank my friend, the gentleman from Wisconsin, for yielding the time this evening.

Earlier today, I was joined by 22 of my fellow freshman Democrats in sending a letter to the distinguished gentleman from Wisconsin (Mr. RYAN) requesting specifics for his 2014 budget.

□ 1750

As freshman Members, we had hoped Mr. RYAN's budget provided areas where both parties, Democrats and Republicans, could find common ground. Instead, what was presented was a document that was vague. How can we begin to negotiate when we don't even know what we're negotiating? And where Mr. RYAN is specific, it's in areas that he knows that Democrats won't agree.

Ezra Klein of The Washington Post described Mr. RYAN's so-called ''Path to Prosperity'' in the following ways:

> He cuts deep into spending on health care for the poor and some combination of education, infrastructure, research, public safety and low-income families. The Affordable Care Act's Medicare cuts remain, but the military is spared, as is Social Security. There's a vague individual tax reform plan that leaves only two brackets—10 percent and 25 percent—and will require either huge, deficit busting tax cuts or increasing taxes on poor and middle class households, as well as a vague corporate tax reform plan that lowers the rate from 35 to 25 percent.

After reading Mr. RYAN's budget, I find this document bears a striking resemblance to the tactics used by the Romney campaign: Promise massive tax cuts but don't provide any specifics on how to pay for them. This is surprising since Mr. RYAN is considered a ''serious'' policy maker.

My colleagues who joined me today don't expect to agree with everything in Mr. RYAN's budget. But as we detailed in our letter today, we hope to find areas of common ground so that our country can move forward. Only then can we begin to tackle the fiscal challenges facing our Nation.

Mr. POCAN. I would like to thank the gentleman from California. As a member of the Budget Committee that marked up the bill yesterday, we had spent the entire day considering the budget proposal that was introduced by our Republican colleagues. From the beginning, it was clear that the budget represented little more than recycled policies that have already been rejected by the American people and unrealistic proposals that will never occur.

We had an opportunity in committee to focus on areas where Democrats and Republicans could come together to grow our economy and responsibly reduce our deficit. Instead, we were given a budget that is based on math gimmicks and absurd assumptions, assumptions like trying to keep the savings from the Affordable Care Act while repealing its benefits. Well, that has about as much credibility as if we had said in the budget we should hire leprechauns to grab pots of gold at the end of rainbows and count that as revenue. It is simply not realistic.

As a small business owner and as a former cochair of the Wisconsin joint committee on finance, I've worked on budgets for years and years. We used to spend 8 hours a day, 3 days a week for 4 months making sure that each and every detail meant something in a budget because a budget is a statement of our values, where do we stand as a country, or, in that case, as the State of Wisconsin.

Unfortunately, we didn't take the time to make those tough choices with the budget that was presented to us. Instead, we were given a budget that balances the budget on the backs of seniors and working class families. It's not a tough choice. It's a reckless and irresponsible choice.

Our budget should reflect our values, and the GOP budget does not reflect Wisconsin's values. And I don't believe it reflects the values of middle class families across the country.

Mr. Speaker, the type of choices that we were given from the Republicans in presenting their budget included things from keeping the sequester in place that you heard earlier have had terrible effects across the country and will continue to in the coming months of this current budget, like turning Medicare into a voucher system, a system that breaks the promise to the American people that we've had about Medicare for so long.

It includes trillions in undisclosed spending cuts with absolutely no information on where they'll come from other than eventually they're going to come from the middle class through losing some of the current proposals that we have in place in the law. Ultimately, all these will harm our economic growth and stunt the positive gains we've made in the economy just as recently as last month.

In fact, the Economic Policy Institute has found that the GOP Ryan budget released yesterday would result in 2 million fewer jobs next year alone. It would decrease our gross domestic product by 1.7 percent and stall our Nation's economic recovery.

What the budget does, and we can tell this in my State of Wisconsin and across the country, is, one, it keeps the sequester in place. And we've already been told that could cost 750,000 jobs nationwide, including 36,000 in my State of Wisconsin. The budget would turn the Medicare program into a voucher program, forcing 873,753 Wisconsin seniors out of the traditional Medicare plan when the conversion happens and breaking the promise that kept the link to increasing costs and having increasing funds that go with it. Finally, it would increase tax breaks for the very wealthy and big businesses but cost middle class families $2,000 annually in new taxes.

We must remember the biggest threat to our long-term economic security at this time is not the deficit; it's our economy. It's about jobs. It's the 12 million people that are unemployed in this country. We need to be making investments in American workers, in American ingenuity, in education, research and development, and infrastructure, and that's what will get the people of America back to work.

We have a budget that does just that, and I'm proud to support the Congressional Progressive Caucus' Back to Work Budget. The Back to Work Budget invests in America's future because the best way to reduce our long-term deficit is to put America back to work, get people back working and get people into jobs.

Just last week, the Congressional Budget Office released a report finding that half of the deficit in 2013 and three-quarters of the deficit in 2014 will be due to economic weakness. That means people being unemployed or underemployed and paying less in revenue rather than structural budget policies like defense spending, entitlement spending, or overall tax policy.

So the very problem we're facing is that people aren't working and aren't able to pay taxes and guide the economy like we need to. If they're doing that, we would make up three-quarters of the deficit in the next budget year alone.

Plain and simple, we need to get the American people back to work, and the Back to Work Budget does that by targeting a goal of 5 percent unemployment through investments in infrastructure, education, hiring back laid-off teachers, aid to States, rehiring police, firefighters, and other public employees, investing in a public works jobs program, and giving tax credits to companies that create jobs in America instead of the tax breaks that are still under the Republican budget that help companies that send jobs overseas.

So I'm hopeful that as this budget process moves forward, we can turn our attention back to job growth as our budget does and not backwards to the rejected policies of the past.

I would like to share a few stories that I've collected from my district from constituents who have written us about the budget, about the sequester that continues in the Republican budget, as well as the budget proposals in front of us. Let me read one from a reverend in Beloit, Wisconsin. Beloit, Wisconsin, is in Rock County, and the chairman of the Budget Committee, Representative RYAN, and I split Rock County right down the middle. So these are people that we both talk to on a regular basis.

This is a reverend in Beloit who had been diagnosed with lung cancer. This is what he writes:

This morning, I was reading more about the cuts coming on March 1. One of the areas that could be cut is cancer research, to the tune of $250 million. This is frightening to me. I'm married with two girls, ages 8 and 4. Three years ago, I was diagnosed with a rare form of nonsmoker's lung cancer. I went through chemo and radiation, and we thought we got it all. Last year, we discovered the cancer was back and in my bones. So I started a new pill. Within 2 months, all of the spots are gone, and I'm in remission. It is because of the funding for cancer research that I am alive today and my girls have their father. I have been told that the cancer will eventually build an immunity to my pill, so there are a number of other medications in trial now. If the funding is cut, my next miracle pill may not be there. I heard that these cuts could set back cancer research 5 years. Please, do what you can to make sure these cuts don't happen and people like me can beat back this nasty disease.

That's just from one constituent in my district from a county that just happens to be shared by the person who authored the budget that keeps these sequester cuts and these cuts to research in place.

□ 1800

Let me read one more, and then I'm going to introduce one of my colleagues, the cochair of the Progressive Caucus.

This is from a mother in Evansville, Wisconsin, also in Rock County, the county that I share with the chairman of the Budget Committee, Mr. RYAN. This was received back at the end of February:

My son-in-law will be laid off next week due to the sequester. This is extremely difficult for his family.

My daughter works for the State and has not had a raise in years, and pays more for her health insurance and retirement since all the State's woes are blamed on State employees and teachers. Her cut in pay is deep.

Our family will not be buying a house or a car, going out to dinner or purchasing anything from any local entrepreneur due to these issues. Does this help the economy? Nope. It's time to fix this so that the little people are not being harmed the most.

Now I'd like to yield some time to my colleague from Minneapolis, the cochair of the Progressive Caucus and one of the authors of our budget plan for the Progressive Caucus, Representative KEITH ELLISON.

Mr. ELLISON. Let me thank you, Congressman POCAN.

One of the great things about this 113th Congress is that you and a number of other awesome new Members have joined us to really lend your creativity or expertise to advocating for the American people, the American working man and woman. You hail from the great State of Wisconsin, which is where I think collective bargaining began.

Am I right about that?

Mr. POCAN. Absolutely, Representative ELLISON. We are very proud to be not only the creator of collective bargaining, but I believe also unemployment compensation and other great provisions for workers across America.

Mr. ELLISON. Congressman, you come from a State, ''Fighting Bob'' La Follette. We all know about his wonderful legacy.

And we all love TAMMY BALDWIN. When she told us she was running for the Senate, we didn't know how anybody could fulfill her tremendous legacy, but you've walked into this building, and you have stepped up right away. So I just want to the say thank you for the work that you're doing.

Just if I may take a few moments to talk about the Back to Work Budget.

There will be all kinds of budgets being discussed. The Republican budget authored by Congressman RYAN has already been the subject of a lot of conversation.

I would submit, Mr. Speaker, that the real criteria that we should use to evaluate a budget is how well it puts people back to work, and that's why we have the Back to Work Budget. The Back to Work Budget is about—guess what—putting people back to work.

Our budget is not an austerity budget. In our budget, we don't try to compete with how many people we can lay off and how many programs we can shut down. We say to the American people, We don't have a debt crisis. We have a debt problem in the out-years, but we don't have a debt crisis. Do you know what kind of crisis we've got? A job crisis. You know what? We've got to fix it.

In 1976 when we passed the Humphrey-Hawkins Full Employment Act, Americans regarded it as a national outrage that we had 6.3 percent unemployment. We have 7.7 percent now. That's way better than at the height of the recession. I remember in January of 2009, we were losing 700,000 jobs a month, and we're now adding them. But we are not adding them nearly fast enough.

I think that a lot of credit goes around due to the fact that we've had 36 months of positive job growth, but we don't have enough yet. So I think we need a budget that reflects the national priority of putting people back to work.

Mr. Speaker, as the people will stand back and say, well, is this budget good or is this budget bad? I'm hearing so much from the talking heads on television. I think, Mr. Speaker, the people need to ask themselves a very simple question: Does this budget put people back to work or not?

Congressman RYAN's budget, the Republican budget, according to the Congressional Budget Office, is going to lay off a lot of people. According to the Economic Policy Institute, it would be 2 million people in 2014. That's a lot of people. We don't need to be laying people off. We need to be hiring them.

So I want to turn back to you, Mr. POCAN, because I don't want to just talk the whole time. But I do want to say, the Back to Work Budget is a budget that puts Americans back to work, and I think that's a good thing.

In a moment, we can talk about one of my constituents.

Mr. POCAN. Thank you, Representative ELLISON.

When you talked about the 2 million jobs that we'll lose in 2014 alone and the loss of the gross domestic product, there is no question that these are the challenges we're facing with the budget before us.

What we didn't mention is that the only folks who are really going to benefit are the most wealthy. Under the plan that's been released by the Republicans, they're changing the tax rates and lowering it for those who make the most money; and the trillions that it's going to cost to make up for that is going to have to come from somewhere, but it's not outlined in the budget.

What does that mean they're going to have to go after? They're going to have to go after the very tax breaks that the middle class rely on. That means your mortgage interest tax deduction could be on the chopping line under the Republican version of the budget. The largest investment that the middle class ever make in their lifetime is their home, and the fact that we help incentivize that investment so that people live in strong neighborhoods and safe communities could be on the chopping line. The very fact that you could take away the employer's ability to deduct some of their health care costs could be on the chopping line. The child tax credit, for people who have children who have an opportunity to get back to work but need to have their children cared for, helps 25 million people across the country, including military families, that could be on the chopping line.

What they're silent about in the Republican budget is that they keep the deduction for corporate jets and they keep the subsidy to oil companies and they keep a number of deductions that do not benefit the middle class.

It's not just the jobs, Mr. Speaker, that are costs in the version of the budget, the 2 million jobs next year alone on top of the jobs we are losing through the sequester that we are facing right now, but it's this inequity in the tax system that is once again going to benefit the most wealthy at the expense of the many.

Another thing that I think is worthwhile mentioning as we are talking about middle class families is what is going to happen to Medicare.

My mother is 84 years old. In fact, she lives in the district in Wisconsin of the chairman of the committee. She is one of those countless seniors that cut pills in half because they couldn't afford to be able to afford medication at the time when she was trying to get by at 84 with a limited income.

It's those sorts of things, if we change that into a voucher program and we don't keep up that Medicare promise that people will have money to keep up with health care costs, that go away. Seniors will pay thousands more in the future because of the change by breaking that Medicare promise. That's not even talking about the Medicaid changes, Mr. Speaker.

There are so many changes that will cost middle class families that we need to make sure we have a more sound version, and that more sound version that the Progressive Caucus puts forward is the Back to Work Budget.

The Back to Work Budget will invest right now on getting people back into the marketplace and able to have a living and able to work and be able to pay taxes. When you have more people paying taxes, as we have already shown, three-quarters of the deficit in the next year will be due to unemployment and underemployment. By getting people back to work, that is the single best way to address the deficit.

With that, I'd like to yield a little time back to my colleague from Minneapolis, Mr. ELLISON.

Mr. ELLISON. Again, Congressman POCAN, thank you for your truly spoken words.

I just want to tell a few folks a couple of things. One is there is an alternative to Congressman RYAN's budget and that of the Republicans, and it's called the Back to Work Budget. There's going to be a Democratic Caucus budget, which I'm sure will put Americans back to work, too. But so far, in terms of the ones that have been released, the Back to Work Budget is the right budget. Ezra Klein says so. If folks want to look at Ezra Klein's recent zcolumn today, he says this is the right budget. Look at Jared Bernstein. He's thumbs-up on the Back to Work Budget. If you want to see economists and noted journalists who really scrutinize this stuff, evaluate the budgets, they'll tell you about the Back to Work Budget.

What I'd like to do for a moment, though, is to tell you about a constituent, Mr. Mark Krey. Mark Krey asked me to share his story. It goes like this:

I'm a special education paraprofessional at Heritage Middle School. I live in St. Paul, Minnesota.

That's Mark right there.

Last year, we had an average of 28 kids per class in middle school. This year, it's up to 35 kids.

□ 1810

That is like a big jump.

If a class has special education students, the teacher gets a special education paraprofessional like me to help, so then you have 35 students with two adults in the classroom. That's just not the way to educate our future Americans. Our class sizes keep going up, and the services are going down. More budget cuts would be devastating to my school district and to schools across the country. My coworkers and I would face furloughs and layoffs, and the kids we serve would lose out on the quality education they need to be future leaders.

I want to thank Mark Craig for caring about kids with special education needs and also for caring, not just about the individual kid, but about the system in which the kid's going to school. We can't just keep on dis-investing in kids like this, Mr. Speaker. We've got to throw the shoulder behind these kids, not abandon them.

One of the fundamental differences between Republicans and Democrats and the Back to Work Budget versus the Ryan budget is that, look, the Republicans, I don't doubt their compassion. They care about people, and they donate to charities; but it seems like they don't believe that government can help anyone. They think, oh, government can't do any good. Just cut it and cut it because it can't do any good.

That's absolutely wrong. All you've got to do is ask a teacher like Mark Craig, who every day teaches kids who have learning disabilities and who could be awesome, but if their budgets are cut and if there are tons of kids in the classroom, they really can't.

The Back to Work Budget recognizes a central truth, which is that, yes, it's the private sector that is a very important part of our American culture and part of our American way of life, but it's also the public sector and the mixed economy working together that helps Americans succeed.

The Back to Work Budget says we're going to rebuild infrastructure, get rid of those crumbling bridges and roads, put in some energy grids, fix our wastewater treatment, put in some transit, put in some high-speed rail. We're going to do that. Then we're also going to engage the private sector with the Make Work Pay credit. Then we're going to do things like help support local heroes like Mark Craig, who is a paraprofessional in the education sector, but also cops. In my home State of Minnesota, we're going to have a cut, because of the sequester, of $200,000. This is money that we use to train police officers to be better and more effective and to serve the public better, and we're not going to have that.

I'm not here to put my friends on the other side of the aisle down. I'm here to say they've got another vision of America, and that vision of America is that government can't help people and that government can't do anything right. They're wrong. The interstate highway system, hey, that's government. The interstate highway is government. There are police who walk the beat and make sure that the shopkeeper's stuff is not ripped off. That's government. So this whole thing about, oh, government is always wrong is wrong, and it's time for the American people to say responsive government does great things for the American people, along with the private sector, and we need to stop this free market extremism.

With that, I'm going to yield back to the gentleman from Wisconsin. I'm going to be around a little more. I know we've been joined by the gentleman from Florida. I am very happy to have him back in Congress after a 2-year hiatus. He was awesome then and he is awesome now, so I'll be listening carefully.

Mr. POCAN. I would like to thank the gentleman from Minnesota.

As you said, we've heard from Representative TAKANO from California, from yourself and myself from the heartland, and now we have one of the most solid Progressives in the U.S. House, a Representative from the Orlando, Florida, area, Representative ALAN GRAYSON, to whom I yield my time.

Mr. GRAYSON. Thank you very much. I appreciate that. I want to share something with the Representative from Wisconsin and with the Chair.

We labor here under an awful barrier, and that barrier is this: we are required to actually be original. I sometimes am unable to carry that burden, and I found something this Saturday that I think was so important, so well written, so profound that I am going to yield to an article that I read on Saturday in the Huffington Post, written by Jason Linkins and Zach Carter, called ''Dow Jones Hits 'Record High' Thanks to Strong Performances from Smoke, Mirrors Sectors.'' I'd like to share that with the gentleman from Wisconsin, the Chair, and with anyone else who just might happen to be listening right now.

The article reads as follows:

This week, amid the hullabaloo over President Barack Obama's Deficit Dinner Diplomacy and Senator Rand Paul's 13-hour filibuster-cum-dissertation on drone strikes and civil liberties, financial news-watchers touted a milestone in their lives of Market Worship. We speak, of course, of the Dow Jones Industrial Average, which on Tuesday hit an ''all-time high'' of 14,253. The good times rolled steadily on through the week, and the Dow closed Friday at 14,397.

Of course, the notion that these were ''record'' highs was not, strictly speaking, true. As Jeff Cox at CNBC pointed out, ''In inflation-adjusted dollars, the Dow would need to hit 15,731 to break the record.'' Nevertheless, the exciting new ordinal number sitting on the stock market index set off a chorus of hallelujahs. After all, this was the highest mark it had hit since October 2007. (Of course, if we recall correctly, that was right around the time that all of our more recent tragic economic events began to occur.)

The fluctuations of the Dow are typically pored over by the media in the same way that ancient oracles pierced through the entrails of birds, seeking for whatever path might lead to the most prosperity. And in the world of politics, partisans on both sides are quick to point to the Dow as generic confirmation that their policies are working as long as the story suits their narrative anyway.

And these narratives can get wild and weird and wooly quickly. Seemingly within moments of the Dow's peak, ''Dow 36,000'' author James Glassman was on the pages of Bloomberg View, taking credit for this and crowing about how his old, failed predictions were well on the way to coming true.

Of course, as Jonathan Chait points out, Glassman has to toss out the entire underlying thesis of ''Dow 36,000.'' (He and coauthor Kevin Hassett ''theorized that the stock market, circa 1999, was being so undervalued that it would have been at 36,000 in the days ahead of the massive tech-bubble burst as opposed to theorizing that ''someday, maybe the Dow would hit 36,000. Probably. You know, just watch'') in order to claim vindication now.

Former Reagan domestic policy adviser Bruce Bartlett just called Glassman a ''nitwit'' and left it at that.

All of which leads to an obvious point: although we recognize that the long-term trend of the stock market is that it has an overall upward trajectory—punctuated in snapshots by the susurrations of the greed/fear cycle—it is nevertheless catnip for a lot of wild-eyed prognosticators, and the overreliance of using the stock market as evidence of economic recovery, or the proof of economic fundamentals, is acute.

So what does it say about the Dow that it could hit this dizzying new height—impressive by any measure in any era, post-crash or otherwise—at a time when the overall global economic outlook is so dismal and the domestic recovery is barely felt by the citizens who sacrificed their capital to save the world from calamity?

It says that we should be gravely concerned. It says that we have a two-tiered economy, one where profits flow and another where risks lurk. It says that a lot of people are being left behind, and if October 2007 is any guide, it says that this display of prosperity may simply be an illusion.

The distribution of the stock market's largesse has been the most un-egalitarian aspect of American economics for years. A full 50 percent of all capital gains go not to the richest 1 percent of Americans, but to the richest 0.1 percent, according to The Washington Post.

But the stock market's persistent upward climb since the spring of 2009 has revealed another massive disparity: the multinational corporate machinery that generates stock gains has become unmoored from the economic reality in which the majority of Americans live and die.

The Dow hit its peak this week amid a host of gloomy global economic forecasts. Back in January, the World Bank ''sharply reduced its estimate of global economic growth in 2013, projecting that the downturn in Europe and the United States' fiscal problems will continue to weigh on investment and spending.'' The World Bank's take on U.S. growth was similarly dismal—its 1.9 percent forecast for the coming year was less than the most pessimistic estimates of our own Federal Reserve.

□ 1820

There's no end in sight for the austerity orgy that's exacerbating Eurozone pain, despite the fact that the EU projects that their economy, ''which generates nearly a fifth of global output, will shrink 0.3 percent in 2013.'' (Analysts are currently divided on whether or not China is also experiencing a slowdown at the moment as well.)

Closer to home, we received a gentle boost from this month's employment numbers: 236,000 jobs were created this past month, pending after-the-fact revisions in the months to come, which is closer to the ideal in terms of keeping ahead of labor market growth and finally digging out of the post-crash hole. The overall unemployment rate has subsequently dropped to 7.7 percent. But these numbers can mask a bevy of problems. As Matt Yglesias points out, the situation for the long-term unemployed is becoming a bona fide crisis that calls for ''targeted interventions.''

And even if the unemployment number continues to drop, there's a real concern over what sort of jobs are being added back to the economy. Will they be the quality jobs that put those entering those jobs and reentering those jobs into the labor force on a sustainable path to household prosperity? Or is everyone heading to a future of toil in Amazon shipping warehouses? It's worth being fretful, because many of those who will be entering the job market for the first time will be carrying student loans out of a period of sky-high college tuition, which taken as a whole may form the backbone of the next great financial crisis.

Even as the economy has tipped and trended in the direction of what we might normally call—nominally call—''recovery,'' the answer to the question ''Who has recovered?'' reveals some stark contrast.

As the University of California, Berkeley economics professor Emmanuel Saez calculated, losses in average family income during the Great Recession were felt across the board. Average real income per family declined by 17 percent. And the top income earners took it on the chin a little harder. As the bottom 99 percent experienced a 12 percent drop in average income, the uppermost percentile's income fell by 36 percent. As Saez reports, ''The sharp fall in top incomes is explained primarily by the collapse of realized capital gains due to the stock market crash.''

Of course, the top 1 percent, nevertheless, were largely sheltered from the stresses that afflicted the most vulnerable, as you would expect. What you, perhaps, didn't expect was how the recovery distributed itself across the same groups.

From 2009 to 2011, average real income per family grew modestly by 1.7 percent, but the gains were very uneven. Top 1 percent incomes grew by 11.2 percent while bottom 99 percent incomes shrunk by 0.4 percent. Hence, the top 1 percent captured not 100 percent, but 121 percent of the income gains in the first 2 years of the recovery. From 2009 to 2010, the top 1 percent grew fast and then stagnated from 2010 to 2011. The bottom 99 percent stagnated both from 2009 to 2010 and from 2010 to 2011. In 2012, the top 1 percent income will likely surge due to booming stock prices, as well as the re-timing of income to avoid the higher 2013 top tax rates. The bottom 99 percent will likely grow much more modestly than top incomes from 2011 to 2012.

This suggests that the Great Recession has only depressed top income shares temporarily and will not undo any of the dramatic increase in top income shares that has taken place since the 1970s.

Much of the economic recovery is simply an increase in the value of financial assets—stocks and bonds. And most people just don't own stocks. In 2011, only 21 percent of American adults even had a 401(k) retirement account, according to a HuffPost analysis of data from the Investment Company Institute. Only 52 percent of all adults older than 65 receive money from financial assets at all, with half of that set receiving less than $1,260 a year, according to the Pension Rights Center.

Growth that everyone relies on, like that of home values and wages, has been sluggish. At the end of 2012, the S&P/Case-Shiller Home Price Indices were roughly where they were at the beginning of 2009 (which was roughly where they were in the fall of 2003).

And even as the stock market hits this celebrated peak, the wages that average Americans are bringing home to, you know, ''put food on their family,'' as George W. Bush famously said, those are plunging into a trough, despite measurable gains in overall productivity.

In fact, as Robert Reich points out, the way those productivity gains are being achieved leaves out workers altogether, and they are coming about as a result of actions taken by policymakers:

''Corporations have been investing in technology rather than their workers. They get tax credits and deductions for such investments. They get no such tax benefits for improving the skills of their employees. As a result, corporations can now do more with fewer people on their payrolls. That means higher profits.''

Reich adds:

''Joblessness all but eliminates the bargaining power of most workers, allowing corporations to keep wages low. Public policies that might otherwise reduce unemployment, a new WPA or CCC to hire the long-term unemployed, major investments in the Nation's crumbling infrastructure, have been rejected in favor of austerity economics. This also means higher profits, at least in the short run.''

In other words, the labor force is being squeezed for the very last drop of productivity, because employers know that they're holding all the cards. If the economy were approaching full employment, discontented or overworked employees would have options and leverage. Right now, they don't. If you've got a job, you need to hang on to it for dear life. That's an environment for scraping out survival, not the economic mobility we rightly celebrate during boom years.

Another thing to keep in mind is that the Dow is hitting this peak at a time when everyone in the world knows that the debate over sequestration—whose cuts have awesome recession-generating powers—has gone into vapor-lock, with the GOP refusing to compromise on raising revenues, through the very tax reform proposals that formed the basis of the party's recent Presidential campaign.

Everyone has been warned about the consequences of sequestration. It's just that corporate America currently has the fortunate position of being able to greet the news with a shrug, as The New York Times reported this week:

''With $85 billion in automatic cuts taking effect between now and September 30 as part of the so-called Federal budget sequestration, some experts warn that economic growth will be reduced by at least half a percentage point. But although experts estimate that sequestration could cost the country about 700,000 jobs, Wall Street does not expect the cuts to substantially reduce corporate profits, or seriously threaten the recent rally in the stock markets.''

''It's minimal,'' said Savita Subramanian, head of United States equity and quantitative strategy at Bank of America Merrill Lynch. Overall, the sequester could reduce earnings at the biggest companies by just over 1 percent, she said, adding, ''the market wants more austerity.''

Well, if that's true, the market is going to love the dire, short-term consequences that the sequestration is going to bring to many Americans closer to the ground level of the economy. Reich rounds up those who will be hit hardest and most immediately. One hundred and twenty-five thousand people are going to lose their rental subsidies. Ten thousand more will be cut off from similar subsidies intended to assist Americans living in rural areas. One hundred thousand people face getting kicked out of emergency homeless shelters, and cuts are coming to unemployment insurance, title I education programs, Head Start, and antihunger subsidies.

It's not like those who bid on the stock market can't grasp the looming disaster. They're just completely unconcerned. As you may recall, the market didn't exactly take to its fainting couch as the so-called ''fiscal cliff'' loomed, either, despite dire warnings of a market spasm.

□ 1830

That's what carting off 121 percent of an economic recovery will do for a person safely ensconced atop the income ladder.

Fittingly, even as the sequestration's hammer is poised to come down, The Wall Street Journal reports that the market for luxury goods is booming. The newspaper characterizes this as evidence of economic robustness, connecting ''the economy has bounced back from recession'' to ''as a result, wealthy Americans are spending freely on expensive clothing, accessories, jewelry and beauty products.''

The Wall Street Journal quotes HSBC luxury-goods analyst Antoine Belge thusly: ''Trends in luxury consumption in the United States have continued to outperform overall consumer trends.'' This is actually evidence that you and most people you know are getting left far behind in the post-crash economy.

The average participant in the overall American economy isn't fooled by any of this. They well know what Matt Phillips pointed out at Quartz, that household incomes ''haven't gone anywhere but down.'' As Phillips relates, ''Real median U.S. household income—that's ''real'' as in ''adjusted for inflation''—was $50,054 in 2011, the most recent data available from the U.S. Census Bureau. That's 8 percent lower than the 2007 peak of $54,489.''

He goes on to show that consumer expectations strike a serious contrast from the mood within the Dow Jones revival tent.

We are led then, inevitably, to a conclusion that we all feel but no one says aloud.

And, by the way, that's my job, to say all the things that we all feel but no one says aloud.

The American middle class, in other words, no longer lives in a financial economy. But the gold-standard economic metrics that we hold out as the key measurements of prosperity, the economy of Wall Street, of gross domestic product figures, of the Dow Jones Industrial Average, is purely, purely financial.

For the time being, you can assume that you and everyone you care about is screwed. Congratulations.

Mr. POCAN. Thank you to the gentleman from Florida. Thank you for so eloquently talking about the problems of austerity and this budget that is the path to austerity, to continued austerity in this country.

One of the statistics I think that's really worth mentioning, and this is from the Congressional Budget Office, is that from 1979 to 2007, the top 1 percent of income earners grew 278 percent, or about $973,000 per household. In contrast, the middle 20 percent grew 25 percent, and the poorest 20 percent grew 16 percent.

So the very things that we just heard the gentleman from Florida talking about are very real; and that's why the Democrats on the committee, when we had a chance to try to amend the Republican path to austerity, instead we put out a budget amendment that said we would cap no family making $250,000 or less, covering the vast, vast majority of Americans, would be held harmless under the proposals presented by the Republican budget.

They would not go along with that amendment because they had to protect the tax breaks for corporate jets, and they had to protect the tax breaks for oil companies, and they had to protect the other tax breaks that they had.

Now, we brought up that during the Clinton administration the top tax rate was at 39 percent, but the economy added 20 million jobs. So at 39 percent top tax rate, we added 20 million jobs.

During the Bush administration, we reduced that top rate down to 35 percent, and yet we lost a half a million jobs. So the argument that somehow having a lower top tax rate is going to create jobs is simply a myth. We saw that when the Bush tax cuts for the wealthiest were passed and we saw no economic recovery. And then when they were reauthorized, we still saw no economic recovery.

But where we did see an economic recovery was when we had the stimulus and recovery dollars that came through. And in my State of Wisconsin, I was on the Committee on Finance during that time. We had to authorize every single dollar that came through in recovery dollars in my State. And when we put forward the programs that went and built the roads and rebuilt the bridges and built schools, did repairs to schools, we had a report by the road building industry and the vertical construction industry, not exactly your most progressive organizations, that said that 54,000 jobs were saved or created in the State of Wisconsin because of those recovery dollars.

And at the Federal level, in the Budget Committee, the head of the Congressional Budget Office, Dr. Elmendorf, I asked him point blank, were there jobs created by the recovery, because the same day the President gave the State of the Union, the Speaker of this House said that no jobs were created from the past recovery. And yet we were told by Dr. Elmendorf, from the nonpartisan Congressional Budget Office, that up to 3.3 million jobs were saved or created.

So, again, part of what the Democrats talked about is how could we help provide some additional recovery dollars in the Back to Work Budget, which would specifically invest in those infrastructure projects into our schools, into our police and fire services. So that's a little bit about what we talked about down there.

But one last thing I would like to bring up and talk about that happens in the Republican version of the budget that does not happen in our version, the Back to Work Budget, the Progressive Caucus Budget, is the effect on Medicare.

Right now, half the people who receive Medicare make $22,000 a year, and yet their health care costs are three times that of the average person. So some of our folks who are the most low-income seniors, who've been relying on the promise that they've paid into their entire lives for Medicare, are now having three times the costs of the average person, are going to see this new voucher program that, down the road, will eventually make them pay more and more immediately, but down the road, not keep up with inflation and cause people to make those tough choices in a lose-lose proposition, receive less health care or pay more for it when you can least afford to.

That's not fair. That promise that we've had as a Nation through Medicare, it's simply not fair to voucherize that program.

And then when you take the $800 billion in cuts to the Medicaid budget, again, that largely goes to seniors in our States, you are going to see the access and the ability for senior citizens, especially people of modest and middle incomes, diminish because of this budget.

Now, we agree that the real culprit out there is rising health care costs. We have to, in a bipartisan way, address those. But you don't address them by balancing the budget on the backs of the people who can least afford it, and that's the middle class and the seniors of America.

So when you look at this budget from the Republicans in totality, and you look at the cuts to Medicare and the cuts to Medicaid, the protection of tax breaks for the most wealthy, for the special interests, for companies that outsource jobs overseas, the lack of any investment in infrastructure or education, or research and development, when you listen to the stories that I've talked about from people from my district, from the very same county that Chairman RYAN and I share, who talk about devastating impacts of these cuts, we have a budget that is misplaced and will affect real people in the middle class.

I would just like to talk about one final part of the budget that really makes it really hard to, on top of all these cuts, think that a lot of serious thought went into it, and that's the fact that the Republican version of the budget repeals the Affordable Care Act, all of the benefits to the public, the millions of people who will gain access to health care, but it still takes the revenues brought in by the program. And we were told that when we asked questions in committee.

So, on one hand, to take away the program and say you're going to get rid of it, and on the other hand, to still take the revenues that are brought in by the program makes the budget not a very credible budget. And as I've said in committee, and I'll say again, if you're going to take those sort of false assumptions and put a budget together, you might as well say that we're going to hire leprechauns to take the pots of gold at the end of rainbows and count that as revenue, because it's about as realistic.

In the end, the Progressive Caucus is very proud of our Back to Work Budget. We are going to invest in infrastructure, we're going to invest in public workers, we're going to make sure that we're getting our fair share of resources that we need so that government can function to take care of the middle class and the people who need it the most. It will create 7 million American jobs, reduce unemployment to 5 percent, and yet still reduce our deficit by $4.4 trillion.

□ 1840

It will strengthen Medicare and Medicaid and provide high-quality, low-cost medical coverage to millions of Americans. That's what the people of the country voted for in November. That's the budget we should be putting forward in this country, and that's the budget the Progressive Caucus puts out today.

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

RECOGNIZING THE CENTENNIAL OF THE ADVENT CHRISTIAN VILLAGE AT DOWLING PARK, FLORIDA

(Mr. YOHO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YOHO. Mr. Speaker, I rise to recognize a wonderful and unique community in my district, the Advent Christian Village at Dowling Park, Florida, which is now in its 100th year.

Scripture advises us that, to whom much has been given, much is returned. Thomas Dowling of Suwannee County, Florida, had this in mind a century ago when he set out to turn his thriving lumber business into a vision for the community. Mr. Dowling set aside some of his property that he was developing around Live Oak for the Advent Christian Church to use for ministry. Before long, a family of five orphaned siblings had come to live at Dowling Park. The Setzer children became the first residents of Advent Christian Church's Home and Orphanage, which also opened its doors to the elderly.

Today, Advent Christian Village is a leading-edge retirement community of more than 800 dynamic, welcoming members of America's Greatest Generation. While children no longer live at Advent Christian Village, they are an integral part of the ministry carried out by today's residents who, a century later, still take Thomas Dowling's vision to heart.

The story of the Advent Christian Village is one of Americans coming together, expressing generosity and kindness to one another and helping those in need. Dowling Park is one of the brightest spots in Suwannee County and the Third District, and I congratulate them on 100 years of ministry.

FORT REPORT: SEQUESTRATION, THE WASHINGTON WORD

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2013, the gentleman from Nebraska (Mr. FORTENBERRY) is recognized for 60 minutes as the designee of the majority leader.

Mr. FORTENBERRY. Mr. Speaker, I would like to speak today about the sequestration and fiscal affairs facing our country.

Earlier this month, I was back home in Lincoln, and I went to one of the local diners and saw my friend Norm, and Norm asked me a question. He said: JEFF, what are they doing about that word they keep using in Washington?

Well, Norm was referring to ''sequestration,'' which took effect March 1. ''Sequestration'' is that inside-the-Beltway term for automatic spending reductions to the Federal budget. These reductions will be $85 billion in the first year, with roughly half applied to military programs and half applied basically to everything else the government does, with the exception of retirement, health care, and other income support programs.

Mr. Speaker, I think it might help everyone if we had a little bit of history to clarify how we got to this moment.

A year-and-a-half ago, there were negotiations in Washington over what we call the debt ceiling. The debt ceiling must be lifted by us in Congress if the Federal Government cannot pay its bills and we must borrow more. We give that authority to the administration. The negotiation ended with three outcomes:

First, Congress would cut spending by an amount greater than the rise in the debt ceiling;

Second, a supercommittee would be formed to negotiate the right type of tax reform and the right type of spending reductions;

Third, automatic spending cuts, now known as the sequester, would take place—this was proposed by the President and agreed upon by us in Congress—if this supercommittee failed.

These automatic cuts to the budget, the sequestration, were supposed to be so distasteful to everyone that it was going to motivate us all to find creative and reasonable solutions to fix the budget crisis. But the supercommittee failed; now the sequester has kicked in.

Mr. Speaker, 70 percent of Americans want this deficit reduced. I imagine those numbers are probably higher in Nebraska, where I live, where fiscal responsibility is a core characteristic of family life, business ethics, as well as good governance. People know economically, mathematically, or intuitively that you can't spend more than you have. Citizens also want to see their government act in a reasonable fashion.

Mr. Speaker, the Federal budget deficit has been running more than $1 trillion in the last few years, and our cumulative debt will top $17 trillion this year, the size of our overall economic output in the country. The overspending and debt are serious impediments to economic recovery, and they also create national security problems.

Some in Washington want to halt any spending reductions at all. I don't believe this is an option. Washington must begin living in the real world. Something must be done. Two principles should be at work here: there must be reasonable budgetary reductions, while at the same time there must be deliberate delivery of smart and effective government services. While the sequester serves as a trigger for the first principle, it does not balance it with the second. Automatic cuts do not allow for discretion in determining which programs should stay or expand and which should be revised or eliminated due to ineffectiveness.

The sequestration also hits our military in a disproportionate manner and disrupts procurement and planning decisions that cannot operate on a short-term budgetary horizon. Mr. Speaker, we should keep the spirit of the sequestration—and preserve the fullness of these reductions—but continue to revise its implementation with the flexibility to make more precise cutbacks. The House recently passed a funding bill for the remainder of the fiscal year which gives the military this needed flexibility.

Mr. Speaker, as well, the Appropriations Committee recently held a hearing with the head of the Government Accountability Office, known as the