

some type of resolution on issues surrounding the farm bill prior to leaving this year.

Mr. HOYER. I thank the gentleman for that response; and I am hopeful that we can, in fact, proceed on that for the farmers of America.

Obviously if we don't pass something by December 31, on January 1 prices for the Federal Government will go up very dramatically, as the gentleman knows; and it will have an impact on spending. And I know the gentleman and I are both concerned about that.

The next to last issue—just two more issues, if I can, Mr. Leader.

As you know, we've talked about the Violence Against Women Act. We've passed a bill through this House that was passed essentially on a partisan basis. They passed a bipartisan bill in the Senate, Violence Against Women. And domestic violence is an epidemic, in some respects, in this country.

I am hopeful that we might consider taking up the Senate bill again because it got passed on such an overwhelmingly bipartisan basis in the Senate. I would suggest to the gentleman that it may well pass on a bipartisan basis here as well.

The problem, as you know, from my perspective and from our side, with the House bill is that you exclude a number of people. The problem with excluding people—for instance, undocumented immigrants from being able to come forward and having a sense of safety and security in doing so—is that the abuser of the undocumented immigrant, left unaccountable, may well be the abuser of a citizen or a child in this country, either as a citizen or here illegally; and, therefore, we think there ought to be broader coverage. Apparently, the Senate shares that view. As you know, every Republican woman and Democratic woman voted for that bill in the Senate.

Does the gentleman have any idea whether we could either go to conference on that bill or whether or not we might bring the Senate bill up for passage?

I yield to my friend.

Mr. CANTOR. Well, I would tell the gentleman, Madam Speaker, that the Chair is actually the author of the House bill.

The House bill was passed out of this House. It had broad support. It was a bill that did not intend to target any specific group. It tried to streamline the grant-making process so that the benefits designed to address the needs of abused women and others could reach the victims; and I am committed to seeing if we can get this bill done.

The gentleman knows, Madam Speaker, that the Senate bill has a blue-slip problem. The Senate bill is not over here. So we continue to negotiate and discuss ways for us to resolve this by the end of the year. The Vice President and I have even spoken, because it's an issue very near and dear to his heart, to try to see how we can resolve this.

So I commit to the gentleman that I am looking to see this resolved and passed by the end of the year and to see where we can land in a way that preserves most of what that bill is about that we can have in common rather than emphasizing the areas of difference.

Mr. HOYER. I thank the gentleman, and I thank the Speaker for her leadership on this issue.

But I thank the gentleman for his assurance that he's focused on this and is going to work on it. I look forward to working with him on this bill, which I think is a very important bill for us to get passed before we leave here.

Lastly, obviously all of us know that Hurricane Sandy visited extraordinary damage on a large portion of the Northeast. I come from Maryland, and we were not very substantially damaged; but obviously New Jersey, New York, and Connecticut, in particular, were.

Can the gentleman tell me—I know the administration has not come down with a number. That number, I presume, is going to be well north of \$50 billion. In terms of the estimates that are being made, this is one of the five most damaging storms to hit the coast of the United States of America.

I am wondering whether or not the gentleman might have in mind doing some interim figure in the next 3 weeks, before Christmas, substantially below what we know is going to be the ultimate figure. And then would the gentleman tell me whether or not, if we could do that, whether or not the gentleman would require that it be off-set.

And I yield to my friend.

Mr. CANTOR. Madam Speaker, I will tell the gentleman I think he would agree that the best policy is to allow the administration of FEMA to come up with the estimate and the most accurate prediction of what the costs are before we move. So that would be in response to the first part of his question.

Secondly, as the gentleman knows, when we passed the Budget Control Act last year, it had in it the mechanisms to actually budget for disaster relief and imposing a formula for a 10-year rolling average, allowing for the preservation, if you will, of those dollars dedicated to disasters was what we accomplished there. And it is that process that is much different than prior to the BCA, and I think it obviates the need for us to engage in this discussion that he wants to engage in regarding offsets.

Mr. HOYER. Lastly, let me ask you: Mr. NADLER has a resolution. I'm not sure if Mr. GRIMM and Mr. KING are on the resolution, but I presume they're on the resolution as well. It's a bipartisan resolution expressing condolences to those who were devastated not only in terms of property but some, of course, lost family members and life, whether or not that resolution might be brought to the floor so that this House can express its regrets and con-

dolences and sympathy with those who were so devastated.

Mr. CANTOR. I will tell the gentleman, Madam Speaker, that we did, as he knows, observe a moment of silence in memory of those who lost their lives in that horrific storm to hit the east coast of the United States. Certainly all of us, our thoughts, our prayers, our sorrows go out to the loved ones who have lost family members, friends in that awful tragedy of a storm. I have not looked at Mr. NADLER's bill but will do so, I will tell the gentleman.

Mr. HOYER. I thank my friend.

Madam Speaker, I yield back the balance of my time.

□ 1220

ADJOURNMENT TO MONDAY, DECEMBER 3, 2012

Mr. CANTOR. Madam Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon on Monday next for morning-hour debate and 2 p.m. for legislative business.

The SPEAKER pro tempore (Mrs. ADAMS). Is there objection to the request of the gentleman from Virginia?

There was no objection.

THE FISCAL CLIFF

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

Mr. SCOTT of Virginia. Madam Speaker, on behalf of the Congressional Black Caucus, we would like to discuss the fiscal cliff and our position on the ongoing negotiations.

We didn't get here, Madam Speaker, by accident. I was elected in 1992. In the 1993 budget, we addressed fiscal responsibility by passing the Clinton budget. It was very controversial. In fact, it only passed by one vote of the House, and the Vice President had to vote in the Senate to break the tie. That budget put us on a trajectory toward fiscal responsibility.

That was interrupted by a controversy in 1995, when the Republicans, using the votes on that budget, picked up a majority in the House and tried to dismantle that budget. President Clinton allowed the government to get shut down rather than dismantle the budget. That budget stayed into effect until 2001.

In 2001, Chairman Greenspan was answering questions like: Are we paying off the national debt too quickly, and should we pay off the national debt? The projections were that, by 2008, the entire national debt held by the public would be paid off with no money owed to China, Japan, or Saudi Arabia. We would have paid off all of those debts. All the money would have been back in the trust funds by 2013.

That's where we were beginning in 2001, but the Republicans talked people into thinking that you could pass tax cuts without paying for them, massive tax cuts in 2001 and 2003. There were two wars not paid for and a prescription drug benefit not paid for. All of that surplus evaporated, and now we find ourselves deeply in debt. Rather than paying off the debt, we have more than doubled the debt.

Now it's obvious we have to do something about it, and the Congressional Black Caucus is willing to do its part within certain parameters. This is the Congressional Black Caucus position on going forward:

Excessive partisanship and a lack of willingness to compromise has led us to this moment where tough choices must be made to prevent our Nation from going over the fiscal cliff, but one thing is clear: The path to fiscal sustainability must not be made on the backs of our Nation's most vulnerable communities.

As President Obama and congressional leaders continue to negotiate ways to avoid the fiscal cliff, the Congressional Black Caucus will adhere to the following principles in considering its support of any agreement:

First, we must protect our social safety net. Social Security should be completely off the negotiating table since it does not contribute to the deficit. Additionally, the Congressional Black Caucus will specifically oppose any plan that changes eligibility for Medicare.

Investments in job training, education, health care, transportation, and infrastructure should not be cut to pay for the extension of any of the Bush-era tax cuts. These vital government investments are critical to our Nation's short-term recovery and long-term economic prosperity.

The Simpson-Bowles Commission set a goal of \$4 trillion in deficit reduction over the next decade. Considering that goal, \$1.5 trillion in cuts have already been agreed to through the spending caps in the Budget Control Act of 2011. Non-defense discretionary spending, as a percentage of GDP, is at a 50-year low. Additional savings through reductions in military operations in Iraq and Afghanistan should also be recognized. So we've gone a long way in recognizing the \$4 trillion goal.

The wealthiest Americans disproportionately benefited from the Bush-era tax cuts and the Federal Government's 2008 bailout of some of the largest firms on Wall Street. Revenue increases and allowing the Bush-era tax cuts to expire for the wealthiest Americans must be part of any agreement.

The Congressional Black Caucus supports extending the middle class Bush-era tax cuts, but any extension must be paid for in ways that are consistent with these principles. We should not agree to the extension of any tax cuts without knowing how we will pay for them. We cannot allow an extension of tax cuts now, only to discover that

they'll be paid for by cutting Social Security, Medicare, Medicaid, and other critical social safety net programs later.

The Affordable Care Act should not be on the negotiating table. The program does not add to the debt and must be protected and fully implemented as planned. Millions of Americans are already benefiting from health care reform, and millions of Americans stand to gain access to affordable health care insurance in 2014.

Emergency unemployment insurance must be extended. Every dollar spent on unemployment insurance generates \$1.55 in economic activity. Unemployment benefits are the most effective fiscal policy to stimulate the economy and put people back to work. Our economy is slowly recovering from the deepest recession since the Great Depression, and 2 million workers would be stripped of their emergency unemployment compensation if no action is taken by the end of the year.

Earlier this year, the Congressional Black Caucus offered an effective alternative budget that addresses the sequester and fully pays for an extension of Bush-era middle class tax cuts without cutting Social Security, Medicare, Medicaid, and the social safety net, while also ensuring that we invest in our children, our communities, and our economy.

We can get this done if we do this consistent with the Congressional Black Caucus principles. The vulnerable will not be hurt. We're close, but we cannot agree to any kind of scheme that puts us in a situation where we extend tax cuts now and then later find that we're going to pay for them on the backs of the most vulnerable in our community.

I now yield such time as she may consume to the gentlelady from Wisconsin, a very active member of the Budget Committee, Ms. MOORE.

Ms. MOORE. Thank you so much, Mr. SCOTT.

I would start out by asking you to yield to a question, Mr. SCOTT, because we heard prior to our discussion here at the Congressional Black Caucus hour, we heard the majority leader and the minority whip discussing spending. I just wanted some clarification.

When we provide tax cuts to anyone, but especially to the top 2 percent, is that spending?

Mr. SCOTT of Virginia. When you're talking about the budget, there are two sides of the ledger. If you spend more, you should tax more. If you have less in taxes, you have to have less in spending. That's how you balance the budget.

One of the problems we've had for the last few years is people think you can have a tax cut and don't have to cut anything. In the discussion of how much tax extension you can afford, that discussion is almost unrelated to the spending cuts. If you want to extend more tax cuts, then you have to cut more spending. People talk about

it like they're unrelated. They say you can cut it off at \$500,000, rather than \$250,000. If you extend more tax cuts, you have to cut almost 10 percent across the board in non-defense discretionary spending to make up for the lost revenue.

At some point, people should conform their statements to fundamental principles of arithmetic. This is what we've gotten away from. This is what the Congressional Black Caucus budget does. It names how you can come up with the revenue. It names specifically revenue: the Buffett rule, the surcharge on millionaires, investment income like regular income, and naming specific corporate loopholes that can be closed. We show how you can easily come up with the amount of money that's left in the \$4 trillion after the trillion and a half in cuts and after the war savings and after the expiration of the upper income Bush-era tax cuts. We can fill the gap.

If you don't want to do it that way, then name the spending cuts. This is where the trouble is. We've heard all this about reducing the size of government with unspecified cuts. That sounds good, until you start specifying.

□ 1230

The last time Republicans had a budget that reduced the size of the government, they cut almost \$300 million out of Embassy security. That's what they mean by reducing the size of government. Usually what they mean is Social Security and Medicare, but whatever they mean, name it. We don't want to be in a position in which we've extended tax cuts and then come back next year and say, Oh, now we're broke, and we've got to cut Social Security and Medicare. If that's what you're going to do with a tax cut, then let's consider that as we decide if we want that tax cut or not. I think most people would say, if your goal is cutting Social Security and Medicare, we don't need a tax cut that bad. As a matter of fact, that's how the scheme works. The only way you can cut Social Security and Medicare is to get people to go for the tax cuts now and then come back and say you're so broke and we need so much money that the only place you can get it is from Social Security and Medicare.

So let's get this up front. Let's do it all at once. We know what tax cuts are going to be extended, and we know how they're going to pay for them. We're not going to get tricked later on by people coming up saying that we've got to cut Social Security and Medicare because we extended the tax cuts. This is one of the problems we get into. They will not name the programs that are going to get cut. When they talk about corporate loopholes, they don't say what they are.

Ms. MOORE. Mr. SCOTT, just for my understanding and for my constituents to appreciate the scope of this problem, if we were to cut WIC and Head Start and Meals on Wheels for elders and the

low-income heating, we are made to believe that if we were to put all of these kinds of programs on the table that we could maintain the Bush-era tax cuts, that we could maintain most of the unequal treatment of dividends and corporate gains, and that we would be just fine, that we could find \$4 trillion in Pell Grants and Head Start moneys.

Am I missing something here?

Mr. SCOTT of Virginia. If you look at the budget and if you take out Social Security, Medicare, Medicaid, and defense and if you just look at what's called the nondefense discretionary budget, that's about—I'd say in round figures—\$400 billion. If you're trying to get \$4 trillion in cuts in 10 years, that's \$400 billion a year. You would have to eliminate government. There would be no Embassy security, no FBI agents, no food inspection, no Federal prisons, no Head Start, no education, no FEMA, no transportation. I mean, nothing, nothing.

Ms. MOORE. Except for tax cuts.

Mr. SCOTT of Virginia. You would have to eliminate everything in order to fund a total extension of the tax cuts. Now, obviously, that's not going to happen.

Obviously, if you extend the tax cuts without offsetting it with other revenues, you've got to go into Social Security and Medicare. When they talk about reducing the size of government, that's why they can't tell you what they're going to cut, because they can't cut that much. When they say they're going to close the corporate loopholes, they can't name them because the corporate loopholes don't add up to enough. When you start talking about Head Start and the legal aid and all those, you're talking about hundreds of millions of dollars. We're trying to get to trillions.

Ms. MOORE. Mr. SCOTT, I thank you for that background because I just wanted to set the record straight.

On the hype that the Grand Old Party is leading us to believe, which is that, number one, extending the Bush-era tax cuts is not spending. It is exactly spending, and that is on the faulty belief that our spending on safety net programs is driving our debt. Social Security does not drive the debt.

I think, Mr. SCOTT, you have really led us into a clear understanding of Grover Norquist's claim that they really want to do away with government. They want to shrink government down to a size so small that they could drown it in a bathtub. They don't want to recognize the important role of government. They don't want clean air, clean water, food inspection. They want laissez-faire and for-corporate activity.

Now, our debts and deficits have been driven by undeniable, obvious factors. We've had a deep and ongoing recession based on an unregulated Wall Street. We've had expensive and drawn-out wars—the longest war in the history of this country that we're still in the midst of. Then there are the unpaid-for

Bush-era tax cuts that have benefited primarily the wealthiest Americans, and of course there is an unpaid-for entitlement program. While we do appreciate the prescription drug program for seniors, Mr. SCOTT, the greatest beneficiaries of that program are the pharmaceutical companies because they get undue profit from not negotiating on the critical mass that this population provides them, the savings from that program.

So, if they want to talk about entitlement reform, I think a good place to start would be in negotiating for prescription drugs provided through Medicare and also in the recapturing of billions of dollars of overpayments from the insurance premiums under Medicare Advantage. The advantage goes to those insurance companies.

Our debts and our deficits have not been driven by children attending Head Start. Our debts and deficits have not been driven by seniors receiving Meals on Wheels. Our debts and deficits have not been driven by students participating in the TRIO program or receiving Pell Grants, yet we continue to hear the Grand Old Party say that we've got to put these programs on the chopping block so that we can continue tax breaks for the top 2 percent of Americans.

Now, members of the Congressional Black Caucus, believe it or not, do not agree 100 percent on how to solve the so-called "fiscal cliff" situation, but there is 100 percent agreement among Congressional Black Caucus leaders that we do not want an austerity cliff, which will lead to increased poverty and exacerbate the hardship for low and middle class families. The wealthiest individuals and corporations should have to pay their fair share of taxes.

As a member of the Budget Committee and as the Democratic chair of the Congressional Caucus for Women's Issues, I have a lot of thoughts on the fiscal cliff negotiations. First of all, we must include a robust extension of Federal unemployment benefits for workers.

Mr. SCOTT, has there ever been a time when the unemployment rate—7.2 percent—has ever been this high and, on a bipartisan basis, this Congress has not provided extended unemployment benefits for workers?

Mr. SCOTT of Virginia. It is generally the practice that we would extend emergency unemployment compensation for longer than normal, which is every time the rate gets high and when it's an emergency, so it's not offset. That is the usual situation.

The problem with this recession is that a disproportionately high portion of the unemployed or long-term unemployed—the people who have been unemployed for a long time—are experiencing even insult to injury because a lot of employers are discriminating against people who do not have jobs. If you apply and don't have a job, they will not consider your application. If you have a job, then they will consider

you. So, if you've been without a job for a long time and are still trying to get a job, it's even harder for you to get a job. Now, those people have traditionally worked. They're hardworking Americans who want a job, are looking for a job. Unfortunately, the economy is such that you've got three or four people looking for every job that's out there. So, whatever happens, a lot of people are going to be left out.

□ 1240

And meanwhile, the question is: What happens? If you provide unemployment compensation for them, one of the things that happens is they spend that money into the economy as soon as they get it.

Ms. MOORE. Absolutely.

Mr. SCOTT of Virginia. So it is one of the most effective things. If you put \$1 into unemployment compensation, economic activity is about \$1.55. If you give a \$1 tax cut on dividends, the economic activity is about 15 cents because the people getting that benefit will just spend what they ordinarily spend. They may pay off a credit card, they may save some money, but they're not going to spend the money. You want the money in the hands of people who will actually spend it if you want the economy stimulated.

Ms. MOORE. Thank you for that, Mr. SCOTT. That is a major point, that unemployment compensation extension would provide the greatest stimulative impact, not only for those people who are desperately in need of it, but for our economy as a whole.

We often hear so much about how much people love the little children, and I guess there's only one way to show it during these discussions. The Congressional Black Caucus agrees that we need to maintain some of the provisions that are expiring under the American Recovery and Reinvestment Act, the so-called stimulus, and that's the child tax credit and the earned income tax credit.

The austerity, Mr. SCOTT, that we're trying to avoid is that children bear the burden of this recession. They are often hidden faces. They don't vote. They don't contribute to campaigns. But we thought, the Congressional Black Caucus thought, it was really important to put on the table the need to protect children.

Again, we don't think Social Security should be on the table in these fiscal cliff discussions. It's not the driver of the deficits. And further down the line, we think it's important to not mess with the age or switch, change CPI, or any other cuts that would affect beneficiaries.

Mr. SCOTT of Virginia. People talk about increasing the age of Social Security or the cost-of-living increase. The first question is whether or not you're going to cut Social Security. And then if you decide to cut Social Security, there are different ways of doing it, some more painful than others. But the first question is: Are you

cutting Social Security? And part of that question is why. If none of the tax cuts get extended, at this point you've got too much money. You've got more money than you need on the table. So the only reason you're even discussing a cut in Social Security is because you want to extend the tax cuts.

Now, I think most people when they're faced with the choice, do you want Social Security to be a piggy bank, every time we're running short in the budget you're going to cut a little Social Security or Medicare or Medicaid, are you going to make that a little piggy bank every time you have a budget problem, and if you're going to extend tax cuts, are you going to pay for them out of Social Security, I think most people would want us to leave Social Security and Medicare and Medicaid alone. Leave it alone. And if you've got enough money for the tax cuts, fine. But do not extend tax cuts and think you're going to pay for it and people are going to like you paying for it out of Social Security and Medicare.

And that's really the choice we have, because the entire discussion about Medicare is only necessitated by the fact that people are trying to extend these tax cuts. And if you extend the tax cuts, then you have to pay for it. And we're talking arithmetic. If you extend trillions of dollars in tax cuts, the only place you can reasonably get it, Social Security and Medicare, unless you're going to raise some other taxes to offset it.

The Congressional Black Caucus has taken the position that we don't want any tax cuts that are paid for if you have to cut Social Security, Medicare, and Medicaid, the social safety net, or investments in our future like education and research and infrastructure. We don't need tax cuts that badly. We need those investments more than we need tax cuts.

So when you start talking about the different ways of cutting Social Security, we need to make sure that it's in the context, that we're talking about cutting Social Security in order to preserve the tax cuts.

Ms. MOORE. Let me ask you something about preserving the tax cuts. The President campaigned for a couple of years, but particularly in the last year, on cutting tax cuts for income over \$250,000. So am I to understand, Mr. SCOTT, that that means that millionaires and billionaires will still be getting a tax cut were they to agree to this framework?

Mr. SCOTT of Virginia. They would get a tax cut on their income up to \$250,000. Their income over \$250,000, they would not enjoy the Bush-era tax cuts. They would be paying the same taxes they were paying when the stock market was—during the Clinton administration, when the stock market almost quadrupled. The Dow Jones Industrial Average almost quadrupled. Under the lower tax rates under the Bush administration, the Dow Jones

Industrial Average was incredibly worse at the end of his 8 years than it was in the beginning. Quadrupling under Clinton; worse under Bush than it was in the beginning. Of course, job creation, record under the Clinton administration when you had the higher rate; under the Bush administration, the only measure you're looking at it, is it or is it not the worst since the Great Depression.

Obviously, those who are paying the high rate actually have more of a financial interest in the stock market, because the little bit of tax increase we're talking about, they will more than offset that by the stock market going up like it did under the Clinton administration. If you look at the taxes they saved under Bush, if they could have gotten the returns in the stock market like they did under Clinton, they would have gotten 10 to 20 times more returns in the stock market than they paid in little taxes.

Ms. MOORE. So we have heard some people panicking, saying, boy, between me and my husband, our household, we make \$252,000 a year. What do we say to someone, a family earning \$252,000 a year, that you're going to pay the higher tax rate on \$2,000 of your income?

Mr. SCOTT of Virginia. You're exactly right. It probably would not result in any change in the withholding because of that little bit of money, and they would have all of the tax cuts up to the first \$250,000, and they would pay a slightly additional tax on the additional \$2,000.

One of the things that we need to point out is that with the stagnant economy, most workers haven't gotten a cost-of-living increase in a long time. If we can improve the economy, if we had a little more money and could create jobs and improve the economy such that employers think that people might actually walk off the job and go get another job, they are more likely to get a cost-of-living increase. That cost-of-living increase is more than the additional taxes that we're talking about in most cases.

Ms. MOORE. Thank you, Mr. SCOTT.

I have many, many more questions for you about what the options are, about what we can do. And I know that the Congressional Black Caucus doesn't agree on everything, but it seems to me that the Congressional Black Caucus is very concerned about the math adding up.

Mr. SCOTT of Virginia. That's exactly the problem. When you start talking about reducing the size of government with unspecified cuts or revenue increases, not rate increases but revenue increases, whatever that means, without specifying, we don't even know whether it is arithmetically possible. But if it is arithmetically possible, what we suspect is that it is going into things like the deduction you get on health care. You don't have to pay—if you get health care insurance, you don't have to pay income tax on that. The mortgage deduction, char-

itable deductions, the kinds of things that we probably wouldn't want to cut in order to fund some tax cuts, but the Congressional Black Caucus did talk about deferral of overseas corporate profits. If you eliminate that exemption, that's about half a trillion. A 5 percent surcharge on millionaires, that's about half a trillion. The financial speculation tax, when you buy stocks and trade stocks and bonds, you pay a little one-quarter of 1 percent charge on that. Now, before the discount brokers, people would be paying 1 or 2 percent, not just a little quarter of a percent. So that is certainly something that could be done. Limit the deductibility of corporate debt interest. That's about three-quarters of a trillion. Treating investment income like regular income, that's almost a trillion.

I mean, there are a lot of things that we can do to add up to get to the little bit of money we need left. Negotiating prices on pharmaceuticals under Medicare.

Ms. MOORE. That's exactly where I want to go. People are very nervous about this discussion, and the Republicans continue to say that we need to put Medicare on the table. And I know that during the campaign they talked about creating a voucher, premium support under Medicare, which would have cost seniors an average of \$6,000 more.

□ 1250

Mr. SCOTT of Virginia. About \$500 a month more for health care than they're paying now. That was the plan.

Ms. MOORE. And how does that differ from possibilities that are available under the Affordable Care Act?

Under the Affordable Care Act, which it's really ironic, because if you want to derive some savings under Medicare, and I have no reason to believe that Republicans don't want to do that, why would they continue to be talking about, Governors all over the country talking about, not putting the exchanges together in their States, still some sort of agenda to repeal Medicare?

What savings can be derived out of Medicare from full implementation of the Affordable Care Act, so-called ObamaCare?

Mr. SCOTT of Virginia. Well, one of the things that ObamaCare did was to provide, for those on Medicare, you get your annual checkups with no copay and cancer screening, no copays and deductibles. We're closing the doughnut hole.

Under the Romney plan, because they're paying providers more, your copay part of that provider fee is more, so your copays and deductible would be more. That's for people over 55. People already on Medicare would pay more under the alternative than they're paying today.

If you're under 55, you're at your \$500 a month, every month, trying to make your health care, because the thing is

that if Medicare is saving money, and the health care costs do not go down, then somebody's got to pay the difference. Adding insult to injury to that, you have corporate profits, dividends and commissions and everything else being siphoned off. So you not only have to pay the health care costs; you have to pay enough to cover the corporate profits. And so that's where senior citizens would be paying \$500 a month, \$6,000 a year more.

Ms. MOORE. So, Mr. SCOTT, let me see if I've got this straight. Under the Affordable Care Act, we are asking that, instead of having seniors pay more, you know, find themselves in the doughnut hole, that we ask pharmaceutical companies to ask to negotiate drug prices. Over 10 years, that might be \$156 billion, \$157 billion.

Mr. SCOTT of Virginia. There's a provision in the prescriptive drug benefit that passed about a decade ago that prohibits HHS from negotiating drug prices with pharmaceuticals. Now, the VA can negotiate prices; Medicaid can negotiate prices. But somehow, somebody, I don't know who, nobody's taking credit for it, it just kind of ended up in there, prohibits HHS from negotiating drug prices. So when a company says this is what we want, it is illegal for HHS to point out that you're charging everybody less, you charge in Canada less—how about giving us a little savings—that's illegal. Whatever they want, that's what they get.

Ms. MOORE. That would be a great reform under entitlement. Another entitlement reform I would just like for you to address that's in the Affordable Care Act would be this so-called Medicare Advantage program. Medicare Advantage, I mean, who doesn't want an advantage?

But the actual delivery of the service, where, to whom does the advantage inure?

Mr. SCOTT of Virginia. Well, the Medicare Advantage gives you slightly enhanced benefits under Medicare, and it was provided by Medicare. And what the private sector says is: we could provide those same services for a lower cost; and if you let us get in at 95 percent of what you're paying, everybody wins, because we're saving money. That's a phantom saving, but that was the original deal.

By the time—in the prescriptive drug benefit, we're paying about 115 percent more than the average. And all we're doing is saying, well, let's just pay the average.

The insurance companies do have an advantage in their costs because there are ways of attracting a healthier clientele, so their costs would be lower, not because of efficiency, but because they skewed a better, healthier clientele and that's how they save money.

But what we did was reduced their profit margin to the point where they have to be at least as efficient as Medicare, not getting a bonus, which didn't help anybody.

Ms. MOORE. So I see, Mr. SCOTT, that Representative SHEILA JACKSON LEE has joined us, and so I just want to close out by asking this last question, just to wrap this up. So when the President talks about putting \$480 billion of cuts on the table for Medicare, without knowing all of those details, a lot of that depends on not reducing benefits to the elderly, but to make sure that pharmaceutical companies and insurance companies and hospitals deliver services in a more efficient way, that people—that the delivery—that we change the way health care is delivered in a way that is efficient, more humane, cost effective and deliver the same level of quality and benefits to the elderly. Is that right?

Mr. SCOTT of Virginia. And that is exactly what we did. Much has been made of the \$716 billion that was saved in Medicare. The corporate subsidies was part of it, efficiencies were part of it, but not a dime in benefits was adversely affected. In doing that, we also extended the solvency. Medicare goes broke, was going broke, in 4 years. Now it's 12 years.

Under the alternative plan, during the campaign, it would be back to 4 years. So seniors would be paying—seniors on Medicare now would be paying more. Seniors, younger people when they get to Medicare would pay a lot more, and it goes broke quicker. That was what we were fighting. And the President was reelected, and so Medicare will not be attacked.

But, again, when you talk about additional Medicare cuts, we're just not cutting in the abstract. Those cuts are necessary because people want to extend the Bush-era tax cuts. If you do not extend the tax cuts, you do not have to discuss any cuts in Medicare.

These savings are designed to help pay for tax cuts; and people need to make the choice, recognize the choice. Do you want to cut Medicare in order to preserve some tax cuts? I think a lot of people would say leave Medicare alone.

Ms. MOORE. Leave my Medicare alone.

Mr. SCOTT of Virginia. I yield such time as she may consume to the gentlelady from Texas, SHEILA JACKSON LEE.

Ms. JACKSON LEE of Texas. It's a delight just to be with you, not a delight on this discussion that we're having. I want to thank the gentlelady from Wisconsin for her leadership and membership on the Budget Committee, and certainly the gentleman for Virginia on his leadership on the Budget Committee, and delighted to be a member of the Congressional Black Caucus and have a reasoned discussion.

And just to pick up from where Mr. SCOTT was saying and just reinforce it, Medicare is solvent. Let me just turn. Medicare is solvent. Medicare is solvent. Medicare is solvent and it is strong. It is solvent to 2024.

Social Security, which is not even an issue, has nothing to do with this def-

icit. It is a trust fund, but more importantly, it is solvent until 2037. Let me repeat myself that Medicare is solvent. Social Security is solvent until 2037. That is really a lifetime.

The gentleman has made a very good point that I would like to pursue in discussing fiscal deadlines. I have washed my mouth out with soap and will no longer yield to terminology that has been used that is falsifying where we are.

Let me first go over, and I'm going to mix some apples and oranges a little bit of what the President has offered us. I know we've heard it, but let me reinforce the fact. And my numbers are going to be not precise, but I'm going to say that 1.2, 1.1, over 1 trillion in tax cuts. And then a war dividend, a peace dividend of about 1 trillion—I want to say war, but war savings.

I have signed on to expedite the return of our heroes from Afghanistan, move into the diplomatic process, bring our soldiers home. And \$50 billion in infrastructure that creates jobs.

For those of you who find sinkholes for your cars, overcrowded on various freeways and highways, this is to aid in doing what we have not done over many decades, \$50 billion.

□ 1300

And then, of course, the mentioned Medicare. And Mr. SCOTT has indicated that is the President's attempt to be the reasonable man, even though on November 6, 2012, America spoke soundly and loudly that the idea of protecting the safety net of Medicare, Medicaid, and Social Security is vital. I add to that unemployment insurance. In terms of those who have been looking for jobs, that is crucial. We have a lot of young people who have started out with a job but then may not have had it. Please know that unemployment insurance is that—it's insurance, not a handout. It's a hand up.

Do you realize that all of this would be wiped out with the proposal that our friends insist on keeping, when economists will tell you several things. First of all, there is no documentation that in fact if you keep the cuts, you'll create jobs. There just isn't any basis for that. First of all, we take care of 97 percent of small businesses with income under \$250,000. Go up and down the streets of America on Small Business Day and ask these small businesses what their income is, not what they take in and pay employees, et cetera. They will not pay any taxes on income of \$250,000. And then, if you are hardworking, an \$80,000 salaried person, two workers in the family, \$40,000 and \$40,000; that's \$80,000. If you make \$250,000. If you make \$15 billion in salary or in income, you will get a tax cut of \$250,000. Is that not the reasonable man and woman standard? Is that not reasonable?

Let me tell you why that's reasonable. Because as I said, most economists will tell you that, first of all, cutting spending is not the answer in a

recession as relates to the deficit. And so we're not insensitive to the deficit. We want to have a reasoned response to the deficit. The crisis is to ensure that middle America and low-income Americans and young people with their start-off jobs making a certain amount of money do not have an enormous tax increase as they go into 2013.

Be very sure now, this whole thing about going downhill doesn't exist, because it's something of a slide. All of these things don't happen right at 2013. We have the time to be reasonable to deal with the tax cuts to save people from having increases, meaning those earning \$250,000 and below. And for the blessed and well-to-do, let me just say this is not any punitive measure in suggesting that we don't have the respect for people's wealth and the well-to-do. What we're saying is where there's mutual benefit, there's a mutual burden. And I haven't heard a cry out from anybody to say that they would not welcome that balance.

So then we have the opportunity, even though the President's put on the table, as the gentleman from Virginia said, \$480 billion. This whole boogie man about entitlement reform is such a straw man. It's just something to throw out to the American people. The people that are on Medicare and Medicaid and Social Security are entitled ne'er-do-wells. That is not true. The people who get Medicare and Medicaid, Social Security, even unemployment insurance, are people who have worked. They have worked. They have earned this.

Now, there are many ways that we can look at these elements going forward. But the idea that we would throw this on the altar as a sacrifice and cloud people's minds and tell them that they are in fact going to be the life or the answer of whether or not our good friends join us on the other side of the aisle and do this reasonable act of cutting the taxes of 100 percent of Americans and eliminating the Bush tax cuts for the 1 and 2 percent.

Let me just tell you, for those who think that they don't mind the cliff, I'm not sure who's been saying that. And I respect them for it. I said I wasn't going to say that. But you're talking about increasing taxes. You're talking about causing the loss of jobs, increasing taxes about \$3,000 on the average family. You're talking about increasing unemployment from 7.9 percent to about 9.1 percent. This is what we're playing with. But let me just give you something else.

The tax cuts that we have been paying for already over a 10-year period, the extension would cost \$2.4 trillion. And if anybody is serious about cutting the deficit, how nonsensical and what sense does that make to continue these cuts? If they could document for me how these create jobs, then maybe we would be able to respond to it.

Does anybody realize and recognize that Hurricane Sandy came through and that one of the mayors of one of

the largest cities was just here this week asking for an enormous infusion of dollars, of which we are merciful and recognize the role of the Federal Government? Why are we stalling on the simple process of eliminating the Bush tax cuts of 2 percent of the individuals who have been particularly silent because they recognize benefit and burden? And for our corporations—and I have the greatest respect for capitalism—presently flush with cash, let me tell you what the instability is. The corporations, the businesses are saying, Tell us what the deal is, then we'll plan. We'll know what to do, and so we will be able to stabilize. I hope they'll invest the money they already have out into the market because there's still incentives for creating jobs. Maybe if we pass the American Jobs Act, we'd be able to do that.

Let me just finish on this point to my dear friend. I want to remind everybody that tomorrow is World AIDS Day; and I want to remind people that over its lifetime and up to the end of 2005, 38.6 million people worldwide were living with AIDS and more than 25 million people have died of AIDS since 1981. And so a lot of people say, Oh, that's behind us. What is she talking about, HIV/AIDS? Well, I know when I go into the Thomas Street Clinic in Houston, Texas, that is not the case. And I congratulate them for what they have done. But there are approximately 1 million, 1.2 million positive individuals that live in the United States and 56,000 new infections every year.

Why am I saying that? Because when we think of discretionary funding, it's a nebulous term. What does it mean? Mr. REID rightly asked my good friends on the other side of the aisle, What spending cuts are you talking about? It was the intervention of the Federal Government with the Ryan White Treatment Act and the research regarding HIV/AIDS that have helped people like those who are hemophiliacs and others in the large population. That means that everybody gets it. It's not a stigma. Everybody is possibly susceptible to it. Where would we be without that intervention of the Federal Government?

So in the shadow of honoring tomorrow and those who have lost their lives in this terrible epidemic, to be able to salute and thank those who've done the research and improved the quality of life of those who are now living with HIV and AIDS and saying to those millions who lost their lives that we will not forget, that's what this debate is about. It is about rental income for poor people. By the way, those poor people are working people. It is about supplemental nutrition dollars for women and children. I would not call them the deadbeats of life. Those who speak on the floor about national security and border security, do you realize that we'd be cutting \$823 million from customs and border protection? These are the roles and responsibilities of the Federal Government.

And so rather than take a frivolous perspective on this, rather than tell people that you can't do anything before 2013, rather than suggest that entitlements are laid upon the table, on the altar as a sacrifice, just tell the American people the truth. Let's just tell them the truth. Entitlements are not the issue. And if so, cool heads can sit down and engage the American people and tell us how many seniors in nursing homes do we want to throw out in the street. What options do they have? Maybe we'll begin to talk about home care. That's okay. But you don't talk about home care overnight.

So you have to be deliberative. And then, who wants to make a fuss about Medicare when it's solvent until 2024? Again, abusing the information given to the American people. Who wants to make a fuss about Social Security when it's solvent and it's about you earned it?

So to Mr. SCOTT, my call today is to thank you for giving us this opportunity. As I speak to my constituents, I indicate that we're just immersed in these kinds of discussions and I'm hoping and, as I said, I'm optimistic and believe that cool heads will come together. We'll be back next week. We'll be talking to our constituents over the next couple of days.

□ 1310

I'm looking at a sheet that has a number of revenue options that I'm going to be studying. That means that I am not in any way taking the serious work of the deficit for granted. But I do want to put a firewall around hysteria and put the hysteria over here, and get to work with eliminating the tax cuts for the top 2 percent, give everybody a \$250,000 income tax break, and then, in a thoughtful manner, look at a number of ways and join with the President on saying it's valuable to do something about infrastructure, it's valuable to count in the war savings and to bring our troops home—heroes—with honor. I passed an amendment to do that, to honor every returning soldier that comes home.

So I thank the gentleman from Virginia for his service, but also for the work that you've been doing on this issue. I hope I'm not too animated, but let me end on a very quiet note. I am calm, and I believe that we can be deliberative and responsible in our thinking, and I look forward to that occurring.

Mr. SCOTT of Virginia. Mr. Speaker, just in closing, the gentlelady pointed out that bad things happen if we go over the cliff. Bad things are going to happen if we get serious about deficit reduction. The only way you can deal with deficit reduction is to raise somebody's taxes or to cut somebody's spending. It's going to be unpleasant. Until you recognize that arithmetic reality, we're not going to make any progress.

You're not going to be popular doing deficit reductions, but we have choices

to make. We can do this without cutting Social Security, Medicare, or Medicaid, the social safety net, or investments in our future. We have a list of ways of doing it, with specifics. Now, we're willing to compromise, of course, but you can't compromise by reducing the size of government with unspecified cuts. Until you specify them, you can't have a discussion. You can't have unspecified revenues that don't involve rate increases when we don't know what you're talking about. We can't compromise on that because there is no proposal to compromise.

We need specifics. We cannot allow people to try to get past a scheme where you extend the tax cuts at a huge price and then come back next year and try to pay for them and notice that you're so broke you have to cut Social Security and Medicare. If that's your plan, let's get it all up front: we're going to cut Social Security and Medicare in order to provide for some tax cuts. I think most people would say, no, leave Social Security and Medicare and Medicaid alone. If you've got some money left over from tax cuts, fine, but we do not want Social Security, Medicare, and Medicaid to be cut in order to provide for tax cuts.

When you start talking about, well, increase the age or reduce the COLA, those are just ways of reducing benefits. So we need to make that threshold statement that we're not going to allow Social Security and Medicare and Medicaid to be used to pay for any of these tax cuts, and we will not allow a scheme to take place where we all agree on some tax cuts first, and then find out that because of the size of the tax cuts we have to cut Social Security and Medicare. Let's figure this all out at once. It can be done. There are some tough choices that have to be made, and the Congressional Black Caucus has shown how those choices can be made, with specifics, in their various documents.

Mr. Speaker, I appreciate the opportunity to have this moment to discuss the Congressional Black Caucus position on the fiscal cliff, and I yield back the balance of my time.

CAN'T TAX OUR WAY OUT OF THIS

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

Mr. WOODALL. Mr. Speaker, before my colleague from Virginia leaves the floor, I plan to spend most of my hour disagreeing with most of what he spent his last hour on, but what he said at the very end is just so accurate and so infrequently said here on Capitol Hill, and that is, there are no good options left.

If you have over a \$1 trillion budget and you want to balance that budget, you're either raising somebody's taxes

or you're cutting somebody's spending. There is no easy solution to that problem. It's not going to go away on its own. We're going to have to find a way to parse that—and by “we,” I don't just mean the 435 of us in this room, I mean the 315 million of us across the country.

What I have here, Mr. Speaker—you can't see it from where you are—but it's down to where we're in a spending-driven debt crisis. I think that's important because something has happened in the media. When I open up the newspaper, it's all about the tax component of this fiscal cliff, and there absolutely is a tax component. We talk about taxes as it relates to small businesses and creating jobs. We talk about taxes as they relate to individual families and being able to make ends meet.

But what this chart shows, Mr. Speaker, is spending and tax revenue of the Federal Government of the United States of America from 1947 out to 2077. You can't see the intricate detail on here, Mr. Speaker, but what you can see from far, far away is that this green line that represents tax revenue is a relatively flat and constant line. As a general rule, it does not matter whether tax rates were the 90 percent marginal rates, the 70 percent marginal rates that they were when John F. Kennedy was President and he cut taxes, or whether they were the 28 percent marginal rates during the Reagan years; the American people are willing to give you about 18 percent of the size of the economy in tax revenue.

Mr. Speaker, it turns out—and this is of no surprise to you—it turns out the American people are pretty smart. If you raise taxes on this behavior, they switch to this behavior. If you raise taxes on that behavior, they switch to this behavior. Because at the end of the day we're more concerned with providing for our family, raising our kids, and taking care of our parents than we are about funding the Federal Government, and so we make changes in our lives to respond to the Tax Code.

So whether taxes are at a top marginal rate of 28 percent, Mr. Speaker, as they were during the Reagan years, or whether they're at a top marginal rate of 90 percent as they were before the John F. Kennedy Presidency, America paid the same amount as a percent of GDP in taxes. This chart shows that. Taxes relatively constant going out over that horizon.

Mr. Speaker, spending, this red line here—now you can see this red line is higher than the green line for most of the past 50 years. This business of running deficits is not new. We've been running deficits my entire lifetime. With the exception of a couple of years in the Gingrich years here in the House and the Clinton years there in the White House, we've run budget deficits in this country, but they've been relatively small. I grew up in the Reagan years, and I remember lots of talk there about all the money we were spending on defense and those massive

deficits that President Reagan was running in order to win the Cold War. Those deficits are minuscule compared to the deficits that we're running today.

Mr. Speaker, what you see on this chart, as we go out from here where we are today in 2012 and 2013, what you see is a chart that reflects what happens if you and I do nothing, Mr. Speaker. If you and I were to close down this House, if President Obama were to leave the White House tomorrow and bolt the door, if we passed absolutely no new laws, no new promises, made no new commitments, this red line represents the spending that would happen automatically. This red line represents the spending that happens if we don't change one thing.

What you see then, Mr. Speaker, is there is just no way—this green line represents taxes—there's no way that we can raise taxes high enough to cover this red line of spending. If we took everything from everybody, Mr. Speaker—hear that: if we had a 100 percent tax on every dollar you earned, if we took everything you had in your household and sold it all for its value, if we confiscated every asset of every business in America and we sold it at the auction block, and we put all of that money in a bank account to save for a rainy day, we still would not have enough money to pay for the spending that we've promised America in this red line. It's a spending problem we have. Our problem is not that we tax too little; our problem is that we spend too much.

□ 1320

That's important when we talk about this fiscal cliff, Mr. Speaker. This is not a tax issue. This is a spending issue. And this isn't an issue that folks don't have an answer to.

Mr. Speaker, you and I serve on the Budget Committee. And one of the things that I am most proud of in my 2 short years here in this body is that we looked at these tough challenges, the ones that my colleague from Virginia just described as being tough, tough choices. You are raising taxes. You are cutting spending. Someone is going to be unhappy. It is probably going to have to be a combination of both.

We looked at those things we did on the Budget Committee, and we came up with a solution. We didn't just tell America who to blame. We didn't just talk about how hard it was and how tough it was going to be and how lousy that is for America's children and America's grandchildren. We proposed solutions.

It's represented here on this chart, Mr. Speaker. What I have here is debt as a percent of GDP, the Federal debt. That's about \$16.3 trillion today. I go all the way back to World War II here where debt was 100 percent of GDP. The historical debt is represented by this gray line, Mr. Speaker. This red line, just a different representation of the spending I showed down there.