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.

On that chart, I was showing actual spending as a percent of GDP. This is a debt that we are going to run up as a percentage of GDP. And this green line, Mr. Speaker, represents the budget that you and I crafted in the Budget Committee under the leadership of Chairman PAUL RYAN. We called it ''The Path to Prosperity'' because for the first time in my lifetime, this Congress got serious about making the tough choices necessary to get us out of these record-setting deficits.

And that's so important because I get so tired, Mr. Speaker, as I know you do too, of everybody just pointing the finger to blame—Oh, it's his fault. It's her fault. It's their fault. It's their fault. This budget was not about blame. This budget was about solutions. And we laid it all out. That distinguishes us, particularly in this fiscal cliff debate, from the White House and from the Senate, which continue to talk in broad platitudes, but it failed to lay out the difficult, difficult line-by-line explanation of what their proposal would be to solve these problems. We did that in our budget, and it was hard.

There is a reason the United States Senate hasn't passed a budget in almost 4 years, and it's because it's hard. A budget is a statement of your values. It's a statement of your values. We confiscate all of this money in tax revenue from the American people, and then we redistribute it out to those priorities that we have—national security, kids, school lunches and education, our criminal justice system, to make sure families are safe in their homes. We distribute it to those things that are important to us.

So when you're running trillion-dollar deficits, as we're running today, and you have to put together a budget, you either have to tell the American people and their children and their grandchildren that you're going to continue running trillion-dollar deficits and bankrupt this Nation, or you have to tell the American people, you know what, we've got to prioritize, and these are my priorities.

I'll tell you something, Mr. Speaker. It just drives me to distraction when I read the media accounts. One of the things that gets lost is that when we passed that budget, that budget that passed this House not once but twice, that budget represents the only budget that has passed anywhere in this town—in fact, the only budget that has received a majority of votes anywhere in this town. When we passed that budget, we said revenue in this country has to rise. It has to.

Mr. Speaker, we go back to this historical chart that I showed you. We're down here in this green dip right here. Tax revenues are at their lowest level in modern times. Tax rates are plenty high, Mr. Speaker, plenty high. But guess what, if you don't have a job, you can't pay any income taxes. It doesn't matter—a 5 percent income rate on you, a 100 percent income tax rate on you—if you don't have a job, you can't pay taxes. That's why tax revenue is so low.

If companies aren't making profits, companies can't pay taxes. If you can't sell your home, you don't have capital gains to pay taxes on. If you can't start a business, you don't have income to pay taxes on. That's why tax revenue is so low.

Mr. Speaker, the tax rates are the same rates they've been over the last 10 years. We had a giant spike in tax revenue. The reason for the decline is because of this recession. When folks aren't making money, they can't pay taxes.

So what did we do in our budget? We crafted an economic growth plan that would bring in—hear this, Mr. Speaker—it would take us from what was about 14.5 percent of GDP. Today it's 16 percent of GDP. We passed a budget that would bring us up to over 18 percent of GDP and tax revenue. That's more than a 10 percent increase over what we're doing today.

Do we do it by punishing little groups of people like the President wants to do? No, of course not. We do it by growing the economy, unleashing the power of the American entrepreneur, and allowing folks to pursue their dreams. That's how we bring more revenue into the coffers of the Federal Government.

But hearing that said loudly and proudly, the only budget that has passed anywhere in this town was passed in a bipartisan way by this U.S. House of Representatives, dominantly passed by Republican votes; and it includes a revenue increase of over 10 percent. So just go ahead and dismiss that nonsense about Republicans ignoring the revenue side of this equation. Of course there's a revenue side of the equation. My colleague from Virginia was right when he mentioned it. It continues to be true, and we've dealt with it responsibly.

What about the spending side, Mr. Speaker? Before I take this chart down, I want folks to see that spending side back in their offices. This green line represents the budget that we passed. This red line is the path of debt if we do nothing. This green line is the path of debt if we pass the House-passed budget plan and make it the law of the land.

There are opportunities to make this difference. This House, in a bipartisan way, has stood up to those challenges. I encourage the President and the Senate to follow that strong lead.

But let's take on the thing that we hear the most often, Mr. Speaker, and that is that the President is committed to taxing, raising taxes, exacerbating the tax burden on all of these family-owned businesses that you and I know are the keys to job creation.

Now, I don't want folks to think that these businesses aren't already paying their fair share. We talk so much about ''fair share,'' Mr. Speaker. I think of fairness as being a society that rewards hard work and merit. I think that's what fairness is. It's that opportunity society that we all came to America for, that our parents or our grandparents or our great grandparents came to America for. We didn't come here for guaranteed success. We came here for the opportunity to work hard and to make our tomorrow better than our today. That's fairness: maintaining that opportunity, ensuring that other generations of Americans have that opportunity.

I am going to quote Milton Friedman, Mr. Speaker. The country is the poorer for not having Milton Friedman with us any longer. But he said, There's a distinct difference between raising taxes, where the 90 percent of America votes to raise taxes on themselves to help the bottom 10 percent because that's what we do as Americans. We're generous, generous people. We care deeply about our neighborhoods and our communities.

It's one thing for the 90 percent to raise taxes on themselves to help the 10 percent. But it's an entirely different thing when the 80 percent raise taxes on the top 10 percent to help the bottom 10 percent. Think about that, Mr. Speaker.

When we talk about the tough choices that my colleague from Virginia just brought up, how tough is it to decide you're going to raise taxes on them to solve the problem? Whoever the ''them'' is, raise taxes on them. ''They'' should pay more to solve the problem. That's pretty easy.

The power to tax is the power to destroy. And we, through this House and the power of taxation, can choose to destroy any element of American society that we choose.

I will tell you, it's our constitutional obligation to protect the minority, that an opportunity society means we do not let the majority run roughshod over the minority. Even in this House of Representatives, with our proud tradition, the minority has rights. The minority is protected from the will of the majority. That's always been true in our American tradition.

How tough is it to decide that ''they'' are going to foot the bill so that ''we'' don't have to? Those aren't tough choices. Those are easy choices. We call that class warfare, and it's going on entirely too much in this country. But even in class warfare, Mr. Speaker—and you see it here on this chart I have presented of who benefits from tax loopholes—you can make choices that either help the economy grow or bring the economy to its knees. This chart shows the bottom quintile of income earners, the second quintile, the middle quintile, the fourth quintile. Here is the top 20 percent. And there on the end is actually the top 1 percent, Mr. Speaker.

Who benefits from loopholes in the Tax Code? I'm a flat tax guy. And by flat tax, I mean the national retail sales tax. It's called the Fair Tax, the special retail sales tax that deals with the payroll tax inequities, and on and on. It absolutely turns our Tax Code on its head and puts our economy on hyperdrive. It's an amazing plan. It's a popularly cosponsored tax reform plan in this United States House of Representatives. I hope we're going to get a vote on it next year. But what it does is it eliminates all the deductions and exemptions, all the loopholes, all the carve-outs, all the special lobbyist-included benefits, all those special benefits for whoever is favored by a particular administration.

□ 1330

It eliminates them all in order to create one flat and fair system for the country. Now, if you make more money, of course you're paying more in taxes; if you have less money, you're paying less in taxes. It's progressive in that way. That's always been true in America and always will be. But the President is committed—and we heard it again today—to raising tax rates on family-owned businesses. Not ensuring that they pay more taxes, mind you—this is an important distinction—but raising the tax rates.

Look here, Mr. Speaker, if we go through and we eliminate all of these tax loopholes—and the top 1 percent is the crowd that benefits disproportionately from all these tax loopholes—we can still ask the top 1 percent to contribute more to the funding of our economy, but we can do it in an economically responsible way. Flattening the Tax Code asks more of those who benefit from the special deductions, exemptions, exceptions, and credits.

This chart tells you who those folks are. Of course it's true that the top 1 percent benefit the most. They pay all the taxes. Oh, that's an exaggeration. Well, they make about 20 percent of the income, and they pay 40 percent of the taxes. That's right, Mr. Speaker. The top 1 percent—and I'm glad we have them because they're footing the bill for all the rest of us. The top 1 percent of income earners are paying 40 percent of the burden for our entire United States Federal Government. One percent is paying 40 percent of the burden.

If we eliminate the exceptions, the exemptions, the tax credits, and the loopholes, those folks will pay more. But the President is insisting not on cleaning up the Code and making it more economically viable; instead, he just wants to raise rates and punish folks more.

Let me go, Mr. Speaker, to President Barack Obama, August 2009. He says this in an interview:

> The last thing you want to do is to raise taxes in the middle of a recession because that would just take more demand out of the economy and put businesses in a further hole.

That was President Barack Obama, August 2009. He was absolutely right then. Those facts hold true today. And it's not just that those facts hold true over a small period of time, Mr. Speaker; those facts hold true over a decade.

I want to take you back to President John F. Kennedy, Mr. Speaker. It's not as if these are new ideas that we're talking about. This isn't some rocket science problem that has suddenly been thrust upon the United States of America in 2012. These are basic economics. Adam Smith talked about these economics hundreds of years ago. Let me tell you what John F. Kennedy said. This is in one of his news conferences, November 20, 1962, as he was providing the largest tax cut in modern American history. He said this:

> It's a paradoxical truth that tax rates are too high and tax revenues are too low.

That's where we are today, Mr. Speaker. Tax rates are too high and tax revenues are too low. It's a paradoxical truth that that can be true.

He goes on and talks about raising revenues, and that's exactly what we're trying to do when we talk about a balanced approach. We need to cut spending, and we need to increase revenue. President Kennedy says this:

> The soundest way to raise the revenues in the long run is to cut the rates now. Cutting taxes now is not to incur a budget deficit, but to achieve the more prosperous expanding economy which can bring us a budget surplus.

That was brought to you by a raging conservative economist, President John F. Kennedy. No, he's not a raging conservative economist, Mr. Speaker. He was a proud liberal of the Democratic party, but he knew economic truths, economic truths that were as sound then as they are today, and that apparently so many in this Chamber have forgotten.

Cutting taxes now is not to incur a budget deficit, but to achieve the more prosperous expanding economy which can bring a budget surplus.

I'll go on with what was in his annual budget message to Congress, Mr. Speaker. Again, 1963, John F. Kennedy, the annual budget message to the Congress. He says this:

> Lower rates of taxation will stimulate economic activity and so raise the levels of personal and corporate income as to yield, within a few years, an increased, not a reduced, flow of revenues to the Federal Government.

This is not a conservative idea, Mr. Speaker. This is not a liberal idea. This is not a Reagan idea. This is not a Clinton idea. This is an economic truth.

John F. Kennedy:

> Lower rates of taxation will stimulate economic activity and so raise the levels of personal and corporate income as to yield, within a few years, an increased, not a reduced, flow of revenues to the Federal Government.

President Barack Obama:

> The last thing you want to do is to raise taxes in the middle of a recession because that would just take more demand out of the economy and put businesses in a further hole.

These are truths that have gotten lost in this election season, Mr. Speaker.

I'll be honest with you. I'm not excited about the way the election turned out. It pleased the American people with a wide margin, returned a Republican majority to this U.S. House of Representatives, this the people's House, this the House that is the closest to the American voter. It was a huge Republican majority that was returned by the American people.

I thought when we got past that election, Mr. Speaker, that politics would be done. I thought when we got past that election, we would get on about the serious business of correcting this avalanche of debt that threatens to crush generations of hopes and dreams of Americans, extinguishes the freedoms that we hold so dear. We know what the right answers are. John F. Kennedy knew in 1962 and 1963; Barack Obama knew in 2009 and 2010, and we still know today, but politics still seems to control.

Mr. Speaker, to make my point about where we are in terms of spending being the problem, again, as you and I serve here on the floor of the House, we have so many folks pointing to different demons that are the problem, so I just went ahead and put all the demons that folks talk about up here on the board.

What I have here, Mr. Speaker, represented by this blue line—this is about 20 years of spending. I go from 2002 out to 2022, and I look at spending of the Federal Government. This giant blue line that consumes the entire chart is just base, normal, everyday Federal Government spending, which is increasing 33 percent if we don't change it over the next 10 years. Hear that: Normal spending, not bailouts, not special war taxes, not any of that, but basic Federal spending is set to increase 33 percent over the next 10 years if we don't move to change it.

This little yellow line, Mr. Speaker, that you can just barely see, this little yellow line is the cost of the global war on terror. Is that real money? You better believe it. When we choose to send American young men and women around the globe to protect our freedoms, you better believe we give them every single advantage that we can, and we take care of them when they return home. Absolutely, there is a cost to the global war on terror. There is a cost to protecting the homeland. But, Mr. Speaker, in comparison to all other spending that is going on, it's minuscule.

Here are the financial bailouts in green, Mr. Speaker. You probably can't see those. Was that a lot of money? You better believe it. Do I think a lot of it went down a rat hole? I absolutely do. Those bailouts are over now. That money is out the door now. But as a percent of what's going on here, it's not that.

Here's the 2009 stimulus bill. That's actually the highest order of magnitude here. That was a lot of money. There was over $800 billion that went out the door that I would again argue to questionable purposes that we cannot measure the success of here years later. But that's not the cause of the problem. The problem is systemic. The problem is baked into the way that we operate our Federal Government today. It's baked into program after program that we continue to create even in deficit times. It's baked into new promise after new promise after new promise that we continue to make even though we don't know how to afford the ones that we've already made.

□ 1340

Mr. Speaker, I just want to go through a few of those accounts that have been increasing. Folks won't be able to see this back in their offices, so I'll just read a couple of them to them. The chart is entitled, ''Where the Money Goes.'' It's inflation-adjusted dollars, so we can compare apples to apples. It compares 2002 to 2012. Let's just look at a few. I've put them in the order of how much money we're spending on them today:

Social Security spending, for example, from 2002 to 2012, has increased 35 percent over the last 10 years. It's the largest pot of money that we spend in the government, these Social Security checks. Folks have paid into it their entire lives. They've earned them and they deserve them. I'm glad they're getting them. It has gone up 35 percent in the last 10 years;

With national defense, of course, between 2002 and 2012, there has been a lot going on in the world. The world has become less safe. We've been involved in two wars, and that spending has been going up between 2002 and 2012. Again, in inflation-adjusted dollars, the spending on national defense has gone up 50 percent. Now, it's still dramatically below where it was in the eighties and nineties when we were trying to win the Cold War. We've been fighting two wars over this past decade. It's dramatically lower than it was when we were fighting the Cold War, but it's up 50 percent;

Medicare spending over last 10 years—2002 to 2012—is up 70 percent. You hear so much talk that the Medicare trust fund is going bankrupt. Over the last 10 years, Medicare spending is up 70 percent in inflation-adjusted dollars—constant dollars. It's up 70 percent, and that climb continues; but, in fact, Mr. Speaker, those numbers are low compared to some other categories:

Food stamps from 2002 to 2012 are up 136 percent. We're in some tough economic times. We all know that, in tough economic times, support program prices—costs—increase, but this is 136 percent over the last 10 years. K through 12 education is up 144 percent. Energy spending—sadly, this is going to include all of the Solyndras of the world, all of those stimulus dollars that went out to support dubious enterprises—is up 1,751 percent.

So, when we talk about budget cuts—and this is important—it's always described as we're going to gore someone's ox, as we're going to destroy someone's program. Energy spending is up 1,700 percent. What if we reduced it so it was just up 1,600 percent, Mr. Speaker? Would that destroy President Obama's green energy plans? I don't think so. What if food stamps, instead of going up 136 percent, just went up 130 percent? Can you really say that that is an attack on folks who are recipients of food stamps; or can you say that when the American people increase food nutrition spending by 130 percent that we're actually making a pretty good faith effort to make sure folks are taken care of?

We see it time and time again—30 percent, 40 percent, 50 percent, 59 percent, 46 percent, 62 percent. We're not talking about destroying Federal Government programs. We're talking about curbing double-digit increases that have gone on over the past 10 years—triple-digit increases in so many cases. That brings us to this balanced approach we keep hearing about, Mr. Speaker.

I hear the President say ''balanced approach'' over and over again. I just have not seen him yet do a balanced approach. I mean, we saw his proposal that came out yesterday where he wanted to raise taxes by $1.6 trillion and where he wanted to increase spending on a variety of programs, and he thought he could find $400 billion in reductions. Not today, of course. Somewhere down the road, he thought that we could get together and maybe find $400 billion. So bring taxes up $1.6 trillion and then find $400 billion in spending reductions.

It's not a tax revenue problem, Mr. Speaker. It's a spending problem. We've got to focus on this red line. We've got to focus on spending.

Look at where we are with the sequester, for example. We're talking about balanced approaches. I have defense spending cuts in the sequester, I have non-defense spending cuts in the sequester, and I have mandatory cuts in the sequester. As you know, Mr. Speaker, about a third of all of the dollars we spend in this country we call ''discretionary spending.'' Half of those are defense and half of those are non-defense. Everything else—two-thirds of the pie—is what we call ''mandatory spending.''

So the two-thirds of the pie over here represent 63.8 percent of all Federal spending. The sequestration is going to ask that big piece of the pie—63.8 percent—to bear 14 percent of the cuts. We're going to ask non-defense discretionary spending, which is about 13 percent of the pie, to bear 35 percent of the cuts. It doesn't quite seem balanced, does it, Mr. Speaker? Then we're going to ask the Defense Department, which represents 16.8 percent of all spending, to bear 49.5 percent of all the cuts.

Now, I'm not a math major. I didn't study statistics, but I'm pretty sure, if we were implementing a balanced approach, these lines would be roughly equal; they'd be balanced. What we have instead is a dramatic attack on our national security concerns while the driving piece of the pie, that piece of the pie that's growing larger and larger each year—it's already the largest, and it's growing at the fastest rate—which alone threatens to undermine the economic security of the Nation is asked to do next to nothing.

Now, as you know, Mr. Speaker, the only serious proposal in town—the only one that has received a majority of the votes to deal with that mandatory spending issue—came out of this U.S. House of Representatives. It came out of our Budget Committee. It passed the floor of the House in a bipartisan way to deal seriously with those; but as the President asks time and time again, ''Can we have a balanced approach?'' my answer is, ''Yes, we can. Let me see your balance.'' He hasn't been shy at all about talking about all the taxes he wants to increase. I just haven't seen any of the spending cuts he wants to implement. It's because we don't have a tax problem. We have a spending problem in this country.

If you haven't looked at what the spending problem is, Mr. Speaker—and I know you have because you serve on the Budget Committee, and you're one of the finest members we have on the Budget Committee. You've taken difficult and tough stands in order to support your constituency and to make sure the children of tomorrow have a better future than the children of today, and you continue to pass on that American Dream. Yet this chart represents the chronic deficits that we have at the Federal level. These are actual dollars, and these numbers come both from the Office of Management and Budget—that's the President's budget team—and from the Congressional Budget Office, which is the nonpartisan budget team here on Capitol Hill.

We go back to 1970—through the Carter years, through the Reagan years, the Bush years, the Clinton years. You'll see there were systemic deficits through all of those years. It was only under the partnership of Newt Gingrich and Bill Clinton and, I might also add, with some of the most aggressive spending reductions that we've seen in my lifetime that we were able to create budget surpluses if you include the Social Security trust fund; although, there is still a little sleight of hand going on there as we look at this chart because we're looking at cash flow, not at what's going into the trust fund baskets, but there was absolutely a cash flow surplus here for 4 years.

Then the tech bubble bursts and 9/11 happens, and we get into these Bush years where you see some of the largest deficits in American history. In response to 9/11, in response to the wars in Iraq and Afghanistan, there were some of the largest budget deficits in American history. This was on a Republican President's watch and on a Republican Congress' watch in response to some tremendous crises, but they were the largest deficits in history—frightening deficits.

Mr. Speaker, those deficits are barely noticeable compared to where we are today.

These were the largest budget deficits in American history during the Bush years, deficits so large they were threatening our economy. President Bush began to bring them down over the last 4 years of his tenure, and they're dwarfed by the size of the deficits created by this U.S. House of Representatives under Democratic control, by the United States Senate under Democratic control, and by President Barack Obama and the White House.

Mr. Speaker, those numbers have begun to come down. You can see here, over the past 4 years, we had a $1.5 trillion deficit in 2009, a 1.34 in 2010, a 1.32 in 2011, a 1.1 in 2012. They start to go down, but look out over this 10-year horizon. Again, these numbers come from the Congressional Budget Office, which is a nonpartisan group here on Capitol Hill. They come from the Office of Management and Budget, which is the President's budget team down at the White House.

If we do nothing to curtail spending, the largest deficits ever known to this land occur not once, occur not twice, occur not 3 years in a row, but occur forever in looking forward through the budget window. Now, the truth is they don't actually occur forever because America would collapse under the weight of that debt. Our economy would cease to function. Our Nation would cease to exist. It absolutely does not go on forever, but it never gets solved. Not 1 year, Mr. Speaker, not 1 year. We begin to bring deficits down, and we bring them down to almost $600 billion. Again, the best year in the next 10 is worse than the worst year in the last 50.

□ 1350

As you look at the proposal of what folks believe is going to happen in the economy over the next 10 years, the best year we have over the next 10 is worse than the worst year we've had over the last 50 when it comes to raising the debt and deficit here in the United States of America.

Continuing talking about the balance, Mr. Speaker, the President is a smart man and I have always respected him, Mr. Speaker, for the fact that he has released a budget to the American people, made a proposal, in every one of his 4 years in office. Every one. The law requires him to do it, but he has always done it. That distinguishes him from the United States Senate, which the law also requires them to do it, and they haven't done it.

So every year the President goes through the very difficult work of producing his own budget, sharing with the American people his vision for what the Federal budget should look like. I happen to have a graphical representation of that vision. This is the one he gave us last. It was February of 2012. There was an election coming up, and he wanted to do his very best. This was actually the most serious of all of the budgets that he's submitted.

And what I show here, Mr. Speaker, with this white dotted line is the debt that America would have to pay if we change not one law on the books. If we change not one law on the books, the debt of America would rise along this white dotted line.

This red line that runs right above the white dotted line is the debt that we would accumulate if we passed the President's budget. I'm not misspeaking, Mr. Speaker. I'm talking about that budget he introduced in February of 2012. I'm talking about that budget that raised taxes by almost $2 trillion on the American people; he raised taxes by $2 trillion on the American people and still ran up higher debt because he spent even more than that.

Now, to give the President his due, he actually only ran up higher debt in his budget for the 2013 year, the 2014 year, the 2015 year and '16 year and '17 year and '18 year and '19 year and '20 year and '21 year. It was really only the first 9 years of his 10-year budget that he continued to run up higher debt. By the 10th year of his 10-year budget, and I blew it up so folks could see it, there's a little bit of a betterment there. We did a little bit better in that final year in terms of trying to bring the debt below what it would have been if we'd done nothing. And all the while, the budget raised taxes by $2 trillion and raised spending even more.

Mr. Speaker, that's not balanced. I try to explain that to my constituents back home, the ones who come and say, Rob, why can't you all just come together and build consensus? Why can't you find that middle ground? It's because in my mind, Mr. Speaker, there's no question but that we have to raise revenue through smart tax policy and we have to cut spending, which is the driver of our debt.

But when my President looks at this very same set of numbers, looks at this very same rising debt across the country, looks at the very same economic destruction that this debt is causing across the Nation, he raises taxes by $2 trillion and raises spending by even more.

Mr. Speaker, he says balance, but the only proposal he's brought to Congress in the last 12 months is about as unbalanced as they come.

We can, Mr. Speaker, we can come together in the middle. We can find consensus. As I said earlier, my Democratic colleague from Virginia accurately identified the challenges. None of them are easy. None of the solutions are easy. But don't be fooled, Mr. Speaker, into believing that either, A, this House isn't serious about bringing revenues back to historical norms. We are, and we've passed language to do it. And don't think, too, that the President is serious about cutting spending because we've yet to see one single proposal to suggest that he is.

In fact, Mr. Speaker, in the proposal he rolled out yesterday, the one budget-cutting exercise that we've done, this across-the-board sequester that's coming, the sequester that's coming as a result of those 12 men and women—the 6 Republicans, 6 Democrats; 6 House Members, 6 Senate Members—who got together on the Joint Select Committee to try to craft a proposal, as a result of that failure, we now have these across-the-board cuts. The President's proposal supports kicking that can down the road for another year. Mr. Speaker, we can't kick the can down the road.

Is it going to be a challenge to get over this economic hump? You better believe it. It has been for the past 4 years. Americans have been challenged for the past 4 years. This recession has been debilitating across the board. There's still no easy solutions out on the horizon. But we know this: we know when we raise taxes, the economy suffers. We know when we lower taxes, the economy grows.

I'm looking at a National Bureau of Economic Research report, Mr. Speaker. They say this:

> Tax changes have very large effects. An exogenous tax increase of 1 percent of GDP lowers real GDP by roughly 2–3 percent.

We can raise taxes if we want to. It's going to lower economic output; it's going to harm American families. It's going to diminish job creation; but we can do it. That's the debate we're having here on Capitol Hill.

Mr. Speaker, this chart represents the plan that the President has proposed for cutting spending. It's not that the camera is not adjusting to it properly, Mr. Speaker. It's that this is a giant blank sheet of paper. It's absent of any information whatsoever because so, too, is the President's proposal for tackling the real economic challenge we have here, the real driver of budget deficits, the real threat to American economic superiority in this world, out-of-control Federal spending.

The President of the United States, he's been President for 4 years, no credible plan for tackling that spending.

I want to go back, Mr. Speaker. This United States House of Representatives, in a bipartisan way, passed a plan not just to change the trajectory of Federal spending, but to actually pay down the debt to zero over time. That shouldn't sound so crazy, Mr. Speaker. Folks have to pay their debts, but we haven't seen that out of this administration in even one of those budgets. Not one of those budgets put us on a path to being debt free.

In the time I have left, Mr. Speaker, I just want to do a little math here on the board. I brought my big marker with me. I want you to know I got this free with rebate. We squeeze every penny we can in the office. I think everybody ought to do that. I think you ought to lead by example. But I've been struggling with the idea of fairness, Mr. Speaker, and I brought with me the tax rate chart from the IRS. This is a 2012 tax rate chart.

If you earn between $35,000 and $85,000, you're in the 25 percent tax bracket. If you earn between $35,000 and $85,000 in America in 2012, you're in the 25 percent tax bracket. I'm calling that middle class, Mr. Speaker. Depending on how large your family is, it's tough to make a go of it at $30,000. And depending on how large your family is, $85,000 puts you right there in the middle. But that ball park—30, 40, $50,000—I think we can call that secure middle class America. You pay a 25 percent income tax rate.

Payroll tax. Your payroll tax is 15.3 percent, Mr. Speaker. Every wage earner in this land, 15.3 percent they pay each and every month in payroll taxes. Those FICA taxes you see on your paycheck.

Let me do some quick math, Mr. Speaker. Bear with me.

□ 1400

40.3 percent in Federal taxes. That's the tax rate for every middle class American in the land.

I ask you, Mr. Speaker, are tax rates too low?

Do you think you ought to work for the first 5 months out of the year just to pay your Federal tax burden before you begin to pay your State tax burden, before you begin to pay your local tax burden, before you begin to actually earn money to pay for your food and shelter and clothing for your family?

Forty percent is the marginal tax rate for middle class America. Thirty-five percent, Mr. Speaker, is the rate that that 1 percent are paying today. Thirty-five cents out of every dollar earned by that top 1 percent today, that's the marginal tax rate for those folks.

Now, a lot of folks don't realize, taxes are already going up next year. You know, the President's health care bill, that bill that I was not here to oppose. Though I've tried it repeal it, I haven't been able to get that through the Senate. But the President's health care bill raises taxes come January 1.

So on this top income bracket that the President wants to raise taxes even further on, they have a tax rate increase coming, and it's coming on January 1; 3.8 percent, Mr. Speaker. Every dollar of unearned income these top 1 percent earn is going to have a new 3.8 percent Medicare tax added to it, 3.8 percent.

0.9 percent, Mr. Speaker. That's an increase in the Medicare tax on all the earned income of these folks, 3.8 percent increase on the unearned income. Another 0.9 percent increase on the earned income.

2.7 percent, Mr. Speaker. That's the Medicare tax that that top 1 percent is already paying on all of their earned income today. It's going to go up another 0.9 percent. They're already paying 2.7. The President says that's not enough.

Let me do some quick math here. Since they're only going to have to pay one, Mr. Speaker, either the unearned income tax or the earned income tax, it's going to be 3.8 percent either way. They're paying 39.8, plus this 15.3, of course, on all those dollars that are subject to Medicare and Social Security under the cap today, plus another 6 percent is the average rate for State income tax today.

So let me add those to both of these charts. Six percent is the rate in my home State of Georgia. So I'm just going to come back over here to these middle class taxpayers that appear to be paying 46.3 percent as a marginal rate on every dollar they earn.

Let me come back over here to the high-income folks. Before they pay their payroll taxes, we have 44.8. And of course, on that money that they earn up to $100,000, they're paying an additional, where are we, about 11.5 percent on that. 11.5 added to 44.8. That's an over 56 percent tax rate.

Mr. Speaker, how much is enough?

When does freedom in this country cease to have meaning?

At what level of confiscation of the work product of the American people does freedom cease to have meaning?

We've got to be getting close to it, Mr. Speaker. But more importantly, when we talk about paying their fair share, when is America as a whole paying its fair share, Mr. Speaker?

When is America paying its fair share, but the Federal Government is spending too much anyway? Middle class America, 46.3 percent. That's middle class America. That's $35,000 a year you're earning, and your Federal Government and your State government hit you for a combination of 46 percent of every dime.

What incentive is that to go out and work longer and harder?

Forty-six percent. Fifty-seven over here. Fifty-seven. We all know that small businesses create all the jobs in this country. That's why we're so worried about this tax proposal, because, while this is already 57 percent over here, Mr. Speaker, the President wants to raise it another three, to almost 60 percent. 60 percent of every dime earned by family-owned businesses the President wants to take back for Washington, D.C.

I'm in favor of a balanced approach. I'm committed to fairness in American society. But, Mr. Speaker, I ask you, is the problem that taxes are too low, or is the problem that spending is too high?

We're better than class warfare, Mr. Speaker. We're better than saying we're going to ask them to bear the burden while we benefit.

Three hundred twenty million of us have to come together, Mr. Speaker, on tough, tough challenges, challenges that this House has crafted solutions to. These solutions are not easy. These solutions are not pain-free.

These solutions involve shared commitment from every single American because as freedom is eroded in this country, ever single American suffers. And as economic opportunity and economic liberty is expanded in this country, absolutely every American benefits.

We can do better, Mr. Speaker, as a Nation. We have done better as the United States House of Representatives.

And I come here today just to remind my President and the White House that the election is over. The time for clever soundbites that register on the public opinion polls is far behind us. What's in front of us are hard, hard decisions that this House has led on, and that we are waiting patiently for partnership to work on and to pass.

I want to leave you with three numbers, Mr. Speaker: H.R. 5652, it was passed in May, called the Sequester Replacement Reconciliation Act. It was the House-passed idea to avoid the debilitating sequester cuts that we see coming, to deal with the mandatory spending side of the equation, passed in a bipartisan way here in the House. It is the only proposal in all of Washington, D.C., to have been passed by a body. H.R. 5652 passed in May.

I'll leave you with H.R. 8, Mr. Speaker, the Job Protection and Recession Prevention Act. That's our plan, House-passed plan for how to deal with these tax increases that threaten America's family-owned businesses, threaten our economy, how to deal with them in a responsible way to get us past this fiscal cliff, passed in August, only plan in Washington, D.C., to prevent these debilitating tax increases from hitting across all of our family-owned small businesses.

And finally, Mr. Speaker, H.R. 6365. It's the National Security and Job Protection Act. We passed that in September. That's the bill that looks specifically at these coming defense cuts, these cuts that Secretary of Defense Leon Panetta has called devastating in their impact.

□ 1410

If you don't know—and I know you do, Mr. Speaker—Leon Panetta, the former chief of staff to President Bill Clinton, former chairman of the Democratic-led Budget Committee here in the U.S. House of Representatives, current Secretary of Defense, calls these defense cuts devastating. This U.S. House has passed a proposal to prevent that second round of cuts from taking place. It's the only proposal anywhere in this town to have passed. We did it in August. We took care of our business. And we have yet to have partnership from either the White House or the Senate on that proposal.

We took care of the Sequester Replacement Reconciliation Act in May, Mr. Speaker. We took care of the Job Protection Recession Prevention Act in August, Mr. Speaker. We took care of the National Security and Job Protection Act in September, Mr. Speaker. The work of this House has been done month after month after month. We've passed two budgets in a row, Mr. Speaker, that take on the tough challenges of entitlement reform, that take on the tough challenges of increasing revenue, that take on the challenges that no Congress in my lifetime has ever taken on, Mr. Speaker. We did it not once but we did it twice. And the silence from the Senate and the White House has been deafening.

We can do it, Mr. Speaker. We must do it. This House has done it. And as we did in May, as we did in August, and as we did in September, I reach out my hand again, Mr. Speaker, to the Senate and to the White House to join us in tackling these tough solutions, tackling these challenges, providing these solutions not for Republicans, not for Democrats, not for politics whatsoever, but for America. Because it's the right thing to do. And without it we all know where this country is headed.

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

RELIEF FOR THE MISSISSIPPI RIVER

The SPEAKER pro tempore. Under the Speaker's announced policy of January 5, 2011, the Chair recognizes the gentleman from Kentucky (Mr. WHITFIELD) for 30 minutes.

Mr. WHITFIELD. We all recognize that in this country we recently had a national election. We have a lot of new Members of the House of Representatives. We have new United States Senators. President Obama and Vice President BIDEN are back in their offices. We've had new officeholders elected in many State and local communities as well. And while we have a lot of change in the elected offices, we all know that a big part of government relates to what we would refer to as the executive branch. And that means various departments of government and agencies within those departments of government. And those people work very hard. They're committed to the American people. They're not elected. And many times we do not even know who they are.

Now today, I want to raise an issue that is vitally important to all of the American people because on or about December 10 the levels of water on the Mississippi River are going to be so shallow between St. Louis, Missouri, and Cairo, Illinois, and then, on top of that, because of rock pinnacles near Grand Tower and Thebes, Illinois, that river traffic may come to a halt on the Mississippi River. And that means there's going to be millions of tons of commodities that are not going to be able to be transported north and south on that river. Of course, that affects not only the recipients of those commodities and the shippers of those commodities but indirectly people who mine, make, manufacture, supply those commodities. And so this potentially can have a dramatic impact in a negative way on the economy of our country at a time when we are trying to stimulate the economy, create more jobs, and make sure that we do not throw ourselves back into a recession.

In early November, and even toward the end of October, over 15 United States Senators, around 65 Members of the House of Representatives, and 5 or 6 Governors of various States wrote letters to President Barack Obama; Major Phillip May, Regional Administrator for Region IV of the Federal Emergency Management Agency; Mr. George ''Tony'' Robinson, Region VI, Federal Emergency Management Agency; the Honorable Jo-Ellen Darcy, Assistant Secretary of the Army for the Corps of Engineers; Mr. William Craig Fugate, Administrator of the Federal Emergency Management Agency; Mr. Andrew Velasquez, Regional Administrator, Region V of the Federal Emergency Management Agency; and Ms. Beth Freeman, Regional Administrator, Region VII of the Federal Emergency Management Agency, in which we point out this impending problem.

Now I'm not the only one talking about this. Every Member of Congress along that corridor is receiving phone calls, letters, and emails. We have all sorts of groups out there very much worried about this problem needing to be solved. And it can be solved. But it appears that the Corps of Engineers has an annual operating plan. This annual operating plan determines how much water they're able to release from the Missouri River into the Mississippi River in the wintertime. And I understand that they have to have a plan. But most people in America know that when you have exceptional circumstances, you have some emergency, you have some unintended consequence, that you have to make alternative plans.

And so those Senators that I talked about, those Members of the House that I have talked about, the Governors that I have talked about, the 15 or 20 associations that I have talked about all have gone to the Corps of Engineers and asked them to change their annual plan and release some water from the upper Missouri to the Mississippi River so that we do not have to stop barge traffic on the Mississippi River. And so far, we've heard no response.

I know that there are groups that are opposed to this. There are some environmental groups that are opposed to this—and for valid reasons. And we're not asking this to be done permanently. But this is an emergency that will have dire consequences on the economy of this country, and we cannot stand for even a brief period of time to stop commerce on the Mississippi River.

Of course, there's another issue that I mentioned earlier, and that is that we have these rock pinnacles that are contributing to the problem of this shallow waterbed between Grand Tower and Thebes, Illinois. And the Corps has indicated that they're going to take some action to remove those pinnacles. And that's vitally necessary as well.

So I'm here today partly out of pure frustration. Although some people think that individual Members of Congress have a lot of power and authority—and sometimes we think that—but the truth of the matter is these decisions are being made by people at the Corps of Engineers, maybe the Secretary of the Department of Transportation, and some of these other agencies. They have the legal authority to take action here. But so far, they're unwilling to do so.

I'm here today simply to raise this issue because I don't know what else to do. We've written letters. We've called. These associations and agencies of other governments, State and local, have written letters, have called. We've done everything we can do. We've asked the President to take action. We've asked the Corps of Engineers to take action. And we understand that it's not anyone's personal fault.

□ 1420

This is caused by a drought of unusual proportion. When you think about traffic—all traffic on the Mississippi River in that region between St. Louis and Cairo—coming to a halt, it's going to have a dramatic, negative impact on everyone in our country.

So I simply am here today to focus attention on the issue and to once again ask the President, the Assistant Secretary of Defense, and the Corps of Engineers to take some action to work with us to resolve this problem.

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

CONGRESS OF THE UNITED STATES,
Washington, DC, November 19, 2012.

Hon. JO-ELLEN DARCY,
Assistant Secretary of the Army, Civil Works, Washington, DC.

DEAR ASSISTANT SECRETARY DARCY, It has come to our attention that commerce along the Mississippi River may soon be in jeopardy. According to industry groups, barge traffic could be severely impaired or altogether grind to a halt along the middle Mississippi River between St. Louis, MO and Cairo, IL. This has the potential to occur as soon as December 10th of this year.

The problem has arisen because of the drought and the U.S. Army Corps of Engineers' current plan to halt releases of water from the Upper Missouri River reservoirs on approximately November 22nd. We understand that the Army Corps typically reduces and eventually shuts off water flows during this time of the year in accordance with its Annual Operating Plan (AOP) for the Missouri River, but doing so now could result in such low water levels on the Mississippi River that normal barge transportation would be impossible. On November 13, flows from the Missouri river made up 61.1 percent of the Mississippi River, according to the U.S. Geological Service gage.

Ensuring that the Mississippi River is open to traffic is vital to the manufacturing and agriculture communities, and ultimately American jobs. The river system is the global gateway for American products and commodities, and its continued traffic flow is of the utmost importance.

We ask that the Corps speed up the process of removal of rock pinnacles at Grand Tower, IL and Thebes, IL. Removal of rock in this area is essential for normal barge traffic to continue within low water levels. We also ask that water flows be maintained from the Missouri River until the rock removal is finished.