

there isn't inflation. Well, no, wait a minute; the thing you used to buy is still more expensive and you're buying something else? But in the pointy-head economics world, this makes sense.

So let's say how this would work for someone on Medicare: Okay, you can't afford your heart bypass, so instead you'll say to the doc, "Hey, look, I can't afford the copay on the heart bypass. Why don't you do a hernia instead?" That's substitution. In Mr. Furman's world, this makes sense.

Now what this would do to seniors on Social Security, we already understate inflation. Seniors haven't gotten a COLA for the last 2 years. Tell me the price of prescription drugs and medical care hasn't gone up over the last 2 years. We need, in fact, a different measure for seniors, for Medicare, for our veterans and others who consume more health care and more essentials, which the CPI doesn't measure. It just measures junk that people buy. That's all it measures. And they're saying because people buy cheaper junk, we should change the CPI. That means the senior, by the time they reach 85 in this brave new world of the chained CPI, will get 100 bucks less a month in their Social Security—not too good. Veterans would see their benefits also be restrained and go down about the same amount.

And then there is this other little impact they're not mentioning. If you're earning \$20,000 a year, the tax brackets get adjusted every year. Well, they wouldn't get adjusted so much anymore under the chained CPI. So someone who earns \$20,000 a year over 10 years would see their taxes go up 14 percent, but for the rich people, you earn \$500,000 a year, you're already at the top; their taxes will only go up .3 percent, three-tenths of 1 percent. Fourteen percent for someone who earns \$20,000 a year; .3 percent for someone who earns \$500,000. And Obama has embraced this?

What's happened down there at the White House? They're listening to these pointy-head economists, and they're going after programs that are important to the American people. All of this, all combined of this great "Gang of Six," would save \$4 trillion over 10 years. That is, seniors will pay more, working people will pay more, veterans will pay more—rich people, not so much—but it would save \$4 trillion. Guess what? If we let all the Bush tax cuts expire at the end of next year—all of them, and the stupid Social Security tax holiday—that would be \$5 trillion over 10 years and we wouldn't have cut Social Security, we wouldn't have cut veterans benefits, we wouldn't have asked low-income and middle-income people to pay more in taxes. Now does that make more sense? I think so.

Let's hope they rethink this down at the White House, and I hope the American people are watching closely.

#### CUT, CAP, AND BALANCE

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

Mr. MORAN. Last night, we were asked to amend the Constitution, after two-and-a-quarter centuries, in a way that will permanently limit the ability of our government to foster competitiveness in a global economy, to generate greater equality of opportunity, to treat our seniors with dignity and respect, and to defend and define this great Nation as an ever-shining democratic beacon of hope and prosperity.

So I was proud to vote against the Cut, Cap, and Balance Act. It is the House Republicans' vision for America's future. This is a vision in which the country turns its back on the achievements of the last century and chooses not to invest in meeting the challenges of the next century.

Republicans aim to use a crisis of their own making to hamstring future Congresses, limiting our ability to make necessary infrastructure investments, to care for the poor, aged and disabled, and to respond to national and international crises.

The 18 percent spending cap mandated by the bill would return the government to spending levels not seen since the establishment of Medicare and Medicaid. The impending retirement of more than 70 million baby boomers means that these spending levels are woefully inadequate, unless we condemn our grandparents to a severely diminished quality of life.

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The Republican Party would enshrine constitutional protections for tax cuts and loopholes for wealthy individuals and corporations, requiring an unattainable two-thirds majority in both the House and the Senate for the government to increase the currently unsustainably low revenue levels of roughly 15 percent of GDP.

This would necessarily result in unprecedented cuts in student loans and grants, transportation, education, environmental protection, law enforcement—in other words, the physical and the human infrastructure of our economy.

The only budget plan that comes close to meeting the requirements of these constitutional amendments is the Republican Study Committee budget which eliminates 70 percent of non-defense discretionary funding by 2021, contains deep cuts to Medicare, cuts Medicaid, food stamps, supplemental security income for the elderly and disabled and poor in half by the end of the decade, and raises the Social Security retirement age to 70 years of age.

Yesterday's vote means that the Republican majority is demanding that in return for avoiding an economically disastrous default on our debt, we make \$111 billion in immediate spending cuts. These cuts seriously increase the likelihood of a double-dip recession. It is estimated that they could

cause the loss of more than a million public sector jobs just in the next year alone.

Last month, the economy added an anemic 18,000 jobs; but the private sector added 57,000 jobs, while 39,000 public sector jobs were lost in addition to the 49,000 public sector jobs lost in the prior month. This is a continuing trend. Half a million public sector employees have now lost their jobs, 200,000 of them teachers, while student enrollment has increased by 750,000. Firing more government workers will only decrease aggregate demand, making it that much harder to sustain the recovery.

We have witnessed this before. In 1937, President Roosevelt responded to similar conservative pressure by substantially reducing Federal spending before the Great Depression was fully in the rearview mirror. It drove us right back into economic depression. The economy wouldn't recover until the increased spending and hiring that accompanied the World War II armaments buildup got the country moving again. After the war, spending on education and housing for our GIs, the Marshall Plan for Europe, and the construction of the interstate highway system established a permanent middle class and sustainable prosperity.

This is not the time for the Democratic Party to sacrifice our values, values held by a majority of the American people, even in the face of opposition that has reached unprecedented levels of ideological radicalization.

We have to address our long-term deficits for the sake of future generations, but we must do so in a balanced manner, combining rational spending cuts and increased revenue. That's what has worked in the past. That's what we need to do now. We must not abandon the people that depend upon the government for a decent quality of life, but we must not let this great Nation become a second-class society and a third-rate economy. If the bill that was passed last night were to be enacted into law, that's the limited vision it would yield. That's why I was proud to vote against it.

#### WIC ADMINISTRATIVE COSTS

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

Mr. FARR. Mr. Speaker, I rise today to clarify a mischaracterization of the administrative costs of the supplemental nutrition program for Women, Infants and Children, commonly known as WIC.

It's interesting, you can come down here to the floor or speak in committee, and we are protected as Members of Congress to say anything we want. It isn't required that everything we say is factually correct. Sometimes those mischaracterizations, misstatements get into the record. And in this case, the complaint or the statement in subcommittee and full