

ship our jobs overseas. That is what the Republicans are advocating, but they are not willing to ask for one penny more for millionaires and billionaires.

We need to deal with our fiscal challenges, and I have offered proposals for how to do that in a way that protects the social safety net and what is now the disappearing middle class.

First, we need to create jobs. Putting people back to work will raise revenues and bring down the deficit as a proportion of the economy.

Second, we need to eliminate spending we don't need, such as billions of dollars in waste spent by the Pentagon. But we need to protect spending on vital programs like Social Security, Medicare, and Medicaid.

And finally, we need to raise revenues in a fair way.

I've introduced the Fairness in Taxation Act, H.R. 1124, which would create new tax brackets beginning at 45 percent for income over \$1 million a year and rising to 49 percent for income at \$1 billion a year; and yes, there are Americans who make that. And according to an estimate by Citizens for Tax Justice, my legislation could raise as much as \$800 billion over the next 10 years. Those are the types of proposals that should be considered so that we can achieve fiscal responsibility in a way that protects seniors and children and the middle class and all those who aspire to it.

Right now the American Dream itself is at stake. It is slipping through the hands of people that used to be middle class. We cannot tolerate that. We need to raise the debt ceiling.

FAIRNESS AND JUSTICE FOR THE AMERICAN PEOPLE

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

Mr. COHEN. Mr. Speaker, it's a difficult time to talk because Ms. SCHAKOWSKY has said just about everything that I was planning to say. She said it extremely well and synopsized the issue.

It basically comes down to fairness and justice for the American people. And the President, who has been burdened with problems caused by the Republican Congress and the Bush years, wars in Iraq, wars in Afghanistan not paid for, prescription drug bill not paid for, and Bush tax cuts for the wealthiest Americans which have caused most of the deficit and the problem with the debt ceiling, and now we're not calling on them to make some sacrifice and to pay for it.

Most everybody in America knows about dieting. Most of us are a little overweight. Michelle Obama will tell you that any day. We need to watch our weight. But when you go to diet, you've got to reduce your calories and you've got to exercise some more. Spend some calories, reduce some calories. That's the way you diet. It's the same thing with the budget.

If you had a problem at home with your budget, kind of having a problem, well, maybe you think, I won't take that vacation and go to Miami Beach and stay in that three-star hotel. I'll go to Fort Walton and stay in a two-star hotel. And maybe I'll get another job or work some more overtime. You increase your income, you decrease your spending, and you get it together.

This Congress, though, has got the problem because of dealing with this, and the debt ceiling's independent of all of it. Many Members of Congress on the Republican side have pledged not to raise revenue. Well, you've got to do both. You've got to cut some things, and you cut some things that don't decrease your ability to increase jobs later on or increase jobs now, and you increase revenue at the same time. You have to do both.

Some of the Republicans have pledged never to do revenue. Well, that means they've got one arm tied behind their backs—never increase revenue.

You come to the table and you try to get a bargain. You negotiate in politics. You've got to have both hands at the table, one give and one take. Both sides have to come, open palms, friendship, no guns. Here we are.

But they've got one hand tied behind their backs. That's the problem we've got. So we're not being able to negotiate because one side comes ill-equipped, unprepared, incapable.

Last week we had a new Member here from California (Ms. HAHN), and the Speaker read to her and she repeated the oath of office: I pledge to support, I swear I will support, the United States against all enemies, foreign and domestic.

We've got a domestic enemy right now, and it's the idea that we're not going to pay our debts: The full faith and credit of the United States goes by, interest rates go up, jobs go down, credit card rates go up, home mortgage rates go up, 401(k)s go down, stock market drops 10 percent. Yet we're not doing it. We're considering a pledge to some third-party person that said, No new revenue, arm behind my back, instead of, I will support the United States against all enemies, foreign and domestic.

So that's the problem we've got.

I had a town hall last night on the telephone. My constituents can't understand why we have the problem. I tried to explain it to them. They're concerned about their Social Security checks coming or their veterans check coming. They could be cut off if we don't get this done and we don't have money to pay our debts.

People living simply on Social Security are endangered, and yet millionaires and billionaires go on. Hedge fund guys, they earn billions of dollars—millions at least, billions for some—pay 15 percent, something called carried interest on their income, 15 percent. But the average person out there is paying 25, 26, 34 at the most; 15 percent for the richest guys in New York spending

money outrageously and the ones that almost brought this economy down.

Somebody asked me, Is this thing going to pass?

I don't know. But I'll tell you this: In my life, and I hope nobody out here listening has had that situation, Mr. Speaker, I've had kidney stones. They're easier to pass than this.

Mr. Speaker, I've got a pain in my side.

CHANGING OUR FISCAL DIRECTION

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

Mr. PENCE. Mr. Speaker, this is a difficult time in the life of the people of this country. Families are hurting. Our economy is struggling. The economic policies of this administration have failed to turn around this Great Recession, as it has come to be known. And I believe that runaway Federal spending, deficits, and debt are a barrier to our economic recovery, a barrier to putting Americans back to work.

We have to change the fiscal direction of this government for this generation, for jobs for Americans today, and for future generations who are facing a mountain range of debt—a \$14 trillion national debt; \$1.65 trillion deficit this year alone.

As most of my colleagues know, I've fought against runaway spending on a bipartisan basis. I opposed Big Government plans when they were offered by Republican Presidents and in Republican Congresses, and I fought with equal vigor against the borrowing, the spending, the bailouts, and the takeovers of the recent Democratic Congress and this administration.

But now we come to another debt ceiling vote, and as the late Russell Kirk wrote, "Politics is the art of the possible." The American people are looking in and they know, if you owe debts, pay debts. We have to find a way to pay the Nation's bills. But the American people also know we have to find a way to set our Nation on a course of living within our means once again.

Now, I am still studying Speaker BOEHNER's proposal, but there is much that recommends it. I have long said that there should be no increase in the debt ceiling without real and meaningful spending cuts and reforms in the short term and in the long term.

□ 1100

In many respects, the deal negotiated with Senate leaders by Speaker BOEHNER meets that standard. There are no tax increases in the bill. After adjustments to the bill today, there will for certain, according to CBO, be dollar-for-dollar cuts for any increase in the debt ceiling. Also, there are spending caps, a commission, and the possibility of long-term entitlement reform. All of this commends the Boehner plan as an important first step toward fiscal discipline and reform.

There is also a call at some point to vote for a balanced budget amendment to the Constitution, and it's my belief in the importance of that last element that brings me to the floor today. I rise to urge all of my colleagues to keep an open mind on the Boehner plan, but also to keep an open mind about bringing a balanced budget amendment to the floor that could enjoy broad bipartisan support.

Look, Washington, D.C., is not only broke; it's broken. The American people have seen both political parties run up deficits and debt, both political parties live outside the means of the American people, and they know in their heart of hearts that something is missing. I believe that's a balanced budget amendment to the Constitution of the United States.

Now, I've authored the spending limit amendment to the Constitution. I support the stout version of a balanced budget amendment that Republicans marked up and referenced in the Cut, Cap, and Balance bill, a spending limit cap, a supermajority on tax increases. But I don't think it takes any great insight to know that that bill will likely not get the 290 votes that we need to send it to the Senate and send it to the States.

So in addition to voting on that bill, with spending constraints and others, I believe the time has come to bring the historic balanced budget amendment back to the floor of the Congress. I believe there should be no increase in the debt ceiling unless this Congress does everything in its power to send a balanced budget amendment to the Senate and to the States for ratification. And I believe we have that moment.

I've talked to some of the most prominent Members of the Democrat minority in this Congress today, and they've expressed support for this amendment. The American people overwhelmingly support a balanced budget amendment to the Constitution.

So I urge my colleagues to keep an open mind, keep an open mind to the Boehner plan. I'm continuing to study it and seeing if we can embrace it as an important first step on fiscal discipline and reform, finding a way to pay the Nation's bills, but change our fiscal direction. But I also encourage my colleagues to consider at some point in the near future, let us bring to this floor a balanced budget amendment that could enjoy broad bipartisan support, to know that we cannot only make progress for fiscal discipline and reform, but we can make history by restoring to the national charter or placing in the national charter those restraints on spending that this Nation's Capitol, under both parties, desperately needs.

THE DEFAULT CRISIS AND HOW IT IMPACTS JOBS

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from California (Ms. WATERS) for 5 minutes.

Ms. WATERS. Mr. Speaker, for the first time in American history we are at the brink of compromising the full faith and credit of the United States Government—the pledge that America has made to be the strongest, most trustworthy economy in the world, the promise that we will always keep our word and pay back the money we have already spent.

And why are we on the brink of a default crisis? Is it because of a natural disaster that has devastated our Nation? Is it because of a catastrophic national security threat? Is it because of another meltdown of our financial system like the one we saw in 2008? No.

The default crisis is for none of these reasons. Instead, it is a crisis wholly manufactured by my Republican colleagues, who are holding our economy hostage to pursue a radical agenda. This is an agenda that seeks to continue the Bush policies of wars and tax cuts paid for by undoing the New Deal, shrinking the social safety net, and pulling the rug out from under millions of Americans who are still struggling to recover from a financial crisis that was created by Wall Street.

Mr. Speaker, the debt ceiling is being used as political leverage to pursue this agenda. Remember, the debt ceiling was raised 18 times under President Reagan and seven times under President George Bush. Instead of this phony crisis, we should be debating the real crisis facing this Nation, the crisis that is consistently named as the number one concern of American taxpayers, that is, the jobs crisis.

Today, about 14 million people are unemployed, wages are declining, and home values are still plummeting. The unsurprising result is consumers aren't buying, businesses don't need to hire as many workers. And the cycle continues. In minority communities, these problems are even worse, with over 16 percent of African Americans and 11 percent of Hispanics out of work. In fact, just yesterday, the Pew Research Center reported that while all households lost wealth during the recession, minority families experienced disproportionate losses, and the wealth gap between minority and white households is actually growing. The median wealth of U.S. households in 2009 was \$13,000, compared to just over \$6,000 for Hispanics and \$5,600 for African Americans.

But to hear my Republican colleagues, it's as if these unemployed Americans are living in the shadows instead of the communities we represent. Because instead of pursuing a jobs agenda, my colleagues on the other side of the aisle have proposed a continuation of failed Bush policies, this time on steroids. First under the Ryan budget, and now under these debt ceiling hostage negotiations, my Republican colleagues are pushing to cut Medicare, Social Security, Medicaid, and job-creating domestic programs no matter the cost. Mr. Speaker, now is the time to invest in our communities, not retreat.

We need jobs to get people employed and get them back paying taxes to pay down our deficit. In fact, the Congressional Progressive Caucus is happy to provide for you, Mr. Speaker, a long list of ways to create jobs. We can create a new civilian conservation corps; we can close tax loopholes and bring jobs back from overseas; we can encourage investments in the new green economy; and we can provide incentives for businesses to train and hire the long-term unemployed. And guess what? We can do this while balancing the budget. In fact, the people's budget, offered by the Congressional Progressive Caucus, can balance our books at least 10 years before the Ryan budget.

Mr. Speaker, I encourage my colleagues to stand opposed to Republican efforts to perpetuate this default crisis and balance our budget on the backs of seniors and the middle class. It will amount to an unmitigated and unprecedented disaster to not only America's reputation, but to our capital markets, our job-creating businesses, and our economic recovery.

Mr. Speaker, I held two town hall meetings this past weekend on Saturday, one in the city of Inglewood and one in the area of Westchester. They made it very, very clear that they want us to increase this debt limit, they want us to get about the business of creating jobs, and they want to close tax loopholes for the richest corporations in America that receive tax breaks under the Bush administration. They are sick of us playing with this issue. They want us to do the people's business and look out for the interests of the least of these.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until noon today.

Accordingly (at 11 o'clock and 8 minutes a.m.), the House stood in recess until noon.

□ 1200

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at noon.

PRAYER

Reverend Rick Postell, Christian Renewal Church, Brunswick, Georgia, offered the following prayer:

Heavenly Father, we come to You in Jesus' name on behalf of this great Nation. We ask for Your forgiveness of our transgressions and to thank You for Your blessings and favor upon America. Keep us mindful of Your word that "righteousness exalts a nation, but sin is a reproach to any people."

Grant these Representatives wisdom to make decisions to strengthen our Nation, motivated more by Your hand