400 percent? I think you'd have better luck just bringing somebody right out of college in here and saying, You give us your guess. Surely, your margin of error would be closer than 300 or 400 percent.

Anyway, Investors.com points out that Obama's budget ''creates a new entitlement without a reliable means to pay for it.''

Obama claims he can finance a new $76 billion ''preschool for all'' program by raising tobacco taxes again; but after an initial spike, tobacco tax revenues will start trending downward year after year as more people quit smoking while the costs of this new program will keep climbing. The last time Obama hiked tobacco taxes—to pay for an expansion of Medicaid—revenues came in $2.2 billion less than expected.

So, apparently, if the President wants more revenue from smoking, he's going to need to start doing a campaign to encourage people to smoke more so that he can get more taxes in and bring down the massive deficit that he is wanting to create.

This report points out from Investors.com:

The President boosts taxes on the middle class: Obama proposes to change the government's consumer price index in a way that will lower the official inflation rate. He's selling it as a way to cut Social Security annual cost of living adjustments, which are based on the CPI; but because his chained CPI would also apply to annual tax bracket adjustments, it will end up hiking taxes on the middle class $124 billion.

The American people deserve better, and I hope and pray the Senate will wake up, come to their senses and stop trying to ram legislation through that America does not deserve.

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

AGAINST THE CHAINED CPI AND SOCIAL SECURITY REDUCTIONS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2013, the Chair recognizes the gentlewoman from Ohio (Ms. KAPTUR) for 30 minutes.

Ms. KAPTUR. Mr. Speaker, I rise tonight to speak against any proposed reduction in earned Social Security benefits through the so-called chained CPI calculation. No issue better focuses the interests of the senior citizens of our country versus the top 1 percent greater than the debate over Social Security.

Earlier this year, over my objections, this Congress cut senior meals by $823,000 in Ohio—or, roughly, 145,000 meals. Now some here in Washington are approaching the jugular for our seniors' Social Security benefit cuts.

The majority of seniors across our land depend on every single dollar they get from Social Security to put food on the table, to pay for utilities, to pay for housing. So many struggle with that every day. By slashing benefits in Social Security, while continuing to give tax havens to the richest people in this country, it proves that the priorities in Washington lie with the 1 percent, not with those Americans who struggle every day.

The White House has chosen to include the so-called chained CPI method for calculating Social Security cost of living adjustments in its fiscal proposed 2014 budget, the one that we will be considering.

□ 1700

But I agree with Senator TOM HARKIN of Iowa, who said what a chained CPI really is is like being in a boat with a chain and a ball around your ankle, and they throw you in the water and you start to sink. That's exactly what a chained CPI is in Social Security.

Numerous government programs, including Social Security benefits, and income thresholds for tax brackets are indexed for inflation. That's what CPI is all about. Every year, seniors wait to see what their inflation adjustment will be in Social Security and in Medicare to see whether they'll get as much money as they got last year or less. The formula change that is being proposed would add up to a big cut for America's senior citizens who have earned their benefits.

Imagine, for example, a person born in 1935 who retired to full benefits at age 65 in the year 2000, and they paid into Social Security their entire working life. According to the Social Security Administration, people in that position under the current formula have an average monthly benefit of $1,435, or about $17,220 per year. Under the cost-of-living adjustment for 2012, that benefit would rise a bit to $1,986 a month this year, or about $23,832 a year. But under the chained CPI proposal, that sum would be less. It would be about $1,880 a month, or $22,560 a year. That's a cut of over 5 percent, or a $106 a month cut, and more as you go further and further into future years. In other words, it gets worse and worse.

The other problem is that the people who rely most on their Social Security benefits—people who are older, people who have illness—are the ones who sadly the chained CPI does the worst job of accommodating. In fact, the group that gets the biggest FICA tax hike is families making between 30 and $40,000 a year—dead center in our middle class. Their increase would be almost six times worse. It would affect them six times more than those who are in the millionaire tax bracket. That's because millionaires are already in the top tax bracket so they're not being pushed by the formula into higher marginal rates because of changing bracket thresholds. Isn't that convenient.

So because senior citizens spend more of their income on health care and housing, two areas where the formula is flawed and their true cost is under represented, the chained CPI proposal hurts seniors more.

Beyond the benefit inflation formula, we should not be supporting a plan that uses Social Security to pay for deficits it didn't create. The Social Security trust fund is sound. Without anything being done, it would function well into 2038; and even after that time with no changes, we could pay 80 percent of the benefits that people have earned. Now, one of the reasons that Social Security looks over a long time horizon is because of economic downturns. When people get thrown out of work, they're not contributing into the Social Security trust fund. The answer to Social Security is to put people back to work. We have 12.5 million people unemployed in this country, and that creates a temporary blip that would affect people who will retire 20–25 years from now. We can fix that problem because Social Security is an efficient and effective program, but we shouldn't be using the American people's annuity for retirement that they earned and mix it up with the regular budget. It's two different things.

About 98 percent of Social Security benefits go out in the form of benefit checks which the beneficiaries spend on whatever they value most. Most of them spend the vast majority on food. But less than 2 percent of Social Security today is put on administrative expenses. The program is very efficiently run, and no private pension plan, no 401(k) that took so much of the people's money away, no private annuity, can claim that kind of efficient operation. Cuts in promised Social Security benefits, whether they occur because of the chained CPI, or some people here are talking about a higher retirement age or means testing, will shift more costs onto already struggling American families and our senior citizens. Frankly, I don't support that.

I applaud that the chained CPI proposal that was in the White House budget had a provision to protect the very oldest and disabled persons who receive supplemental security income and low-income veterans, but let me put on the record: these groups represent less than half of the seniors who have earned Social Security benefits. The formula doesn't really take care of others who are impacted by this proposed CPI change.

Frankly, this is not the time to cut earned benefits of millions of senior Americans who are already struggling financially. And I can guarantee you, the lowest-income citizens in this country are women over the age of 85, and I would never vote to take a penny away from them. This formula should be there in a form that allows them to live in dignity.

We have been unwilling as a Congress to close tax loopholes for the billionaires and millionaires of our country. This has been a Congress unwilling to prosecute Wall Street bankers for the damage they did, but it appears that some are willing to take money from our seniors who have earned and worked for Social Security benefits that are critical to their livelihoods and which they depend upon.

You know, I have a story to tell. Last weekend, I was doing grocery shopping

for our family back home, and I saw an older gentleman. I was thinking about what I was going to say here in Congress. He was in the supermarket and he had his cart, and he was all bent over. He was trudging along aisle after aisle, and he had quite a bit of trouble even raising his neck to look at what the prices were. He seemed to be going around, and I noticed he wasn't putting a whole lot in his cart, but he was putting some things in, watching every penny. And when I finished with my shopping, I saw him out in the parking lot. I thought, Is he going to his car? Where's he going? I watched him push his shopping cart, and he had put all of his groceries in two backpacks. I saw him pushing his grocery cart across the parking lot way to the corner by the sidewalk, and I realized what he was doing: he wasn't going to a car—he didn't have a car. What he was doing was, he was putting his groceries in these backpacks to put on his back, and then in his condition walk to wherever his home or wherever he was residing. I looked at that, and I thought, you know, I have to go back to Congress and tell that story because that's exactly the kind of person that the chained CPI would impact the most.

These senior citizens shouldn't have to have this Congress debating about their benefits because they get scared all across our country. We should never do anything that upsets our seniors, who are dealing with so many issues in their own lives that each of us someday will have to deal with. And I find it sad, really, that this issue of Social Security has been included in the budget debates that we are about to get into. Social Security is separate. It has its own trust fund. It is sound. It has a formula that works. The best thing we can do for future generations is to get everybody back to work so that the FICA trust fund works 50 years down the road. But right now, we shouldn't be worrying our seniors.

We shouldn't be asking them to take cuts in senior meals. The people who go for senior meals are senior citizens who actually need better nutrition. I've gone to many senior sites. One image that remains in my mind at one site in my own district is a very thin senior woman who is probably 85 years old, and the senior center served a small sandwich for lunch. They served a little bit of warm corn. There was a little pudding, and an apple and a can of milk on the tray, and that woman ate everything but half her sandwich, and she took that half of the sandwich that she didn't eat and she wrapped it up and put it into her worn purse, and she left that senior center and walked home. Those are the seniors that we have to see here and care about.

I'm just glad and I'm very grateful to the citizens of my region that they've sent me here, and I urge my colleagues to oppose any Social Security cuts for current or future beneficiaries in any deficit reduction package, especially that contained in the chained CPI proposal. My vote will always be to give our seniors freedom from worry, freedom from the chains of the CPI proposal that would pull them down if they're thrown overboard.

□ 1710

The American people would not want to do what is being proposed in this chained CPI to the senior citizens of our country if they really understood what it means. $100 to a senior in a monthly check is doled out penny by penny by penny.

We have a program in the Department of Agriculture where, in the summer months, our seniors can go to some fruit stands around our country and they get a little coupon and they can buy fruits and vegetables. And the owner of this one fruit stand in Ohio said to me, you know, Congresswoman, I never realized, among seniors, how much they had to sacrifice. They can't buy things that normal families buy.

I said, tell me more. And the farmer said, you know, I had a woman in here last week who stared and stared at a container of raspberries. And the price on the raspberries at that stand was $4. That senior woman had not eaten raspberries in 25 years because she couldn't afford them.

And that farmer said, you know, when I saw her coupons, I told her, ma'am, I will cut the price in half. And her total bill came up to, like, I think he said it was like $10.96, and he was going to give her the four pennies back. And he said, you know what? How about if I give you some green beans to put in your sack for the extra 4 cents? And that's exactly what happened at that one transaction.

Multiply that times millions of seniors across this country and get a sense of what they face. I can tell you in Ohio, and I'm sure it's the same everywhere, the largest increase in the number of people coming into our food banks across this country are senior citizens. You can say, why is that?

Well, you know, if they had a bank account, if they were able to save a little bit, it doesn't pay anything in interest now, after the crash of 2008, so they're not making anything off any savings that they might have.

A lot of them, if their kids are unemployed, they've let them move in with them; and so grandma and grandpa are the ones that are holding millions of families across this country together until their kids and grandkids can get back on their feet again.

And I think what the seniors are doing, because prices are rising, prices haven't gone down, they're going into these food banks and they're getting a bag of groceries to help them stretch the meager dollars that they have.

So as we move into this deficit debate and into the budget debate, I want my colleagues to think about the citizens that they represent and how vital that Social Security check is, and to do nothing to those who have not asked for any reduction. They can't afford any reduction.

There are so many other places in this economy where we can go in order to try to balance the budget. We should not do it on the backs of our senior citizens.

So I would say, free our seniors from the CPI. Oppose any proposals to change the formula that would cut their benefits. We already tax those who have significant assets if they earn over a certain amount on Social Security with other income. We don't need to harm the millions of Americans who just get by month after month.

I thank my colleagues for listening.

I ask the Members of this Congress to oppose the chained CPI and to stand with our senior citizens to give them the dignity in their retirement years that they have earned.

I yield back the balance of my time.

COMPREHENSIVE IMMIGRATION REFORM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2013, the Chair recognizes the gentleman from Iowa (Mr. KING) for 30 minutes.

Mr. KING of Iowa. Mr. Speaker, I appreciate the privilege to address you here on the floor of the House of Representatives and take up the topic that has come to the forefront of the American discussion, and do so again.

And that is that on the night of November 6, as people across America watched the election returns come in, there were many Republicans, people on my side of the aisle that watched with, I'll say, shock and disappointment, as the great predictions that Mitt Romney would be the next President of the United States fell by the wayside in swing State after swing State from the east coast. By the time it got west of the Mississippi, it was pretty clear the final result of the Presidential election.

And many of the predictors, who are self-assigned experts on polling and politics and the decision of the American voters, had predicted that Mitt Romney would be President, that Republicans would win the majority in the United States Senate, that there would be a three-way majority between the House, the Senate and Presidency, and we could put America back on the right track.

I hoped for that, Mr. Speaker. I prayed for that. I worked for it. But I watched as those election results came to be untrue, as we lost some seats here in the House and lost some seats in the Senate, and, of course, the President was re-elected that night.

The plans of probably half, very close to half, of the American people had to be changed and altered, because we planned to put free enterprise back in place. We planned to repeal ObamaCare. We planned to do some other things.

But one of the things we didn't really plan so much to do was take up the immigration issue in the 113th Congress.