

So I say let's follow the lead of the bipartisan Speaker, who found a way through great leadership to pass a provision. We should pass the same provision because if we don't, then we will be back to chaos.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BAUCUS. Amending the provision means it has to go back to the House. If you think the markets are in disarray today, just think of the lack of confidence that would prevail if this amendment were to succeed.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BAUCUS. Madam President, I move to table the Portman amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to the motion.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Massachusetts (Mr. KERRY) and the Senator from Washington (Mrs. MURRAY) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 54, nays 44, as follows:

[Rollcall Vote No. 6 Leg.]

YEAS—54

Baldwin	Harkin	Nelson
Baucus	Heinrich	Paul
Begich	Heitkamp	Pryor
Bennet	Hirono	Reed
Blumenthal	Johnson (SD)	Reid
Boxer	Kaine	Rockefeller
Brown	King	Sanders
Cantwell	Klobuchar	Schatz
Cardin	Landrieu	Schumer
Carper	Lautenberg	Shaheen
Casey	Leahy	Stabenow
Coons	Levin	Tester
Donnelly	Manchin	Udall (CO)
Durbin	McCaskill	Udall (NM)
Feinstein	Menendez	Warner
Franken	Merkley	Warren
Gillibrand	Mikulski	Whitehouse
Hagan	Murphy	Wyden

NAYS—44

Alexander	Enzi	McConnell
Ayotte	Fischer	Moran
Barrasso	Flake	Murkowski
Blunt	Graham	Portman
Boozman	Grassley	Risch
Burr	Hatch	Roberts
Chambliss	Heller	Rubio
Coats	Hoeven	Scott
Coburn	Inhofe	Sessions
Cochran	Isakson	Shelby
Collins	Johanns	Thune
Corker	Johnson (WI)	Toomey
Cornyn	Kirk	Vitter
Crapo	Lee	Wicker
Cruz	McCain	

NOT VOTING—2

Kerry Murray

The motion was agreed to.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2:15 p.m.

Thereupon, the Senate, at 12:30 p.m., recessed until 2:15 p.m. and reassem-

bled when called to order by the Presiding Officer (Ms. HEITKAMP).

ENSURING THE COMPLETE AND TIMELY PAYMENT OF THE OBLIGATIONS OF THE UNITED STATES GOVERNMENT—Continued

AMENDMENT NO. 7

The PRESIDING OFFICER. Under the previous order, there will be 2 minutes of debate equally divided prior to a vote in relation to amendment No. 7 offered by the Senator from Ohio, Mr. PORTMAN.

The Senator from Ohio.

Mr. PORTMAN. Madam President, this amendment is a commonsense amendment that would end government shutdowns as well as keep us from facing these last-minute budget deals. For all regular programs or activities for which an appropriation bill has not been approved, the End Government Shutdowns Act would automatically continue funding—no significant disruption, no crisis for citizens, no furloughed employees, and no rush to approve a budget agreement that folks simply haven't read.

It doesn't take pressure off lawmakers altogether, however, because it forces us to complete our work by saying that after 120 days, spending would be reduced by one percentage point and then every 90 days by one more percentage point. It would force the administration, Congress, and Members of both parties to come together to make sure we have regular order and we have a process by which we have to get appropriations bills done, which we haven't been doing around here.

Instead of bouncing from crisis to crisis worrying about government shutdowns and having to vote on rush bills that Members haven't read and staff haven't had time to review, this is a more sensible and logical way to proceed. The American people expect us to do it and I hope we get support from both sides of the aisle on this bipartisan approach.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Madam President, I oppose the amendment. It would trigger an automatic CR if Congress doesn't pass appropriations bills or a CR.

I understand the Senator's goal, but I oppose the amendment for three reasons: One, the amendment is really about cutting; it is not about keeping the government open. It includes an automatic CR with a 1-percent cut every 90 days, which means it would be compounded—these would be compounded cuts by compounded interest—if the Congress does not pass an appropriations bill. So a cut every 90 days would be a 1-percent cut, and then the following 90 days another 1 percent.

The amendment gives up Congress's constitutional responsibility. If we go on auto pilot, it gives the major power of the purse, which is mandated in the

Constitution, to OMB and Cabinet officers—essentially nonelected political appointees. I don't think the Congress or the American people want to give the power of the purse to nonelected political appointees. Also, I agree we need to get back to regular order.

Madam President, because I disagree with this amendment, I move to table the Portman amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

There is a sufficient second.

The question is on agreeing to the motion.

The clerk will call the roll.

The assistant bill clerk called the roll.

DEMOCRATIC ANNOUNCEMENTS

Mr. DURBIN. I announce that the Senator from Massachusetts (Mr. KERRY) and the Senator from Washington (Mrs. MURRAY) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 52, nays 46, as follows:

[Rollcall Vote No. 7 Leg.]

YEAS—52

Baldwin	Harkin	Nelson
Baucus	Heinrich	Pryor
Begich	Heitkamp	Reed
Bennet	Hirono	Reid
Blumenthal	Johnson (SD)	Rockefeller
Boxer	Kaine	Sanders
Brown	King	Schatz
Cantwell	Klobuchar	Schumer
Cardin	Landrieu	Shaheen
Carper	Lautenberg	Stabenow
Casey	Leahy	Udall (CO)
Collins	Levin	Udall (NM)
Coons	Manchin	Udall (NM)
Donnelly	Menendez	Warner
Durbin	Merkley	Warren
Feinstein	Mikulski	Whitehouse
Franken	Murkowski	Wyden
Gillibrand	Murphy	

NAYS—46

Alexander	Flake	Moran
Ayotte	Graham	Paul
Barrasso	Grassley	Portman
Blunt	Hagan	Risch
Boozman	Hatch	Roberts
Burr	Heller	Rubio
Chambliss	Hoeven	Scott
Coats	Inhofe	Sessions
Coburn	Isakson	Shelby
Cochran	Johanns	Tester
Corker	Johnson (WI)	Thune
Cornyn	Kirk	Toomey
Crapo	Lee	Vitter
Cruz	McCain	Wicker
Enzi	McCaskill	
Fischer	McConnell	

NOT VOTING—2

Kerry Murray

The motion was agreed to.

The PRESIDING OFFICER. The majority leader.

Mr. REID. Madam President, we have four more votes. They have all been ordered, just like this one was, as 10-minute votes. We are going to stick with that. If people are not here—whether you have been here for 30 years or 3 days—we are going to close

the vote. People have a lot of important things to do this afternoon. We cannot delay these votes. This vote was 10, 15 minutes over what it should be. We are not going to do that this afternoon. The next vote will be 10 minutes, plus the 5-minute penalty period. That is it.

AMENDMENT NO. 8

The PRESIDING OFFICER. Under the previous order, there will be 2 minutes of debate equally divided prior to a vote in relation to amendment No. 8 offered by the Senator from Pennsylvania, Mr. TOOMEY.

The Senator from Pennsylvania.

Mr. TOOMEY. Madam President, the underlying bill we are going to vote on in a little while suspends the debt ceiling for a period of time, as we all know. My amendment does not change that fact, but it addresses one of the consequences of that fact.

The fact is this bill suspends the debt ceiling, but it does not resolve the underlying problem. So we are going to be back here in a few months with the same impasse we have had in the past: What do we do about the mounting debt? What do we do about having reached the debt ceiling? Will we do anything about curbing the spending that is driving this problem?

My point is we are going to be back at this situation where we will have reached the debt limit once again, we will be at this impasse as to how to resolve this situation, and none of us can possibly know today how quickly that will be resolved. We cannot know how the other body will vote, how this body will vote, the President—we cannot know.

It seems to me, given the inherent uncertainty, we ought to at least have a contingency plan that minimizes any disruption in the event that the debt ceiling is not raised immediately upon reaching the expiration of this period. That is what this amendment is all about.

My amendment is about minimizing the risk of disruption in the event that the debt ceiling is not raised at the moment the time expires. What it does is it instructs the Treasury Secretary to prioritize three categories of payments.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. TOOMEY. Madam President, I ask unanimous consent for 30 seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOOMEY. This amendment would prioritize interest on our debt, Social Security payments, Active-Duty military, and authorize the Treasury to raise the debt ceiling as necessary to cover those three categories.

I urge my colleagues to support the amendment.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Madam President, I appreciate the intent of the Senator from Pennsylvania. When we stop and think

about this amendment, it reminds us of the movie and the book "The Hunger Games." In "The Hunger Games," you will recall, children were pitted against each other until one survived.

Under this amendment, there are three categories that are protected: military pay, Social Security, and bondholders. Everybody else is out for him or herself. The Treasury Secretary would have to decide who gets what money, what funds—whether it is food stamps, whether it is Medicare, whether it is Medicaid, whether it is the Coast Guard; whatever it is, it would be total chaos, and people who would find their food stamps cut would find themselves in greater hunger.

This is a very disruptive amendment. If you think the country is worried about a lack of confidence now, if this were the law, there would be less confidence, there would be total chaos in this country. I cannot think of a more disruptive amendment that would cause so many problems. It truly is a "hunger games" amendment and I urge that we table the amendment.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BAUCUS. Madam President, I move to table the Toomey amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Massachusetts (Mr. KERRY) and the Senator from Washington (Mrs. MURRAY) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 53, nays 45, as follows:

[Rollcall Vote No. 8 Leg.]

YEAS—53

Baldwin	Harkin	Nelson
Baucus	Heinrich	Pryor
Begich	Heitkamp	Reed
Bennet	Hirono	Reid
Blumenthal	Johnson (SD)	Rockefeller
Boxer	Kaine	Sanders
Brown	King	Schatz
Cantwell	Klobuchar	Schumer
Cardin	Landrieu	Shaheen
Carper	Lautenberg	Stabenow
Casey	Leahy	Tester
Coons	Levin	Udall (CO)
Donnelly	Manchin	Udall (NM)
Durbin	McCaskill	Warner
Feinstein	Menendez	Warren
Franken	Merkeley	Whitehouse
Gillibrand	Mikulski	Wyden
Hagan	Murphy	

NAYS—45

Alexander	Cornyn	Isakson
Ayotte	Crapo	Johanns
Barrasso	Cruz	Johnson (WI)
Blunt	Enzi	Kirk
Boozman	Fischer	Lee
Burr	Flake	McCain
Chambliss	Graham	McConnell
Coats	Grassley	Moran
Coburn	Hatch	Murkowski
Cochran	Heller	Paul
Collins	Hoeven	Portman
Corker	Inhofe	Risch

Roberts	Sessions	Toomey
Rubio	Shelby	Vitter
Scott	Thune	Wicker

NOT VOTING—2

Kerry	Murray
-------	--------

The motion was agreed to.

AMENDMENT NO. 9

The PRESIDING OFFICER. Under the previous order, there will be 2 minutes of debate equally divided prior to a vote in relation to amendment No. 9, offered by the Senator from Kentucky, Mr. PAUL.

Mr. PAUL. This amendment would stop the transfer of F-16s and Abrams tanks to Egypt. Egypt is in danger of unraveling. Egypt is currently ruled by martial law. I think it is unwise to give our most sophisticated weaponry to a country in such disarray. I think it is unwise to give our most sophisticated weaponry to a country ruled by a President who recently said that Jews are bloodsuckers and descendants of apes and pigs.

I hope my colleagues will consider the ramifications of continuing to arm such an unstable regime, and I urge a vote in support of ending arms sales at this point to Egypt.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Madam President, I rise in opposition to the amendment.

Would that this amendment were as simple as the junior Senator from Kentucky described. His amendment would hinder our military assistance program and licenses for commercial sales of all major military equipment, including aircraft, ships, tanks, other armored vehicles, and so on.

Ending these contracts would not only mean a loss of thousands and thousands of American jobs, it would incur more than \$2 billion in contract termination penalties for U.S. taxpayers. We would also put at risk our access to the Suez Canal, the overflights of the U.S. Air Force over Egyptian territory, cooperation on the Sinai, Gaza, Syria, and elsewhere in the Middle East and North Africa—a part of the world where we need all the allies we can get—and our emphasis on the ability to keep the Israeli-Egyptian peace agreement going.

Do I have problems with the way the Morsi government is going? Certainly. But removing our ability to be involved with keeping that peace agreement and our ability to influence, this is not the way to do it.

It is shortsighted and harmful to U.S. security arrangements.

I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER (Ms. WARREN). Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to the motion.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Massachusetts (Mr.

KERRY) and the Senator from Washington (Mrs. MURRAY) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 79, nays 19, as follows:

[Rollcall Vote No. 9 Leg.]

YEAS—79

Alexander	Franken	Menendez
Ayotte	Gillibrand	Merkley
Baldwin	Graham	Mikulski
Barrasso	Hagan	Murkowski
Baucus	Harkin	Murphy
Begich	Hatch	Nelson
Bennet	Heinrich	Portman
Blumenthal	Heitkamp	Pryor
Blunt	Hirono	Reed
Boxer	Hoeven	Reid
Brown	Inhofe	Rockefeller
Burr	Isakson	Sanders
Cantwell	Johanns	Schatz
Cardin	Johnson (SD)	Schumer
Carper	Johnson (WI)	Shaheen
Casey	Kaine	Stabenow
Chambliss	King	Tester
Coburn	Kirk	Toomey
Cochran	Klobuchar	Toomey
Collins	Landrieu	Udall (CO)
Coons	Lautenberg	Udall (NM)
Corker	Leahy	Warner
Donnelly	Levin	Warren
Durbin	Manchin	Whitehouse
Enzi	McCain	Wicker
Feinstein	McCaskill	Wyden
Flake	McConnell	

NAYS—19

Boozman	Heller	Scott
Coats	Lee	Sessions
Cornyn	Moran	Shelby
Crapo	Paul	Thune
Cruz	Risch	Vitter
Fischer	Roberts	
Grassley	Rubio	

NOT VOTING—2

Kerry Murray

The motion was agreed to.

MOTION TO COMMIT WITH INSTRUCTIONS

The PRESIDING OFFICER. Under the previous order, there will be 2 minutes of debate equally divided prior to a vote in relation to the motion to commit offered by the Senator from Louisiana.

The Senator from Louisiana.

Mr. VITTER. Madam President, I have a very simple, straightforward motion to commit. It would commit the bill back to the Finance Committee for 7 days only with instructions to find savings—cuts—equal to the amount this bill would increase the debt limit—very simple, very straightforward, and very reasonable. This would only take \$30 billion to \$40 billion a year, which is very doable.

The American people are asking when we are going to turn to the spending side of the equation. President Obama talked all through the campaign about balance. Well, we have had the tax increases. Now we are having the debt increases. When are we going to have any new spending cuts? This would at least start, in a modest way, on some reasonable spending cuts.

The PRESIDING OFFICER. Does the Senator wish to call up his motion?

Mr. VITTER. Yes, I call up the motion to commit.

The PRESIDING OFFICER. The clerk will report the motion.

The assistant legislative clerk read as follows:

The Senator from Louisiana [Mr. VITTER] moves to commit the bill H.R. 325 to the Committee on Finance.

Mr. VITTER. Madam President, I ask unanimous consent to waive the reading of the motion.

The PRESIDING OFFICER. Without objection, it is so ordered.

The motion is as follows:

MOTION TO COMMIT WITH INSTRUCTIONS

Mr. Vitter moves to commit the bill H.R. 325 to the Committee on Finance with instructions to report the same back to the Senate within 7 days with legislative language that makes changes in existing programs that reduce Federal spending by the increase amount required by section 2(b) (as estimated by CBO) over the period of fiscal years 2013 to 2021.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Madam President, we have essentially already voted on this. It is very similar to the Portman amendment, which lost by a vote of 54-to-44. This approach was rejected by the House of Representatives when the Speaker sent over the debt increase to us, which gives us breathing room. We tried the approach suggested by the Senator in August 2011—to tie in spending. It didn't work. This moves us backward, not forward.

I think we should give praise to the Speaker for putting together a bipartisan approach to, in a way, begin to resolve our debt and debt limit solutions, and so I ask that this motion be tabled.

I move that this motion, the Vitter motion, be tabled, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to the motion. The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Massachusetts (Mr. KERRY) and the Senator from Washington (Mrs. MURRAY) are necessarily absent.

The PRESIDING OFFICER (Mr. WHITEHOUSE). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 53, nays 45, as follows:

[Rollcall Vote No. 10 Leg.]

YEAS—53

Baldwin	Harkin	Nelson
Baucus	Heinrich	Pryor
Begich	Heitkamp	Reed
Bennet	Hirono	Reid
Blumenthal	Johnson (SD)	Rockefeller
Boxer	Kaine	Sanders
Brown	King	Schatz
Cantwell	Klobuchar	Schumer
Cardin	Landrieu	Shaheen
Carper	Lautenberg	Stabenow
Casey	Leahy	Tester
Coons	Levin	Udall (CO)
Donnelly	Manchin	Udall (NM)
Durbin	McCaskill	Warner
Feinstein	Menendez	Warren
Franken	Merkley	Whitehouse
Gillibrand	Mikulski	Wyden
Hagan	Murphy	

NAYS—45

Alexander	Enzi	McConnell
Ayotte	Fischer	Moran
Barrasso	Flake	Murkowski
Blunt	Graham	Paul
Boozman	Grassley	Portman
Burr	Hatch	Risch
Chambliss	Heller	Roberts
Coats	Hoeven	Rubio
Coburn	Inhofe	Scott
Cochran	Isakson	Sessions
Collins	Johanns	Shelby
Corker	Johnson (WI)	Thune
Cornyn	Kirk	Toomey
Crapo	Lee	Vitter
Cruz	McCain	Wicker

NOT VOTING—2

Kerry Murray

The motion was agreed to.

SEVERABILITY

Mr. REID. Mr. President, I know that some have raised questions about whether Section 2 of the bill is constitutional under the 27th Amendment, though the legislation does not lower pay but rather withholds it temporarily. Of course, as members of the House knew by the time they passed the bill, Section 2 is largely moot since the Senate leadership previously announced our intention to take up a budget resolution, regardless of whether H.R. 325 is enacted.

In any event, does my colleague agree with me that even if the law is challenged in court and Section 2 is found to be unconstitutional for any reason, the first section would remain in force? That is, does he agree that, in such a circumstance, Section 2 should be severed from the rest of the legislation, leaving the debt limit suspension unaffected?

Mr. BAUCUS. I do agree with the majority leader. As we have discussed, it should be obvious that the overriding, critical purpose of this legislation is to suspend the debt limit and avoid the catastrophic implications of a default. This is an entirely different and severable issue from Section 2, which relates to the budget resolution and member pay.

Mr. President, it would make no sense to vitiate the suspension of the debt limit, and risk default, because of an entirely separate issue. It is hard to believe that many, if any, of my colleagues would want that result. In fact, were a court to strike down Section 1 because of problems with Section 2, there could be serious consequences, potentially including uncertainty about the validity of Treasury securities issued with the full faith and credit of the United States. Nobody would want that to happen.

The PRESIDING OFFICER. There is now 2 minutes of debate equally divided prior to a vote on passage of the measure.

Who yields time?

All time has expired.

The bill was ordered to a third reading and was read the third time.

Mr. BEGICH. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Massachusetts (Mr. KERRY) and the Senator from Washington (Mrs. MURRAY) are necessarily absent.

The PRESIDING OFFICER (Mr. COONS). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 64, nays 34, as follows:

[Rollcall Vote No. 11 Leg.]

YEAS—64

Ayotte	Hagan	Nelson
Baldwin	Harkin	Pryor
Baucus	Heinrich	Reed
Begich	Heitkamp	Reid
Bennet	Heller	Rockefeller
Blumenthal	Hirono	Sanders
Blunt	Hoeven	Schatz
Boxer	Johnson (SD)	Schumer
Brown	Kaine	Shaheen
Cantwell	King	Shelby
Cardin	Klobuchar	Stabenow
Carper	Landrieu	Tester
Casey	Lautenberg	Thune
Cochran	Leahy	Udall (CO)
Collins	Levin	Udall (NM)
Coons	McCain	Warner
Donnelly	McCaskill	Warren
Durbin	Menendez	Whitehouse
Feinstein	Merkley	Wicker
Franken	Mikulski	Wyden
Gillibrand	Murkowski	
Graham	Murphy	

NAYS—34

Alexander	Fischer	Moran
Barrasso	Flake	Paul
Boozman	Grassley	Portman
Burr	Hatch	Risch
Chambliss	Inhofe	Roberts
Coats	Isakson	Rubio
Coburn	Johanns	Scott
Corker	Johnson (WI)	Sessions
Cornyn	Kirk	Toomey
Crapo	Lee	Vitter
Cruz	Manchin	
Enzi	McConnell	

NOT VOTING—2

Kerry Murray

The bill (H.R. 325) was passed.

The PRESIDING OFFICER. The majority leader.

MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to a period of morning business, with Senators allowed to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Republican whip.

THE ECONOMY

Mr. CORNYN. Mr. President, the latest economic report came out yesterday, and it showed that the economy of the United States actually shrank in the last quarter of 2012, with U.S. exports plunging 5.7 percent. You heard me correctly—the economy is growing more slowly. In fact, it is contracting rather than growing. This news is a sobering reminder that we are still experiencing the weakest economic recovery

and the longest period of high unemployment since the Great Depression, and it has very human consequences. Millions of Americans are out of work or they are working part time when they wish they could work full time so they can provide for their families.

We cannot create more jobs in this economy unless the economy grows. We must never accept slow growth and high unemployment as the new normal. As I said, these are not just economic concerns, these are human concerns. When millions of people are unable to get full-time jobs, the social and psychological effects can be devastating for individuals, families, and entire communities. Yet it seems that the President is no longer focused on the economy. By shutting down the White House Jobs Council—with unemployment at 7.8 percent—the President is sending a clear message that the economy and jobs are no longer his top priorities and that his priorities lie elsewhere. This is greatly disappointing.

We must do everything we can within our power to revive the American jobs machine and accelerate the pace of U.S. economic growth. That means doing some simple but apparently complicated things at the same time, such as reforming our Tax Code, abolishing unnecessary and harmful regulations, and removing the obstacles to greater domestic energy production. In other words, we should copy the simple economic blueprint that has proven so successful in my State of Texas: lower taxes, limited government, sensible regulations, and strong support for our domestic energy production. These policies have helped Texas turn a \$5 billion deficit into an \$8.8 billion surplus while creating hundreds of thousands of new jobs in the private sector.

Texas achieved that budget surplus by having the courage to make some hard decisions when it came to spending.

Unfortunately, the Federal Government continues to spend and spend and postpone its own hard decisions about America's long-term finances. When we look back over the past several decades, for example, we see our programs, such as Medicare and Social Security, on an unsustainable path, and we see that virtually all of the increases in Federal spending come from those programs. When we look ahead over the next several decades, we see that these programs are headed for bankruptcy. This is not a Republican issue or a Democratic issue, this is unacceptable to all of us. Why aren't we doing everything in our power to preserve and protect Medicare and Social Security by taking the steps we all know need to be taken in order to save these for future generations?

I know there are some people in the Chamber and across the Capitol who still believe we can solve all of our problems by raising taxes. Well, we just saw the American people's taxes go up by roughly \$60 billion a year as a

result of the fiscal cliff negotiations. The President has gotten his tax increase. The President has gotten his pound of flesh. So now it is time for a little bit of what the President himself likes to call "balance." Where are the spending cuts? Where is the spending restraint that would provide the balance to offset that revenue increase? The President knows these facts as well as anyone. He has acknowledged that tax increases alone cannot save programs such as Medicare. Instead, we all know we need measured structural reforms to make these programs sustainable in the long haul.

With the national debt now roughly around \$16.5 trillion, with the Medicare hospital trust fund projected to be insolvent within 11 years, with our unfunded Medicare liabilities approaching \$27 trillion, and with our total unfunded liabilities exceeding \$100 trillion, America's toughest financial decisions must not be delayed any longer.

The politics, no doubt, are difficult, but the choice is pretty simple: Either we will reform these programs—Medicare and Social Security—gradually, slowing the rate of growth, or we will be forced to slash them abruptly when the bottom drops out of our economy. If we reform them gradually, starting now, we can minimize the impact and protect our most vulnerable citizens. If we wait until a debt crisis ensues and those changes have to be made abruptly, the impact will be much harsher and they will disproportionately affect low-income people and the needy. Nobody wants that. If we continue to kick the can down the road, pretty soon we are going to run out of road.

I have one final point. I read in the Washington Post this morning that people were saying that the contraction of the economy has been because the Federal Government has not been spending enough. Well, I would remind everyone here that about 40 cents out of every dollar the Federal Government spends is borrowed money. That racks up trillion-dollar-plus annual deficits and contributes to the \$16.5 trillion national debt. We cannot keep spending our way out of slow economic growth. Over the past few years, we witnessed an explosion of new Federal spending, and that has not solved our economic problems. We have also seen the weakest economic recovery since the Great Depression. So we have seen a confluence of unprecedented Federal spending and weak economic growth. That is not a coincidence.

In 2008 America ranked No. 1 in the world for global competitiveness. We were No. 1 in the world. In 2012 we ranked seventh. In 2008 we ranked fifth on the Heritage Foundation's Index of Economic Freedom. Today we rank 10th. This decline is simply unacceptable and can be easily reversed—not with more government spending of borrowed money, thereby exacerbating our deficits and debt and crowding out the private sector, creating uncertainty as to what our tax policy will be or what