

Think about that. Here we are on the eve of a vote, December 23, the vote is tomorrow morning, December 24, and we are not agreed on whether the money is being double counted. He wrote back and said it is being double counted, "although the conventions of accounting might suggest otherwise."

The way they scored this bill was carefully done by experts to get the score they got, that it would make a surplus of \$140 billion. But the money was Medicare money. They raised taxes for Medicare. They cut costs for Medicare. It created some money in Medicare, but the money was borrowed by the U.S. Treasury and spent on this new program. The money is owed to the Medicare trustees, who are trustees by law. They are holding debt instruments from the United States. But because it is an internal debt, it doesn't score. That may seem complicated, but it is not. Trust me, they borrowed this money. Sooner or later, when Medicare is going into deep financial distress, they will call their bonds from the Treasury and the Treasury is going to have to pay it, and they are going to borrow the money on the open market is what they are going to do so they can pay the Medicare trustees the money they borrowed from them. This is not a good way to do business. That is just one of the additional problems we have with this.

But, I thank Senator JOHNSON for focusing on all these issues but particularly for raising the cost of the exchanges. Because that, by any estimate—wouldn't the Senator agree—is a dangerous number. It could surge above the number we are at. Does the Senator think most any person, even if they thought it would be 1 million people, would have to admit it could be 5, 10 or 20 million people? Nobody knows for sure.

Mr. JOHNSON of Wisconsin. Exactly. That is why I am so thankful that CBO Director Elmendorf understands there is some pretty credible evidence to have the CBO revisit that estimate.

I spoke with him last week. It looks like they are working hard to provide us that information. I am looking forward to seeing that and seeing what their revised estimate is for the number of people losing their coverage, but even more important, to figure out what that per person cost is.

Maybe we will not agree. He might do a very economic analysis. Certainly, somebody such as myself who actually bought health care understands the mindset and the decision of an employer. But even if we disagree on the number of people, if we have that total dollar amount of cost per person in that exchange, we will be able to show that to the American people. So if he comes up with X and I say, no, it is X plus 30, 40, 50 million people, then at least the American people have that information, and they can judge for themselves what they think the realistic estimate is for people losing their coverage and getting their insurance

through the subsidized exchanges. That information is what the American people deserve, and that is why I am so appreciative of the Senator's efforts. I know he is going to be, just with me, making sure that, again, we know what the true cost of this health care law is before we implement it.

Mr. SESSIONS. We have to know that. We have a responsibility, as representatives of the people, to understand are we talking about another \$100 billion in cost over just 1 year's time that we weren't expecting.

I believe the Budget Committee is a good forum to have that. The Senator and I serve on that committee, and I hope Senator CONRAD can agree and would agree to give Secretary Sebelius an opportunity to state her view of the situation.

I have to say, I am more and more convinced that we cannot afford this health care bill. We cannot afford it. We don't have the money. We don't have the money. I think it will damage health care, and we have had a lot of debate and experts tell us that, and it will reduce the quality of care in America. But what I am saying to the Senator is, we can't afford it, and it threatens the financial viability of our future. We need to save Medicare and Social Security, the programs we have. It would be a terrible tragedy if we start off on another program. As the Senator talked about Medicare 30 years ago, 40 years ago, it surged way beyond any estimate they would ever have expected in terms of costs.

If we start on another program, I don't see how this country can sustain it. The entitlements we have today are now taking up about 60 percent of the entire budget of America: Social Security, Medicare, Medicaid. Over 50 percent, almost 60 percent of our entire spending goes for those three programs. To start another massive new program, when those are all unsound financially and in crisis and need to be fixed, is the height of foolishness, in my opinion.

I hope we can have a good hearing. I thank the Senator for his leadership; he is a great addition to the Budget Committee. I thank him for spending hours digging into these numbers, bringing his business and accounting skills to bear, and letting our lawyer bunch benefit from somebody who can actually add and subtract.

Mr. JOHNSON of Wisconsin. I thank the Senator for his leadership.

Mr. SESSIONS. Mr. President, I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BLUMENTHAL). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KYL. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

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

## THE ECONOMY

Mr. KYL. Mr. President, I come to the floor today to respond to some arguments made in a recent opinion article by the chairman and ranking member of the Senate and House Budget Committees, respectively. It is entitled "GOP Budget Attacks Misguided." The crux of the piece is that President Obama has made great progress in improving the economic outlook, and it would improve even more if only Republicans would embrace his policies.

The first set of claims I want to respond to relates to the strength of the economic recovery. The authors write that "we've come a long way" since the peak of the recession thanks to "actions taken by the Obama administration" and have had "23 consecutive months of private-sector job growth."

To start, I don't think the 12.8 million unemployed Americans would agree we have come a long way. Indeed, it has been 2½ years since the recession technically ended, and we are still experiencing the weakest recovery since the Great Depression. Growth is anemic, and there are 700,000 fewer employed Americans today than when President Obama took office.

Although it has been 3 years since passage of the stimulus bill, unemployment has been above 8 percent for the last 35 months. Remember, this legislation was sold as a way to keep unemployment below 8 percent. These are some of the signs that "actions taken by the administration" are not working to get Americans back to work or improving the economy.

Regarding the claim that America has had 23 consecutive months of private sector job growth, the President has been citing this number on the campaign trail, averring that 3.7 million jobs were created during that time. But the claim doesn't stand up to scrutiny. Those who cite it don't account for the role new workforce entrants play in employment statistics.

Economists generally agree that for employment to hold even, about 150,000 jobs must be created each month to employ new entrants into the workforce. These people include those who recently concluded military service or family obligations and recent graduates. If we multiply 150,000 by 23 months, we get about 3.45 million jobs. That means even by the administration's own figures, only about 250,000 new jobs have been created in roughly 2 years.

Moreover, according to the Bureau of Labor Statistics, the net positive increase in payrolls was above 150,000 during just 9 of the 23 months to which the set referred. So, yes, it would have been nice to have 23 consecutive months of private sector job growth, but that is not what happened. Again, we need 150,000 just to stay even with the new people entering the workforce, and in only 9 of these 23 months did the economy produce that many jobs.

The second set of claims I want to discuss relates to supposed blame on

Republicans for the debt and the hampering of a stronger recovery. The authors of this op-ed claim that “while the deficit has remained high over the past 3 years, that is largely a result of the policies of the previous Republican administration.”

Let's take a look at the actual deficit numbers. Labeling the last three deficits as “high” is quite an understatement. According to President Obama's own budget numbers, in 2009 the deficit was \$1.4 trillion. In 2010 the deficit was \$1.3 trillion. In 2011 it was, again, \$1.3 trillion. The deficit this year is expected to top \$1.3 trillion.

At the end of the budget window, in 2022, the deficit is projected to be \$704 billion. The highest deficit under President Bush was \$458 billion, in 2008. Every deficit under President Obama has been almost three times that figure—more than double. But President Obama should not be accountable for the debt problem? How does that work?

The President and his supporters like to point out that the budget contains \$4 trillion in deficit reduction over the next 10 years. But most of this reduction is based on new taxes and gimmicks, such as alleged “savings” from actions that Congress has already taken or from ending operations in Iraq and Afghanistan.

As a USA Today editorial quoted today:

[The budget] relies on gimmicks and avoids some problems instead of tackling them. . . . Most glaringly, Obama takes credit for about \$850 billion in savings from winding down the wars in Iraq and Afghanistan, which were paid for with borrowed money in the first place.

These were not actual savings. The Committee for a Responsible Budget put it this way:

When you finish college, you don't suddenly have thousands of dollars a year to spend elsewhere. In fact, you have to find a way to pay back your loans.

Regarding the supposed problem of Republican resistance to demand-based policies, there is a major misconception that consumption fueled by government spending actually creates jobs. This is the stimulus myth. It does not. It just inefficiently moves money around from one pocket to another or one taxpayer to another. That helps explain why the stimulus failed.

If Americans cannot spend enough money to stimulate more demand, how can the Government accomplish that for us? It is our money that is being spent. Simply put, demand policies do not work. There have been ample opportunities to prove otherwise in recent years. Let's remember the President got everything he wanted from Congress during his first 2 years in office. He has been in office a little over 3 years. The first 2 years there was a Democratic House and a Democratic Senate. The 111th Congress passed all of the demand-based policies he asked for: spending, temporary tax credits, tax holidays, the stimulus. Yet here we are.

A better idea is to encourage economic activity and greater opportunity through the supply side of the economy. That means reducing government consumption of taxpayer dollars and not raising taxes on anyone, especially job creators.

That brings me to the third set of claims involving the notion of “balance.” The authors claim the budget “calls for a balanced approach . . . with everyone sharing responsibility for deficit reduction.” They also note that balance is “missing from the GOP approach.”

Balance in the Obama budget, of course, means higher taxes. I ask how is it balanced to tax job-creating small businesses even more than they are being taxed today?

According to the Joint Committee on Taxation, nearly 750,000 flow-through businesses—these are the small businesses, the businesses that pay their taxes as individuals—nearly 750,000 would be subject to the President's proposed tax rate hikes that would take effect on January 1 of next year. One-quarter of our Nation's workforce depends on these employers for a paycheck.

According to the National Federation of Independent Businesses, up to 25 percent of the workforce is employed by businesses that will be affected by the President's proposed tax hikes. Perhaps job growth is so slow because these job creators are skittish because they do not have certainty, and they certainly have not for a long time. In fact, the only thing they can see is the President's attempts to impose more taxes on them.

The specter of tax hikes has loomed for years and has inhibited job growth. If the tax increases actually occur, we can be sure any economic growth we might be perceiving will be killed.

Finally, the authors claim the President “has demonstrated that he was willing to go the extra mile to reach a bipartisan deficit reduction agreement.” I will note that the debt talks fell apart last summer because the President dug in his heels and insisted on harmful tax increases that Republicans, of course, opposed, for the reasons I just noted. When we had another opportunity to do something about the debt this fall, the President was not particularly helpful or encouraging. Often missing in action, he never participated in the process. The plan put forward by the Republican Senator from Pennsylvania at the time was the only balanced approach that put significant revenue on the table in the context of progrowth tax reform.

The majority whip called it a “breakthrough,” but it was never enough for the other side. So here we are, still debating this subject. So much for the President going the extra mile.

In conclusion, I would like to say the President's budget is more of the same spending, taxes, and debt we have seen for the last 3 years. Last year the budget was so unpopular with the American

people that the Senate voted it down 97 to 0. Not a single member of the President's party voted for his budget. The massive amounts of spending, taxing, and borrowing in his budget will hinder an economic recovery. In times like these we have to focus on growing our economy, not our Government and debt.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

The Senator from Arizona.

Mr. KYL. Mr. President, I ask unanimous consent to speak as in morning business.

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

#### UNANIMOUS CONSENT REQUEST— H.R. 3606

Mr. KYL. Mr. President, on behalf of the Republican leader, I ask unanimous consent, notwithstanding any other rule of the Senate, that immediately following the disposition of the pending Transportation bill, the Senate proceed to the consideration of H.R. 3606, a bill received from the House, which would increase American job creation and economic growth by improving access to the public capital markets for emerging growth companies; I further ask that the bill remain the pending business to the exclusion of all other business until it is disposed of.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Mr. President, reserving the right to object, last week the House passed their jobs bill. The purpose of that bill was to loosen securities regulations for small businesses. It is what they call a jobs act. It is not going to create a lot of jobs, but it is important legislation. The House passed a bill 390 to 23 last Thursday. The White House issued a statement supporting the legislation.

This piece of legislation clearly needs to be brought before the Senate as soon as we can. We will work to get a consent agreement and provide for the consideration of a handful of amendments to the legislation. I would be more than happy to work with the Senator to get a short time agreement for its consideration.

One of the issues I alert my friends to is that we have been working diligently for a way to get the Import/Export Bank reauthorized. It is so important to do that. I met recently with the head of Boeing. It is so important for their business and many other businesses. It is a job-creating measure.

I am not going to have that hold up this legislation, but at least I am going to have a substitute we can dispose of