

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

the fiscal consequences will be when the bottom drops out. Instead, what we need are genuine progrowth policies designed to help small businesses and middle-class families.

We don't need more government intervention; we need more entrepreneurship and more innovation. Government must simply take its boot off the neck of the great American jobs engine. After all, this is still the most dynamic economy on Earth, and America continues to attract the best and brightest from around the world who want to come to America to achieve their own version of the American dream. With better leadership—particularly from the President, whose leadership is required—there is no reason we cannot turn this slow economic growth around and turn it into fast growth, which in turn will increase private sector job creation. It will create more taxpayers who will pay more money into the Treasury, which will help us close that deficit. In the process, we need to expand economic opportunity for all Americans.

I yield the floor.

The PRESIDING OFFICER. The Senator from Indiana.

HAGEL NOMINATION

Mr. COATS. Mr. President, even though the confirmation hearing regarding the nomination of former Senator Chuck Hagel for Secretary of Defense is going on before the Armed Services Committee, I would like to make some comments in terms of my thoughts regarding his potential appointment and the conclusion I have come to based on the 130 pages of written answers to questions posed to Senator Hagel by the Senate Armed Services Committee and some of the information I have gleaned, as my schedule has allowed, from his testimony before the SASC—ongoing, as I said.

Based on his written answers and what I have heard so far, it is clear that Senator Hagel is willing to execute the policies established and endorsed by the President. But the idea floated out of the White House, what the President has described as bipartisan balance—that is why Senator Hagel was selected—to consideration of these critical issues before us regarding the role of the next Secretary of Defense, doesn't hold water.

As I said, Senator Hagel has essentially indicated on a number of occasions—through his written answers and through his answers to the SASC committee—that he is in line with the President's policies and, in fact, in some cases, to the left of some of those policies.

It is obvious that I and many of my Republican colleagues disagree with many of the views and policy positions taken by the administration and Senator Hagel. This is to be expected. Most policy differences should not be sufficient reason to oppose a nomination of a President's preferred Cabinet ap-

pointment. Elections have consequences, and the President does have the right to his own advisers. However, this usual tolerance of alternative views has its limits. For me, the limit is when a nominee is of such a high position, such as the Secretary of Defense, and that nominee has a point of view which places the United States in greater danger, which I believe is the case for this nominee, then I think we have to ask ourselves a number of questions before we give our support and before we make our decision.

Senator Hagel's views about the threat posed by Iran's nuclear ambitions and the best way to counter that threat are significantly inconsistent with my own, inconsistent with America's responsibilities, I believe, at this moment in history, and inconsistent with the security needs of our country and the survival of our friends.

I have been focused on the Iranian nuclear threat for more than 5 years. After I left my position as Ambassador to Germany and returned to the private sector, I joined the Bipartisan Policy Center. Together with former Democrat Senator Chuck Robb, we co-chaired a project on Iran. The Bipartisan Policy Center has been on the front lines of those ringing alarm bells about the situation in Iran and its pursuit of nuclear weapons. We issued our first report in 2008 entitled "Meeting the Challenge: U.S. Policy Toward Iranian Nuclear Development." I was involved in producing a second, more urgent report in 2009 entitled, "Meeting the Challenge: Time is Running Out."

After I left the Bipartisan Policy Center and returned to the Senate, the organization produced two more reports on the subject, each more urgent than the last, and each demanding clearer, more vigorous, and more determined U.S. policy to avert this ever present danger. Each year since the beginning of my involvement in this Bipartisan Policy Committee project, I have become increasingly worried about Iran's continuing irresponsible and dangerous behavior and the administration's inconsistent, unsure policies to respond to this growing threat.

Preventing Iran from gaining nuclear weapons capability is the most urgent foreign policy matter facing the United States and international security. The consequences of a nuclear weapons-capable Iran are not tolerable, not acceptable, and must motivate the most powerful and effective methods and efforts possible to prevent this from happening. Based on his record as a Senator and subsequent public statements, I do not believe Senator Hagel agrees with this assessment.

Since returning to the Senate, I have joined many colleagues in pressing for a robust, comprehensive, three-track effort to raise the stakes for the Iranian regime and compel it to live up to its commitments and halt its weapons program. The first track is enhanced diplomatic efforts—and I mean enhanced. We have pressed the adminis-

tration to create, invigorate, and motivate a much enhanced international coalition devoted to one single objective: to prevent Iran from gaining nuclear weapons.

This doesn't mean simply repeated outreaches to the Iranian regime itself to engage in dialogue. The Obama administration came into office promising such discussions, but this has gone nowhere, nor have other diplomatic efforts, either unilateral or multilateral. All such diplomatic efforts have failed—all such diplomatic efforts have failed—for nearly a decade in achieving the goal of preventing Iran from its continuous and relentless pursuit of developing nuclear weapons.

Senator Hagel, whose life story brings him to a justifiable reliance on dialogue before the use of force—a preference which we all understand and we all share—has, in my opinion, an exaggerated and unrealistic belief in what dialogue and diplomacy can accomplish. This is especially so when the dialogue partner is a revolutionary regime of zealots with a self-declared historical mission rather than rational leaders of a nation state—a huge distinction between dialogue with rational states and dialogue with Iran and its irrational leadership.

Senator Hagel has long called for direct, unconditional talks with the Iranian regime, not to mention direct talks with Hamas, Hezbollah, and Syria as well. He has pressed that such talks should proceed without the backing gained from other, more forceful, credible options. This approach is far too weak to be effective and reveals a person less committed to results than this critical moment demands.

The second track of a comprehensive search for a solution is sanctions. I have supported all legislative efforts to create and impose both unilateral and multilateral sanctions on Iran, leveraging similar commitments from our friends and allies when possible, and pursuing unilateral sanctions when necessary. Indeed, it has been our willingness to impose sanctions by unilateral action that arguably has stiffened the spine of the international community and made increasingly harsh multilateral sanctions regimes possible.

Senator Hagel does not see it that way. He repeatedly voted against sanctions legislation, even opposing those aimed at the Iranian Revolutionary Guard Corps, which at the time was killing our troops in Iraq. He has long argued against sanctions imposed by the United States absent an international judgment by others that we are doing the right thing. He has not seen the connection between America's firmness, determination and leadership, and international acquiescence. It is his instinct to give a veto to Brussels or Paris or even Moscow and Beijing, and I cannot support the nomination of a Secretary of Defense who shows such deference to foreign politicians.

Senator Hagel has famously agreed publicly that the United States is a