

For himself, he says he plans “to urge the federal government to take a stronger leadership role in helping our cities prepare for what is certainly coming our way.”

There are a lot of Republicans out there who are awake to the threat of climate change and to the win-win-benefits of pricing carbon and using the revenues to invest in tax reductions and adaptation and other ways to protect ourselves and advance our economy.

Unfortunately, in Congress, the dark, heavy hand of the polluters is helping the tea party drive the Republican party off the cliff. One day the Republican Party will pay a heavy price for this, and that day may be soon. They need to make the change.

It is the responsibility of Congress to heed the warnings of environmental calamity, to stamp out market distortions that favor polluters, and to steer this country on a prudent, reasonable path toward a proud future that is both sustainable and equitable. It is time for Congress to wake up.

I yield the floor.

The PRESIDING OFFICER (Mr. DONNELLY). The Senator from Ohio.

BUDGET AGREEMENT

Mr. PORTMAN. Mr. President, I rise to talk about the budget agreement before the Senate. We had a vote today on moving ahead to that legislation, and I supported that movement. I supported the cloture vote and will support the underlying budget agreement because it does take modest steps to reduce the deficit. It does so without raising taxes. It also relieves some of the sequester's worst impact on our national security, and it also prevents another government shutdown next month and also next year.

I also support it because it is time for us to have a budget. We have not had a budget for 4 years. It will enable us to begin the process of having appropriations bills again. In the appropriations process, of course, we have oversight over the Federal departments and agencies and we prioritize spending, which is very important. Among other things, this will give us the opportunity to root out some of the waste and fraud and actually determine what programs are working and not working to be able to use the power of the purse that Congress has, to help be sure taxpayer funds are being used efficiently and effectively.

As Members know, this agreement was the culmination of what is called a Budget Conference Committee between the House and the Senate. So it was Democrats and Republicans but also the House and Senate coming together. That has not happened in 4 years. So we have not had a budget in 4 years. We have not had a budget conference in 4 years. If you think about that, is it any wonder that during those 4 years Congress has racked up historic debts and deficits?

The deficits of the past 4 years have been the largest deficits in the history of our country, and one reason is we have not had the discipline that comes with having a budget and being sure there is some accountability for the spending. We have not made the hard choices our constituents have to make every day, how much to spend and what to spend it on. That is what a budget is supposed to do.

This budget agreement we will be voting on this week is far from perfect. There is a lot I don't like about it. In fact, I just supported the attempt to amend it on the floor of the Senate to improve it, but I do believe that with a divided Congress—Republicans in charge in the House, Democrats in charge in the Senate—it was the best we could hope for. There were no tax increases, as the Democrats wanted. We just heard from one of my colleagues about how more taxes are needed, but there were no tax increases in this budget agreement.

There is actual deficit reduction, although I will acknowledge that the deficit reduction is way too small. There is about \$22 billion in deficit reduction over 10 years compared to the existing law.

It does provide some sequester relief for the Department of Defense. The Department of Defense was facing across-the-board sequester cuts which were kind of arbitrary across-the-board cuts of about \$20 billion starting on January 15 and over the next few months.

This relief is very important to our military. We have heard from them. It is important to our readiness. It is important to our troops. It is important to Wright-Patterson Air Force Base in Ohio and other bases around the country. It is important to our war fighters who are stationed around the globe tonight and putting their lives on the line for us. So I think the sequester relief for the Department of Defense that is in the budget agreement is important.

While this might be the best 2-year budget agreement that is imaginable in a time of a divided government, such as we have with all of the dysfunction in this town, it is certainly not the comprehensive agreement the American people deserve.

Through this agreement, Congress has now accomplished the bare minimum of what the American people should be able to expect from Congress. After all, Congress does have, as I said earlier, the power of the purse, and that is in the Constitution. Every dime has to be appropriated by the Congress. We should be the ones determining how taxpayer dollars are spent, and we certainly need a budget.

There are some who took to the floor today, and will tomorrow I am sure, who will say this is a great budget agreement; this shows everyone how Washington can work and come together to fix a problem. Fair enough. We avoided a government shutdown. Yes, we are not going to gut national

security, and, yes, we will have a small deficit reduction—again, about \$22 billion.

Let's be honest about the opportunity Congress missed this week with this budget agreement. When it comes to the very real budget and fiscal problems we face as a country, when it comes to the mandatory spending, which is two-thirds of the budget and is on autopilot, that is the part that is driving our country toward bankruptcy and threatening to undermine important vital programs, such as Social Security, Medicare, and Medicaid.

We have done nothing on that side of the ledger in this budget agreement. We kicked the can down the road one more time and missed the opportunity. As we all know, unless we address these fiscal problems, the day of reckoning is coming.

This is a pie chart of Federal spending that will kind of show where we are relative to 1965 when mandatory spending—again, this is the part Congress does not appropriate. It is on autopilot. It is 34 percent of the budget. Defense is 43 percent of the budget, domestic discretionary is 23 percent.

Here is where we are today: Mandatory is 66 percent of the budget. We went from 34 percent to 66 percent. Remember, this is Social Security, Medicare, Medicaid, also interest on the debt. By the way, defense spending has gone from 43 percent down to 18 percent. Yet the sequester disproportionately takes most of the savings out of defense, which is one of the reasons this budget agreement was needed.

We have seen big growth in mandatory spending. By the way, over the next 10 years, it goes from 66 percent to 76 percent. What does that mean? That means it crowds out discretionary spending—defense spending, research spending, education spending, infrastructure spending. That is what is happening.

Our deficits are going to record highs over the next couple of decades and mandatory spending is exploding and it is squeezing the other spending in our budget.

Over the next decade, the Federal Government is going to collect revenue of about \$40 trillion, spend about \$46 trillion, and run a deficit of \$6.3 trillion. Over the next 10 years, there will be another \$6.3 trillion on top of the \$17 trillion debt.

In that 10th year, by the way, 2023, the best case scenario has a projected annual deficit of nearly \$1 trillion—\$895 billion for 1 year. By the way, it assumes no wars, it assumes a decade of prosperity, and it assumes 10 years of historically low rates. It is quite a rosy scenario. If any of these factors fall through, things could be much worse, and it could be well over \$1 trillion.

This is not a problem that can be solved by just cutting discretionary spending. Over the next 10 years, Washington will spend more than \$22 trillion on these vital programs: Medicare, Medicaid, and Social Security. If we

were to cut our defense budget over the next decade all the way down to zero—have no defense spending at all, zero—we could pay for just one-quarter of that cost of the \$22 trillion.

If we removed every penny of potentially identifiable waste in government—which we should do, by the way, and that is why we need to get back to appropriations—we could pay for less than 10 percent of this exploding cost on the mandatory side.

If we pulled out of Iraq and Afghanistan today and ended all bailouts and corporate welfare, reversed the tax cuts for all Americans making less than \$450,000 a year that we kept as part of the fiscal cliff agreement, repealed ObamaCare altogether—if we did all of those things, we would cover just 20 percent of the cost of those programs, this \$22 trillion.

In other words, even if we wanted to try to do it by cutting this spending, we could not do it because there is not enough money in that part of the budget. So it is not just a matter of choosing spending priorities and it is certainly not a matter of raising taxes.

Earlier my colleague talked about how we needed to raise more taxes for different things, and I understand a lot of people are saying that, but let's be honest about this: It is a bad idea at a time of a weak economy to raise taxes. Plus, over the next decade, you know what happens on taxes. Over the next decade we have been told by the Congressional Budget Office that taxes will be—as a percent of the economy, which is the way economists tell us we ought to look at it—at historically high levels.

So the economy is already weak, tax revenues are headed toward their highest sustained levels in history, and when it comes to taxes, there is an alternative, which is let's reform the Tax Code.

What we should be doing is restraining spending, reforming these vital but unsustainable programs, while also raising more revenues through growth, and economic growth can come through tax reform. That tax reform gives the economy a shot in the arm. It helps bring back the jobs. It increases revenue through growth. That is why we need both entitlement reform and tax reform.

The issue of entitlement reform is a tough one politically. A lot of Members of Congress are hesitant to touch it. It is called the third rail of American politics. That is akin to the electrified rail in the subway system, where if you touch it you are electrified. Let's start small. How about means testing of Medicare. This could be a first step in the right direction.

Under Medicare, the average two-earner couple retiring today pays \$119,000 in lifetime Medicare taxes, yet receives \$357,000 in lifetime Medicare benefits. So \$1 of taxes for \$3 of benefits. That is how Medicare works. That is for a typical family in Ohio or around the country. When we multiply

this by 77 million retiring baby boomers, we can see why we have an unsustainable program, because not enough money goes in to pay for the benefits going out.

Providing \$3 in benefits under Medicare for every \$1 paid in taxes for low-income seniors is one thing. We want to be sure low-income seniors are being taken care of. For the most part, in their working years, they probably didn't earn enough income to pay large Medicare taxes, and the program is designed to see that they do receive the medical coverage they wouldn't otherwise get. But should upper income seniors—seniors who are on Medicare—receive benefits that far exceed what they pay into the system? That is what happens now. Is that fair? I don't think so, when the program is going bankrupt, when our kids and grandkids are facing massive tax increases to pay for a problem that we all foresee and yet fail to correct.

By the way, I tried in this latest budget agreement to say, on the mandatory side of the ledger, why don't we deal with means testing of Medicare. That would provide enough revenue to provide relief on sequester. We wouldn't be doing things such as TSA fees or things such as reducing the benefits for our military. It was rejected. I talked to a number of Democrats about it who said we can't touch that. We can't touch even means testing of Medicare without raising taxes. So, in essence, raising taxes on the wealthy is necessary to reduce benefits for the wealthy. That is the point we are at. That is how tough it is. That is why we need a new approach. That is why we need some leadership—in the House, in the Senate but also in the White House. We need a President willing to help us on this, to talk about it.

Have we ever heard the President talk about the fact that there is \$3 of benefits coming from Medicare for every \$1 paid in? Have we ever heard the President talk about the fact that entitlements are otherwise going to bankrupt the country? We need a little straight talk and honest dialogue about this.

If we do nothing, as we have done with this budget agreement in the Senate with regard to mandatory spending, entitlement spending, and as we have done time and time again, the Social Security disability trust fund will go bankrupt in 2016, a couple years from now. Medicare will follow in 2026—again, every year, much more being paid out than being paid in. Social Security, already in a cash deficit, meaning there is more money coming out in terms of benefits than there are payroll taxes going in every year—but it will collapse, the trust fund will collapse in 2035. Medicaid has no trust fund, so it will not go bankrupt itself; it will just continue to grow at unsustainable levels, helping to bankrupt the country, but also, in that case, it may take the States down with it, and States will tell us it is generally

their largest and fastest growing expense, Medicaid.

So these are issues we must address. On the floor of this Chamber, we often talk about the next generation. We hear speeches about protecting the elderly and ensuring every American gets the benefit of the bargain made when Social Security and Medicare came into being. I agree, but to do that we need to improve and preserve these programs, and we need to stop blaming one another for what happened because, frankly, Republicans and Democrats alike are responsible for this. We have done one thing that is truly bipartisan in the last few decades; that is, we have overspent and we have overpromised, Republicans and Democrats alike. Because we helped create this mess together, we have to work together to resolve it.

With this vote on the budget this week, another budget crisis has passed, and that is good. We are on the road to avoiding another government shutdown in January and again next year. That is the most basic job of government, and I think that is good. We have a little bit of deficit reduction, we didn't raise taxes on a weak economy, but we need to aim higher. Perhaps in the context of the debt limit debate that is coming up in a matter of only a few months, we can get more serious about the underlying problem, because it is that underlying problem that is driving our future deficits. We all know that. We all agree on that. We all know it has to be fixed. So let's do it this coming year.

We have seen how divided government can achieve something important but small. That is what happened with this budget agreement this week. In 2014, next year, let's see how divided government can achieve something big and critical to economic growth and jobs and to the future of our children and grandchildren. That is our solemn responsibility in the Congress, to ensure that we are leaving a better world to future generations. We cannot do this if we do not address this fiscal crisis.

I yield back my time.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative 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.

Mr. REID. Mr. President, are we in a period of morning business?

The PRESIDING OFFICER. The Senator is correct.

TRIBUTE TO KATHLEEN BIGNOTTI

Mr. REID. Mr. President, I rise today to recognize the extraordinary career of United States Capitol Police Sergeant Kathleen Bignotti, who is retiring after more than 28 years of service to the Department.