



# Congressman Tim Murphy

Serving the 18<sup>th</sup> District of Pennsylvania



Dear Friend:

\$58,000 per second. That's how fast the debt of the United States government is growing. The total amount of debt is over \$14.3 trillion (\$14,300,000,000.00), or about \$45,000 owed by every man, woman and child in America. To put this in perspective, America's Gross Domestic Product (the value of all the goods and services produced within our country) is \$14.5 trillion. Given that our debt is near the entire value of our economy, it's no wonder that credit rating agencies, such as Standard & Poor's, recently listed the U.S. outlook as negative; leading to renewed concerns over inflation and fears that any glimpse of an economic recovery has disappeared.

How will this debt affect job growth and economic recovery, and will inflation make prices for food and gas climb even higher? Most importantly, what can we do to stop this trend?

In this newsletter I take a look at why the debt has climbed so much lately, how this will affect the average family in Southwestern Pennsylvania, and what I am working on in Congress to turn things around.

This session of Congress, I've been focused on making deficit reduction a priority. But this is only one piece of a four-part plan to get our economy back on track. In addition to spending reductions, I've been working on legislation to enforce international trade agreements with foreign nations, reducing America's dependence on foreign oil and cutting unnecessary regulatory red tape. All with an overall focus on creating jobs while keeping safety and security a top priority.

As always, I appreciate your input and hope this newsletter will inspire you to communicate your own ideas on these issues, so please keep the comments coming. You can sign up for my weekly email news at [murphy.house.gov](http://murphy.house.gov) to track progress on these and other issues. I look forward to hearing from you.

Sincerely,

A handwritten signature in blue ink that reads "Tim Murphy".

Tim Murphy

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*Tim Murphy* M.C.

PRSRT STD



## Congressman **Tim Murphy**

### ISSUE UPDATE ON JOBS & THE ECONOMY



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## Facts About the National Debt and Debt Ceiling

The federal government routinely spends more money than available in the Treasury. Prior to 1917, Congress was required to approve every instance of government borrowing. It was when our nation engaged in military actions during WW I that Congress lifted those restrictions and allowed for much broader authority to spend more money than it brings in.

Today, Congress can borrow funds to spend up to an amount established in law, otherwise known as the debt ceiling, which now stands at a legal limit of \$14.3 trillion. The Treasury is expecting that limit to be reached in the upcoming months. Unless the debt ceiling is raised, Congress does not have the authority to borrow money and Treasury can no longer assume any more debt.

What will happen if the debt ceiling isn't raised? Well, there's no precedent for such a scenario because the Treasury has never been unable to make payments as a result of reaching the debt limit without congressional intervention. However, growing opposition to borrow and spend practices has brought us to the point of this debate: Should the debt ceiling be raised, and if so, under what conditions?

Surveys have revealed the American public strongly opposes raising the debt ceiling so Congress can borrow more money to spend on government programs. However, there is increasing fear that if Congress does not pass a law to increase the amount the government can borrow, funds would not be available to pay our outstanding bills and the U.S. would default on its debt obligations.

### **DEBT CEILING SURVEY**

**Do you support raising the debt ceiling so the United States can meet its prior obligations?**

**Do you support attaching mandatory spending reductions to a vote to raise the debt ceiling?**

**Go to [murphy.house.gov](http://murphy.house.gov) to take this survey online.**

For more information, follow Congressman  
Murphy on **FACEBOOK** and **TWITTER**.





# 1. Holding Trading Partners Accountable

American manufacturers and our workforce are the most productive, highly trained and sophisticated in the world, yet they face stiff competition in the global marketplace because some countries don't honor trade agreements or play by the rules.



*Congressman Murphy discusses legislation to grow American manufacturing jobs with workers at the Clairton coke works plant.*

In 2011, the United States fell from its long-held top position as the world's leading manufacturer and has been passed by China. A key reason is because China illegally undervalues its currency, meaning Chinese goods are sold at an immediate 40% discount in America. And because China heavily subsidizes its own manufacturing industry, American-made products become too expensive to buy over there. China's illegal trade practices have cost America 2.4 million manufacturing jobs.<sup>1</sup>

Last September, the House overwhelmingly passed Congressman Murphy's Currency Reform for Fair Trade Act to force China to live by international trade laws, yet the Senate failed to act. If enacted this year, his bill would create as many as 700,000 new jobs<sup>2</sup> by putting a stop to currency manipulation.

1. Economic Policy Institute  
2. Peterson Institute for International Economics

# 2. Energy Independence = Job Growth

America spends \$1 billion per day to import foreign oil, yet our own untapped oil and gas reserves are enough to replace imports from Saudi Arabia and Venezuela for the next 80 years. U.S. policy is blocking us from using our own resources to fuel an economic and jobs recovery, yet our government recently gave Brazil a \$2 billion loan to finance oil exploration off their coast.

Meanwhile, we can't afford to fund critical projects to repair our nation's infrastructure. Recent reports by the American Society of Civil Engineers say one in four Pennsylvania roads, bridges, water and sewer systems are structurally deficient and crumbling.

We have a choice: keep sending our money to OPEC or invest in American energy for American jobs and rebuild America's infrastructure. Congressman Murphy has introduced HR 1861, the Infrastructure Jobs and Energy Independence Act, a bipartisan bill to lift the ban on safe, responsible oil production off our coasts and reinvest new federal revenues from lease agreements and royalties into clean energy production, transportation infrastructure and conservation. All without increasing the debt, borrowing from China, raising taxes or buying from OPEC.



*Rep. Murphy introduces the bipartisan Infrastructure Jobs and Energy Independence Act outside the US Capitol.*

## The Infrastructure Jobs and Energy Independence Act:

- ✓ Creates 1.2 million new jobs<sup>3</sup>
- ✓ Generates \$2.2-\$3.7 trillion in new government revenues<sup>4</sup> with no tax increases
- ✓ Invests in clean and renewable energy
- ✓ Rebuilds our nations roads, bridges, locks and dams
- ✓ No new taxes or increases in debt

3. American Energy Alliance  
4. American Energy Alliance

For more information follow Congressman Murphy on FACEBOOK and TWITTER.



**Congressman Tim Murphy**



### 3. Cutting the Deficit Helps Our Economy

The economic stimulus package, Wall Street bailout, the new healthcare law, the wars in Afghanistan and Iraq, and expanded entitlement spending over the past 10 years have been financed either in part or entirely with borrowed money.

When government runs a deficit by spending money it doesn't have, there are limited choices when the bills come due: cut spending, raise taxes or borrow more to make up the difference.

Unfortunately, cutting spending won't be enough to meet our goals of a balanced budget and we've reached a critical limit on how much the U.S. borrows.

The path to prosperity begins with government living within its means and not spending money it doesn't have. With a number of spending reduction bills passed and Congress now working on filling out the details of 2012 budget blueprint to drastically reduce federal spending, Congress is no longer debating over how much to spend, but how much we must save. Already this year, spending cuts have saved taxpayers \$79 billion, and the 2011 budget will save a total of \$315 billion over the next decade. The House-passed spending plan for 2012 would save taxpayers \$6.2 trillion and help employers create jobs.

#### 2012 Budget Goals:

##### GROWTH AND JOBS

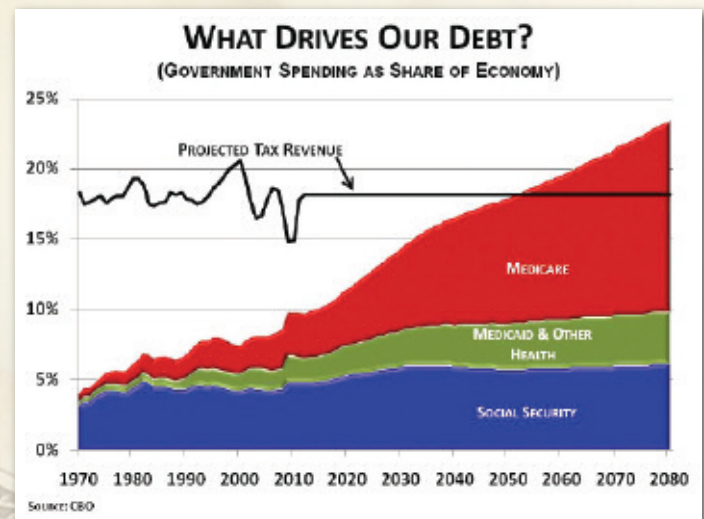
- ✓ Keeps taxes low to grow the economy
- ✓ Closes business tax loopholes while setting top individual and employer tax rates at 25%

##### SPENDING

- ✓ Cuts \$6.2 trillion over the next decade
- ✓ Brings non-security discretionary spending below 2008 levels

##### DEBT AND THE DEFICIT

- ✓ Immediately reduces the deficit and brings it below \$1 trillion for the first time since 2008
- ✓ Balances the budget (minus interest) by 2015

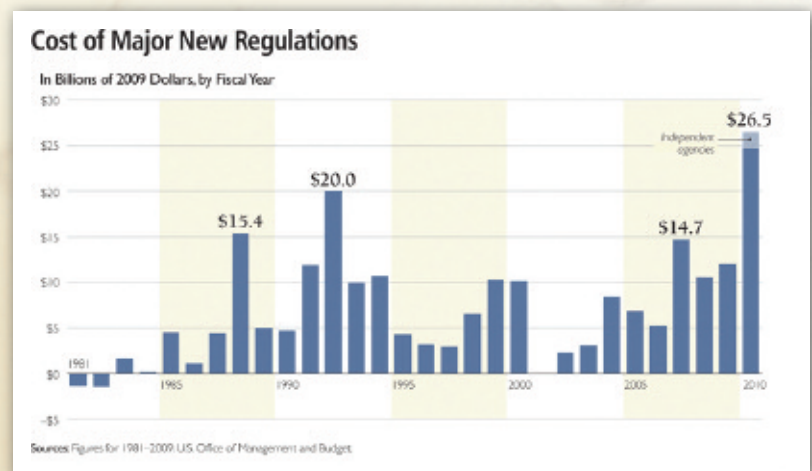


### 4. Ending Over-Regulation of Job Creators

As the U.S. competes in the world marketplace, government should help job creators maximize their potential, not saddle them with burdensome regulations that prevent job creation. Government regulation and red tape takes \$1.75 trillion<sup>5</sup> out of our economy through paperwork and compliance costs. While there can be no shortcuts, loopholes or exceptions when it comes to protecting the health and well-being of all Americans, government must also ensure that regulations do not end up sending jobs overseas.

Just last year, 3,573 new government regulations<sup>6</sup> were imposed by federal agencies, at a cost of over \$26.5 billion. Small businesses, the backbone of our economy, get hit hardest and have to pay over \$10,000 per employee<sup>7</sup> just to comply with federal regulations. For a small firm with 25 employees, that's over \$250,000 that can't be spent creating jobs or providing benefits to workers.

For example, a provision hidden in the healthcare law - commonly referred to as the 1099 reporting mandate - would have required businesses across the nation to undertake data collection and information filing on virtually all business-to-business transactions over \$600. At a time when job creators need to grow and expand, diverting time and resources to collecting volumes of information and filling out mounds of new paperwork for the government is simply bad policy. Even the IRS said it would unnecessarily hurt small businesses, and with Congressman Murphy's support the 1099 repeal was signed into law on April 14.



5. Small Business Administration  
6. Competitive Enterprise Institute  
7. House Oversight and Government Reform Committee