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Senate

The Senate met at 9:00 a.m. and was called to order by the Honorable BRIAN SCHATZ, a Senator from the State of Hawaii.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Lord of all being, energize our Senators today with Your presence. Out of Your infinite wisdom, speak to their finite hearts and guide them on right paths. Out of Your marvelous grace, minister to their common needs. Lord, inspire them to cherish the ethical road that leads to a destination that honors You. Remind them that they may make plans, but Your purposes will prevail. Enable them to sense Your guidance as they grapple with the problems of our time.

We pray in Your great Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable BRIAN SCHATZ led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. LEAHY).

The assistant legislative clerk read the following letter.

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 21, 2013.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable BRIAN SCHATZ, a Senator from the State of Hawaii, to perform the duties of the Chair.

PATRICK J. LEAHY,
President pro tempore.

Mr. SCHATZ thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

RESERVATION OF LEADER TIME

Mr. REID. Mr. President, will the Chair report the business of the day.

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 2014

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of S. Con. Res. 8, which the clerk will report.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 8) setting forth the congressional budget for the United States Government for fiscal year 2014, revising the appropriate budgetary levels for fiscal year 2013, and setting forth the appropriate budgetary levels for fiscal years 2015 through 2023.

Mr. REID. Mr. President, as we just heard, the Senate has resumed consideration of the budget debate of S. Con. Res. 8, the budget resolution. We will continue debate during today's session. Senators will be notified when votes are scheduled, of course.

The budget has 34 hours left, and then following that, we will have some votes. It is up to the two managers of this bill if we have votes before the 34 hours expire. These are two experienced Senators and they know how to handle this budget, but it would seem to me that we should move as quickly as we can to debate these issues. I hope Senators come and offer their opinions as to the budget that Chairman MURRAY has brought to the Senate floor. Maybe some people will want to talk about what passed in the House yesterday, the Ryan Republican budget.

Everyone should understand that this time will run out at the latest at 7 p.m. tomorrow night. It seems to me the two managers could reduce that time somewhat. If they don't, it doesn't matter; we will be here until we finish this budget. If we are here all night Friday, we will be in all night Friday. I spoke to Senator MURRAY, and she was willing to be in all night last night; she is willing to be here all night tonight and all night Friday night until we finish this. We are going to move forward and finish this budget.

AFFORDABLE CARE ACT

Mr. REID. Mr. President, three years ago this coming Saturday was a historic time in this country and in the world, actually, because the Affordable Care Act passed. It was a very wintry night when it passed—very cold. It was the greatest single step in generations to help the American people.

This was unique because for the first time—going back to the days of Harry Truman where he talked about a health care bill for the country, to Eisenhower, who talked about a health care bill for this country—we were finally able to accomplish it. We ensured access to quality, affordable health care for every American with ObamaCare, the Affordable Care Act.

Millions and millions of Americans, as we speak, are benefiting from this legislation. Insurance companies can no longer arbitrarily place lifetime caps on insurance policies during someone's care. No longer can they suddenly say: Sorry, you have cancer or had that bad accident, but you reached $1,000—or whatever limit they set, $10,000—and you are through. Go get help someplace else because insurance is over. That arbitrary lifetime cap by insurance companies put Americans just a car accident or an illness away from doom.

Today children are no longer denied insurance because they were born with a disease, disability, or some other problem. They no longer are denied insurance. And being a woman, like my daughter, is no longer a preexisting medical condition. Before ObamaCare passed—and everyone needs to understand this—my daughter Lana had a preexisting condition; she was born a girl. That is gone.

In less than a year, about 130 million Americans with preexisting conditions such as high blood pressure or diabetes can rest assured they will have access to affordable insurance and lifesaving care regardless of their health and how much money they make.

In Nevada alone—a sparsely populated State of some 3 million people—tens of thousands of seniors have saved tens of millions of dollars because 3 years ago we filled the doughnut hole. What that means is they don't have to pay exorbitant prices for their prescription drug coverage.

Health care reform is not only saving money, it saves lives. In Nevada there are thousands of examples, but I will give one about a 26-year-old woman named Sarah Coffey Kugler, a native of Gardnerville, NV. Gardnerville is a beautiful place next to the Sierra Nevada mountains.

Well, this young lady, who was very smart—and still is—was half way through her first year of law school at the University of Connecticut when she was diagnosed with stage 4 Hodgkin's disease. Not stage 1, 2, or 3, but the worst, stage 4. She had done everything right. She knew she needed insurance, so she went to the University of Connecticut and bought the best plan she could for students so she would have health insurance. Due to her cancer and the difficult treatment to fight it, she had to drop out of school. She had no insurance because insurance would not cover her.

As I said, she was no longer a student and, as a result, no longer qualified for student health insurance. What was she to do? She needed a bone marrow transplant. She and her family thought there was a very strong possibility she would pass away.

Before ObamaCare, Sarah would have been one of tens of millions of Americans who desperately needed lifesaving care but didn't have insurance to take care of it. Before ObamaCare, Sarah might have even become 1 of the 45,000 Americans who die each year because they lacked health insurance. But thanks to the Affordable Care Act, ObamaCare, Sarah was able to sign on to her parents' insurance policy.

Sarah is 1 of 3.1 million young people in America—approximately 35,000 in Nevada—who have benefited from a law that allows children to stay on their parents' health plans until they are 26 years old.

Sarah's story has a happy ending, as so often happens in America where we can get health care. She got the treatment she needed. Her most recent PET scan was clear, and she plans to return to school this coming September and finish law school.

Her mother Sue sent me a letter. She wrote that ObamaCare and the dedicated doctors who took care of her daughter saved her life. There are so many legacies of this landmark legislation. No American will end up in an emergency room because they have no insurance. No American will live in fear of losing his or her insurance because they don't have a job. And in the richest Nation in the world, no insurance company ever again will put a pricetag on a human life.

Long, long ago Thomas Jefferson wrote: ''The care of human life and happiness . . . is the first and only object of good government.''

I am gratified that the Affordable Care Act, ObamaCare, meets Thomas Jefferson's standard. I am so happy this law came into being. For all of us who participated in that, we will always remember that cold winter when we were in session longer, I am told, than any other time in the history of the country to pass this legislation. We worked hard to pass it. It is already insuring the care of human life, which remains the first object of government, as Thomas Jefferson said it should.

The ACTING PRESIDENT pro tempore. The Senator from Washington.

Mrs. MURRAY. Mr. President, I want to thank my ranking member, Senator SESSIONS. We had a good debate, and I think everyone had a chance to see the differences about the values and priorities that drive us, how we see our country, and our future. I am looking forward to having that conversation again today.

The budget we are debating on the floor this week puts our middle-class families first. It reflects our progrowth, pro-middle-class agenda that the American people went to the polls in support of at the election just a few months ago. It takes the kind of truly balanced approach that families across our country strongly support, and I believe it is a strong and responsible vision for building a foundation for growth and restoring the promise of American opportunity.

I spoke at length last night about our budget. It is built on three principles. No. 1, we have to protect our fragile economic recovery, create jobs, and invest in our long-term growth. This is something every family in America is asking us to focus on.

No. 2, we need to tackle our deficit and debt fairly and responsibly. As Democrats we understand it is a responsibility we bear today, and we do it in this budget. No. 3, we need to keep the promises we made as a Nation to our seniors, our families, and our communities. There are many people who have struggled so much over the last few years and they are counting on us to be there for them again now.

We are going to hear a lot more about all of these principles today, and we are going to discuss the stark contrast between the budget that is expected to move in the House of Representatives today and the plan and path we have put forward here in the Senate as Democrats.

At this time, I yield to Senator SESSIONS for his opening remarks, and we will continue this debate throughout the day.

The ACTING PRESIDENT pro tempore. The Senator from Alabama.

Mr. SESSIONS. I thank the Chair and express my appreciation to Senator MURRAY for her leadership, her courtesy, and her skill in managing the bill through the committee and on the floor. She is an experienced legislator who has strong convictions, but she is easy to work with, courteous, and effective in what she does every day. I thank Senator MURRAY, and I enjoy working with her.

Well, our Chair says this is a pro-growth, pro-middle-class budget. I say it is a pro-tax, pro-spend, and pro-debt budget. It is a budget of deep disappointment. It is a budget that comes nowhere near doing the things necessary to put America on a sound path. It is a budget that does, indeed, reflect the stark differences between our parties. It is rather remarkable to me, the extent to which our majority party in the Senate has no interest in producing a budget that actually balances and actually puts America on the right path.

They say they care about growth, and I know they do. I know they would like to see the economy grow more and more jobs being created because we have had the slowest recovery during this recession since anytime after World War II, at least. It has been very, very slow. But we have done something to a degree we have never done before; that is, borrow and spend to stimulate the economy.

Someone has compared borrowing and spending to stimulate the economy to the idea of someone taking a bucket and scooping up water in one end of the swimming pool and pouring it into the other. We have no net gain. The truth is that we lose some of the water out of the bucket as we walk along the shore. In this case, what we lose is interest on the debt indefinitely because there is no plan to pay down the debt.

So this budget that is before us today does not balance, it does not put us on a sound path, it does not create confidence among the American citizens that the future is going to be sound, that we have gotten this country reoriented in a way that is going to produce long-term growth. Indeed, it is going to do exactly the opposite. It is going to do exactly the opposite. It says, once again, that this Senate is not willing to do the things necessary to put America on a sound course. And it is not that hard. We can do this. It is within our grasp. But our leadership in this Senate, contrary to the House, is not willing to take those good, solid but achievable steps necessary to put this country on a sound path. I just feel that very deeply.

Hopefully, in the context of our debate and a budget being moved through here on a party-line vote, I suppose, as it was in committee, maybe some connection will be made amongst ourselves and our Members and our brains about the real issues facing the country and what we need to do to get on the right path. And maybe even in conference, if not here on the floor, we can have some miraculous agreement that would create the kind of long-term confidence businesspeople and the American people are looking for from the U.S. Congress and the government.

Senator REID indicated he would like to finish. I would like to finish too. We were under the impression that we could have started this voting process on the budget as early as Monday, if not Tuesday. That could have happened. Apparently, the leadership decided to block amendments. That created, on this side, a number of Senators who felt very strongly that they, in fact, had relevant amendments and they wanted them voted on, and they would not agree to time limits until the majority agreed to give them a vote. Whether I was for or against the amendments is not relevant. I thought they should have been given a vote. They are Senators. A big bill moving forward, several appropriations bills cobbled together to fund the government, and we only have four or five amendments. Serious amendments, such as the Moran amendment with 28 cosponsors, Republicans and Democrats, was blocked. He couldn't get an amendment on a relevant issue involving the health and safety of America.

So that has put us behind in the schedule, not anything we have done. There was not a problem on this side. If they had been given amendments, they would have been done in very short order and could have been completed Monday or early Tuesday.

So here we are. We have under the law 50 hours of debate on the budget, 25 to a side, and an unlimited number of amendments can be offered. So that is going to take time, as it always does, and I am sorry it is getting pushed into the weekend.

I would also just say briefly that as time has gone by, I have been more and more convinced of what I believed from the beginning, which is that this Congress is not capable of producing a massive overhaul of the Federal health care program. I remember the night Senator REID refers to when the final passage, I guess, occurred or the day that it occurred. But what I remember most is being here Christmas Eve—my birthday—when the bill cleared the Senate on a straight party-line vote, 60 to 40. Senator Scott Brown of Massachusetts was elected on a promise to block and kill the legislation. The American people were consistently opposing the legislation. They were able to ram it through before he could take office and cast the deciding vote. They got the absolute minimum number of votes—60—to pass this monstrosity.

I am told now the regulations in the bill are 6 feet high when stacked. We still haven't seen them. That legislation has 1,700 references to this section to be effectuated by regulations to be issued by the department. Regulations continue to pour out in record numbers to try to clarify the hundreds and thousands of ambiguities in the bill.

We were told that people's health insurance premiums would go down, that this was going to bend the cost curve to bring health care costs down. We warned that would not happen. Who was correct 3 years ago? Health care costs are surging. They are not through surging yet. We are going to have more increases as the health care bill takes effect in January of next year. The average person's premium has already gone up $2,000-plus a year. Small businesses all over America are telling us they are not hiring because of the health care bill. This has clearly been a deficit and a detriment to job creation.

We had no ability to write this health care law. We didn't know enough about it. Speaker NANCY PELOSI said: Well, we have to write it to see what is in it. What she meant was that we are just going to pass some vision of health care reform and the bureaucrats will take care of it. Well, they are not taking care of it well. We are not capable of managing it.

We are endangering the greatest health care system the world has ever known. We are going to see fewer and fewer top-quality young people go into medicine. I am hearing that over and over again. Doctors are telling me they don't know what to tell their children about going into medicine.

This is just one example of what happens in this country when people in Washington take on the arrogant view that they know how to fix the health care system—one of the most massive, complex, marvelous systems the world has ever known.

You can go to Alabama and see some of the best doctors in the entire world in our State. People go there from all over the world. Dr. Andrews treated RG3 at the University of Alabama at Birmingham, his private practice in Birmingham. People can go to top-quality surgeons in Mobile, Montgomery—throughout the State—Auburn-Opelika, Tuscaloosa, Huntsville. This is true for every State in America.

For people to say our health care is not the best in the world—why do people come here from all over the world? That is one of the most horrible things I have ever heard, really, around here, suggesting we don't. So we have people who die sooner than in some other countries. We have a lot of causes. We have more obesity. We have more smoking. We have fewer people taking care of themselves sometimes. We have a lot of individual problems. We have a higher murder rate. We have high accident rates in automobiles. So we have things that pull down our lifespan, but that doesn't mean our health care isn't good. It doesn't mean our health care is not the best in the world. All of us have seen that.

Mr. President, I wish to ask Chairman MURRAY where we are now on going through the business of the day. I appreciate the chairman's leadership and suggestions as to going forward.

The ACTING PRESIDENT pro tempore. The Senator from Washington.

Mrs. MURRAY. Absolutely. I am happy to get things going here today. Does the manager on the other side have an amendment he wishes to start with this morning?

Mr. SESSIONS. I would like to start with a motion, yes, and I am prepared to do that, and I thank the chairman.

I offer a motion to recommit this budget that is on the floor today to the committee with instructions that it be altered to produce a balanced budget.

That is what I think this Nation needs. I think that is what the American people want, and that is what we are determined to fight for because it is the right thing for the country, not because it is some green eyeshade goal. I have heard that argument, and that is not what is on our minds when we say: Let's balance the budget. It is not what the American people have on their minds when they say: Why don't you guys balance our budget?

What is it that is necessary here? We believe that if we alter our debt course in a responsible way and we begin to reduce the deficits regularly and steadily in an effective way, we can reach a balanced budget and we can keep on that balanced budget without cutting expenditures. The facts are quite clear that we can increase spending every year, just not as much as we are increasing spending today and just not as much as our Democratic budget increases spending. That is what we believe we should do. I will explain as we go forward how that can create jobs, create growth, will make this country healthier, will create confidence in the world financial community, will see more money come to the United States, and will allow businesses that are sitting on cash to begin to invest and hire people. That is the direction in which we should be going. That is what would be good for America.

But first and foremost, as I explained last night, the Democratic budget on the floor today comes nowhere close to that. It is nowhere close to setting forth a plan that would actually balance the budget. Indeed, the budget never balances under their plan, and it won't balance in the future. Things are only going to get worse. They are going to get worse because it deals in no way with the fundamental, driving forces of the debt this country faces. It does not deal with that. If we don't deal with those issues, then we are not going to get the debt under control. But we can do it. We can do it in a number of ways.

Now, the President has sent a very clear message. Recently on ABC, with George Stephanopoulos, the President said: And so, you know, my goal is not to chase a balanced budget just for the sake of balance.

Who said we are trying to chase a balanced budget just for the sake of balance? That is not what we are doing. We are trying to put America on a sound debt path. We are trying to put America on a sound financial path that will create confidence and avoid the danger of a fiscal crisis.

We started counting last night. My colleagues, yesterday and last night—I think we stopped counting—used the phrase ''balance'' 24 times: This is a balanced approach. It is a balanced plan. We are seeking primary balance. We are going to have a responsible, balanced plan.

Pretty soon, they will say they have a balanced budget. Well, they don't have a balanced budget. We need to understand that fully.

Secondly, the budget that has been produced does not even put us any closer to a balanced budget than we are today. When we add up the taxes that are being increased, when we add the new spending that is in this bill, it doesn't change the debt course at all.

Earlier this year, Mr. Elmendorf, the Director of the Congressional Budget Office, testified before our Budget Committee. Mr. Elmendorf is an excellent scholar and a man who has managed the money of the budget well. Mr. Elmendorf is—Mr. President, I am having a little trouble concentrating with the roar going on in my background. I would appreciate it if we could keep it down a little bit.

The ACTING PRESIDENT pro tempore. Regular order.

Mr. SESSIONS. So Mr. Elmendorf told us at the Budget Committee that we are on an unsustainable path. OK. This is after the Budget Control Act, after we reduced the growth of spending $2.1 trillion, and that includes the sequester. After we did all that, this year he told us we are on an unsustainable debt course. He said this is a danger to America and we have to get off it and we need to make further changes to get on the right course.

So we have looked at this budget, and we thought the committee, which called him, would listen to him, and we wanted to see if the budget that is on the floor now actually helps us get toward a sound financial future. I have to say it does not. It does not change the course we are on. It raises taxes dramatically, but it raises spending and eats up all the new taxes, not altering the amount of debt that will be raised over 10 years.

Isn't that a failed budget plan? Isn't that a failure of leadership? I hate to say that. But the challenge of our time is to deal with our financial crisis. The challenge of our time is to alter the debt course we are on and put us on a sound path, and it has not been met by this budget.

The House budget—we all may have different ideas about some of the things in it—provides for increased spending every single year, but it balances the budget, totally balances the budget, in 10 years. It would balance in 10 years and does it by increasing spending every year, on an average of 3.4 percent a year. So we can increase spending at 3.4 percent a year—increase spending—and balance the budget.

But the problem is the budget the majority sends forth would increase spending at 5.4 percent a year. That does not sound like a lot, but the difference is trillions of dollars. The difference is a plan that puts us on a sound financial path to the future and a plan that leads us on the unsustainable debt course we are now on.

My Democratic colleagues need to look at this. We saw, I guess, in Politico—I had the quote here yesterday that said fundamentally the majority's plan was written by the left of the Democratic conference—the left—and it said explicitly to the left of President Obama. That makes sense if we look at what is in the budget. Look how much they spend, how much they tax, and how they do not reduce the debt we are adding every single year. So that is what we have.

As Chairman MURRAY said, budgets present a contrast. Budgets lay out your vision for the future. A budget defines who you are because it says how much you want to tax in the next 10 years, it says how much you want to spend in the next 10 years, and it requires you to state how much debt you are going to accumulate for America over the next 10 years.

This plan will add another $7.3 trillion to the debt of America. We are already at almost $17 trillion. That will take us to about $24 trillion in 10 years. Interest on that debt is huge. By their own numbers, interest on their debt would amount to approximately $800 billion in 1 year. Interest on the debt, under their budget, would rise to the point of $800 billion in 1 year. We spend about $100 billion on education. We spend about $40 billion-plus—a little over—on highways, roads, and bridges. That is just an example. We are now surging from $200 billion, $250 billion in interest to $800 billion in interest. As a result of the accounting CBO has provided us, if we follow this path, it is going to crowd out spending for research, it is going to crowd out spending for children, education, health care, and any other program this government wishes to undertake, including defense.

Mr. President, what kind of time limit is there, might I inquire? Is there 30 minutes on this side on this motion?

The ACTING PRESIDENT pro tempore. On the motion, there is 1 hour, equally divided.

Would the Senator like to call up his motion?

Mr. SESSIONS. The first question would be how much time is left on my half of that hour.

The ACTING PRESIDENT pro tempore. The motion has not yet been offered.

Mr. SESSIONS. Mr. President, I call up the motion.

The ACTING PRESIDENT pro tempore. The clerk will report the motion.

The assistant legislative clerk read as follows:

The Senator from Alabama [Mr. SESSIONS] moves to recommit Senate Concurrent Resolution 8 back to the Committee on the Budget with instructions to report back no later than March 22, 2013 with such changes as may be necessary to achieve unified budget balance by fiscal year 2023.

The ACTING PRESIDENT pro tempore. The Senator from Alabama.

Mr. SESSIONS. This motion would simply say this to our colleagues—it will be a defining vote for our Members; and Members need to understand the meaning of this vote—the question will be: Do you favor a balanced budget? Is it important to you? Have you said: I am going to vote for a balanced budget amendment. Have you said in your townhall meetings and in your campaigns and in your debates: I believe in a balanced budget amendment or I believe in a balanced budget, period.

What we are saying is that this country can balance its budget. We can balance the budget in America today if we set forth a plan that allows the spending levels to increase by 3.4 percent a year for the next 10 years. Isn't that great news? We can spend 3.4 percent more each year. According to the data the Congressional Budget Office gives us and we rely on, we can do that and still increase spending over the next decade.

Inflation is going to increase about 2 percent or a little over, according to CBO. Inflation will increase about 25 percent over the next 10 years and about 40 percent if we increase spending each year at 3.4 percent. That puts us on a path to balance. It begins to reduce the debt overhang for our country. It brings down the amount of debt we have in our country and puts us on a sound path. It does all the things we need. It sends a message to the world that we have our financial house in order. I believe good Members of this body—Democrats and Republicans alike—have told their constituents and are sincerely of the belief that we can and should balance our budget. When I say ''balance,'' I mean honest balance, not some balanced approach, not some primary balance, none of that; that when the revenue comes in and the money goes out, it is the same. We are not sending more money out than we are bringing in, in revenue, having to borrow the difference and pay interest on it. Because that is what we have been doing to a degree we have never, ever done before in this country. We have never, ever done before what we are doing now. We have never, ever had 4 consecutive years of trillion-dollar deficits—nothing close to it.

People say President Bush was irresponsible. He should have been more wary of the grand promises that the economy would never have a recession and that things are going to go great. He should have. The next to the last year he was in office, the budget deficit was $167 billion. It had dropped from a higher figure in his time in office. His last year, it was $450 billion or $460 billion.

President Obama has been in office 4 full years, starting his fifth, and his deficits have been averaging $1,200 billion a year. We have never, ever, ever seen anything like this before. The debt of the United States of America has surged, and our Democratic colleagues do not have a plan that will put us on a sustainable path in the future.

If we come back out of the economy and we restrain the spending growth just a little bit, we can balance the budget. That is what we ought to do. Again, the goal of balancing the budget is not some frivolous goal for political reasons. The goal of a balanced budget is that we would put us on a sound financial course. It will mean we have confronted the challenges of our time. It means we know we cannot continue to spend systemically more than we bring in, that a debt crisis could occur and we could have a decline in wealth in America.

So when we say we want to recommit to the committee, colleagues, you need to know what this means. It simply means this: We are directing the committee, the majority of whom are Democrats—and they can write the budget as they choose, using whatever tax changes they want to make and whatever spending changes they want to make—but the budget that hits this floor would be a budget that balances, that creates growth, confidence, and prosperity for America. That is what we are asking you to cast a vote for, and I believe you should break ranks on this. I believe you should vote your conscience. I believe every Senator should vote the beliefs of their constituents. Poll after poll after poll shows that the American people prefer a balanced budget. They know we cannot continue to do what we are doing.

I think it has potential. We are willing to work with the majority. We may disagree with the results, but, my goodness, wouldn't it be great if the Senate produced a budget that balances—and it has one vision of how to balance the budget, the House produced a budget that balances and they have their vision about how to balance the budget—and we go to conference and we could actually reach some sort of a compromise that would fix the financial future of America? The whole world would be amazed. They would say: My goodness, the United States—look at this—they have gotten themselves together. We thought they were going goofy. We thought they had completely sold out to spending and borrowing and look at this.

There would be more investment. American businesses would feel better. American workers would feel better. We would begin to have more growth that way.

That is the way we believe jobs and growth are best created, not by the sugar high that comes from borrowing and spending money.

Back when we did the stimulus bill—I would like to share this with my colleagues because a very important concept was explained us to by Mr. Elmendorf, the CBO Director. Back when we did the stimulus bill, the $800 billion-and-something that President Obama passed that was going to reduce the unemployment rate dramatically, put the country on a sound path, and stimulate the economy, we asked how were we going to do it? We were going to borrow money—every penny of the $830 billion—now $1 trillion with interest—was borrowed and we spent it.

This is what the Director of the Congressional Budget Office said about that. He said: Yes, it will create growth in the short term. It will enhance the growth in the short term. One financial expert called it a sugar high. We will get that. But once that is over and we have the burden of the debt, it begins to cost us every year and it will cost us as long as that money has been spent, as long as we pay interest on that money, and we are going to pay interest—young people, American people—indefinitely because we have no plan to pay down this debt that we have accumulated. We will be paying interest on that indefinitely.

This is what CBO said back in 2009 when the stimulus bill was passed. They said: Yes, you get a short-term benefit. But CBO said that over 10 years, you will have less net growth than if you did not have the stimulus package at all. Think about that.

So we took the sugar high. We voted to borrow the money. I did not. I opposed it. But it passed to borrow more money, to spend now to try to create a sugar high, pull yourself up by your bootstraps, pour one bucket of water from the pool into another, and this is going to somehow permanently fix our economy.

There were some things that I think would have been legitimate for us to do at that time. I supported a more restrained package that had more infrastructure and actual benefits in it. But, fundamentally, we are almost now at the point where the benefits of that spending have been gone and the detriment is already here. Multiply that. Multiply that by the fact that we now have a total of $17 trillion borrowed from around the world, and we are paying interest on that every day. But we are paying extraordinarily low interest rates, unlike any we have seen in the history of the world, and those low interest rates are not expected to remain.

This is why they project that with this budget we will have a $24 trillion debt by 2022, resulting in $800 billion a year in interest. This would be more than the Defense Department, more than we pay on Social Security today, and more than we pay on Medicare today. This is a huge item.

I would say we want growth. We want prosperity. We want to unleash the natural, inherent, entrepreneurial power of the American spirit, economy, and culture. It is a wonderful thing we have. Our free market infrastructure is magnificent, but it is being handicapped by poor economic financial policies of this country. We need to exit this path and return to a path for a balanced budget amendment.

I thank you for the opportunity to make this motion and hope it will be considered. It would provide the committee with full freedom to produce a balanced budget through any way you choose, through any mix of tax-and-spend policies which would be chosen by the committee. It would then come back to the floor. If we were to vote for it, then it would go to conference and put us in an extraordinarily better position to achieve a bipartisan agreement this year, which could help pull us out of the economic doldrums. This would put us on a path to economic prosperity to eliminate the debt drag which international studies, the IMF, European Central Bank, Bank of International Settlements, and Professor Rogoff and Professor Reinhart have all shown pulls down growth. They are saying our debt is so high it is lowering economic growth right now.

We would change all of this through a balanced budget coming out of committee. It would put us on the right path without having to reduce spending, actually. We could still increase spending every single year.

I submit my motion, and I yield to the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Washington.

Mrs. MURRAY. Mr. President, I rise to use time in opposition to the resolution.

The ACTING PRESIDENT pro tempore. The Senator is recognized.

Mrs. MURRAY. Our colleagues have sent a motion to the desk which sends our budget back to committee to balance.

I think we all know what this means. They wish to send our budget back to take months and weeks to put together a budget, which does one of two things in order to balance: It either raises incredible revenue or has devastating cuts. We have seen the package they are talking about. It is the Ryan budget being debated in the House right now. They say they would eliminate the deficit in 2023.

The Republicans have not put this budget out here right now, because they don't want to specify what the cuts are and be responsible for them. They just want some mystical moment to happen back in committee where these tough decisions are made.

We know what they are looking at. They are looking at the Ryan budget. They say it eliminates the deficit, but it does so in a devastating way to middle-class families across this country, families who are already struggling so much.

We hear a lot about balance these days. I want to clarify some real differences, important differences between how the Senate and the House budget use the word ''balance.''

The proposal which passed through the Budget Committee in the House would be devastating for our economic recovery. It would really threaten hundreds of thousands of jobs this year alone. It makes extreme cuts to our infrastructure, which is crumbling; to education, which is so important to our future; to the innovation this country has been built on, which would lay down a strong foundation for broad economic growth—which our Senate budget is working so hard to make happen.

Their budget in the House which the Republicans now want us to go back to committee and put in place would dismantle Medicare and cut off programs to support our middle-class and most vulnerable families. This sounds pretty unbalanced to me.

Frankly, their budget gets worse. As we learned last week, House Republicans have put forth a budget which calls for huge tax cuts for the wealthiest Americans and makes it unclear how it will be paid for.

Those pay-fors will come on the backs of families who are working hard, average families who would see their taxes increase in order to give that tax cut to the wealthiest Americans. This is what they call balance.

I don't think that is balance. House Republicans like to say they are offering a balanced budget, which I would note also includes savings from the Affordable Care Act they vowed to repeal and tax increases on the wealthiest, which they strongly oppose. They haven't explained how they will reach that goal of reducing those rates down to 25 percent and who will pay for this. It is pretty clear, when you look at the numbers, how that will happen.

The House Republicans never explain how they get to what they call ''balance,'' because the only way they can do it is by raising taxes on the middle class or making deep cuts to vulnerable families and seniors, who depend on these benefits.

Our budget takes a very different approach to balance. We ensure our families today have the ability to get what they need to put their families back on a stable path to recovery. We make sure we invest in the important things this country needs to ensure our middle class has what they need in education and infrastructure. These are the things which allow families to know their kids can go to college, pay their mortgage, receive job training, and get back to work. That is balance.

When we have a responsible approach to spending cuts and to revenue, balance is an important word. Balance is about making sure we do what the Simpson-Bowles report has recommended, what every bipartisan group has said, and contains a responsible mix of revenues and spending cuts. This ensures no one bears the burden of the challenges of this country alone.

I would not call the House Republican bill balanced. Their balance says the wealthiest Americans, the biggest corporations don't contribute to this problem at all. Everything is done on the backs of our middle-class families.

Balance is an important word. It is an important word to every family, every community, every American. The approach we take is balanced, making sure everyone has an opportunity in this country for the future we need. This ensures everybody participates in solving the problems in front of us.

I take a backseat to no one when it comes to making sure we have a balanced approach. Our budget does that. We are going to be hearing more on it right now. We have a number of colleagues on the floor.

Let me make this very clear. The motion to recommit the Senators on the other side have offered simply says we will return to committee until we get the Ryan bill in front of us. This is something we soundly reject.

I have a number of colleagues here who will participate. I yield to the Senator from Delaware and thank him for his great contributions to our committee this year.

Mr. President, I yield time from the resolution.

The ACTING PRESIDENT pro tempore. The Senator from Delaware.

Mr. COONS. Mr. President, I ask unanimous consent to enter into a colloquy for up to 30 minutes with Senators from California, New York, Illinois, and Maryland.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. COONS. Mr. President, at its heart a budget is a statement of values. Last week I joined with my colleagues on the Budget Committee to pass a budget resolution firmly rooted in our values.

With appreciation to the chairmanship of Chairman PATTY MURRAY, the budget we passed reduces our deficit and stabilizes our debt in a balanced, responsible way, relying on an equal mix of spending cuts and cuts to spending through the Tax Code, which is a balance of cuts and increased revenue through tax reform.

This first chart briefly shows we have made significant progress toward the Simpson-Bowles goal of $4 trillion in reduced Federal spending over the next 10 years. Our budget relies on these two next pieces, reducing loopholes, tax expenditures, and spending cuts. This is the balance I believe the American people called for in the last election.

Our budget promotes economic growth and job creation in the short term, makes critical investments in our competitiveness for the long term. It does all of this while putting a circle of protection around the most vulnerable in our society: children, low-income seniors, and the disabled.

Unfortunately, in my view the budget resolution passed by the House Budget Committee, led by Chairman RYAN, does not reflect these same values or this same balance. It is wildly unbalanced, relying only on spending cuts in order to achieve claims of enormous savings.

Yet when you look closer—and we will turn to this in more detail later in this colloquy—the Ryan budget actually relies on a whole series of deceptive gimmicks, impossible arithmetic, and unrealistic assumptions. The only way to make the Ryan budget add up is to increase our deficit or to raise taxes on the middle class by as much as $3,000 a year.

In my view, the House Republican budget either fails the test of deficit reduction or fails the test of basic fairness. It also, I believe, fails the test of economic growth and would put us on a fast track to austerity.

Let me turn now, if I might, to my friend and colleague from the State of Maryland to ask for his further comments on the contrast between the budget we have adopted here in the Senate and the budget offered over in the House.

Senator CARDIN.

Mr. CARDIN. Let me thank my friend from Delaware, Senator COONS. The Senator is exactly right, as he talks about balance. Senator MURRAY is absolutely right about the balance we have and the budget which has come out of the Budget Committee.

Yesterday we did something which was the right thing to do. We passed the continuing resolution, an omnibus appropriations bill. The good news is we worked together. We completed it, and it was a major improvement from what the House did. The House again was acting in a very partisan, one-way direction which would have caused additional harm.

I was disappointed the bill we passed yesterday was at the sequestration levels. I am against sequestration. I think we should substitute it for strategic reductions in the deficit. This is exactly what the budget coming out of the Budget Committee would do. It will substitute for sequestration a strategic way to get our budget into better balance. This is what we need to do.

The budget, as Senator COONS has pointed out, is our blueprint. It speaks to the priorities we have as a Nation. It is a framework. All of the elements which are necessary for a responsible budget are included in the budget document, which has been brought to the floor. I am proud to support it. It gives us the right blueprint for America's future.

The most important thing is it does get rid of sequestration. Sequestration is across-the-board mindless cuts. It says every priority in this country is exactly the same. That is not the case. The budget coming out of the Budget Committee is a responsible way of substituting for sequestration.

Senator MURRAY mentioned balance. I wish to speak about this chart, which points out the fact of how balanced the budget is. The Senate Democratic budget balances additional spending cuts—Senator COONS is absolutely right—and additional cuts in what we do in the tax expenditures. We spend money through the Tax Code and through appropriated bills. The budget you brought out balances reductions in both categories. Sequestration only applies through the appropriations process. It doesn't apply to how we spend money through tax expenditures.

It is very interesting, as this is very similar to the other bipartisan proposal which has been brought forward. We talk frequently about Simpson-Bowles. Some of us may have disagreed with the specifics, but we thought it was the right blueprint and the right balance between spending reductions and tax expenditure reductions.

The Senate Democrats' proposal is very similar to Simpson-Bowles on the ratio of cuts. Actually it has more spending cuts and a little bit less revenue. Again, the Gang of Six is very similar. We are very proud our colleagues came together in an effort to try to bring Democrats and Republicans together. The Democratic budget in the Senate builds upon that bipartisan cooperation. It is very similar.

When we look at the House Republicans, they are totally out of step with what is necessary in order to get our country back into balance.

This provides a framework for investment. I appreciate the fact Senator MURRAY has provided ways in which we can invest in infrastructure, invest in research and development, and how we may invest in education. This translates into job growth. The more jobs we create, the more people pay taxes and the less revenue which is used. This is how you also balance the budget.

The Senate Democratic budget, the budget coming out of the Budget Committee, provides for those types of important investments. You also protect the most vulnerable citizens. This is so important. You protect Medicare. Why? Because it is important for the dignity of our seniors.

I particularly appreciated the statements which were made by Senator DURBIN, who was a major player in bringing this out, that going into deficit reduction we want to protect the most vulnerable. We don't want to add to the poverty of America. The Democratic budget which you brought out carries out that commitment, protecting our most vulnerable.

You also lived up to the commitment to our veterans, and I appreciate that very much. President Kennedy said, ''As we express our gratitude, we must never forget that the highest appreciation is not to utter words, but to live by them.''

We all say how much we appreciate our veterans and our soldiers and what they have done for our country, protecting the democracy and freedom of our country. This budget does more than just say our appreciation, it acts by deeds, carrying out our commitment to the best health care for our veterans, including mental health services. I particularly appreciate the reserve fund that is permitted that makes more veterans eligible for benefits and improves the efficiency of the claims processing, which is particularly important in our region where so many veterans have waited way too long to get the benefits to which they are entitled.

Let me mention one last point, which is a huge difference—and Senator MURRAY and Senator COONS have mentioned it. The main difference between the budget the Democrats have brought out and the Republican budget conceived in the House is this is a credible way to manage our deficit, which is the most important thing—managing our deficit in a credible way—that will get our deficit under control. It builds on the deficit reductions we have already done. Since we started this debate and the Simpson-Bowles recommendations came out, we have already done $2.4 trillion in deficit reduction, $1.8 in spending reductions, and $600 billion in revenues. This is very similar to how the Simpson-Bowles proposal was made to have a plausible baseline.

Now, I am not going to get too technical about all this, but it means we are not using smoke and mirrors but are using a realistic baseline in order to do the deficit reduction. It is achievable, it is doable, it is credible, and Senator COONS deals with tax extenders.

One more word about tax extenders, because Senator COONS is absolutely right. We have provisions in the spending programs of this country that invest in energy security that are subject to sequestration because it is an appropriations bill. But we have provisions in the Tax Code that give special breaks to the oil and gas industry. These are expenditures. These are revenues we are hemorrhaging. They should at least be under the same scrutiny as the appropriations bills. What this budget is saying is that we can get some savings from these tax expenditures and then use that to get our debt under control.

Senator MURRAY is absolutely right. One of the huge differences between the Democrats and the Republicans is the Republicans want to reduce the tax breaks for middle-income families to give bigger tax breaks for high-income families. We say we can make the Tax Code more efficient and have a budget that allows for the growth of the middle class and manage our debt in a better way.

The bottom line is this budget produces $4.25 trillion over the 10-year window compared to Simpson-Bowles, which was $4 trillion. It is even more deficit reduction than the Simpson-Bowles proposal. It puts us on a sustainable path for a manageable deficit.

What we need to do now is negotiate and get this done for this Nation, and this framework gives us the ability to do that. What Americans want is a balanced approach that allows for growth and that is credible. This budget gives us that pathway and, most importantly, it will give predictability to the American economy, which is what I hear more and more as I go around. People want us to make decisions. We are prepared to make decisions. This budget gives us that pathway, and I congratulate Senator MURRAY. I also congratulate Senator COONS for the work he has done.

Mr. COONS. I thank the Senator for his comments and for his leadership in the Budget Committee and his hard work in the Chamber over many years.

The budget we are bringing forward to this floor today is one that invests in growing the American economy; that gives us a real path forward toward out-educating, out-innovating, and out-building our competitors globally; and one that is focused on job creation but also on deficit reduction in a responsible and balanced way. In my view, the Ryan Republican budget, if adopted, would give us a cure worse than the disease.

To talk about the budget's impact on America's treasured entitlement programs and the promises we have made to our veterans and our seniors, I am grateful to turn to my friend and colleague, Senator BOXER of California, who has joined us.

Mrs. BOXER. I thank Senator COONS so much for including me in this opportunity to speak about the choices we have before us.

Mr. President, may I ask how much time remains for Senator COONS so I have some idea?

The PRESIDING OFFICER (Mr. KING). There is 18 minutes remaining.

Mrs. BOXER. We all know a budget is critical because it is not just a bunch of numbers, it is a statement as to who we are as a people—what are our values, what we think is worth investing in, what we think we should cut, and so on. It is interesting because we have been attacked—Senator MURRAY and the Democrats—for backing a budget the Republicans say is not in balance. Well, I want to argue the point. I think it is, in fact, the only budget, between this budget and the Republican budget in the House—which is the one embraced by the Republicans—that is balanced in many ways.

The first way this budget is balanced is between investments—the things we need to invest in for our Nation; in innovation, education, investing in our kids, investing in their health—and commitments we have made over the years to our senior citizens. I am going to talk more about that in a minute, about what the Republicans do to Medicare in their budget—by the way, they kill it. I will explain how and why. Our budget also moves us toward numerical balance in a way that economists of all sizes and stripes believe is wise, which is to get the deficit down below 3 percent of GDP.

My colleagues don't think that is good enough, although I never heard one word from them—not one word—when George W. Bush came in and shredded the budget. He took a surplus that Bill Clinton and the Democrats, with the help of some Republicans, had put in place, and they shredded it under George Bush by giving tax breaks to the wealthiest, putting two wars on the credit card, adopting a prescription drug plan that didn't allow Medicare to negotiate for lower prices, and the deficit went wild. And it didn't even make sense. I am an old—well, I am old—economics major, and I remember the basics. You don't go into such deep debt because, if there is a recession, you can't really help but spend your way out of it.

So what happened when President Obama got elected is he faced the worst deficit crisis, and that deficit went up to well over $1 trillion. He has gotten it back to $850 billion. It is still too high, but the fact is I never heard a word from my really good friends on the other side of the aisle when they were racking up those debts. It was, oh, this supply side stuff is going to be great. Well, it wasn't great. It wasn't good. And I am glad this budget takes us back to the notion of the Clinton years, which is we have a balanced approach between revenues, investments, and commitments to our people.

If we look at the Republican budget—that Ryan budget over there that passed with huge Republican support—we can see what he does. I have to tell the people something they may not know. The Ryan budget, the Republican budget, includes more tax breaks for the people at the top. Surprise. I thought we had an election about this. That didn't seem to matter to the Republicans. A new tax break of $200,000 a year for people making over $1 million. Just what we needed, Mr. President. More tax breaks for the people at the top. This is per year. Think about that. The average income is about $50,000 a year, and the Republicans are giving $200,000 a year to millionaires. Forget it. That is why they want us to send this budget back—to come out with that kind of a budget? No way. I want a balanced budget.

By the way, how do they pay for this? With unspecified closing of tax loopholes. Well, let me tell you, the amount of money they are putting in these new tax breaks—$5.7 trillion—is so high they will have to end the home mortgage deduction, which the middle class really needs. The wealthy people don't need mortgages, they can buy their homes outright. The middle class, the upper middle class need this tax break. Charitable deductions, which our charities count on, is another of their loopholes; and making sure you can write off State and local taxes, which helps our States and our cities. That is what they are going after. They do not say it because it is ''unspecified.''

I hope I have made the point that the Republican budget is basically a sham because I don't know any Senator on either side of the aisle who would vote today to do away with the charitable deduction, the home mortgage deduction, or State and local tax deduction. Maybe a couple of them would, but I can tell you, hearing from my folks at home and the charities that depend on that deduction and the real estate people who are finally seeing a little recovery, what a time to do that. So I say that budget is a sham. It doesn't balance and, worse yet, it hurts our people.

I have only one more point to make and then I will yield back the time to my friend.

How much time remains?

The PRESIDING OFFICER. Thirteen minutes is remaining.

Mrs. BOXER. If the Chair will advise me when I have used 5 minutes.

So let me now tell you about Medicare. In the Republican budget, if you are younger than 55, instead of getting the same Medicare your parents had and the same Medicare you have paid into and the same Medicare that you counted on, it is over, folks. It is over. You will get a voucher. There is no more Medicare. They tell you to go out with that voucher and find your own insurance.

Now, we know, because studies have shown us, that plan says you will be paying $6,000 a year more out of your own pocket for health care. That is what this so-called Medicare—new Medicare—Program is. It is not Medicare. Medicare is a guaranteed benefit where you take the card and go to the doctor. Here you take a voucher.

So now you are 55, and then you get older. If you are lucky enough to get health insurance, and you get older and now you are 70 or 80, and you are taking an insufficient voucher—you are retired—this is a giant nightmare. These are supposed to be the golden years. Well, the people who lose this will have lost the golden Medicare guarantee, I will tell you that.

Here is the final point. The Republicans say if you have Medicare, don't worry. You are fine. Baloney. If you end Medicare, destroy it like the Republicans do, the people left in it are part of a dying program that is being phased out. Who is going to try to improve the quality of that program? It is going to be like fixing an Edsel or fixing your typewriter. There is no more Medicare. It is going to be a program that is dying, that is being phased out, and that will hurt current senior citizens.

So let's be clear. The Ryan budget, the Republican budget, takes the Medicare promise and shreds it, destroys it, and it is the end.

When President Johnson signed the Medicare law in 1965, here is what he said:

> No longer will older Americans be denied the healing miracle of modern medicine. No longer will illness crush and destroy the savings they have carefully put away over a lifetime. No longer will young families see their own incomes eaten away because they are carrying out their deep moral obligation to their parents, to their uncles and their aunts.

So I am saying to Senator MURRAY: Thank you, thank you, thank you, for your leadership. I am saying to Democrats such as Senator COONS, who has organized this today, thank you for your leadership, thank you for a budget that recognizes our obligations to our seniors, to our veterans, to our children, to this Nation, to make sure this is a Nation of innovation, and thank you for protecting transportation, an issue that I care deeply about as chairman of the Environment and Public Works Committee. Without being able to move people and move goods, our Nation will not be a leading economic power.

So I thank you, and I yield back to Senator COONS.

Mr. COONS. I thank my good friend from California and the other members of the Budget Committee who have worked so hard to pull together this proposal, this package, this budget resolution that comes to the Senate floor today.

I think this is a great week for the Congress. We are at last, in stark contrast, presenting to the people of the United States a budget path forward adopted by the Republican-led House and a budget path forward adopted by the Democrat-led Budget Committee. Hopefully, this will not just be debated but adopted in this Chamber this week.

Let me briefly summarize the main points made by my colleagues. First, as the Senator from California emphasized, one of the core elements of the Ryan budget plan that gives us real pause and concern is that it doesn't keep our promises to our seniors, to our veterans, and to our most vulnerable populations.

It block grants Medicaid, it repeals the health care law's expansion of Medicaid, it repeals the health care's law exchange subsidies, and, more important than anything else, it turns Medicare into a voucher program. These are fundamental changes.

When Chairman MURRAY began our deliberations as a budget committee, she laid out three core values she wanted us to keep in mind; that our budget resolution should, first, help grow the economy and help the private sector create jobs, and I believe it does that by prioritizing critical investments in infrastructure, in education, and in R&D; second, to keep our promises to our seniors, to our veterans, to those in our country to whom we have made commitments over decades—something I would add, that we also continue to respect and embrace a circle of protection for the most vulnerable in our society; and last, that we make credible progress toward reducing our deficit and debt but in a sustainable way that allows us to continue to grow our economy from the middle out.

Let me turn for a few minutes to some criticisms or challenges that many of us on the Democratic side of the Senate have of the Ryan Republican budget. Briefly, it relies on outlandishly rosy assumptions about revenue and spending levels. It counts $716 billion in Medicare savings from the very health care reform law it says is repealed, and that tension within the Ryan budget is irresolvable.

Third, $810 billion in Medicaid savings are just cost-shifted onto the State governments. As we know, States all across this country are struggling to balance their budgets today. These costs are not trimmed. They are simply shifted from the Federal Government onto the States.

Fourth, RYAN relies on $800 billion in undefined savings in mandatory programs, significant cuts that would have dramatic and negative impacts on our country and on our economy. There is $800 billion in cuts that he doesn't specify out of his total $962 billion in overall savings to so-called other mandatory spending.

Last, RYAN claims his tax cuts for the wealthy—which cost more than $4.5 trillion—wouldn't add to the deficit. To give some visual sense of the likely impact, it is anything but balanced. While RYAN claims his budget plan would balance the budget—and I challenge that assumption, given all these different mathematical and programmatic challenges—it is also doing it in a way that is fundamentally unbalanced and that doesn't respect our core values. To double down on tax breaks for the wealthiest Americans, to give an additional tax break of more than one-quarter million dollars a year to the very wealthiest Americans while shifting that tax burden onto the middle class doesn't make sense. It doesn't meet the test of fairness and it doesn't meet the test of sustaining economic growth in a balanced way.

Last year, the independent Tax Policy Center analyzed the Ryan rate reduction, the proposal to reduce rates on the wealthiest Americans to 25 percent, and estimated that unless those costs were offset with corresponding tax hikes, it would add $4.5 trillion to our deficit.

So which one is it? Does the plan shift tax burden to middle-class Americans as was described in some detail by my colleagues or does it actually add to the deficit and fail the test of balance?

Let me move then to the question of revenue and how our budget package achieves some contribution to balance going forward. One of the things that I think is important for folks watching the difference between these two plans to grasp is that both plans make significant changes to what my colleague from Maryland talked about as spending through the Tax Code.

We spend almost as much as we receive in revenue through a Tax Code that, in the many years since 1986, has become riddled with loopholes, exemptions, and special treatments, particularly for the wealthiest and best connected. Both plans—the Ryan plan in the House and the Democratic plan in the Senate—both close tax loopholes. Out of an estimated $14 trillion in these tax expenditures over the next decade, the Ryan plan actually cuts $5.7 trillion. The Democratic plan that we are moving forward today only cuts 7 percent of these tax expenditures. That is how I think we can credibly say it would not cut into those tax expenditures relied on by the middle class—things such as the home mortgage deduction, the deduction for employer-provided health care, the deduction for charitable contributions. This 7-percent reduction in tax expenditures is much more modest than the significant amount of revenue raised in the Republican plan.

The more important contrast, though, is to what end. What do we do with these two significant differences in revenue raised through closing tax loopholes? As I said a few minutes ago, the Ryan plan would dedicate it almost exclusively to reducing tax rates for corporations and the wealthiest Americans while, in our balanced plan, this is half of the total contributions we make toward deficit reduction.

Let me move toward a close with a few conclusory comments. There are reasons to say the House Republican plan makes cuts that will grind our economy to a halt, makes cuts that are unduly focused on just those areas that we think deserve investment: research and development, infrastructure, education, public health. In my view, it wipes out the chance for us to continue to expand high-tech manufacturing to ensure that we have a more competitive economy, to cure life-threatening diseases, and to bring America's economy fully back to health. It relies on budget gimmicks and on faulty assumptions. In my view, the plan we move forward today is a more balanced and responsible path forward to keeping our promises to seniors and veterans, to protecting the most vulnerable in our society, to dealing with our deficit and debt, and to moving this country forward.

The future that our budget plan would move us toward is the kind I envision for my kids, for my State, and for our country—one where we can grow our economy but continue to respect our most basic values.

Even though the Ryan plan, in my view, fails a basic test of values, it also fails a basic test of balance. We have a budget that this body will take up and consider today and I hope we will pass. As it passed out of committee with the strong leadership of Chairman MURRAY, I am confident it will pass out of this Chamber today. From that passage, it is my hope that people of the United States can see us begin to work together on a balanced bipartisan plan that will responsibly deal with our deficit and debt, grow our economy but continue to respect our most fundamental values.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, was the time used there time against the motion?

The PRESIDING OFFICER. No. The Senator from Washington specified that the time would be taken off the resolution.

Mr. SESSIONS. Mr. President, we understand what is happening here. The budget produced by the majority does not balance, doesn't come close to balancing, does not change in any measurable way the debt course we are on that the Congressional Budget Office Director said is unsustainable.

This budget taxes more, it spends more, and does not change the debt course we are on; therefore, it is a budget about to bankrupt America because, as Mr. Elmendorf said, our current deficit plan endangers our future.

They have used—we have counted—now over 30 times the word ''balanced.'' We have heard a balanced approach, a balanced plan; a balanced approach, a balanced plan. But it does not balance.

Senator COONS, a great Senator, was a county commissioner. He balanced his budget and gained acclaim for it, and it wasn't a balanced approach—it was a balanced budget.

The Presiding Officer has been a Governor and balanced his budget. All former Governors in this body balanced budgets—real balance.

A balanced approach means nothing, nada, zero. A balanced approach means nothing. It is an excuse to tax and spend and not change the debt course of America. At some point, every Senator is going to have a moral responsibility to decide whether they want to stay on that course.

The Ryan budget is not before us. This motion that I have does not require the committee to have a Ryan budget. This motion would simply say: Committee, go back and look at this budget. Committee, do a budget that balances, and if you want to tax oil companies, if you want to tax rich people more, lay it out. If you want to cut spending in some other area than RYAN wants to cut spending, do so. But remember, RYAN does not cut spending.

We see the chart up here. How much does RYAN cut spending? RYAN's budget doesn't cut spending. Our proposal is not to cut spending. It increases spending every single year. One of the ways this country is going broke is, when they reduce the growth of spending, they say it is a cut. That kind of logic is why we are going broke.

If we change the growth rate from 5.4 percent that we are on now to 3.4 percent, this budget would balance. We can grow spending every year and balance the budget—no net cuts. Some programs ought to be eliminated but no net cuts.

We are glad to have Senator THUNE, who has served so ably on the Budget Committee for many years, is thoroughly knowledgeable about these issues and is part of the leadership in our conference and I yield to him on the resolution.

How much time remains on the resolution?

The PRESIDING OFFICER. Approximately, 16 hours, 30 minutes on the resolution.

Mr. SESSIONS. Mr. President, I yield to Senator THUNE.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. THUNE. Mr. President, I thank the Senator from Alabama for his eloquence in laying out what is at stake in this budget debate we are having and for also pointing out, once again, that the budget before us in the Senate doesn't balance.

In a way, the speakers who have been here before on the Democratic side have been talking about another budget. They are talking about a budget that is under consideration in the other House, in the House of Representatives. They are not talking about their budget.

I suspect one of the reasons they don't want to talk about their budget is it is a budget that, for all intents and purposes, will hurt economic growth, cost jobs, and lower take-home pay for middle-class Americans because it doubles down on the failed policies of the past 4 years, which have consisted of more spending, more borrowing and more taxes, and that is what this budget is about.

I wish to quote something from the Washington Post editorial page in regard to the Democratic budget that is before us.

> Except for the part about no imminent crisis, the Senate Democratic budget recognizes none of this.

They are talking about the challenges we face with regard to the fiscal crisis we are in.

> Partisan in tone and complacent in substance, it scores points against the Republicans and reassures the party's liberal base—but deepens these senators' commitment to an unsustainable policy agenda.
>
> In short, this document gives voters no reason to believe that Democrats have a viable plan for—or even a responsible public assessment of—the country's long-term fiscal predicament.

This is their assessment of the budget debate that is going on in the Senate. The Washington Post editorial page isn't exactly a bastion of conservative thought, but note what they say about this: It is not a viable plan. It is not even a responsible public assessment of the country's long-term fiscal predicament.

This is precisely what is wrong with this budget and why the Democrats who come down to the floor of the Senate aren't talking about it. They are coming down to talk about the budget that is under consideration today in the House of Representatives—which, incidentally, does actually balance in 10 years.

The first motion that is under consideration in the Senate is to recommit this back to produce a balanced budget.

It strikes me, at least, that I think most Americans would accept the logic, if you will—the notion, that we ought to be able to submit a balanced budget—at least a budget that balances in a 10-year period.

Most Americans have to make decisions every single year. They have to figure out how they are going to go about balancing their own family budget, how to make what is coming in the door meet the expenses that they have to deal with in their daily lives. Yet the Democratic budget that is before us not only doesn't balance in 10 years, it doesn't balance ever—it doesn't balance ever.

That is why this motion that is before us to recommit this budget to the Senate Budget Committee and to produce a budget that actually does balance is something I hope my colleagues on both sides will support.

It is time we got serious about doing the important work of the Senate, taking care of the people's business, which is to get spending on a more responsible and sustainable fiscal path so future generations of Americans aren't saddled with this massive burden of debt, so we can protect and save programs—important programs such as Social Security and Medicare—which are on a pathway to bankruptcy.

Social Security is already operating at a cash deficit; in other words, there isn't enough money coming in, in the form of payroll taxes, to pay the benefits that are due to Social Security beneficiaries. Medicare is going to be bankrupt 10 years from now and even in the hospital part of that trust fund, by the year 2016, according to the CBO.

It is clear. These things are looking us right in the face. This is not something out there on the horizon, these are issues today that need to be dealt with. Yet the Democratic budget before us does absolutely nothing to address the long-term fiscal challenges facing this country. What are we going to do to save Social Security and Medicare and Medicaid?

In fact, according to the CBO, by the year 2023, 10 years from now, mandatory spending will represent 91 percent of all Federal spending. Think about that. It is about 62 percent today. We are on a trajectory and a pathway over the next decade to where 90 cents—over 90 cents out of every dollar is paying for those basic core programs with nothing left over. How are we going to fund the military or defense or the other priorities this government deals with every single day when over 90 cents out of every dollar is going to be spent on these programs? Yet this budget does nothing to address those important fiscal problems.

What it does do is it grows government—a 62-percent increase in government spending over the next decade. It adds $7.3 trillion to the Federal debt, and that is on top of the $6 trillion that has been added in the last 4 years. It raises taxes. The Democrats will say it is only by $975 billion, about $1 trillion. But if you look inside the numbers, they replace the sequester—another $1½ trillion—with a fund, some sort of fund. What is going to fund that? Spending cuts? I do not think so. We are talking about up to a $1.5 trillion tax increase in this budget on top of the $1.7 trillion tax increase we have already seen under this President and the Democrats here in the Congress.

What does that mean? They say it is just a tax on the rich. We just need the rich to pay a little more. They need to pay their fair share.

They got a big, fat tax increase with the fiscal cliff. They got a big, fat tax increase with the $1 trillion in ObamaCare. The rich are getting hit with higher taxes, but what is happening is a lot of these tax increases are starting to hit the middle class, and they are starting to figure this out. If you are a middle-class American and they are saying: Let's soak the rich a little more, that is OK, the rich can pay more—Mr. President, I have to tell you, it is coming at you. If you are a middle-class American, you cannot tax the rich enough to do all the things these guys want to do to increase Federal spending and grow the size of the Federal Government.

Our focus should not be on growing the government; it ought to be on growing the economy. This budget does absolutely nothing to get the economy growing again. It simply does what we have done in the past 4 years; that is, increase spending, increase borrowing, and increase taxes.

If you don't think the taxes are hitting the middle class already, just look at your health insurance premiums because the tax increases in ObamaCare were taxes on, yes, medical device companies, taxes on your health insurance plan, taxes on pharmaceuticals, all of which are being passed on in the form of higher costs to average working Americans.

We have a crisis in this country that affects the middle-income families, people who are out there every single day just trying to do their best to make their budget balance and do the important things to plan for the future of their children and grandchildren, and here we are in Washington, DC, debating yet more policies that are going to hurt the economy, going to crush job creation in this country and lower take-home pay for those very middle-class American families.

This is the wrong approach. I hope as we debate this we will have an opportunity to vote on amendments. Perhaps there is a way we can make this better. I doubt that to be the case. This budget is so far off in terms of where we need to be going as a country. If we are serious about getting the economy growing and expanding again, creating jobs for middle-class Americans, and doing something about the massive amount of debt we are passing on to future generations, this budget is the exact wrong prescription for that. We can do much better by the American people, and we need to. I hope that during the course of this debate that will become clear and that we will move in a different direction for the future of this country.

I see the leader is here on the floor. I will conclude my remarks at least for the time being and allow him to make his.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. McCONNELL. Mr. President, I thank my colleague from South Dakota. He is entirely correct. This budget is extreme, and it is unbalanced. What would happen if it passed? We would have a tax hike of up to $1.5 trillion. That would be the largest in U.S. history. It would cost the average middle-class family literally thousands.

Democrats here in Washington, as Senator THUNE and Senator SESSIONS pointed out, already just got billions of dollars in new taxes at the end of the year—about $600 billion because the tax law expired, the fiscal cliff; then they got $1 trillion more out of ObamaCare. So this would be on top of all of that—$1.5 trillion on top of the $1.6 trillion that is already going into effect. And there is a nearly two-thirds increase in big government spending.

It would siphon $½ trillion out of our economy and into the hands of Washington bureaucrats and the people in Congress to spend; 42 percent more debt, with each American owing up to $73,000; and an average of 850,000 fewer jobs every year. That is about 11,500 jobs in the Commonwealth of Kentucky. Medicare would be allowed to go bankrupt in a few years, and this budget would not balance—not this year, not tomorrow, not ever.

A lot of Democrats here in Washington are saying they simply don't care about balancing the budget anymore. It certainly shows with this one. Their budget will not give Americans a better economy. There won't be any real job creation or the kind of deficit reduction we all know the country needs, just a massive tax hike and more spending to grow the bureaucracy from the pockets of the middle class out.

Our Democratic friends here in Washington like to say that budgets are not just about dollars and cents, they are about values. What their budget tells me is that they have completely lost touch with the hopes and concerns and aspirations of their constituents, that they are putting the needs of government ahead of those who elected them. The budget we waited 4 years for—4 long years we have waited for a Democratic budget—is just a rehash of the extreme policies that continue to pummel the middle class. As all of us have said, it is time to grow the economy, not the government.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. THUNE. Mr. President, we have among the many people who serve in the Senate some people who have balanced budgets and done it——

The PRESIDING OFFICER. Who yields time to the Senator from South Dakota? The Senator from Alabama?

Mr. SESSIONS. Mr. President, I yield to the Senator from South Dakota such time as he and Senator JOHANNS would utilize.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. SESSIONS. Mr. President, if you would, that would be from the resolution.

The PRESIDING OFFICER. I thank the Senator.

The Senator from South Dakota.

Mr. THUNE. We have among the Senators who serve in the Senate people who have balanced budgets and done it the old-fashioned way, the hard way, one of whom is the former Governor of the State of Nebraska, now Senator, MIKE JOHANNS. Senator JOHANNS, like me, comes from the midwestern part of the country where common sense prevails and where people are not unaccustomed to having to tighten their belts a little bit during difficult times. As a consequence of that, many of those States in that part of the country are well managed, and they elect leaders who bring those types of principles to their leadership and to the way they govern among their States.

So the Senator from Nebraska, Mr. JOHANNS, has a long record—not only as a Governor, I might add, but as a mayor. He has been an executive. He knows what it is like to make those hard decisions, and he is someone who, like me, is very concerned that we get on a more sustainable fiscal path for this country, get our fiscal house here in Washington, DC, in order, and make sure we are not bankrupting this country and saddling the next generation with massive amounts of debt.

I yield to my colleague from Nebraska, Senator JOHANNS.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. JOHANNS. Mr. President, I thank the Senator from South Dakota for a nice introduction. I appreciate the opportunity to speak today on the budget that has been proposed by the majority party.

If I might lay a little groundwork, in addition to what the Senator from South Dakota said about me, my time in elected office dates back to 1983. I was first elected to be a county commissioner in Lancaster County. After that, I went to the Lincoln City Council, where I served for a couple of years, primarily because I had concerns about where the budget of the city of Lincoln was headed. I ran for mayor of Lincoln, and I served two terms as mayor of the city of Lincoln in a strong mayor form of government. From there I went to the Governor's office of the State of Nebraska, and from there I went on to become Secretary of Agriculture in the Bush administration, and 4 years ago I joined the Senate after running for election.

I have dealt with government budgets all of my career. I worked on my first budget when I was 32 years old. The one thing I knew was that it had to be balanced or it was not going to work. I have submitted budgets over and over again through those years, all balanced.

But let me focus a little more intently on the State of Nebraska and my time as Governor there. Nebraskans have a very practical approach to spending money. It is very straightforward. If you don't have the money, you don't spend it. It is that straightforward. You see, in our constitution, when the founders of our State wrote our State constitution, they worried about the very thing that is happening with this budget being presented by the majority. They worried that there would be politicians who would figure out that if they just kept borrowing and spending, they could get themselves reelected over and over. But they also realized that was no course for a State, so they put into our constitution that the politicians could borrow $100,000. I suspect that when our constitution was written over 100 years ago, many at that time looked at $100,000 and said to themselves: That is a handsome amount of money. Obviously, in today's world, $100,000 doesn't get you very far. In those years—post-9/11, I might add, when the economy had tanked because of what happened on 9/11—we were not only balancing the budget, we were not borrowing money to do it.

The other thing I would say is this. The Presiding Officer understands this as a former Governor. There was always a day of reckoning for the Governor. It was called the State of the State address, when you would walk into a chamber like this and you would lay out your plan for the State, and every media outlet in the State was there examining every word of the budget you submitted, every single senator was listening to every word you had to say, and if you laid out a plan that did not work or was filled with gimmicks, then the editorials the next day were devastating. You could never do that.

Let me compare that experience over those many years doing those many things with what I am faced with today as a Senator. This is what I am faced with. In order to support this budget, I, a former Governor, mayor, county commissioner, city council member who has balanced every single budget I ever submitted, would have to go home to Nebraskans and say this: My fellow Nebraskans, I just supported a budget that has over a $1 trillion tax increase. I would have to go on to say: That would be on top of the $600 billion tax increase last year. That would be on top of the $1 trillion of new tax increases in ObamaCare, and that is what I would have to say in order to support this budget to the citizens of Nebraska. I would also have to say to them that notwithstanding the fact that I have balanced your budgets for over 30 years in every budget I ever submitted, our Nation's debt in this budget will grow by $24.4 trillion by the end of the 10-year budget cycle. That is $7.3 trillion in new debt.

Let me just offer a thought on that. One could argue that at my age, age 62, maybe that doesn't mean a lot. After all, the Good Lord willing, I am probably not going to be on this Earth forever. It is just the way it works for human beings. Let me look around and see who is going to pay for this. Well, I know this weekend when I go back home—if we get back home—I am going to see my kids and grandkids. My kids are in their thirties. I am going to see my grandkids who range in age from 5 to 13. I am not going to have to look very far because if I vote for this budget, I am saying to my kids and my grandkids: I hope your life turns out OK because you are taking on, at the end of this 10-year budget window, $24.4 trillion of debt.

Now, let me compare that to how I started my adult life. When I was 20 years old, this Nation owed $380 billion of debt. So what I am saying to my kids and grandkids is I supported this budget, because here is where you are going to end up. You are going to end up starting your adult life with about $25 trillion of debt. I started my life with $380 billion. So when there is a war—which I wish I could say it will never happen, but it does—when there is a flu pandemic, when you want to do something more to educate your children, you are going to be hampered.

They are going to be paying back the debt I ran up during my life if I support this budget. This budget balloons the debt by 42 percent. That is what I will tell my kids and grandkids when I go home this weekend if I vote for this budget.

Net interest on the debt over the 10 years will total $5.2 trillion. What do we get out of that? What can we tell our kids and grandkids they get out of that? Well, they get to pay China back for lending us money. No schools will be built, there are no new teachers who will be hired, and there is no better health care which will be provided. That is just to service the debt our generation is running up.

Our debt, as a percentage of the gross domestic product under this budget, never goes below 90 percent of our economy. Actually, for 4 out of the 10 years it is over 100 percent. Every economist will say if we get into that stratosphere, the warning lights will be going off, the flags will be waving—stop, stop, stop borrowing the money. If I would have suggested anything like this as the Governor of Nebraska or the mayor of Lincoln, I would have been laughed out of the chamber.

Annual deficits. Even with all of the tax increases and gimmicks under this budget, we never get under $400 billion a year in new debt we are taking on. It ranges between $891 billion annually—on top of the nearly $17 trillion we owe today—to $407 billion annually. We never get close to a balance.

Senator SESSIONS says it so well: Balanced? What is balanced about this? I have been balancing budgets my whole life. This is not balanced. This is crazy. This is insane. This is adding debt to the shoulders of our children and grandchildren who are already up to their eyeballs in debt because of the spending that is going on.

Looking at the spending, it actually increases. Today's budget is $3.6 trillion. Under this budget—if I vote for this—it will go to $5.7 trillion in 2023, and that is a 60-percent increase.

Entitlements. You know what. I am 62 years old and in June I will be 63. Two more years until Medicare, and a little bit after that I will receive Social Security. People have talked about this great benefit that Senators get. Well, I said to a group back in Nebraska, at 65 I am going to get this great benefit. I am not going to have to pay much for it, and it is going to pay for my health care costs until the moment of my death. Everybody was looking at me. Wow, what is that plan? I said: Ladies and gentlemen, it is Medicare.

I said: At a point in my life where I could afford to pay something for it—and I would be happy to do that. I am not the richest person in the Senate, but I am not the poorest either. So I am going to go on this program and pass it on to my kids and grandkids. Is there anybody here who wants to get up and say: My gosh, that is fair.

That is not fair. We should not be doing that. It is not right. What does this budget do to address that problem? Nothing.

In a townhall meeting I was at in Lincoln recently, I said: If you are 62 years old, it is probably going to work out for you. We will probably borrow enough money to get Medicare and Social Security throughout my life. For those 40-year-old Members in the Senate or citizens who come to my townhall meeting, I am sorry, but I cannot make that promise to them. The trustees are telling us we cannot make that promise.

We waited 4 years for a budget from the majority. Year after year the majority leader would come down, stand right there and say: We are not going to be doing a budget this year. I wonder what the city council meeting would have been like if I would have gone down in Lincoln, NE, and said: I have been thinking about this, and I will not be doing a budget this year for the city of Lincoln. As Governor, I cannot imagine walking into our chamber back home and saying: I have been thinking about it, and I will not be doing a budget this year. Justifiably so, the people of the great State of Nebraska would have been looking for a new Governor and trying to figure out how to run the existing Governor out of office. Yet that is what we have been doing for the last 4 years.

We have waited 4 years, and we finally get a budget that does nothing for this country except increase taxes, increase the debt, increase spending, increase borrowing, and lay it off on our kids and grandkids with whom we will all go home and spend time this weekend—if we get out of here. It is not right.

Even the newspapers have figured it out. USA Today says:

> Disappointing . . . namby-pamby plan that underwhelms at every turn . . . neither balances the budget or reins in entitlements.

Now, I read the Washington Post, but I have to say, they are not always the most favorable to Republicans, and that is the understatement of the day. Here is what the Washington Post said: ''Gives voters no reason to believe Democrats have a viable plan.'' Boy, talk about a condemnation of a plan.

The Wall Street Journal said: ''Much higher taxes to fund much higher spending to finance a much bigger government.''

The Hill said: ''The Murray budget does not contain net spending cuts with the sequester turned off.''

I talked at length today about going home and explaining what a ''yes'' vote would mean on this budget. I am not going to do that. I am not going to go home and tell people I voted for this budget. I just want people to know right now that I will be a ''no'' vote on this budget. I will be a ''no'' vote because somebody has to stand for the people who are ultimately going to pay the bill.

We cannot pull the wool over the eyes of Nebraskans. They are just too darn discerning. They do not believe for a moment that all of this debt and spending and taxation is going to be financed by the rich guys. They realize that at the end of the day, this is going to visit home, and this is going to hammer the very people who are out there ranching, farming, running small businesses, and trying to pay their bills and educate their kids so maybe even they can leave a little something behind for the grandkids. That is what we are facing.

We are facing literally a situation where if we don't stand up to this, the day is not very far off where people's Social Security is in jeopardy, their Medicare is in jeopardy, Medicaid is in jeopardy, and we leave our children and grandchildren with this massive pile of debt. There is just no way to deal with it unless we just slam their standard of living and tax the living daylights out of everybody, and that is where this is headed. There is no way I could justify this vote back home.

I proudly announce that today I will be a ''no'' vote on this budget resolution, and I will do everything I can to stop it. It is the wrong course for our country.

I yield back to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. THUNE. Mr. President, the Senator from Nebraska could not have put it better. He has great experience with budgets and the people of Nebraska, who are similar to the people I represent in South Dakota.

Someone else who is also from a very similar State, the State of North Dakota—he is yet another Governor who, when he came here, came here in many respects because of his record of accomplishment as a Governor. The people of North Dakota elected him by an overwhelming margin largely because he knows how important it is that a State and country live within their means and that they not spend money they do not have. The Governor, and now Senator, of North Dakota has a long and incredibly strong record when it comes to fiscal matters. Again, like me, he represents a constituency which understands very clearly what is at stake when it comes to balancing our budget and making sure we are not handing that debt down to those children and grandchildren.

It is great to have here the Senator, my colleague and neighbor from North Dakota.

Mr. HOEVEN. Mr. President, I thank the distinguished Senator from South Dakota.

I am pleased to be here to discuss this very important issue, the matter of our budget, for this great Nation and to follow my distinguished colleague from Nebraska. I have had a tremendous opportunity to work with both of these Senators. Senator THUNE and I have been friends for many years and have worked on many issues important to this country and the Dakotas. Likewise, I have had an opportunity to work with Senator JOHANNS when I was Governor of North Dakota; he was Governor of Nebraska.

I want to pick up on some of his comments, but I am going to start out in a broader sense; that is, we are here today to debate a budget for this country. It is something we need to do. It needs to be a budget that moves the country forward. It needs to be a budget that helps us meet the challenges the American people want us to address. It needs to be a budget that sets the right priorities. It needs to be a budget that will help us truly reduce our debt and our deficit, and that means it needs to balance. It needs to be a budget that balances in a timely way. It needs to balance without raising taxes.

We have millions of people in this country who want a job. They want to get back to work, and raising taxes will absolutely hurt our economic growth and hurt their ability to get a job and to get back to work. At the same time we are talking about reducing our deficit and our debt. That means we have to control our spending and find ways to cut and reduce spending in an intelligent way, but at the same time we need economic growth. We cannot have higher taxes to hurt that economic growth, which kills jobs, but also it is that very economic growth, not higher taxes, that produces the revenue—again, combined with the right kind of controlled spending reductions—that gets our debt and deficit under control. The fact is this budget doesn't meet those very fundamental tests. It raises taxes by $1 trillion—more than $1 trillion. That would be the largest tax increase in the history of our country. That will hurt our economy. That will hurt our ability to get people back to work. That will hurt the economic growth we need to actually create revenue to address the debt and the deficit. So more than $1 trillion in higher taxes that will truly hurt our economy. Yet, even with a $1 trillion tax increase, the budget doesn't balance. Think about that: $1 trillion in tax increases and the budget doesn't balance. Does that make sense? I don't mean it doesn't balance this year; I don't mean it doesn't balance in 10 years; it doesn't balance.

So we can go through all the individual numbers and talk about all the different aspects of this budget in great detail, and we will. But for starters, on a fundamental basis, the Presiding Officer was a former Governor, as was my colleague from Nebraska, and there are others in this Chamber. We were required by the constitution of our respective States to submit budgets that balanced, and balanced every single year. This budget raises taxes by over $1 trillion on the American people, the largest tax increase in the history of our country, and it never balances. That is not setting the right priorities.

The Senator from Nebraska spoke a little bit about how he as a Governor approached presenting a budget, and it is something every Governor has to do. They have to present a budget to their respective legislatures that sets the right priorities.

When I did that budgeting process, the way I approached it was to say, OK, our budget first has to fund the right priorities. We have to set priorities. There is always more demand than there are resources available, so we have to determine what the right priorities are and fund those priorities in the best way we can. We can't fund everything, so we have to set the right priorities.

Second, in our State—and I know in many States—we said as well that we also needed to have a rainy day fund. We needed to be prepared for the future. We shouldn't be running big debt and deficits; we should be having reserves for a rainy day. We should have an adequate reserve fund for the future.

Third, we always looked to determine how we could reduce the tax burden on our hard-working citizens, the taxpayers of our respective States or the taxpayers of this country.

So fund priorities, build proper reserves, be fiscally sound and responsible, just as we do for our homes and businesses. We want to make sure we are in strong financial shape, we are fiscally solid and sound, have a reserve, and reduce the tax burden on our hard-working taxpayers. This budget does none of those fundamental things that go into building the right kind of budget. That is why I can't support this budget and we should not pass this budget.

As we look at our country today, we have to get people back to work. We have to get our economy growing. We have to reduce our deficit and our debt. We need to do it for our well-being today, for the well-being of our country today, and we need to do it for our children. This is about our kids. This is absolutely about our kids. So that means we have to have a budget that reduces our spending, that sets the right priorities, that controls and reduces spending. At the same time, we need progrowth tax reform and not higher taxes that hurt our economy. We need progrowth tax reform that gets our economy going, that gets people back to work. And with a growing economy, we get revenue from growth, not higher taxes. We need to reform our vital programs. We need, in a bipartisan way, to reform our programs such as Social Security and Medicare so we preserve and protect them for the long run. That is what the American people want. That is what the American people are asking us to do.

So as we set this direction with this budget—something that is incredibly important for our country—with all of these different aspects, we have to have the right priorities. This budget does not have the right priorities.

Members have to ask themselves as they vote on this budget: Does this budget set the right priorities? Does it properly control our spending? Will it put our fiscal house in order? Does it increase or reduce the tax burden on our hard-working taxpayers? We should ask ourselves those questions as we deliberate.

I know the American people will be asking those same questions. Those are the priorities that have to be fully evaluated and properly addressed in any budget, and this budget doesn't do that. For that reason I cannot support it, and I believe it should not be passed. I believe we should go back to work and create a budget that truly does those things: controls spending, sets the right priorities, doesn't raise taxes, and that truly does what the American people want and need us to do.

With that, I turn again to my distinguished colleague from South Dakota. I thank him for leading this colloquy, and I look forward to working with him on this very important issue.

Mr. THUNE. Mr. President, I thank the Senator from North Dakota. I think he put it absolutely right in terms of what the priorities should be and what the stakes are in the budget debate. I thank him for his leadership on this issue.

I want to close with one final point he made. He spoke a lot about the impact on the economy and what happens when we get economic growth. His State is a good example of this, because the State of North Dakota has a growing economy. And when we have a growing economy, we have people who are making money, people who are working, people who are investing, and that means people are paying more taxes, and that is how we get more revenue. What we need is a growing economy.

In the last 4 years, the average growth rate is less than 1 percent, eight-tenths of 1 percent. The 60-year average of economic growth, post-World War II, is 3.3 percent. So we are growing at less than 1 percent. In the last 4 years we have added $6 trillion to the debt, and we still have 12 million people unemployed and an unemployment rate that continues to hover around 8 percent.

Having said that, wouldn't we think we would want to try something different and go in a different direction? Yet this budget doubles down. It flat doubles down on these failed policies of the past 4 years that are antigrowth, antijobs, and continue to tax and spend and borrow as if there is no tomorrow. We need a different path. We need a different approach.

So I hope, as we have this debate over the course of the next couple of days, it will become clear not only to the Senators here in this Chamber but to the American people who really is interested in getting revenue the right way, which is through growing our economy, creating jobs, getting Americans back to work, and doing something about the debt and the spending crisis we have in this country.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I yield 60 minutes to the Senator from Virginia. Both Senators from Virginia are here. They are both great members of our committee who have contributed a great deal of time and effort in helping us get on to a path of sustainable economic recovery and deficit reduction. I appreciate the work of both of them.

I yield to the Senator from Virginia to offer a resolution.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, let me, first of all, thank the chairman of the committee for her great work in putting together what is this first step toward getting this issue that has plagued this body and plagued this country behind us.

This budget, as I have said to her and others, wouldn't have been the exact one I would have drafted. However, it reflects the varying concerns of the Democratic caucus. It is a budget that is credible, that is real, that moves us forward, and that has as part of its core all of the critical ingredients.

Anyone who has looked at this problem—I know the chairman of the committee has, I know the ranking member has; many of us have wrestled with this; all of the bipartisan groups have wrestled with this issue—have all said we have to do three or four things. No. 1, we have to have additional revenues. No. 2, we have to do entitlement reform. No. 3, we do need, yes, smart, targeted cuts on both the discretionary side and the defense side.

The Democratic budget, compared to what has now been as I understand in the last hour passed by the House, is the only document, the only budget that has all four of the component parts of any solution that will get this problem of the $16.5 trillion debt that our Nation faces, and a debt that goes up by $3 billion a day, to start putting a realistic, real plan in place to attack this problem in a real way.

I wish my colleagues from North and South Dakota were still here, because I, as was my good friend and colleague, the Senator from North Dakota, was a Governor as well and, yes, we had to balance our budgets. I and my colleague, my great friend, the junior Senator from Virginia, was a Governor as well. I have to tell my colleagues, I will match our record of fiscal responsibility in Virginia and progrowth policies in Virginia with any State in the Nation. Independent rankings have named Virginia the best managed State in the country, the best State for business, the best State for educational opportunity. Those are not my words, not the words of the Senator from Virginia, but independent validation.

How did we get there? Well, the remarkable thing was what we had in Virginia because of actions of prior administrations. When I came in and when the Senator from Virginia was my lieutenant governor, we had a structural budget deficit. How did we have that structural budget deficit? One, because we had spent too much, yes, but also what we put in place was a tax code and a revenue stream that would never meet the needs of basic operations of government.

That analogy is actually what we face now in the United States of America. Yes, we do need to find ways to limit our spending. But what I find curious from all of my colleagues who talk about this issue is their constant focus on the spend side with virtually no mention of what we in this Nation have done on the revenue side.

Anybody who can read a balance sheet—and I take great pride in the fact that I was a businessman long before I was a politician—realizes we have a revenue side and spending side. If we take a moment and look at what previous Congresses have done on the revenue side, back in early 2002, 2003, we put in place a tax cut that cut $4.5 trillion out of the revenue stream over 10 years. We had an expectation we would see budget surpluses as far as the eye could see. Well, I think there is not an economist anywhere or, for that matter, virtually any elected official, who would at least acknowledge privately that in retrospect that was a tax cut of unsustainable proportions. What is particularly remarkable when we talk about growth is that some of the period of our Nation's highest economic growth took place during the 1990s under President Clinton when we had a Tax Code that generated that additional $4.5 trillion of revenue over a 10-year period.

What is remarkable about all of the debates and all of the groups that have looked at this, all of which have included new revenue back into the revenue stream along with targeted cuts, along with entitlement reform, is that every one of those independent reviews of our problem has said the only way we get a balanced approach to get this debt and deficit under control is yes, cuts, yes, entitlement reform, but, yes, additional revenue as well.

The plan that is most often cited on this floor is the Simpson-Bowles report. Simpson-Bowles, on a 10-year basis, based upon the baselines they used in 2010, would have generated $2.2 trillion of net new revenue—$2.2 trillion of net new revenue. Again, thinking about that in the context of what we cut, that is less than half of the amount of taxes we cut back in 2003. So even the most ambitious proposal has said we do not need to go back to the Clinton tax rates when our country was prospering at unparalleled rates. We do not need to put back all of that revenue. We do not even need to put 50 percent of that revenue back in. But we do need to put somewhere between one-third and 40 percent of the revenue back into the revenue stream to make sure we correct the structural deficit on both the spending side and the revenue side.

What does this budget do? Well, we put $600 billion back in on New Year's Eve in a deal where many of us maybe had to hold our nose or our breath on, but it was back in the revenue stream. We put on top of that now another $1 trillion back in—$975 billion back into the revenue stream. That puts us at $1.575 trillion of net new revenue back in—$1.575 trillion—literally only one-third of the revenue that was taken out with the $4.5 trillion tax cut in the so-called Bush tax cuts.

So I find it a little strange for those who are saying: Let's look at the country's balance sheet—and, yes, we have to cut spending—not to reflect back upon the incredible growth we had back in the 1990s and recognize we have both a structural problem on the spending side but also a structural problem on the revenue side.

I have to tell you, from any kind of reasonable standpoint, putting one-third of the revenues we took away back into the revenue stream seems to me to be a reasonable, balanced, thoughtful, and, candidly, on any kind of operational basis, business basis, fiscally conservative approach.

I have colleagues here, and I want to engage in a conversation about sequester, but I also have to make one other point that particularly bothers me about what the House, which just passed their budget, did and I assume that many of my Republican colleagues, I guess, are endorsing.

I 100 percent agree with my colleagues that we have to have a growth agenda in America. You cannot, no matter how much you cut, cut your way to prosperity. And you cannot—and I know our Republican colleagues agree—you cannot spend your way and tax your way to prosperity. You have to have a growth agenda.

Well, for 20 years before I got into politics, my business was investing in businesses that were growth businesses. I was a venture capitalist. I was proud to cofound Nextel, close to 70 other technology-related companies. Anybody who was an investor in businesses—whether you were me or whether you were Mitt Romney at Bain Capital—looked at a couple of key components of any business in which you would invest. There were generally three items you would look at on any business plan. One was, did that business invest in its workforce, because in a global economy there is a global competition for talent, and the most important criteria you can look at, if a business is going to be successful, is, are the workers going to be trained and are they going to be able to compete and do the job?

The second thing you would look at—of any business I would look at—is, does that business have a plan to invest in its plant and equipment? Whether you are creating software or making widgets, are you going to stay current in a very competitive marketplace with how you make things?

The third issue is, no matter how successful your business is today, are you going to stay competitive in this global economy and how do you stay ahead of the competition, because no matter how good you are today, somebody tomorrow is going to come up with a new idea.

I would invest in businesses that met those three criteria. I would say that former Governor Romney had a very successful record at Bain in many cases. I bet he looked at those same three criteria.

Countries, in a very similar way, have their own business plans, and budgets kind of reflect those business plans. We may call it different items, but we have those same three criteria: workforce, plant and equipment, staying ahead of the competition. We just call it different items. We call it our investment in education and workforce training. In terms of plant and equipment, we call it our investment in infrastructure because how well your economy, how well your country is going to do is how well your roads, your rail, your ports, and your broadband are, how well you can move goods and equipment in an efficient and effective manner. The third item is, how do you stay ahead of your competition? Well, in the global economy, staying ahead of your competition means, what is going to be your value added? That is going to be your intellectual capital and your ideas. That means research and development.

Well, under the growth agenda criteria, under the business plan criteria, under the investment criteria, the House budget that just passed—and I hope I find my Republican colleagues will contradict me and say: No, no, we do not want to do this, but the House budget that just passed takes Federal domestic discretionary spending, which is currently only 16 cents on every tax dollar that we spend in America—and for those viewers, in English, non-Washingtonese, domestic discretionary spending is, yes, money we spend on the environment and energy and law enforcement and early childhood, but it is also the money we spend in the Federal Government on education, infrastructure, and research and development. It takes that 16 cents—not a very high number right now even—and takes it over about a 20-year period to less than 5 cents.

I have to tell you, I would never invest in a business that spent less than 5 percent of its revenues on its workforce, its plant and equipment, and staying ahead of the competition. I would never invest as a nation in a nation that is spending less than 5 percent of its revenues on the education of its people, the infrastructure of its nation, and the research and development to stay ahead of the competition.

I tell you, I have spent a lot of time as somebody who looks at what some of our competitive countries are doing. China is spending, just on infrastructure, four times the percentage of their GDP what we are; India, significantly more as a percentage of their GDP on education; even Europe, with all its challenges, significantly more than what this House budget would spend on America's business plan, on America's growth agenda.

I have to tell you, I would never invest in it. I have to tell you, I would really question if Governor Romney, whom I have great respect for with his business acumen—I do not think Bain Capital would ever invest in a business plan for America that spent less than 5 percent of its revenue on its growth agenda and its ability to stay ahead of the rest of the world.

So I hope over this coming debate we can talk about growth agendas, we can talk about revenues, we can talk about balance, we can talk about looking at our plan from any historic perspective. But what I want to turn to now—and I apologize to my colleagues who are on the floor—is the question of sequester.

Back in August of 2011, when we got close to the budget ceiling debacle—not exactly a high point for this institution or Congress, and we could debate about who had the idea or where it came from originally, but what was curious about that was we set up a process that said: We are going to figure this out in a way where we will never get to sequester.

I use the analogy for sequester—some of us are old enough—my good friend, the Senator from Maine, may recall the movie "Blazing Saddles." In that movie, "Blazing Saddles," the sheriff comes out and puts a gun to his head, and all the townspeople come up and say: Oh my gosh, the sheriff may pull the trigger.

We in Congress set up that circumstance with the sequester, and unfortunately 2 weeks ago we allowed that trigger to be pulled. Because I believe, as somebody who cut spending as the Governor of Virginia—and I know my colleague, the new Senator from Virginia, cut spending as well—we know how to make cuts. But there are smart cuts and smart ways to cut, and there are stupid ways to cut, and there could not be created a more stupid way to cut than sequester.

There are 975 separate line items in the Navy budget. Those 975 separate line items in the Navy budget are not of equal value to the taxpayer, nor are they of equal value to the defense of this Nation. But within the framework of sequester, we do not have any ability to pick and prioritize the way any reasonable business leader or any reasonable Governor would. We had to cut them all of an equal amount. The remarkable thing that is happening—and, again, my friend, the Senator from Virginia, will talk to this more—is that there is example after example, under the name of sequester, that supposedly we are cutting spending where we are actually going to cost the taxpayer more than any perceived savings. I will just cite two examples before I turn to my friend from Virginia.

For those viewers, the American government actually does get certain things right. We have even gotten a law that if we do any bulk purchases, we have to get at least a 10-percent discount. If we buy 10 tanks instead of 1 tank, we get a discount. If we buy more than one Virginia class submarine, we get them at $2 billion apiece. If we buy them individually, they cost $2.5 billion apiece.

Under the name of sequester, if this is allowed to continue, we will have times where we will have to violate those contracts and not only pay a penalty cost but then not receive the government discount because of volume purchasing. It does not mean we are not going to still have to buy the same amount; it just means it is going to cost the taxpayer more money.

In the case of research, the National Institutes of Health does some remarkable work, but anybody who follows medical research knows you cannot normally finish a research project in a single year. So it may take 4 or 5 years to do a cancer research project. If we allow sequester to continue, you may have 4 years of a cancer research project done, but because you cannot discriminate between projects, you cannot let that fifth year of the contract, so the first 4 years of that research is flushed down the toilet.

My colleagues, there has to be a better way to deal with this. Our budget, which replaces sequester with half revenues and half more targeted spending cuts, I believe moves us in that right direction. We in Virginia, in many ways, are ground zero of the effects of sequester. Many States have not begun to feel it. They will at some point.

I would like to turn to my colleague, my good friend, the new Senator from Virginia, somebody who serves now on the Armed Services Committee and has made hard choices as Governor as well, who knows what it takes to have a balanced approach to continue to grow the economy. He has continued the kinds of accolades that Virginia has received. I would like to ask the Senator from Virginia if he would be willing to explain in a little bit more detail some of the challenges we face at ground zero in Virginia around sequester and why the approach we have taken in our Senate budget is better than the status quo approach we are now having to deal with.

Mr. KAINE. Mr. President, I would be happy to address that question from my senior Senator and good friend, Mr. WARNER. As he indicated—and I think I can maybe say it a little bit more strongly than he could because he would be a little bit modest. I know of many people in this body who have great experience in governance, great experience in the business sector. I do not know of anyone who has worked harder on issues of fiscal responsibility and who has a greater track record in the business world of understanding what true fiscal responsibility is than my colleague Senator WARNER, and I am glad to engage in this colloquy with him.

I also want to thank our chairwoman, Senator MURRAY, for a job well done in helping shepherd this budget through committee to the floor. This debate, both in committee and here on the floor, that will take place in the next few days will illuminate important choices we need to make as a nation and will illuminate important differences between the Senate's approach and the House's approach.

I echo comments Senator WARNER made. This Senate budget is a compromise, like all are, and there will be more compromise that should take place in any normal process. But the budget does a very good job in a number of ways. It tackles the task, the challenging task of deficit reduction to get us to figures that would be very much the equivalent of what had been recommended in the Simpson-Bowles report, as Senator WARNER indicated. It focuses upon economic growth, a growth agenda, which is the most important thing we need to be focused on in this body, and it does it in a balanced way that incorporates real savings and also appropriate reform of revenues.

It is impossible to fix a balance sheet by just focusing on one side of the balance sheet. Business leaders know this. Governors know this. Everyday Americans know this. I commend Chairwoman MURRAY and the other members of the committee, and I echo the comments made by my colleague, Senator WARNER, about the budget having the critical components.

I feel very confident, if this budget were enacted as is with no change to an apostrophe, comma, or a line item, this budget would be a positive result for the American economy. It would promote growth, and it would find us continuing on a path to responsible deficit reduction to reach the levels of debt, deficit, or GDP which are appropriate from economic terms.

I would not say the same about the House budget. If it were enacted without a change, comma, or apostrophe, it would not be a positive thing for the American economy—it could be somewhat catastrophic or cataclysmic for the economy.

To get to the question, my senior Senator and friend has asked me about the effects of sequester in Virginia. As some of you might know, I took the floor for my maiden speech on this topic last month—a little bit earlier than I would have wished to have spoken as a freshman Senator. With the spectre of the sequester having such a significant effect on the Commonwealth of Virginia, I felt I couldn't be silent on it. A Senator colleague from Hawaii is here, Senator HIRONO, who I know feels equally strongly about this issue.

I took a tour throughout Virginia in the middle of February, which was designed as sequester was looming. We spoke to people who were affected, especially in the armed services area. I heard their stories about the sequester and the anxieties and threats it posed. Beginning in early April, 90,000 DOD civilian employees will begin to be furloughed in the Commonwealth of Virginia, hundreds of thousands nationally. This will have a very significant effect on the kitchen table, family pocketbook discussions which are happening all over the Commonwealth. This will be a very significant change to the individuals and the lives of their communities.

Mr. WARNER. Will the Senator yield for a question?

Mr. KAINE. I yield to the Senator.

Mr. WARNER. I would ask the Senator, I know he has seen and is very familiar with these installations and their families because of his tenure as Governor. You may also want to make the point: in an area such as Hampton Roads where you put these folks on furlough with literally 88,000, 98,000 immediately affected, will the Senator speak about the point of the ripple effect this has for literally thousands of others who provide the support services—restaurants, gas stations, auto repair, you name it—which rely on those folks having jobs as well?

Mr. KAINE. Absolutely. I am pleased the Senator brought this up. When folks are furloughed and they see their pay reduced, they will spend less at the drycleaner and less at the restaurant. They will delay the purchase of the automobile they planned for this year. They will be doing all kinds of things to tighten their spending. This will affect shopkeepers and merchants in their area.

When I was Governor, early in my term Ford decided to close a plant in Norfolk with a couple of thousand workers. The ripple effect of that was felt throughout the economy, a couple of thousand workers, was very significant. To take 90,000 civilian DOD employees in a State such as Virginia, heavily concentrated in Northern Virginia and Hampton Roads and furlough them and reduce their salaries will be felt throughout the economy. These civilian furloughs are one of the many effects of sequester.

Sometimes when people hear about furloughs of Department of Defense civilian employees, they might think it is someone sitting in an office. Who knows what they are doing? You need to think about who these people are. I visited Fort Belvoir Community Hospital, one of the premier facilities in the United States which treats wounded warriors, the people who have sacrificed so much for this Nation. When I was dialoguing with a wounded warrior and his wife at Fort Belvoir Community Hospital, they raised sequester. I thought they were raising sequester about something about their veterans' benefits. No. Instead, what they wanted to know is, My nurse is a DOD civilian and my physical therapist is a DOD civilian. Are the people we are asking to care for those who have borne the scars of battle—are they going to have reduced care because of this sequester? This is who these DOD civilian employees are, doing wonderful work, such as the nurses at Fort Belvoir Community Hospital.

Outside of the DOD civilian space, let's move into the private sector world. On this tour I went to the Newport News Shipyard. Senator WARNER and I were there last Saturday for a wonderful occasion honoring former Senator John Warner. This is a shipyard we in Virginia are proud of and proud of nationally. It is a great story. We manufacture the largest and most sophisticated items manufactured on the planet Earth in the Commonwealth of Virginia, nuclear aircraft carriers. They are manufactured and refurbished in Newport News at this shipyard. It is a very special technical expertise, the construction and refurbishing of these aircraft carriers. They are heel-to-toe for months. Then one leaves and the next one comes in. If you get out of line or delay, everything becomes backed up. The result is your shipping fleet isn't ready or as operational as it should be.

There was a pier, a drydock, filled in because the *Truman* was supposed to be coming in for a new refurbishment. It was stopped and sitting across the water in Newport. They couldn't start work because of sequester and uncertainty about the CR.

Many other shipyards in the Hampton Roads area, private, small ship repairs but without the financial muscle of a Huntington Ingalls of Newport News Shipyard, have issued warn notices to lay off employees because the Navy indicated in quarters three and four they would need to scale back on repairs. These were some of the effects they were seeing.

I went to a National Guard armory in Stanton, which was very interesting. I learned the National Guard in Stanton is called the Stonewall Brigade. Their first activity on behalf of the defense of the Nation occurred 20 years before the French and Indian wars. The Stonewall Brigade in Stanton began in 1740 defending the Nation, and they were talking to me about sequester.

How does sequester affect the Guard in Virginia, the Stonewall Brigade? It affects their ability to train their people. A whole series of training exercises planned for the next months or years is now jeopardized. They will not be able to train.

The commander of the brigade said, My people will do anything, but I would rather have them take on the tasks and the challenge knowing they are 100 percent trained and ready, rather than 85 or 90 percent trained and ready. This is an important responsibility we have to those men and women who sign up to be guardsmen in Virginia. Once again, whether it was our DOD civilians, ship repairers, wounded warriors, or guards men and women, you see these immediate effects sequester has in Virginia.

Of all the effects I have mentioned, I will say there was only one which made goosebumps come up on my arm. They were all of concern to me, but there was one which really made me stop and think. I went to visit an ROTC unit at the University of Virginia, which combined students from Navy, Army, and Air Force ROTC programs at UVA, to sit with me and speak about their career path. They spoke about their love for their country, their patriotism and willingness to sacrifice and put themselves in harm's way for their country.

One of them basically said this: I am willing to sign up voluntarily for a career path which will put me in harm's way—because I know it is a dangerous world. But as I am making a decision about my career, I hadn't really factored in the notion, Is my civilian political leadership willing to support me? When I watch Congress indiscriminately cutting budgets and doing an across-the-board cut to the military of the size sequester suggests, I need to ask myself—I will put myself in harm's ways, face bullets, danger, and the likelihood I could be a wounded warrior and a vet in a bed at Fort Belvoir Community Hospital once in my life. Do I want to face the risk a Congress might impose these types of cuts which are so nonstrategic and thereby send a signal to me what we are doing isn't that valuable?

This was chilling to me. This is the message we send, whether it be the ship welders who could be ship repairers or go somewhere else or bright and talented college students who could be military officers or do something else. When we send a signal from this place, people pay attention. If the signal we send is we have a wavering commitment and are willing to do nonstrategic across-the-board cuts, it is not only affecting today but it could potentially have an effect down the road.

There is an answer to this, a solution. What I heard repeatedly on the trail from Virginians of all political parties is fix this, make a deal, find a compromise, listen to the other side. No one said to me fix this; fix my problem by taking more money away from someone else. I didn't have the warriors say: Fix our defense cuts by cutting Head Start or by cutting other priorities more.

They said go find the kind of balanced approach which would involve cuts and savings, and we all know how to do them. This would also involve the kinds of revenues we need to find a balance to this problem.

The other good thing is we can fix this. In fact, we tried to fix it. There was a bill on the floor here which replaced the first year of these sequester cuts with a balanced mixture of revenues and expenditures. The bill was on the floor for vote, and it received enough to pass. It received more than 50 votes and more than a majority of this body. This is a way of saying we do not want there to be these nonstrategic sequester cuts. Because of the decision to filibuster, to require it to reach not a majority but 60 votes, the will of the majority in this body to turn off sequester for the first year and find a balanced replacement package was thwarted. We have another opportunity in this budget.

I will say one more thing, and then I will throw it back to the Senator with a question. We have before us a sequester alternative in the fiscal year 2014 budget we are debating. The budget includes a path of deficit reduction which is balanced and is both expense cuts and revenues. It also does something very particular with respect to sequester. It replaces blunt across-the-board nonstrategic cuts with targeted and strategic cuts of a lesser magnitude, because we are adding in revenues as well. It also times the cuts so they are not straight across-the-board equal for 10 years but a little more focused on the back end of the 10-year period to help the economy. Signs indicate the stock market, housing market, auto sales, and consumer confidence is picking up.

What this budget does with the sequester is it finds savings but reduces the deficit of savings. It makes them targeted and strategic, rather than blunt and across the board. It times them in a way which is more conducive to economic growth. This, as one of the many features of this budget, is the better approach to sequester than the one we are currently living under.

I wish to ask the Senator a question. After attending the Budget Committee hearings with me and hearing the debate on the floor thus far about the budget, I have to say I have been a little surprised to hear some of my colleagues. They argue: No, we shouldn't replace sequester. The sequester should go forward. The sequester is a good thing.

I heard this argued in committee. There was opposition to the notion of doing something better than sequester. It was sort of expressed as we said we were going to do the sequester cuts and we need to do them. I have heard it said on the floor, even in the course of the debate since yesterday. Under any circumstances, as somebody who has created and run businesses, who ran a State government and received fiscal accolades for doing it the right way, if we have a reasonable fix, is there any justification for continuing with blunt across-the-board sequester cuts which do not take into account the priority of any of the line items and do not take into account the performance data about whether any of those line items are affected? I would like to hear the Senator address that question.

I know our colleague from Hawaii is also anxious to tell us about sequester effects in her State.

Mr. WARNER. I thank the Senator from Virginia.

I ask unanimous consent to engage in colloquy with my friend, the Senator from Virginia, the Senator from Hawaii, and the Senator from New Hampshire as well.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. WARNER. To briefly respond—I don't want to keep returning to the ''Blazing Saddles'' analogy, other than the fact these cuts were set up to be the stupidest way possible. No rational group of folks would allow them to come to pass.

The only other point I wish to make is with regard to the Senator's point about the ROTC individuals. I think at times this may not have been part of debate—although there may have been a number of colleagues on the other side of the aisle who have argued strongly against sequester and pointed this out as well. We are not just talking about the immediate short-term effect on that furloughed employee or the ship which may not get repaired. As these cuts were set up to be so ridiculously put forward, the effects of these cuts will actually, in many cases, cost us more money than the savings.

If that ROTC member who has taken 3 years of ROTC decides to quit and not become an officer, the money we have invested in his or her training up to that point is flushed down the toilet.

If we do not make the ship repairs that are part of our industrial base and if the workers at those ship repair businesses in Hampton Roads and in Hawaii and in New Hampshire and in California and in Alabama and in Mississippi leave those careers and those welders go elsewhere, the cost of replacing that workforce and retraining them because we have said, oops, we made a mistake and we come back and fix it 2 years from now, will end up costing the taxpayer more than the dollars we have saved.

If we continue to defer the maintenance and the training of our Armed Forces so we don't have divisions ready to go into action, the cost to get them back up to military readiness will be exponentially higher the longer we wait than doing these cuts in a smarter, more tailored and more phased-in fashion.

I think the military and everybody I have seen realizes they are going to have to make the kind of cuts to make sure that everything—domestic discretionary, defense, entitlement reform, and revenues—all have to be part of the mix.

Our military does a remarkable job for us, and we owe them not only the kind of platitudes we sometimes say on this floor, but we owe them an ability to manage a budget that is reasonable, that is thoughtful, that does not have this kind of arbitrary, across-the-board-regardless-of-performance cut. We owe that young man or woman who is in the ROTC the commitment that our Nation will stand by their obligations to their training and support of them so they can continue to serve and protect our Nation.

I now want to ask our friend, another new Senator, the Senator from Hawaii, for her comments. Hawaii is a State that has enormous military assets as well as other assets on the frontline of our Nation's shift in focus on Asia. She may want to add as well any particular stories about her views on sequester and how our budget takes a more reasoned and balanced approach.

The Senator from Hawaii.

Ms. HIRONO. I thank the Senator and good morning, Mr. President.

The ACTING PRESIDENT pro tempore. Good morning.

The Senator from Hawaii.

Ms. HIRONO. I wish to thank Senator WARNER for leading this colloquy, and I am glad to join him and my friend Senator KAINE in talking about the effects of sequester and how we need to come up with an alternative to the sequester.

Senator WARNER used the word ''stupid'' to describe sequester, and I think that is apt, because what family, in trying to get a handle on their budget, would just make an across-the-board cut to everything in their family's budget. The Senator raised the analogy that no business would do an across-the-board cut, but let's talk about families in our country. No family would cut across the board their food budget, their rent budget. That would not happen. So why are we doing this?

As one of the people who testified before the Armed Services Committee said, sequester was the result of political dysfunction. That is very true because it was never supposed to happen. As Senator KAINE said, I am very surprised to listen to our friends on the other side of the aisle talk about sequester—something that was never supposed to happen, and both Republicans and Democrats had agreed this was not going to happen—now take the position that we are where we are and we need to live by the boundaries of sequester.

What sequester does is it interjects huge uncertainty into our economy, huge uncertainty, at a time when we are still digging out from the worst economic crisis since the Great Depression. Senator WARNER and Senator KAINE have both acknowledged that Virginia is ground zero on the bad effects of sequester. If Virginia is ground zero, I would say Hawaii is ground 0.1. We have a huge military presence in Hawaii. They are a big part of our economy. In fact, there are some 101,000 people in Hawaii who are directly employed with the military. That is 16 percent of our workforce. Some 20,000 of them have gotten notices of furloughs, looking toward a reduction in their pay of 20 percent. Talk about the ripple effect of that kind of reduction in their ability to buy products, we can see what the negative ripple effect would be.

In Hawaii, as I said, the military is such a big part of our economy. States such as Hawaii, such as Virginia are among the first States to experience the negative effects of sequester—immediate. Thousands of letters have been going out to say: Expect to be furloughed, with 11,000 people possibly losing their jobs directly. These are immediate impacts.

The top reason we need to replace the sequester with something balanced, reasonable, fair, and not stupid is that sequester cuts jobs. There will be huge job losses, and economists of all stripes have said don't keep going down this path with these kinds of cuts that will severely hamper economic growth and cost jobs in this country. These are senseless cuts.

The State of Hawaii is already reeling from the potential impacts of sequester which will begin in a couple weeks. We have already gotten many of these notices. But the sequester also represents huge cuts to education, housing assistance, and other programs that are on the chopping block. We must listen to our constituents. So many of them, I know, have contacted all of us. There was one letter I received from an elderly woman and her husband. She lives on Social Security and on HUD housing grants—HUD vouchers—and she said: Our Social Security checks are so small.

Yes, while sequester doesn't touch Social Security, it certainly has a potential impact of cutting their housing vouchers.

She said: I don't know where we would go if we lost our HUD housing voucher. We would be homeless. I am so distressed, she wrote to me.

Another letter I received was from an Army reservist who was all set to go for his training. Now multiply this situation thousands and thousands of times across our country. He said due to sequester he will no longer be traveling to the TDY location for his training. Yet he planned his calendar based on his going. The letter he got was that his orders had been canceled for training due to sequester and his billet is going unfulfilled to cut costs.

Failing to provide training to this young man and the thousands and thousands of other men and women who are in our Reserves degrades our Nation's readiness.

I received letters from people who work at the Pearl Harbor shipyard, which is the largest industrial employer in the State of Hawaii, with some 5,000 direct employees, both civilian and military, who got their furlough notices. These are highly skilled people with good-paying jobs. When they think about a 20-percent reduction in their salaries, believe me, they are thinking about how to revise their family budgets, and that revision is not going to involve across-the-board ''stupid'' cuts.

These are just some of the examples of how sequester will hurt a State such as Hawaii. What should we do to replace sequester? My colleagues have talked about it. The American people understand this meat-ax approach to balancing our budget is the wrong way to go because it destroys jobs and it affects many people who are working right now. So the budget put forth by Chairman MURRAY will reverse this path down no man's land, basically. What the Murray budget says is let's provide a balanced approach. Let's ask a little more from the most fortunate and wealthy, including the corporations, while including more smart, targeted cuts to other areas of our budget.

Let's remember once again that we have already implemented and put in place $2.4 trillion in deficit reduction. So by following the balanced approach that is represented in the Murray budget, we will have reduced the deficit by some $4 trillion over the next 10 years.

As I said, we need to do this in a responsible, balanced way, and it bears repeating—because we are still hearing from our friends on the other side that sequester is what we have; let's just live with it—that there is an alternative, friends. The alternative is a fair, balanced, smart way to deal with our budget deficit, to create jobs, and to help our families, because our budgets do reflect our values, and our values are about supporting our families, creating jobs, moving our country forward, and enabling us to continue to dig out from the worst economic crisis since the Great Depression.

I thank Senator WARNER very much for this opportunity to come forward, and I will have a few more things to say perhaps later on about the budget and how Senator MURRAY's budget reflects the kind of values we should be putting forth in our country.

Mr. WARNER. I wish to thank the Senator from Hawaii for the real stories of how these sequester cuts are affecting folks in her State of Hawaii, and, obviously, my friend, the Senator from Virginia, has expressed those challenges as well.

Let me be clear. It is not that our budget proposal doesn't make significant cuts in defense. We still add roughly $250 billion of cuts in defense over a 10-year period, but we do it in a smarter, targeted, phased-in way.

The last point I wish to make, before I ask my friend, the Senator from Virginia, to close out, is I want to agree with so many of my Republican colleagues who have come and pointed out this is a responsibility we owe to our children and our grandchildren. We, candidly, owe it to ourselves. This $16.5 trillion in debt goes up $3 billion a day, and it is unsustainable. As Erskine Bowles once said: It is the most predictable crisis in our lifetimes if we don't grapple with it. And so we need a growth agenda.

Two comments I would simply make in closing: If we look back at recent American history for the period of the highest economic growth, the period that we added the most jobs, the area where America continued to lead in innovation, it was during the 1990s. We had a Tax Code at that point that generated sufficient revenue to meet our needs without dramatic expansion of government. I think, in retrospect, most of us would acknowledge we probably made a mistake when we took $4.5 trillion out of the revenue stream in some of those cuts that were made earlier.

We have a spending issue, but we also have a revenue issue. What this Democratic plan puts forward doesn't say we have to put all those revenues back. It doesn't say we have to put half those revenues back. What the Democratic plan says, to get us back on this path to balance, to get us back on this path to growth, we have to, roughly, return about one-third of that $4.5 trillion. With what we did on New Year's Eve and what this budget does, it replaces $1.575 trillion into the revenue stream. It doesn't bring us back to the 1990s rate, but I would love the chance to debate my colleagues on how that is not a reasonable assumption.

If we have a structural deficit problem on the spending side, we also have a structural deficit problem on the revenue side, and I believe this approach is reasonable and both fiscally prudent and responsible.

I would simply close as well with saying that we can't tax and cut our way out of this problem. We have to have a growth agenda. Any good company—any good country—has a business plan. Any business plan for any good company—any good country—that is going to compete in the 21st century has to do at least three things: They have to invest in their workforce, invest in their infrastructure, and they have to stay ahead of their competition, which means research and development.

I tell my colleagues, there is no way a plan that says America will invest less than 5 percent of its public revenues in its education, infrastructure, and R&D will keep America the leading economic power in the 21st century. If we want to honor our commitment to our children, we have to leave them not only a nation that is not riddled with debt and deficit but also a nation that continues to be the economic leader in the world. I believe our plan makes and protects those investments in those key components of growth.

I hope, over the coming hours, we will go through this debate—I know we will have a spirited period of a lot of amendments—that this budget will pass, and it will then find agreement with our colleagues in the House.

I want to again commend both the chair and the ranking member in that at the end of the day, we have to find common agreement to get this done. This issue that hovers over all of our other debates has in many ways become a metaphor of whether our institutions can function in the 21st century. So just as the chair and the ranking member found agreement through a markup process where both sides were heard and amendments were offered and debated in a fair and open process, I want to thank both the chair and the ranking member for their commitment. They have different ideas about how we get there, but at the end of the day we do have to get there in common agreement.

Mr. President, I want to give the Senator from Virginia the last word on this issue. So I yield the remainder of my time to the Senator from Virginia.

Mr. KAINE. Mr. President, I thank my colleague Senator WARNER.

I do want to pick up on one of the last points he made, which is the balanced way of getting to where we all want to go. We want to have a growing economy with a lowering unemployment rate. We want to deal with our deficit. These are challenging, complex goals that are not easy, but we can get there. Even the action of this body last night in passing the fiscal year 2013 appropriations bill and fix shows we can cooperate together and with the House get there. It is my hope that will inspire us going forward.

The question is this: All agree that what has been done thus far in the area of deficit reduction equates to about $2.4 trillion of deficit reduction that has been done by the last Congress, including the deal on the Bush tax cuts that were made at yearend, $2.4 trillion of deficit reduction over the next 10 years. And all in looking at that deficit reduction also agree that $1.85 trillion of the deficit reduction was cutting expenses and a little bit more than $600 billion of it was revenues that were achieved through the yearend Bush tax cuts deal. So overwhelmingly what has been done thus far has been in spending cuts rather than new revenues. It is very important for us to know that. It is very important for folks to realize that Democrats are willing to make hard calls about spending, and we have done it already.

But the question before this body and the question before the House now is, going forward, what do we do to achieve additional deficit reduction that is consistent with having a growing economy? The approaches of the Senate and the House on this could not be more different.

The House approach basically says all additional deficit reduction should be achieved by cutting spending, by looking at one side of the balance sheet. I do not know of a business, I do not know of a family, I do not know of other units of government that, as they are trying to wrestle with this question, confine themselves only looking at one side of the balance sheet. But that is what the House budget does.

I was thinking about this approach and this question about deficits not long ago, and it struck me that when I look at myself in a mirror, I always wish I was thinner, but I have never once looked in a mirror and wished I was weaker. An all-cuts approach is like looking in a mirror and wishing you were weaker because an all-cuts approach makes you weaker. It makes you weaker in defense, it makes you weaker in education, it makes you weaker in infrastructure.

By laying people off in jobs, it makes you weaker because your unemployment rate is higher. An all-cuts approach is like looking in the mirror and wishing you were weaker.

I don't want to be weaker. I don't want this Nation to be weaker. We have to be stronger. Can we make cuts? Sure, we can. We have, and we will make more. But we ought to be focused on being stronger, about growing the economy and growing jobs.

That is why the approach the Senate takes is the right approach; because by utilizing revenues appropriately, reforming tax expenditures to reduce them on the equivalent of about 7 or 8 percent a year, these myriad of tax expenditures in the Tax Code, we are able to find investments in infrastructure and soften the indiscriminate cuts that are leading to the job losses that my friend from Hawaii described.

The Senate budget, in achieving additional deficit reduction, is a balanced approach that will make us stronger, not weaker. That is why it is my great hope that we will pass this in a significant way.

The PRESIDING OFFICER (Ms. BALDWIN). The Senator from Washington.

Mrs. MURRAY. Madam President, I thank the Senators from Virginia and Hawaii for excellent statements and laying out the framework of why it is so important that we have a progrowth bill that is balanced, that deals with both spending cuts and revenue, and I really appreciate their time both in committee and on the Senate floor.

I ask unanimous consent that at 3:45 p.m. today there be up to 60 minutes of debate, equally divided between Senators KLOBUCHAR and COATS, or their designees, for a report on the economic goals and policy under section 305(b) of the Congressional Budget Act.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Madam President, I have enjoyed listening to our colleagues discuss the issues, particularly the sequester. I know Senator KAINE and I talked about this previously. I would just like to make a few points that are so important for every Member of this body to understand.

Senator KAINE just said additional deficit reduction is needed. He is exactly correct. But this budget has no additional deficit reduction.

They claim they have a balanced approach. They have used that word now 40-some-odd times, ''balance.'' This budget never balances. It does not balance in 10 years, 15 years, and has no vision that would even lead to balance. It remains unsustainable in terms of adding to the debt every single year, resulting in a 1-year interest payment in 2023 of $800 billion—well more than the defense budget; surging interest from around $250 billion now to $800 billion a year—forever, I suppose. And it would go up with the debt rising and with interest rates that could rise even more.

So we don't have additional deficit reduction in the budget that we are being asked to vote on. Senator KAINE said can we make cuts? Yes. Well, I would say we can make more cuts, but we don't. Yes, there is some reduction in some programs, but, on net, no deficit reduction in the budget. So it doesn't change the debt course. You can't deny that.

What we are saying is, go back to the committee. Write the budget like you want. If you think there ought to be more taxes than I think, that is OK. Bring it up. Let's vote on it. But let's have this budget do what you say, be balanced. They have used this word ''balance''—balance, balance, balance—40 more times. We have been keeping up with it. It is so ridiculous. It is utterly unbalanced. It never balances.

By their own admission, the deficits in 1 year are never lower than $400 billion. So it never balances.

A balanced approach. A balanced plan. Why? Are they guilty of confusing the issue? Do they think the American people will hear their message and think, oh, they have a balanced budget? I suspect that is what they think. Twice I have observed my Democratic colleagues at the committee slip and say they have a balanced budget. They have this in their heads so much, but a balanced plan is what they are really saying.

So what is a balanced plan? The way it has been promoted: $1 trillion in tax increases, $1 trillion in spending cuts, a net $2 trillion in deficit reduction. Not so. It is not so. The tax increases are offset by spending increases.

That is just the way it is. You can spin it any way you want to, but I want to make that point.

One thing I will share about the sequester—and I am so pleased that Senator RUBIO is here, and I look forward to yielding to him. I truly think this is an unwise mechanism to reduce spending. It should not happen. It should be fixed.

I totally agree with my colleagues that this is unfairly and disproportionately falling on the military. I know Senator RUBIO has military bases in Florida. I have them in Alabama and they have them in Virginia, we almost all do. These are patriotic Americans, and these furloughs are in effect 1 day a week, a 20-percent pay cut out of the blue. It is not necessary, and there are other things that have happened.

So how did it happen? Well, it was proposed by the White House, who said: OK, if this special committee doesn't reach agreement on the details of spending cuts, then we will have a sequester across the board. So it originated from the White House. The political theater we have down here is not correct, and we need to be honest about this.

The Republicans agreed to it. It was part of the Budget Control Act. That is the legislation. And who signed the legislation in blue ink right on the back? The President of the United States, Barack Obama.

So he signed it, it is his document, and we agreed to raise the debt ceiling $2.1 trillion, and we agreed to reduce spending over 10 years by $2.1 trillion.

Before the ink was dry, the President was proposing to eliminate the cuts he agreed to. He has been fighting to eliminate those cuts from the beginning, and they are not really cuts. If they were properly applied, it would reduce the growth of spending and not cut spending at all.

So the committee that was supposed to find other cuts failed. The sequester went into effect. And it is an anti-military provision. It was designed by Jack Lew, a very liberal member of the President's Cabinet, who was the Director of the Office of Management and Budget at the time.

The President, in my opinion, seemed to be quite happy to see these cuts fall on the Defense Department. He seemed to be happy to have this happen.

Why do I say that? Because he has done nothing to fix it except demand something that he has no right to demand, and that is to violate this agreement to reduce spending and instead raise taxes and spend more. That is not going to happen. Congress is not going to vote to violate the agreement they made with the American people less than 2 years ago. If we give in on that, we might as well quit.

Our colleagues say they want to have a balanced approach to this budget, and they are going to raise taxes. Most people who hear that think the taxes would be used to reduce the deficit, but they are not. The taxes are going to be used to fund more spending over the agreement we have had in place now for about 20 months under the Budget Control Act. They want to increase spending above these levels, and they want to use all the new tax increases they are now proposing to fund it.

It does not change the debt course of America, which Mr. Elmendorf, the CBO Director, told us in committee is an unsustainable path that we are on even after the Budget Control Act was passed in August 2011. So we need to work on it.

I am prepared to offer solutions. The House of Representatives has twice passed legislation that would alter the Budget Control Act so that the cuts don't fall so hard on defense. In fact, they eliminated the additional defense cuts, the second phase of defense cuts, and found cuts elsewhere in the budget and smoothed it out fairly. That is what should happen, and that is where we need to be.

So I would encourage all our citizens, all our Members of Congress, all our military leaders by saying if you want to fix the sequester then address your request to 1600 Pennsylvania Avenue. Address your request to the Commander in Chief of the U.S. military, who has an absolute duty—a responsibility—to ensure that these reductions are done in a fair way.

We have voted and fought for flexibility on this side of the aisle, and we believe in finding, and will vote for, other reductions in spending to prevent this happening the way it is set to occur under current law.

It seems to me they wanted it to happen this way, so they could come to the floor and make a point somehow that we are dramatically and disastrously hammering the budget, when it is not necessary for it to be done this way. That is the way I see it, and I believe we can reach agreement on this. I think somehow we will because it is not right the way the military—representing one-sixth of all Federal spending—is taking half of the cuts. That is the way it falls right now. It is not right and it is too damaging.

It is great to see Senator RUBIO. I believe he is next up. I yield to him and thank him for his contribution to our discussion.

Madam President, I ask that time be counted against the resolution.

The PRESIDING OFFICER. The Senator from Florida.

Mr. RUBIO. Madam President, I thank Senator SESSIONS for enlightening us on this budget as he has been doing all day on the Senate floor.

I want to give some perspective about what we are debating. I think sometimes those of us who work in this building come to believe that Washington, DC, and government is the center of the universe or even the center of peoples' lives, and it is not. All this stuff we are talking about on the Senate floor, not just this day but every day, the reason it is relevant is how it impacts the lives of real people all over this country. What impact does this have on peoples' lives?

Ultimately, I know it is cliche-ish to say this, but it happens to be very true that we are sent here to work for people. We are sent here to work for the people who elected us from the States we come from. So all this stuff we are discussing is relevant to the extent that it impacts the lives of real people in our country and in some respects around the world.

When you talk about cutting spending, what matters is the spending you are cutting and how it is impacting real people, for better or worse. When you talk about raising taxes, those taxes have to be paid by somebody. They are not being paid by some anonymous thing. They are being paid by a person or a business, which is a collection of people. The point is these taxes are being paid.

Talk about the debt. The debt is not simply just a moral financial obligation. The debt also has to be paid. Someone is going to pay that debt one day. Every penny this government borrows someone is going to have to pay back one day. They are going to have to pay it back through higher taxes. If the debt is too high they are also going to have to pay it back through less opportunities. That is why this matters and why it is relevant. It is relevant because we have to view it through the lens of peoples' real lives, the lives of real people in the real world.

What do people want out of their lives? It is not that complicated. It is what all of us want. They want a job that pays them enough money so they can have a good standard of living, so they can afford to maybe buy a house and have enough time to spend with their families and have leisure activities, maybe take a vacation every year or so. People want that. People want to be able to pursue their dreams. Maybe you have a great idea about a new business you want to start and you want to live in a country where if that is what you want to do with your life, it is actually possible; you can actually do something that you love for a living and they pay you for it.

What everybody wants, no matter where you are in the economic strata, everyone wants to make sure their kids are better off than themselves. That is not unique to Americans. People all over the world want their kids to be better off than they were.

That is what this is about. It is about what role can we play making all these things more possible in this country. The fact that this has been more possible here than anywhere else is what has made us special. So in order to understand what we can do to make that possible we have to understand what makes that happen. How does prosperity happen? How does the kind of prosperity we Americans want for ourselves and our families, for our children, how is that possible? That is also not that complicated. It is largely a function of the private economy, and it is a cycle that is very well understood.

Someone has a good idea for a business, a new business, or growing their existing business. They somehow get access to money, whether it is their own money or money they borrowed or someone invests through them, and they open this business. There is no guarantee that business is going to work out, but they are willing to risk it. And the idea works. All of a sudden this business they started all by themselves out of the spare bedroom of their home now has five employees—and five employees is not just a number, that is five families who are taking home a paycheck. Those are five providers, mothers or fathers, who are bringing home opportunities to their children.

This is how prosperity is created. This is how every one of us has ever gotten a job or how our parents got their jobs. It is because he or someone else risked it and created a business opportunity that provided them a job. This is how prosperity is created.

When you view prosperity this way you come to understand that what we need to do here is to make it easier for that to happen and not harder. Government does have an important role to play in our society. It does.

For example, we believe in a safety net, not as a way of life but to help those who cannot help themselves. We are a society that is too prosperous and, quite frankly, as well as that, we are too humane and too compassionate to not take care of those who cannot help themselves. We always have and we always will. We also need to have a safety net to help those who have failed to get back on their feet and try again. But the safety net was never designed to be a way of life.

By the same token we need to have security. Government plays an important role in our security—our national security for sure, but also in combating crime and enforcing contracts and ensuring that the water we drink is clean, the air we breathe is safe. These are important roles for government to play. But the majority of the things that are going to impact prosperity creation in this country do not come from government. They come from the private sector, and the job of our government is to make it easier for that cycle of prosperity I described to happen.

The job of our government is to create an environment where people are encouraged to and it is easier for them to risk the money they have access to in order to start a new business or grow an existing business so they can hire more people and create more jobs for others. There are a lot of things government can do to help create that environment, but there are a few that are being discussed. I want to point to three.

The first is predictability. What do I mean by that? What I mean is when someone decides they are going to open a business, one of the things that encourages them to hire people is they know what tomorrow is going to look like. They know what the taxes are going to be, they know what the law is going to be, what the economy is going to look like, so they feel encouraged because they can plan and know what tomorrow is going to look like.

Imagine for a moment you are a businessman or businesswoman and you are deciding whether to hire five people next year. One of the first things you want to know is, Am I going to have customers to pay their salaries? How much am I going to owe on taxes and insurance? You want predictability and that is something that has not happened from Washington. There has not been a budget over the last 4 years out of this Chamber, and that creates unpredictability.

I am pleased there is a budget to debate; it is an important debate. Even though we do not agree on everything, I congratulate those who have prepared this budget on bringing it up for a vote on the Senate floor so we can have this debate, a vibrant debate. But part of the problem we have is this budget that is offered doesn't really address the debt. Why does the debt matter?

The debt matters. It matters as a moral obligation for sure. It is wrong to hit future Americans and our young people with this kind of debt, but it is having an impact right now. The debt is not something that is hurting us 20 years down the road or 10 years down the road alone, it is hurting us today. The problem is when people look at this economy and they look at this debt and they say there is no plan in place to fix it, there is no serious plan in place to deal with it, they are worried about risking their money and creating jobs in America.

They believe unless this debt is solved, we are going to have a financial crisis in this country. They believe unless this debt is solved, we are going to have dramatic increases in taxes, which is not going to make America a good place to do business. So there are jobs that are not being created right now because of the fear over the debt and no plan to fix it. This budget does not fix it. This budget does not fix it.

The first thing we need from government is to create an environment where private business can grow and create opportunity, which is predictability. This budget does not do that. The second thing is affordability. We all understand we have to pay taxes. How are you going to pay firefighters and police officers? How do we pay the men and women who defend our freedoms around the world? How are the lights on in this building? Of course we have to pay taxes. This is not about paying taxes or not paying taxes. This is about the fact that there is only so much money in the world. Every penny the government takes in in taxes is money that is not available to invest in a private business.

Every time you take a tax, what you are doing is taking money out of the economy. You have to do that at some point because you need a government, but if you do too much of it then there is not enough money for people to spend at your business. If someone is paying more in taxes, that means they have less money to spend where you work, which means you are going to make less money in tips or in salary or it may even cost you your job if the taxes are too high.

I tell you, we focus on Federal taxes here, but these are not the only taxes people pay. Depending on where you live you are paying local and State and now Federal taxes. You add this up and there are people in this country paying close to half the money they make in taxes. How is that good for growing your economy?

So that is a problem.

This budget talks about raising taxes. It doesn't say how. That is one of the things I wanted to address because I am telling you right now, you can raise taxes 100 percent on the richest people in America, and you will not solve this debt problem. Some statistics say if you raise taxes 100 percent on millionaires it will pay for about 60 days' worth of government. What are you going to do for the other 305 or 304 days of the year? That is a problem. What happens when you run out of rich people to raise taxes on—or so-called rich people? You have to raise taxes on people who are not rich, and you have to raise taxes on the middle class.

That is why I am going to offer two amendments to this budget that I hope will pass. The first amendment says we are not going to get rid of the mortgage interest deduction to pay for new spending and new programs in government. If you want to talk about the mortgage interest deduction in the context of tax reform—I am not sure that is the best idea or bad idea. Let's have that debate. But if you want to talk about it in the context of we are going to take that money and use it in the context of lets grow government, we are going to have a problem because there are middle-class people in this country who already have it hard enough as it is. They are working twice as hard, and they are making half as much. They have paid their mortgage on time every month even though they are upside-down, but because they paid on time, now their bank will not finance them and they are stuck and they are upset and they have a right to be.

Now on top of that you are going to get rid of that mortgage interest deduction? I am not claiming that is what is being offered. I am just saying if no one is going to offer that, let's prevent that now. I am offering an amendment that is going to prevent that.

Here is another thing. We should not raise taxes on the middle class at all to pay for new government, and I will offer an amendment that prohibits that as well. So the second thing we need is affordability. No one is saying we don't need to fund government. Of course we do.

By the way, the best way to fund government is to grow your economy. If we could grow this economy at 4 percent a year for this decade, that would generate about $3, $3.5 trillion in new revenue. There is no tax increase in the world that can do that, at least no realistic one.

My last point on this is one of the things government can do is help people to help themselves. In the modern era there is nothing more important in that regard than education. The world has changed. When my parents came here in 1956 from Cuba, they did not have a lot of skills. My dad didn't really go to school. My mom didn't either. And they were able to achieve a middle-class lifestyle in this country as a bartender and a maid. That is almost impossible to do today. That is no one's fault; that is just the way the world has changed.

Today you need a certain level of skill because the information technology age has changed everything. The good news is the jobs that are being created, these new middle-class jobs have a lot more opportunity for better pay. The bad news is we have a lot of people who do not have the skills for those jobs.

We have a skills gap in America that needs to be closed, but the one I want to focus on is school choice. I think it is wrong that the only parents in America who cannot send their kids to the school they want are poor parents. I think that is fundamentally wrong. Middle-class parents can sacrifice and scrape and some of them—not all of them but some of them—can afford to send their kids to the school of their choice. Rich people can send their kids to any school they want, but poor parents in America are stuck.

Envision this for a moment. Envision this for a moment. You are a poor single mom or single dad. You are living already in a dangerous neighborhood in substandard housing, and on top of that you are forced by the government to send your children to a school that is failing and every year the politicians tell you they are going to improve these schools. They say: Give us a chance to pour more money in these schools. We are going to turn them around.

I hope they do. But in the meantime, while they are carrying out this experiment your kids are turning 5 and 6 or 7 or 8, and the clock is running and you can never have those years back. It is wrong. It is wrong that parents who do not have access to funds cannot send their kids to the school of their choice.

One of the things I want to try to do at the Federal level is replicate what we have done in Florida; that is, create an incentive for people to donate their money to private not-for-profit scholarship organizations that give scholarships to low-income families so they can send their kids to their parents' choice, not just to the school of the government's choice. That is important in terms of helping people acquire the skills they need in this new century because if we do not close that skills gap, we are going to have a huge opportunity gap in America, one that is already developing.

I hope we do not underestimate what is happening out there. We have working class people in America who are starting to wonder if this is still the place where if you work hard you can go as far as your talent will take you. They are starting to wonder if this is still the place where if you work hard, you can leave your children better off than yourselves. You have middle-class families who are starting to wonder who is fighting for them. The people who have made it—big companies, big corporations—have lobbyists all over this building standing up for them. They don't want to take anything away from the people who have made it. They see other people always arguing on behalf of government programs to help people who are struggling. Many of those programs are important. They don't want to take that away from them either. But who is fighting for them? Who is fighting for the people who have done it the right way, who did not take out mortgages they couldn't afford, who will take a job even if it pays half as much and requires them to work twice as long because they do not want to be dependent on government? Their pride will not allow it.

Who is fighting for them? And they are worried about the future. What about the people with the big ideas, the ones who are going to start the next American company? They are starting to wonder whether America is the place to do it when they hear some people basically describe financial success as wrong. They start to wonder whether government is an obstacle or ally in their hopes of opening their business here. This is a fundamental problem for us. This is not an economic debate; this is a debate about our identity as a country.

It is important for us to understand what makes America different from the rest of the world—and we are different. For those people who were born and raised in this country, as I was, it is easy to take this for granted. We should not. It is not like this everywhere. In most countries, a person can only do what their parents did for a living—even today. In most places on Earth, children can only go as far as their family went—even today. This Chamber is full of people—and I am glad to be a part of it—who have gone further than their parents ever did.

If people in this Chamber had grown up in the Old World, they would not be here, nor would they be able to run a business. In the Old World, people were trapped doing what their parents did. What makes us special and different is that it doesn't matter what our parents do for a living. It doesn't matter if we are not well connected or famous. We can go as far as our talent or work will take us. If we lose that, we will lose what makes us special and different. That is what we should be fighting about, and in some ways we are.

I think we actually do have an agreement here. The agreement is that the only solution to our problem is growing our economy. We cannot tax our way out of this problem. We cannot cut our way out of this problem either. The only solution to this problem is to grow our way out of this problem, and I think we agree on that.

I hope the debate we are going to have is, how do we grow our way out of this? How do we create growth in the private economy? Do we allow government to spend as much as it wants until growth starts to happen? That is what one side is arguing. We have to ask questions, such as, do we embrace the principles of free enterprise and say: Look, government has a role, but it has to be limited. What we have to do is create an environment for the private economy to be incentivized to grow, and it will happen.

I want to have that debate. I want this budget to be that debate.

By the way, no one comes to this with clean hands. I will criticize my own party on this. No one can build up $16.5 trillion by themselves. This is a bipartisan debt. We have never seen anything like the last 4 years, I will say that. I have never seen anything like the last 4 years in terms of growing the debt. There are Republicans who are complicit in this debt issue as well. We should be honest about that. We should also be honest that at times some in my own party have focused so much on the trees of debt that we lost focus on the forest of growth.

The reason we should care about the debt is because it hurts growing our economy, and that is what the debate should be about. It should be about growth. Let's have a debate here about how we can get our economy growing at least 4 to 4.5 percent a year so we can pull millions of people out of poverty, pay down and stabilize our debt, and get people from the working class to the middle class and from the middle class and beyond. Let's have that debate. Let's argue about what is the best way to create growth. Do we create growth through more government or more free enterprise? Let's have that debate.

For those on my side of the argument, I hope we can have that debate because I like our chances. I like what history has to say about it. I think we can prove that the only nations in the history of the world that have ever accomplished the kind of economic exceptionalism and middle-class prosperity that Americans want and expect and deserve are the countries that have followed the path of limited government, effective government, well-run government, and free enterprise. Our country deserves once and for all to have that debate and stop hiding behind negotiations that it is rich versus poor or the haves versus the have-nots.

Let's have a debate about growth. If we grow this economy, we can protect America, and it will make the world a better place as well.

I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. TOOMEY. Madam President, I yield such time as I may consume from the resolution.

The PRESIDING OFFICER. The Senator is recognized.

Mr. TOOMEY. Madam President, I wish to commend the Senator from Florida. I could not agree more with the importance of focusing on economic growth and developing policies that maximize economic growth.

I believe we could have a tremendous economic recovery underway right now, but we don't. The main reason we don't is because we have a dysfunctional government in Washington that has policies that are preventing economic growth.

Unfortunately, the budget resolution our Democratic friends have offered offers more of the same failed policies that would only result in extending this period of miserable economic growth or a lack thereof. I would like to talk about a few aspects of this. I will talk about what they want to do on taxes, but before we get into the substance of the Democratic budget proposal for taxes, I think a little historical context is important, and we don't have to go back to ancient history.

In the last few years, what our Democratic friends and this administration have done is repeatedly raise taxes on all Americans, including middle-income Americans, and they propose much more now. Let's go back, for instance, to the ObamaCare middle-income tax increases. I will run through a quick litany of some of the tax increases we have suffered through as a result of ObamaCare, which raises taxes on people with health savings accounts and flexibility spending accounts. It raises taxes on people with catastrophic medical expenses. It raises taxes on people who purchase medical devices. It raises taxes on people who buy health insurance. It raises taxes on people who don't buy health insurance. It raises taxes on employers who cannot afford to provide health insurance. It raises taxes on people who have family plans that Washington believes are excessive. Is there anyone in America who is not on one or more elements of this list? I very much doubt it. The fact is that ObamaCare was a huge tax increase that added up to $1.2 trillion over 10 years, and it very much included all kinds of taxes that will be carried by middle-income Americans.

More recently, on January 1 of this year, we had another huge tax increase. That was about $620 billion over the next 10 years. It was less than 3 months ago. This raises the top rate from 35 percent to 42.5 effectively when we include the phasing out of deductions. If we add in the Medicare increases and the total top Federal marginal tax rate, it is 44.8 percent.

By the way, this is the highest this rate has ever been. Right now, this is the highest this rate has been since Ronald Reagan inherited a disastrous tax code from Jimmy Carter. That was a long time ago. That doesn't include the State and local taxes, which put many Americans at a top marginal tax rate of over 50 percent. The government is taking over half of the income they are earning, and our friends who are introducing this budget are suggesting that all of this is not enough. They are suggesting that we need yet another big tax increase—in fact, we need a giant one, $1.5 trillion over the next 10 years in new additional taxes.

I have news for everyone. I don't see how this can possibly be done without significant tax increases on middle-income Americans. I know some folks in this Chamber like to suggest this can be done by soaking the rich again. We can just go back to soaking rich folks again. I don't see how that can work. I will give an example of why I don't think that can work.

The President laid out in his budget last year his plan for a whole new round of taxes for wealthy Americans on top of the tax increases that occurred weeks ago. He specified how he would propose doing it. The gist is that he wants to limit the value of deductions and apply taxes to income that is not otherwise taxed at the moment. He will limit the value of all kinds of deductions. He laid this out. It would be all itemized deductions—mortgage interest deductions, charitable contributions, State and local taxes. They want to tax health insurance exclusions and employee contributions to 401(k)s and IRA plans, section 199 manufacturing deductions, tax exempt interest, contributions to health savings accounts.

All of these things would be limited and would especially affect the wealthy taxpayers under the President's plan—the last budget we got from this President. He has chosen not to comply with the rules whereby he should have already produced one for this year. These tax increases were meant to be in that budget above and beyond the tax increase he got on January 1. Guess what. The President's plan for raising taxes on the wealthy is $584 billion. That is a lot of money, but it doesn't get us anywhere near the $1.5 trillion this budget resolution calls for. The President has laid out his plan for how he intends to soak the rich yet again—we know that much—but we don't know yet how he will raise the other $1 trillion. I can tell everyone where they are going to get that money. It will come from the middle class; that is where the money is.

What are all of these tax increases for? A lot of it is for increasing spending. The Democratic budget would spend more money than the current CBO budget. I know it doesn't look that way if we look just at the top lines. We have to dig deeper. What we discover is that the Democratic budget decides to make a totally different assumption about the American presence in Afghanistan than what CBO does. We are winding down our presence in Afghanistan, but the budget doesn't decide that. That is a separate matter altogether. If we want to compare apples to apples, we make the same assumptions about ongoing war expenses. When we do that, we discover that this proposal actually increases spending at a rate faster than what current law calls for. That is what this budget would do.

This budget raises taxes enormously, including very much on the middle-class because I don't see any other way we can get there. It also increases spending.

By the way, the only operative year of a budget is the first year. In the first year, the increase is $162 billion over what we are going to spend this year. That is a 4.6-percent increase in spending in the year in which inflation is running around 2 percent, and that is what this plan is.

Here is what is most objectionable to me about all of the spending and these huge tax increases. This is a big part of the reason we are suffering through the worst economic recovery since the Great Depression. There is no coincidence here. If we look in the post-war era, in the 3 years following a recession, the economy, on average, has grown by 14.4 percent. That is the average growth over a 3-year period after we have had a recession. What is the growth we have had this time? It is 6.7 percent. It is less than half. This is the worst recovery in our lifetime, and it is no coincidence.

We have had huge increases in spending, and what has that given us? It has given us this feeble economic growth, and it has given us an unemployment rate hovering around 8 percent. We all know that does not include the millions of Americans who left the workforce altogether. They have given up looking for work. It doesn't include the many folks who are underemployed. In fact, we have fewer people working in America today than we did in 2007. And it never takes this long for an economy to bounce back and create the jobs that were lost during a recession. However, it has this time, and it is partly because we are pursuing the wrong policies.

There is huge government spending, stimulus spending, all kinds of growth in government, and huge tax increases and the threat of big tax increases. This is a big contributing factor. Higher taxes reduces economic growth not only because of the money it takes directly out of the economy but because of the incentives. It reduces the incentive to work, to save, to invest. Whatever is being taxed, there is less of for the person to enjoy who actually created it. Sure enough, as a result, we get less of that activity. So the more we raise taxes on work, on savings and investment, the less of it we get. The other thing is that there are tax increases that are looming in the future—and that day will come—and people's behavior is affected by it.

Huge growth in government spending and the corresponding deficits we have seen have a chilling effect on economic growth itself. People understand that is eventually going to get paid with either higher taxes or we are going to monetize it and diminish the value of our currency and have inflation or some combination of those. So all of this government—of which this budget proposes still more—is part of the reason our economic growth is so meager.

I have one final point to make on this as it pertains to the budget. The irony is that growth is the best way to solve all of our problems. Strong economic growth has a direct benefit for the families who enjoy it, who benefit from the jobs that are created, the higher wages they earn, the elevated standard of living, the integrity that comes from providing for their families. All of those things are the direct benefits from a stronger economy. There is no better way to deal with our budget deficit than stronger economic growth.

In fact, the CBO tells us that just one-tenth of 1 percentage point of sustained increase in the rate of growth in 10 years results in $280 billion of new revenue. That is not completely linear. However, we are so far below the average that if we just add a full percent, we would be talking about literally trillions of dollars in additional revenue and smaller deficits. All of that would come from economic growth in the context of people who are back to work and an economy that is booming. That is what we ought to be heading for. Unfortunately, this budget doesn't take us there.

I know the Senator from Wisconsin wants to speak, and I will yield the floor in a minute.

I want to say a quick word before I do that about one particularly important amendment we are going to debate beginning around 2 p.m. today and vote on hopefully soon. This goes to a small subset of the tax problems ObamaCare and this budget would create. It is the medical device tax.

The medical device tax is one of the more egregious flaws in ObamaCare, in my view. Part of the reason is it is such a badly designed tax. This tax is badly designed, in my view, because it applies to total sales, so it is even worse than an income tax increase, which would have been a bad idea.

This applies a tax to sales, irrespective of whether a company is making income. So if you are a startup company, if you are a small growing company or if you are an established company and having hard times, this is a tax that disregards whether you are operating in the black and says, We are just going to apply this new tax on your total sales. That is a very badly designed tax, in my view.

It is a particularly bad idea in a sector that has so many young and growing and startup companies that have so much promise. They are making medical devices that are improving the quality of our lives, saving lives that without these inventions wouldn't be saved, and we are going to slap a new tax on the sales of some of these companies that are just trying to get started and not yet profitable. That is a terrible idea. I know in Pennsylvania, the tax has gone into effect. It went into effect on January 1 of this year. It is already costing us jobs, limiting growth, and preventing new factories from being built in Pennsylvania to manufacture medical devices. It is also making health care more expensive. We are all consumers of medical devices of various kinds. We are talking everything from surgical implements to prostheses, to hip replacement to ordinary health care devices.

Lastly, I would suggest that the existence of this tax makes it harder to raise the capital to launch new firms and, therefore, it is going to stifle innovation.

I know there is bipartisan support to repeal this tax. I am very pleased about that. I wish to thank Senator HATCH for his leadership for a long time on this. I know Senator KLOBUCHAR has been a great leader on this issue as well. Several others, including Senator CASEY and myself, feel very strongly about this. I am cautiously optimistic that this amendment could pass. I sure hope it does. It would be a big improvement.

At this time I am happy to yield to the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Before my colleague yields, first I am speaking and taking time off the resolution, but I wish to inquire of my colleague from Wisconsin as to how long he will be speaking, for the information of the body. It was my understanding there had been an informal discussion about having the majority start speaking on the resolution at 12:45. So just for the purposes of colleagues, I wanted to check on how long he thought he would be speaking.

Mr. JOHNSON of Wisconsin. Madam President, I was allocated 15 to 20 minutes. I will try to keep it to 15 minutes to yield at the top of the hour.

Ms. STABENOW. I thank the Senator very much.

Mr. JOHNSON of Wisconsin. Madam President, I ask that my time be used against our allocation on the resolution.

I wish to commend the Senator from Pennsylvania, who is absolutely right. I supplied the medical industry for over 31 years, and the medical device tax will do great harm to medical innovation.

I also wish to commend both the Senators from Florida and Pennsylvania about their great points on the importance of economic growth and how important it is that we concentrate all of our efforts here in Washington on economic growth.

I truly believe that every Member of this body, people serving in Congress, share the same goals, or the same goal: We want a prosperous America. We want every American to have the opportunity to build a good life for themselves and their family. But often folks on the other side of the aisle accuse Republicans—conservatives—of conducting a war on women or a war on the middle class. Nothing could be further from the truth. I will tell my colleagues what is the truth. It is that with all of our deficit spending here in

Washington, we are conducting a war on our children. Fortunately, I do not know of a parent or parents who would willingly drive up their own personal debt, who would max out their credit cards with absolutely no intention of ever paying those debts off, but fully intending to pass those debts on to their children and grandchildren and great-grandchildren. Again, fortunately, I don't know anybody who would do that. Yet, collectively as a Nation, that is exactly what we are doing. We are mortgaging our children's futures.

I ask all Americans to please consider what we are doing in terms of robbing future generations of the prosperity and the heritage and the type of opportunity that we should be handing over to them.

An awful lot of people don't quite understand the connection between our high levels of debt and economic growth. By the way, it is economic growth that actually strengthens middle-income Americans. But if we think about our own personal situations, if we in our own family budget have driven our debt levels up to the point where creditors are calling us all the time, how are we going to grow our own personal economy? In other words, how can we increase consumption when all of our extra dollars are going to pay off our debt, pay our creditors? We are under a great deal of pressure. The answer to the question is a person can't grow their personal economy, they can't grow their own personal consumption. That same economic fact applies to a nation as well. That is why these high levels of debt are harming economic growth and harming the very people all this government spending is purporting to try and help.

One way to take a look at this in terms of the harmful effect of all of the regulation, all the government debt, is economic growth. The fact of the matter is, on average, after 14 quarters, the American economy has grown, after post-World War II recessions, by 19.9 percent. Under Ronald Reagan, our economy grew 20.1 percent in the first 14 quarters. Under this President, our economy has grown by only 7.5 percent. Again, I would argue an awful lot of that has to do with regulations, but an awful lot of it has to do with the fact that we have increased our debt to unsustainable levels. It is scaring consumers. It is scaring business people away from investing in capital and growing their businesses.

As Republicans, as conservatives, we want every American to pay their fair share. We actually want a balanced approach to deficit and debt reduction. We want more revenue flowing into the Federal Government, but we want to increase revenue the old-fashioned way: by growing our economy.

Just a couple of quick little facts. Even with the meager economic growth we have experienced from 2009 to 2012, revenue has increased to the Federal Government by a total of $344 billion per year. If we returned to an economy such as we had in 2007, when revenue to the Federal government was 18.5 percent of our economy—it was pretty close to the 50-year average—that would add another $435 billion per year of revenue.

The tax deal, the ''punishing success'' tax increase that was part of the fiscal cliff, supposedly will raise $41 billion in the year 2014. So $41 billion versus $435 billion is a tenth as effective. The problem with that ''punishing success'' scheme is it puts at risk the very growth that is far more effective at raising revenue.

So how do we get our fiscal house in order? Well, we actually have to put our Nation on a glide path toward a balanced budget. We have to return that level of certainty. Global creditors have to be able to look at the United States and say, I think they are getting this situation under control. The only way we can do that is by passing a budget in this body that actually shows a glide path to balance.

Of course, that is not what the Democratic Senate budget resolution will do. It never balances. As Senator TOOMEY was speaking about, we have to take a look at that first year. In comparison to the CBO estimate, it actually increases spending by $100 billion. It would increase our deficit by $75 billion. That is the primary thing we have to take a look at because these budget resolutions are only about as good as the paper they are written on, so we have to look at that first year.

The other point I want to make in terms of this budget resolution is the claims in terms of deficit reduction are patently dishonest. The claim to reduce the deficit by $1.85 trillion in comparison to the CBO baseline is not true. The only way we get that is by comparing apples to oranges. If we adjust the CBO baseline—for example, the $1 trillion—it counts in more spending, or the $300 billion of Hurricane Sandy extended spending, or the additional $200 billion of interest. If we compare apples to apples, this budget at most will reduce the deficit by $300 billion to $400 billion. Again, what we have to take a look at is what it does in that first year, which is actually increases the deficit and increases spending.

This is basically not an honest budget. So my first amendment that I will be offering is a simple amendment. It would establish a point of order subject to a 60-vote waiver or appeal that simply requires a balanced budget in the year 2023. Pretty reasonable. I think the American public actually expects us to live within our means far before that date, but this would be a responsible glide path. I think it is an eminently reasonable amendment, and I certainly hope my colleagues here in the Senate will support a very commonsense approach to providing some level of fiscal discipline to our Federal situation.

The second amendment I wish to offer has to do with the financial situation of States and local governments. Far too many cities are already going bankrupt. We have a chart here that shows a number of cities that have already declared bankruptcy and are going through that process. I think it is extremely important that we here in Congress put States and local governments on notice that they cannot come to the Federal Government looking for a bailout. They need to get their own fiscal house in order. We are not picking on anybody, but it is amazing when we take a look at the unfunded liability that some of these State and local governments are facing right now.

The city of Chicago, for example, has an unfunded liability per household of close to $42,000. I said $42,000 per person. New York City is about $39,000, and San Francisco is about $35,000.

The point of this amendment is to put State and local governments on notice that the Federal Government will not be here to bail them out. They need to get their own fiscal house in order.

The third amendment I intend to offer has to do with recognizing the truth of the situation with our entitlement programs. At the current level, at the current path, neither Social Security nor Medicare is sustainable. So this amendment is also a very simple amendment. It establishes a point of order that requires in any budget resolution that we reform both Social Security and Medicare to create a 75-year solvency. Again, I think that is pretty reasonable. Let me describe why I think it is so important. I frequently hear all kinds of people claim Social Security is solvent to the year 2035 or the year 2038. It is a moving target. Let's take a look at the true picture in terms of the Social Security financial balance sheet. This comes right from the Social Security Administration. This is looking ahead to the year 2032, a mere 20 years' worth of deficits.

It is true that Social Security actually was running surpluses for decades. It built up a trust fund of—we will talk about that later—about $2.5 trillion, $2.6 trillion. But in 2010, that situation turned around. Now Social Security is paying out more in benefits than it is taking in, in terms of dedicated revenue to the payroll tax. Over the next 20 years, that total cash deficit will equal $5.1 trillion.

How could anybody, looking at these facts and figures, possibly claim Social Security is solvent? Well, it is because of the fiction—and it is fiction—of the Social Security trust fund. I have a couple of quotes here from the Office of Management and Budget. Talking about the Social Security trust fund, they say:

> These balances are available for future benefit payments and other trust fund expenditures, but only in a bookkeeping sense. The holdings of the trust funds are not assets of the government as a whole that can be drawn down in the future to fund benefits. Instead, they are claims on the Treasury.

In other words, they are claims against the Federal Government.

The existence of large trust fund balances, therefore, does not, by itself, increase the government's ability to pay benefits. Put differently, these trust fund balances are assets of the program agencies and corresponding liabilities of the Treasury.

In other words, we have assets worth $2.6 trillion, we have liabilities of $2.6 trillion, netting to zero.

One of the analogies I use to describe the trust fund is very similar to this: If a person has $20 and spends it—by the way, this money is spent; it is gone—and then that person writes him- or herself a note for $20 and stuffs it in their pocket and says, Hey, I have 20 bucks, they really don't. They have a promissory note they will have to give somebody else to purchase so they can have the real $20 to spend. That is basically what we have in the Social Security trust fund. It does exist. It is just worth zero.

But here, ladies and gentlemen of America, as shown in this picture, is the Social Security trust fund. It is a file cabinet. It is locked. That is kind of funny because they are actually nonmarketable securities, but there you go. That is $2.6 trillion worth of value that supposedly makes Social Security solvent to the year 2035. It is a fiction. It is false. And until everybody here in Washington starts truthfully describing the extent of our problem with not only Social Security but also Medicare—I was part of that group of Senators who had the privilege of having dinner with the President a couple weeks ago. I found it very interesting that President Obama accurately described the problem in reforming Medicare. He said the problem is that Americans pay in $1 but they get $3 worth of benefits. He also went on to say we have a problem because most Americans do not understand that.

Well, today I am asking the President, I am asking Members on the other side of the aisle to join with Republicans to honestly describe the problem to the American public. You do not solve a problem until you first define it and then secondly admit you have the problem. We have severe problems with Social Security, with Medicare, with other mandatory spending, with our budget. Until we come to terms with that, until we are honest with the American people—stop pulling the wool over their eyes—we have no chance whatsoever of solving these very severe problems.

So with that, I yield back my time.

The PRESIDING OFFICER (Mr. HEINRICH). The Senator from Michigan.

Ms. STABENOW. Mr. President, I will be speaking off of the time on the resolution for a moment and then deferring to Senator MIKULSKI in yielding time to her, as well as our great colleague from Minnesota, Senator KLOBUCHAR, and others who wish to speak as we proceed with the debate on this resolution.

Let me take a moment and say that today the House has passed their budget called the Ryan Republican budget, and it effectively rolls back health care for women in this country. Our budget does exactly the opposite. We protect and strengthen access to health care for women.

Under health care reform, which we strengthen and support in our budget, health insurance plans, as we know, are required to cover women's preventive care, things such as annual wellness visits, domestic violence screenings, and contraception, without copays, coinsurance, or deductibles. The Republican budget that was passed today would take away those protections. Under the budget they passed today, 1.3 million women in Michigan alone could lose their health care.

Insurance plans are now—under what we have passed—not allowed to discriminate against women. That is part of health reform. Being a woman is not a preexisting condition anymore. You cannot charge higher rates, you cannot discriminate in other ways against women in the marketplace when they are looking to buy insurance. And it would prohibit insurance companies from denying access to health insurance for a variety of things, such as being a domestic violence survivor. The Republican budget in the House would take away those critical protections.

Until we passed health reform, as many as 60 percent of the individual insurance plans in this country did not offer basic maternity care, which I think is shocking. I know that whenever I talk with folks about that, they cannot believe that basic prenatal care, which is so important for babies, for women, was not provided. Now it is under our definition of health care.

The Ryan Republican budget would mean that 1 million women and children would not have access to maternal or child health services in Michigan alone. It would mean that 6,000 fewer women in Michigan would get cancer screenings that could save their lives and that nearly 16,000 children would not get the vaccinations they need to remain healthy.

That is just one area of many reasons why we need to support the budget Senator MURRAY and our committee have put before this body. This is about focusing on women's health, on middle-class growth in terms of education and innovation, and on infrastructure investments to grow our economy. It is important that we are having this debate, and it is important that the women of the country understand that the budget we have before the Senate, the Democratic budget, places women as a priority—their health, the economy for their families, being able to balance their own budgets, and being able to provide futures for their children.

I would now like to yield time off the resolution to our great leader from Maryland, the chair of the Appropriations Committee, a person who, as we know, showed extraordinary leadership in the last few weeks on the floor in a very challenging time, dealing with the current budget, which we have now successfully passed. She also is our leader as it relates to women's health care and the provisions on women's health care in health reform that are now impacting and saving women's lives.

I yield time off the resolution—as much time as she would consume—to Senator MIKULSKI.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Mr. President, I thank the Senator from Michigan for her kind words and also her leadership. She is part of our Democratic leadership team and has been a real champion for jobs that pay a living wage, jobs that lead to the middle class. She is an advocate for making sure we have an economy that builds from the middle class out. Also, as the chair of the full Committee on Agriculture, she has fashioned bipartisan solutions to help our American farmers, particularly the family farm, and to feed the hungry here and around the world. I salute her for her leadership.

Mr. President, I come here today to support the budget put forth by the Democrats in their resolution, led by the very able chair, Senator PATTY MURRAY. We are showing that we can govern. Yesterday we passed the continuing funding resolution in the Senate. It passed 73 to 26. It showed a bipartisan resolution, a resolve to make sure there is no government shutdown, slowdown, slamdown. We now have to look ahead to fiscal year 2014.

I salute Senator MURRAY for what she has done through her committee. First of all, she is dealing with sequester, that Draconian approach that is going to shred government but most of all shred opportunity and place our fragile economy in jeopardy. She has done it in a balanced way. At the same time, she has protected seniors, veterans, and our most vulnerable by making sure she has looked out for Medicare and Medicaid. Contrasting the Ryan budget, she also showed that she, in our budget, is not going to throw women and children under the bus. I think she has done an outstanding job, and I want to support her.

As we look at what we need to do here in the budget, I was appalled, first of all, to see what the Ryan budget did. Women across America have to balance their family budgets. They know America also has to get its fiscal act together. But the entire Ryan budget places the whole burden of drawing down our public debt on discretionary spending. It preserves tax breaks and tax earmarks and further squeezes those fiscal priorities that impact women and children, impact education, impact empowerment. I think what we have to offer here offers a far greater vision.

One of the things I am deeply concerned about is its impact on women's health care. The Senator from Michigan has spoken about it. We worked on making sure that—when we were working on the Affordable Care Act, we acknowledged the special needs of women. We were appalled in hearings that I had that women were paying more for their health insurance than men of comparable age and health status. We were paying a gender tax.

Now, the Affordable Care Act—disparagingly mentioned on the other side as ObamaCare; affectionately mentioned here as ObamaCare because the President does—our legislation that we passed in the Affordable Care Act eliminated gender discrimination in the insurance industry, that you do not penalize someone because they are a woman.

Then we got right rid of the punitive practices in insurance companies, one of which was to deny families with children with preexisting conditions health care. That meant that if you had a child with autism, if you had a child with cerebral palsy, you could not get health insurance for the rest of your family—punitive, harsh. We got rid of that.

Then there was the way they treated the women. Simply being a woman, as others have said, was a preexisting condition. We were appalled in our investigation that showed that in eight States you were denied health insurance if you were a victim of domestic violence. So you were battered in your own home, and you were battered by your insurance company. Again, we got rid of those punitive practices.

But the Ryan budget gets rid of the Affordable Care Act. So all of those reforms—increasing universal access to the working poor, getting rid of the punitive practices of insurance companies, ending gender discrimination—will be vitiated. It will be canceled like it did not happen.

During their campaigns, they said they wanted to repeal and replace. Well, PAUL RYAN repeals, but he does not replace. And do you know what. We do not need to have it replaced. We need to keep the Affordable Care Act in place, moving America in the right direction and helping health care be affordable both to families and to businesses. We cannot allow the Ryan budget to stand.

But just being against an idea is not good enough. This is why we support the Murray budget, because she preserves the Affordable Care Act, and she continues to emphasize those reforms we made in quality and prevention and integrative services. We know how, through those quality initiatives, we can save money and save lives.

Others will also speak about Medicare. I cannot believe that we are going to replace Medicare with a voucher—a voucher and a promise. So let's get rid of, not deal with, the health care needs of the elderly. Let's get rid of the financial needs of the Federal Government. So we would rather protect billionaires than protect senior citizens. I think we have our priorities wrong.

Others will speak to Medicare. I am going to go to Medicaid. I want to speak to Medicaid because of our knowledge about who is on Medicaid. Mr. President, 1.8 million seniors are in nursing homes. What is Medicaid? Medicaid is the only safety net the middle class has when, through the ravages of Alzheimer's, Parkinson's, or other chronic, debilitating disease, you must turn to a long-term care facility, that you have a safety net to help pay the bill. In order to qualify, you have to spend down.

I was a leader here, 25 years ago, in trying to reform the spend-down policy. Twenty-five years later, we have made no reforms. We have had plenty of attacks but no reform.

We cannot turn Medicaid into a block grant. It is going to endanger really the ability of sound nursing homes—either by the private sector or faith-based—in my own State to look at how are they going to fund this.

All we are doing is funding our problems with public debt onto the States. Many people here talk about, oh, we need to go to the Governors. All we are sending to the Governors is more unfunded Federal mandates. We cannot do this to Medicaid, and we cannot do this to the middle class.

Instead, we should be investing in research. I say this because my father died of the ravages of Alzheimer's. We had to spend down the family savings he earned from working over 60 or 70 hours a week in a little grocery store. This is not only our story, it is the story of over 1 million people.

What could we do? I felt so sad for my father. I felt worse because even though I was a Senator, even though I could get Nobel Prize winners on the phone, even though I was an appropriator, there wasn't the cure, the cognitive stretchout for him.

We need to invest in the research. We are on the brink of incredible breakthroughs in neurological science which could either help fund the cure for Alzheimer's or do the cognitive stretchout. We need to spend money to save money. Let's put the money into research and deal with Alzheimer's, Parkinson's, and Lou Gehrig's disease, debilitating things which break the family's budget and family's heart but also contribute to the public debt. We can get there if we make wise and prudent choices. Most of the people in nursing homes are primarily women over the age of 80. What are we going to do? Are we going to abandon them?

This budget is unkind to women, but it is also unkind to children in terms of the opportunity structure.

The Ryan budget caps and freezes Pell grants at $5,645. It requires families who make less than $20,000 to qualify for a Pell grant. This means many people who seek Pell grants are single mothers. There is recent data showing many of our families, 63 percent, are in single-parent households. It could be a single mother or a single dad, someone who started out life with hopes and dreams and now has many responsibilities.

Many wish to return to higher education, particularly the community colleges which offer gateways to better jobs in the new economy. In my own State, this could be an associate degree in nursing, in pharmacy tech or in lab tech. This can help keep people in the middle class in affordable living. An affordable education will be the gateway into community colleges. We should be expanding the Pell grants, not shrinking them. It is a new economy, and it is a new family profile.

I could go over this line item by line item. I know others will be talking. When we look at women who need health care for themselves, for their children and their aging parents, the so-called sandwich generation, the Ryan budget vitiates it, but the Murray budget has a way to deal with this.

For education and opportunity, for our children, workforce, and community colleges, the Ryan budget shrinks opportunity and shrinks the ability of people rising to the middle class or staying in the middle class.

I think the Ryan budget is a bad prescription for America. The way I want to deal with the Ryan budget is replace it with a sensible, balanced approach which looks for the hopes and dreams of the American people and is not protecting lavish subsidies and lavish tax breaks to subsidize corporate jets and other such items.

I salute the Senator from Washington State for the great job she accomplished. I look forward to further debate.

Yesterday, we were able to move the continuing resolution for funding. I could not have done it without the great staff I have.

RETIREMENT OF CHARLIE HOUY

Mr. President, in a few days the U.S. government will say congratulations and happy retirement to one of our finest public servants, Charlie Houy. After more than three decades of federal service Charlie will retire from the Senate Appropriations Committee.

He has served on the Appropriations Committee for more than 30 years, always following the dictum of his first supervisor, Senator Ted Stevens, that staff, like children, should be seen and not heard. Charlie began his Federal service in 1981 working for the Naval Sea Systems Command as a Presidential Management Intern. He was detailed to the Defense Appropriations Subcommittee in 1983 and worked as a majority professional staff member for Chairmen Ted Stevens, John Stennis, and Daniel Inouye. Charlie was appointed Democratic clerk of the subcommittee in 1995 by Chairman Inouye and remained in that position through 2010.

In 2009, Charlie became the 23rd staff director of the full Appropriations Committee under Chairman Inouye's leadership and did an outstanding job keeping the trains running to get the committee's work done and maneuvering the committee through numerous budget minefields.

During the transition following Chairman Inouye's sudden passing, Charlie expertly brought me up to speed on the short term and long term issues I would be facing as the new chairwoman. Just one day after becoming chairwoman, I found myself managing the Sandy Supplemental on the Senate floor. Charlie was on my side, and at my side. His advice and during this period were invaluable. It more than made up for the fact that he is an avid San Francisco 49ers fan.

His spirit of bipartisanship has earned him praise from members on both sides of the aisle and both sides of the Dome. Senate Majority Leader HARRY REID described Charlie as a person ''who has a fantastic knowledge of what goes on in this country as it relates to money.'' The late Senator Ted Stevens had this to say about Charlie: ''He is a consummate expert on defense issues and is well respected by those at the Department of Defense and his colleagues on the Hill . . . I am proud to say he is my friend.'' The late Chairman Daniel Inouye described Charlie as ''one of the finest staff members in the whole Senate . . .''

His accomplishments and expertise earned him a coveted spot on Roll Call's Fabulous 50 staffers for his mastery of policy and procedure and his ability to influence agendas and legislation.

President Harry Truman once said, ''It's amazing what you can accomplish if you don't care who gets the credit.'' This personifies Charlie. In a town where most people are clamoring over each other for the spotlight, Charlie has used a quiet humility and a tireless work ethic to accomplish great things for our country.

I would also like to recognize and thank Charlie's wife Sharon and his daughter Cassie. Working in the Senate for more than 30 years, there were many late nights and weekends that required Charlie to miss out on family events, crew regattas, and vacations. Thank you for lending us your husband and father during those times.

Mr. President, I stand here today to express my deepest appreciation to Charlie Houy for serving the Senate Appropriations Committee, the Senate, and the American people with integrity and intelligence. His tireless contributions to our nation have been outstanding. I wish him well as he leaves the U.S. Senate for new adventures.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I ask unanimous consent this discussion be taken from the resolution time.

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

Mrs. MURRAY. Let me thank all the women Senators who are down here speaking so eloquently about the importance of passing a budget resolution which reflects the values and needs of women in this country and the men who are important to them.

I wish to especially thank our dean of women, Senator MIKULSKI, who has made this a lifetime passion to ensure the women who come after her have the strength and ability to participate in the economy in any way they wish. I thank her and the other Senators for their leadership.

Senator KLOBUCHAR will continue this discussion.

The PRESIDING OFFICER. The Senator from Minnesota.

Ms. KLOBUCHAR. I wish to thank Senator MURRAY for her leadership on this budget. This is not an easy thing. We all know this. She actually has been working on this many years. I am very proud of this budget and the work which has been done here, the balanced approach which has been taken.

I wish to thank Senator MIKULSKI, the Senator from Maryland, our fearless leader of the women Senators, who has been there since the beginning and understands these fights in a different way than many of us who are new can't imagine. We will need to continue moving forward for the women of this country and can never step backward, which is where I wish to begin discussing this budget.

The budget Senator MURRAY has proposed is a budget which moves us forward. For a long time, Democrats and Republicans in the Senate have been talking about how we need to get $4 trillion in budget reduction and deficit reduction over the next 10 years.

We have done $2.4 trillion. It is a start. It is not all we need to do, but it is a start. Of that amount, the $2.4 trillion, 70 percent was in cuts. When we look at the proposals which have been made by Simpson-Bowles, Rivlin-Domenici, the Gang of 6, all the groups which have worked on a very strong bipartisan basis, they have all proposed something like 2 to 1 on spending cuts to revenue.

The proposal which has been made on the House side which passed in the House today isn't even close to that. In fact, when we look at Congressman RYAN's budget, there isn't revenue in this budget. He does include some of the past revenues. Even when you do that, that is a 10-to-1 ratio of spending cuts to revenue for this country going forward. It is not the right mix. Yes, we need to balance our budget, but we also need a balance which is budgeted.

The last thing we need to do is balance our budget on the backs of women and children. This is why it is important for people. I will return later to speak about some of the economic issues in my State and why it is so important to move forward and have a budget with a balanced mix of spending cuts and revenue. I truly believe we need a deal here. We need to bring this debt down. It is very important to me because I think it will trigger investment. We need to do it in the right way.

Today, I am focused on one issue; that is, the effect this budget would have on women and children, the budget proposed in the House versus the budget Senator MURRAY has put together.

It is no coincidence the Senator who is leading us through this budget process is the same Senator who joined me last spring when the Violence Against Women Act was on the floor. We needed to rally all 17 women Senators behind us. At the time people thought it was stuck, it was a gridlock and wasn't going anywhere. Then all the women Senators, Democrats and Republicans, came together.

PATTY MURRAY was the leader in this effort. This is why this Senate budget not only maintains but increases critical funding for the Violence Against Women and Family Violence Program. This will give law enforcement better tools for responding to cases of domestic violence and sexual assault, programs which make sure mothers and children have a safe place to go and programs which help victims get back on their feet again. Even more important, this includes programs which save lives.

As a former prosecutor, I know firsthand how important the Violence Against Women Act has been. We were very pleased it was reauthorized on such a strong bipartisan basis. It is incredibly important, not just for those individual victims but for entire families and entire communities. Statistics show kids raised in violent homes are 76 times more likely to be perpetrators of these crimes when they grow up.

This is why I truly appreciate Senator MURRAY's work to ensure we have a policy in place, which is something we worked on in the Judiciary Committee. I see Senator HIRONO from Hawaii. We worked hard on this, as it is important, but also the funding is in place. We consolidated programs, reduced funding with the Violence Against Women Act and did different things in the last Violence Against Women Act to make it more efficient. This is fully funded in this bill, and it is very important for people to know who care about this.

As to health care, something which is very important to our kids, the House budget, as has been noted by Senator STABENOW and others, would slash billions of dollars in basic health care services for children, including prenatal care for expectant moms and vaccinations for kids. Under the House proposal, more than 33,000 women would lose access to maternal and child health care services in Minnesota alone. Meanwhile, another 8,551 children would lose access to lifesaving immunizations. This is only in my State.

Sadly, after the devastating flu season we just experienced, with many children dying across this country, how could anyone think it is a good idea to cut funding for vaccination programs? How could that be one of the proposals in this budget. There are so many loopholes we could close, so many tax subsidies we could eliminate. Why would we cut kids' vaccinations? Sadly, this is what happened in the House today.

While we are on the subject of health care, I also wish to point out the House budget would cut funding for the National Breast and Cervical Cancer Early Detection Program, meaning hundreds of thousands of women would lose access to mammograms, pap smear tests, cervical cancer screening, which is the tip of the iceberg. By repealing the Affordable Care Act, the House budget would threaten preventive care for women across this country. The Ryan budget would eliminate the important reforms to improve patient care, already noted by Senator MIKULSKI and Senator STABENOW. It would eliminate the important reforms to improve patient care and the delivery system which is included in the health care bill.

What is interesting to me is Congressman RYAN does acknowledge the Affordable Care Act has some very good savings in it because he includes those over $700 billion in savings in his budget.

This is great, but then he cuts out all those budgets I spoke about which were so important to the American people: to not be banned from health insurance because you have a preexisting condition and to be able to keep kids on their parents' insurance until they are 26 years old. I am looking forward to that with my own daughter.

The third thing I mentioned is closing the doughnut hole for our seniors. Those things are all being cut under this budget.

We have had this debate too many times already. I wish to be clear; the Senate budget not only protects core funding for preventive services but upholds the Affordable Care Act and its most important provisions for women and children.

Let's turn to another front to see how women and children of this country, particularly children, fare and this is education. On the education front, the Senate budget—while still making $975 billion in cuts, $975 billion in spending cuts—still maintains core funding for early education through the Head Start Program. The House budget, when combined with sequestration, would push almost 200,000 low-income children out of the program in 2014.

We all know education is one of our best investments. When we look at the global economy and education growing across this country, we are getting real competition from other countries. The last thing we need to do is cut back on education.

This is why the Senate proposal includes continued support for elementary and secondary schools through programs such as IDEA, the ladder which provides early intervention in special education services to kids with disabilities. Our budget also makes key investments in improving literacy and increasing the emphasis on STEM, science, technology, engineering, math.

This is the future. We want to train our own kids in America, as Senator SANDERS is well aware, to ensure they have the skills to be able to compete on the international stage.

What does the House budget do? It slashes close to $1.2 trillion of investments in education, skills training, science and technology, R&D, transportation and infrastructure over the next 10 years.

Do you know what I think. I think that is being penny wise and pound foolish and not what we should do in the budget for the United States of America. I truly believe we have an amazing opportunity right now. We have seen better unemployment numbers than we have seen in 4 years. The housing market is starting to turn around. People are starting to go back to work. It is not nearly where it should be. The last thing we need to do is go backward. The last people who want to see us go backward are the women of America.

I was listening as Senator STABENOW spoke about the health care bill, the Affordable Care Act, and during the Finance Committee there was a debate about whether maternity care should be included in the mandatory benefits. One of our colleagues at the time said: I don't understand why maternity benefits should be included. I never needed them.

Without missing a moment, Senator STABENOW looked across the table and said: I bet your mother did.

There are a lot of mothers around America right now who are looking at these budgets because these budgets represent values, the future of our kids and the women and men of this country.

Let's bring our spending down. Let's get over the $4 trillion figure we are supposed to get out of the debt reduction but do so in a way which doesn't hurt middle-class families and doesn't hurt the families most vulnerable. I know we can do it. We are a great country.

I yield the floor.

The PRESIDING OFFICER. The Senator from Hawaii.

Ms. HIRONO. Mr. President, before I begin my remarks, I wish to thank Senator MIKULSKI for the tremendous work she did on the continuing resolution. I know she worked so hard, and yet she is on the floor today to talk about how important passing the Murray budget is. And of course Senator MURRAY is on the floor also, and I want to thank her for her great work.

I stand in solidarity with all the men and women, my colleagues, who are going to be talking about how important it is to pass the Murray budget, which is a balanced budget that reflects our priorities and our values. The last few years have been hard for families across the country. Our economy is still struggling its way out of a great recession, the worst economic crisis since the Great Depression. And we have made progress. For example, the economy has grown and millions of people are back to work. But this progress is not fast enough for too many families in Hawaii and across our Nation.

Regrettably, that doesn't seem to concern some of our colleagues in the House of Representatives. The budget proposed by the House majority, the Ryan budget, would set our economic recovery back and it would do so on the backs of those who can least afford it. Some of the hardest hit will be women and children, the very people who face some of the biggest challenges in today's economy. So I want to focus on how the Ryan budget negatively impacts women in our country.

Women in Hawaii make 82 cents for every dollar earned by a man for the same job. Monthly food costs in Hawaii are 61 percent higher than in the rest of the country. Forty percent of Hawaii households pay more than 40 percent of their monthly income on housing. Hawaii residents pay some of the highest gasoline prices in the country, which we all know can be a serious hardship on family budgets. Our high cost of living is one of the reasons we have a high percentage of women working in two-parent households in Hawaii.

Across my State and across our country, women are waking up every day, working hard, and making ends meet in any way they can. These challenges I mentioned are being overcome every single day by determined women. They work hard to improve their lives and to give their children an even greater shot at success than they had. For many, the support they receive for health care, education, childcare, paying for food and housing, makes all the difference. Unfortunately, the Ryan budget lays out a vision of America where these people, our families, are left behind.

We are told that budgets reflect our values. I agree. What are the values exemplified and reflected by a budget, the Ryan budget, that makes deep cuts in supports such as the Supplemental Nutrition Assistance Program—SNAP—and the Women, Infants and Children—WIC—Program? Combined, SNAP and WIC help put food on the table for over 50 million—I repeat, 50 million—Americans, primarily women and children. The SNAP cuts in the Ryan budget would put over 180,000 families in Hawaii at risk of losing the ability to put food on their table.

What could be more fundamental than putting food on the table? I don't know anyone who could look these families in the eye and say: Sorry that you can't afford to feed your children anymore. We have to balance the budget. We need to close the deficit. Sorry. That, to me, is unconscionable and runs counter to our core values.

The Ryan budget would also deeply cut childcare assistance and Head Start, as mentioned by my other colleagues, leaving more than 2 million children and their families without realistic early childhood or daycare.

In addition, the Pell Grant cuts in the Ryan proposal would make college less affordable for 6 million women students. Add to that the millions of male students and you are affecting the future education of our country.

These cuts don't just hurt families now, they force parents to choose between jobs and caring for children. They prevent kids from accessing early learning opportunities that we know are vital to enabling these children to succeed in school and in life.

The Ryan budget also slashes support for things such as public transit, housing assistance, and community development. Each of these investments helps make our communities better places to raise a family, which attracts businesses and creates jobs.

Finally, and most egregiously and seriously, in my view, the Ryan budget cuts health care for women of all ages by repealing ObamaCare. By repealing ObamaCare, the Ryan budget takes us back to when being a woman was a preexisting condition, thereby disqualifying her for health insurance or costing her many times more for coverage. If we repeal ObamaCare, analysts project that insurance companies could charge women over $1 billion more in premiums than men are charged for the very same coverage. So by repealing ObamaCare, the Ryan budget discriminates against women. And since when is discriminating against women a core value?

While ObamaCare requires that insurers cover maternity care, only 12 percent of plans on the individual market do so currently. Repealing ObamaCare would also undermine access to reproductive health and family planning services.

Now let's talk about how the Ryan budget would affect seniors. Seniors in our country know the Ryan budget will end Medicare as we know it. They know these changes will force millions of women—and, of course, men—to make do with a voucher for their medical care—a voucher of decreasing value. And since so many women receive lower Social Security benefits than men, while paying higher out-of-pocket health care costs, losing Medicare coverage could be the difference for them between food, housing, or lifesaving medication. Now is not the time to be making huge cuts to investments in programs that provide the very economic security we should be working to improve.

Fortunately, the priorities laid out in Chairman MURRAY's budget would help to strengthen the economic security so many families are seeking. The Senate budget resolution prioritizes creating new jobs, expanding opportunity, and laying out a strong foundation for economic growth. It builds on the progress we have made over the past few years instead of tearing that progress down.

I applaud Chairman MURRAY for prioritizing the elimination of the sequester, which the Congressional Budget Office says could eliminate 750,000 jobs. I also applaud her foresight in including investments in early childhood education, clean energy, national security, our veterans and our seniors, and her bill preserves access to health care, opportunities for higher education, and programs such as SNAP and WIC. These supports are vital to keeping our economy moving in the right direction.

The Murray plan will help improve American competitiveness, foster innovation, and open more opportunities for small businesses to succeed, and it lays out a blueprint for responsibly paying for these investments and reducing our deficit in a balanced way. Each and every one of these priorities helps to improve the economic security of men and women and children—families—in our country.

I hope my colleagues will join me in supporting the Murray plan, a plan that provides a foundation for growth, instead of a plan that takes a meat-ax approach to the economic security of millions of families in our country.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I want to thank the Senator from Hawaii for joining a number of very strong Democratic women to talk about the importance of our budget for women in this country, and I appreciate her strong voice here in the Senate.

I yield 30 minutes off the resolution to the Senator from Vermont, who is a great member of our Budget Committee and contributes so much thought to all of it. We appreciate all his work.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. SANDERS. Mr. President, I thank Senator MURRAY for yielding, and I want to thank her and her staff for the excellent work they have done. As a member of the Budget Committee, I have enjoyed working with them.

Everybody knows our country has an $850 billion deficit and a $16-plus trillion national debt. But what has not been discussed as often as it should be is how we came into that financial position. How do we have the deficit and how do we have this huge debt?

Let us not forget, as we discuss this issue, that in January of 2001, when President Bill Clinton left office, this country had an annual Federal budget surplus of $236 billion. A surplus of $236 billion in January 2001. We now have an $850 billion deficit. So what happened?

Well, I think many Americans know what happened. When you go to war in Afghanistan and Iraq and you don't pay for those wars, you add to the deficit. When you give huge tax breaks to the wealthiest people in this country and you don't offset that, you add to the deficit. When you pass a Medicare Part D prescription drug program and you don't pay for that, you add to the deficit.

And on top of all of that, we must understand that right now, at 15.8 percent of GDP, revenue coming into the Federal Government is the lowest it has been in 60 years. The reason for that is we are in the midst of a very serious recession—a recession caused by the greed, recklessness, and illegal behavior on Wall Street. Not only has that led to significant increases in unemployment and businesses going under, once again, it resulted in less tax revenue coming in to this government.

And by the way, when we talk about Wall Street and the greed and the recklessness and illegal behavior on Wall Street, I must say I was stunned when the Attorney General of the United States recently suggested it might be difficult to prosecute Wall Street CEOs who commit crimes because of the destabilizing effect that prosecution might have on the financial system of our country and the world. In other words, we have a situation now where Wall Street is not only too big to fail, they are too big to jail. The theory is, if you are just a regular person and you commit a crime, you go to jail. If you are the head of a Wall Street company, your power is so great, the tentacles of that company are so great, that if you are prosecuted, and there is destabilization in that company, it can have worldwide or national implications. That is an issue we have to think long and hard about. We are supposed to be a country of law, and that law should apply to the CEOs of Wall Street companies as well as everybody else.

The other point I want to make deals, if you will, with a moral issue. When you are dealing with a deficit situation—and I just described how we got into the deficit situation—and you say we need to make sacrifices, it is absolutely appropriate to ask who is best able to make those sacrifices. Right now, as I think most Americans know, the wealthiest people in this country are doing phenomenally well. Large corporations are enjoying record-breaking profits. That is one group of people. Meanwhile, the middle class of this country is disappearing, and we have 46 million people living in poverty. So common morality, basic morality, says who should we ask most significantly to help us with deficit reduction? Do we tell an unemployed worker who is struggling to keep his or her family afloat that we are going to balance the budget on their back or do we ask, a huge profitable corporation, that in some cases is paying nothing in taxes, to help us with deficit reduction?

It is important for us to do what we do too rarely on the floor of the Senate—take a hard look at what is happening to the American people right now. I am very pleased we are seeing more job creation. Good thing. We are seeing somewhat of a recovery in housing. Very good thing. But let us understand where the middle class of this country is today, where the working class of this country is today before we demand that we balance the budget on their backs, as the Ryan budget in the House does.

Since 1999, the average middle-class family has seen its income go down by nearly $5,000 after adjusting for inflation. Median family income today is lower than it was in 1996. Real unemployment is not 7.7 percent, it is 14.3 percent if you count those people who have given up looking for work and are working part time. Youth unemployment is even higher. More than 25 percent of young Americans are unemployed. In terms of the African-American community, unemployment is off the charts.

When we talk about job creation, we all want job creation. However, it is important to understand that nearly 60 percent of the new jobs that have been created since 2010 are low-wage jobs paying between $7.80 an hour and $13.80 an hour.

Jobs, yes. But we want jobs that can take care of families, not just low-wage jobs.

Further, when we are talking about the budget, we don't talk about this at all. I know my Republican friends don't talk about it; most of my Democratic friends don't talk about it. It is anathema here to talk about issues of distribution of wealth and income, but I think it is important before we talk about on whose backs we are going to balance the budget.

Today the United States has the most unequal distribution of wealth and income of any major country on Earth, and the gap between the very, very wealthy and everyone else is growing wider and wider. Incredibly, the wealthiest 400 individuals in this country today own more wealth than the bottom half of America, 150 million people. I think that is an issue we might want to discuss even if it offends some of our wealthy campaign contributors, but I think we should put that on the table.

Today one family—the Walton family of Walmart—owns more wealth than the bottom 40 percent of families in this country. And by the way, you will all be delighted to know they got a huge tax break recently.

Today the top 1 percent owns 38 percent of all financial wealth. That is a stunning number. What is even more stunning is the bottom 60 percent owns 2.3 percent of the wealth in this Nation. One percent on top owns 38 percent of the wealth; the bottom 60 percent owns 2.3 percent. And who do Mr. RYAN and my Republican friends want to balance the budget on? Those 60 percent, the working families who already have nothing, who are losing what they have, who are struggling to keep their heads above water.

But it is not just distribution of wealth, it is distribution of income. If you can believe it—this is again a stunning fact which, for some reason, we don't talk about too much here on the floor. A recent study shows that had all of the new income gained from 2009 to 2011 gone to the top 1 percent, 99 percent gained nothing. So who do we balance the budget on? Of course you go after the middle class, go after the working class, go after low-income people. Well, maybe somebody might want to ask that 1 percent to start paying a little bit more in taxes before we cut Social Security, Medicare, Medicaid, education, and nutrition.

One of the good parts of the Murray budget is that it provides $100 billion in funding to put millions of Americans back to work rebuilding our crumbling infrastructure. I would have gone much higher. Because while deficit reduction is a very serious issue, it is even more important that we start putting millions of people back to work who are in desperate need of employment. The fastest way to do that is to rebuild our crumbling infrastructure. One hundred billion is a good start. We need more.

During the consideration of the budget resolution, I plan on offering two amendments. The first, amendment No. 264, would create a reserve fund to reduce the deficit and create jobs by eliminating offshore tax abuse by large profitable corporations. The second, amendment No. 198, would establish a deficit-neutral reserve fund to protect the benefits of disabled veterans—and I speak as chairman of the Veterans' Affairs Committee—disabled vets and their survivors by not enacting the so-called chained CPI. I am pleased that this amendment is being cosponsored by Senator HARKIN and Senator HIRONO. Let me take a few minutes to describe both of these amendments.

At a time when corporate profits are at an all-time high, when the effective corporate tax rate is at a 40-year low, when one out of four profitable corporations pays zero in taxes, it is time for large profitable corporations to significantly contribute to deficit reduction.

The first amendment I will be offering would create a reserve fund to reduce the deficit and create jobs by eliminating offshore tax abuse by large profitable corporations. In 2011, corporate revenue as a percentage of GDP was just 1.2 percent. That is lower than any other major country in the Organization for Economic Cooperation and Development, lower than Britain, Germany, France, Japan, Canada, you name it. Each and every year, corporations and the wealthy are avoiding more than $100 billion in U.S. taxes by sheltering their income offshore. Offshore tax schemes have become so absurd that one five-story building in the Cayman Islands is now the home to more than 18,000 corporations.

When the Bank of America, Goldman Sachs, JPMorgan Chase, and Citigroup needed a taxpayer bailout in 2008—and I did not vote for that bailout—they told us what great Americans they were, how much they love the United States of America, proud to be an American. But when it comes to paying their taxes, these large Wall Street companies are proud to be with the Cayman Islands. So my suggestion to these corporations: Next time you need a bailout, don't come to the taxpayers of America. Go to the people of the Cayman Islands and get your bailout there. But so long as you are an American company, how about helping us with deficit reduction and paying some taxes in this country?

But it is not just Wall Street. You have pharmaceutical companies such as Eli Lilly and Pfizer also using offshore tax havens. Apple wants all the advantages of being an American company, but it doesn't want to pay American taxes or American wages. It creates the iPad, the iPhone, the iPod, and iTunes in the United States, manufactures most of its products in China, and then ships most of its profits to Ireland, Luxembourg, the British Virgin Islands, and other tax havens to avoid paying U.S. taxes.

This is a huge issue. By the way, it is not just an American issue. It is an issue facing governments all over the world: Corporations run to tax havens, Cayman Islands, Bermuda, and elsewhere. We have got to address that issue.

I am going to list for the RECORD 15 large profitable corporations that have used offshore tax havens to avoid paying U.S. income taxes in recent years. At the top of the list, Bank of America. In 2010, Bank of America set up more than 200 subsidiaries in the Cayman Islands to avoid paying U.S. taxes. It worked. Not only did Bank of America pay nothing in Federal income taxes but it received a rebate from the IRS of $1.9 billion that year.

Before you cut Social Security and Medicaid and Medicare, do you think maybe we might want to ask Bank of America—which we bailed out, by the way—to help us with deficit reduction?

General Electric during the last 5 years made $81 billion in profits. Not only has General Electric avoided paying Federal income taxes during these years, it received a tax rebate of $3 billion from the IRS. GE has at least 14 offshore subsidiaries in Bermuda, Singapore, and Luxembourg.

Citigroup, Verizon, Honeywell International, JPMorgan Chase, Merck, Corning, Boeing, Goldman Sachs, Microsoft, Qualcomm, Caterpillar, Cisco Systems, Dow Chemicals, major profitable corporations using tax havens to avoid paying in the United States of America. We have an amendment to deal with that issue, and I hope we can have bipartisan support for that amendment.

Now I want to talk about my second amendment, and now I speak as chairman of the Veterans' Affairs Committee.

This amendment, No. 198, would establish a deficit-neutral reserve fund to protect the benefits of disabled veterans and their survivors by not enacting the so-called chained CPI. I am pleased this amendment is being cosponsored by Senators HARKIN and HIRONO.

The time has come for the Senate to send a very loud and clear message to the American people: We will not balance the budget on the backs of disabled veterans who have lost their arms, their legs, and their eyesight defending our country. We will not balance the budget on the backs of the men and women who have already sacrificed for us in Iraq and Afghanistan, nor on the widows who have lost their husbands in Iraq and Afghanistan defending our country. And we will not balance the budget on the backs of those who served so valiantly in World War II, the Korean war, the Vietnam war, the gulf war, and other conflicts, by cutting Social Security benefits. We will not the adopt the chained CPI.

The chained CPI is forcefully opposed by every major veterans organization in this country. I have talked to many of them, and they are outraged after the sacrifices veterans have made that people want to balance the budget on their backs. All veterans organizations are in opposition to the chained CPI, and that includes of course the American Legion, the VFW, the Disabled American Veterans, the Iraq and Afghanistan Veterans of America, Gold Star Wives, DAV. You name the veterans organization, and they are in opposition.

But it is not just the veterans organizations that oppose the chained CPI. The chained CPI is opposed by every major senior citizen group in this country—including the AARP, the largest senior group. And I understand they have been calling Members of the Senate and the House, and I hope Members will listen to what the AARP has to say—and the National Committee to Preserve Social Security and Medicare, and the Alliance for Retired Americans.

The chained CPI is opposed by every major union in this country. I had a press conference not so long ago with Rich Trumka of the AFL–CIO. They are strongly opposed to the chained CPI. The chained CPI is opposed by every major disability group in this country. It is opposed by the National Organization for Women, because they understand what the chained CPI would mean for women.

There are some who believe that lowering costs of living adjustments—COLAs—through the adoption of a chained CPI would be just a minor tweak in benefits. Let's be clear. For millions of disabled veterans and seniors living on fixed incomes, the chained CPI is not a minor tweak. It is a significant benefit cut that will make it harder for permanently disabled veterans and the elderly to feed their families, heat their homes, pay for their prescription drugs, and make ends meet. This misguided proposal must be vigorously opposed.

In one moment or another everybody here has talked about how they want to save Social Security, because they know that back home Social Security is enormously popular. In poll after poll—whether you are Democrat, Republican, Independent—what people are saying is, Don't cut Social Security. Don't cut benefits for disabled veterans. Now we are going to give Members on both sides of the aisle the opportunity to act on what they have been saying for many years.

Supporters of the chained CPI want the American people to believe that the COLAs for the disabled vets, senior citizens, and the surviving spouses and children who have lost loved ones in combat are too generous. For any senior citizen who is listening to this, the theory behind the chained CPI is the benefits that you have been getting are too generous. And whenever I say this in Vermont, people start laughing. They really do. And I have to say, No, they are not kidding, they are serious.

At a time when some think these benefits are too generous, we should understand that in 2 out of the last 4 years disabled vets and senior citizens did not receive any COLA at all, zero. So I guess a zero COLA is too generous. And this year's COLA of 1.7 percent is one of the lowest ever at a time when prescription drug costs for seniors are going up, health care costs for seniors are going up, heating costs in cold weather States such as mine are going up, food costs are going up. And yet seniors got a 1.7 percent COLA, and there are people who say that is much too generous.

Today, more than 3.2 million disabled vets receive disability compensation benefits from the VA and would be negatively impacted by the chained CPI. Are you really ready after all the great speeches we hear—speeches of thank you to the veterans who put their lives on the line, who gave their lives defending this country—do you really want to cut those benefits for those who lost their arms, their legs, their eyesight? I hope not.

Under the chained CPI, a disabled veteran who started receiving VA disability benefits at age 30 would have their benefits cut by more than $1,400 at age 45; $2,300 at age 55; and $3,200 at age 65. For our Wall Street friends, the people who make millions of dollars a year, that is not a lot of money. But for people who are trying to survive on $20,000, $25,000, $15,000 a year, that is a big hit. In my view, if you respect veterans and the sacrifices they have made, if you respect the ''greatest generation'' and what they have done to make this country great, you do not balance the budget on their backs.

Let me just conclude by saying I have been to Walter Reed, and I have seen what war has done to veterans. Many of my colleagues have done the same. In Vermont we paid a very heavy price for the Iraq war. I have been to too many funerals. I know many of my colleagues have done the same. I just ask that before we support this so-called chained CPI, which will make devastating cuts on the backs of disabled veterans and senior citizens, we remember the sacrifices those people made.

Let me ask unanimous consent to have printed letters in opposition to the chained CPI that I have received from the American Legion, Disabled American Veterans, Veterans of Foreign Wars and several other veterans organizations.

Let me quote from a letter I received from the National Commander of the American Legion, Jim Koutz, in opposition to the chained CPI:

> On behalf of the 2.4 million members of The American Legion I voice our opposition to [the chained CPI] because of the harmful effects it will have on veterans' and Social Security benefits . . . Under the chained CPI, which cuts the formula used to determine the COLA for VA benefits, disabled veterans who receive this benefit would have their benefits reduced by thousands of dollars over their remaining lifetimes . . . The American Legion understands the need to restore fiscal discipline, but it should not be done by reneging on this country's promises to its veterans who already have earned these benefits through their service to country . . . For these veterans and their families, reducing the current COLA represents real sacrifice . . . We ask you not to do harm to those who have already sacrificed so much for this great nation.

I ask unanimous consent to include the American Legion letter in the CONGRESSIONAL RECORD.

Let me also quote a letter I received from the Executive Director of the Disabled American Veterans—DAV, Barry Jesinoski:

> On behalf of all disabled veterans and their families, we stand with you in firm opposition to the application of the chained CPI to disability and pension payments for veterans, dependents and survivors of veterans. In recent years, it has become apparent that even the current COLA has failed to meet the rising costs faced by disabled veterans, their dependents and survivors. Lowering VA benefit payments using a new formula designed to reduce federal spending at large seems an unconscionable policy and would threaten their financial security and must be rejected. America's heroes deserve better from a grateful and caring nation.

I ask unanimous consent to print the DAV letter in the CONGRESSIONAL RECORD.

Let me also quote from a letter I received in opposition to the chained CPI from the Veterans of Foreign Wars, the Paralyzed Veterans of America, the Blinded Veterans Association, Gold Star Wives, the Iraq and Afghanistan Veterans of America, the Vietnam Veterans of America, and several other veterans' groups, in one letter. They came together and here is what this letter says:

> As efforts to address our nation's debt continue, we are writing to express our opposition to changing the formula used to calculate the annual cost of living adjustment (COLA) because of the harmful effects it will have on veterans and Social Security benefits. We agree that political leaders need to restore fiscal discipline, but we believe it should be done with great care and without reneging on this country's promises to veterans, including the promises of Social Security and VA disability compensation and pension benefits—all of which are modest in size. Many veterans who rely on these programs live on fixed incomes and very tight budgets. For them, every dollar of hard-earned benefits counts in meeting basic expenses, attaining quality of life, and building

a better future for themselves and those who depend on them. For many of them, reducing the annual COLA would mean real sacrifice. We ask that you not do that for those who have already sacrificed so much for this great country.

I ask unanimous consent that letter be printed in the RECORD.

So here we are. We are in this deficit situation because of wars that were unpaid for, tax breaks for the wealthiest people in this country, Medicare Part D not paid for, and a recession caused by Wall Street. Now we have folks who are saying we have a serious deficit problem. I agree.

The way we are doing it is to make devastating cuts on the backs of some of the most vulnerable people in this country, including disabled vets and including people who receive Social Security and disability benefits. I do not think that is the moral thing to do. I do not think that is the economically appropriate thing to do.

When you have one out of four major corporations, huge corporations, profitable corporations paying zero in taxes; when the corporate tax rate today, the effective corporate tax rate is the lowest it has been in decades; when the gap between the very wealthy and everybody else is growing wider; there are ways to do deficit reduction that are fair.

I will do everything I can to make sure that as we go forward with deficit reduction we do it in a way that is fair and not on the backs of some of the most vulnerable people in this country.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

December 12, 2012.

Hon. HARRY REID,
Majority Leader, U.S. Senate, Washington, DC.
Hon. JOHN BOEHNER,
Speaker, House of Representatives, Washington, DC.
Hon. MITCH MCCONNELL,
Republican Leader, U.S. Senate, Washington, DC.
Hon. NANCY PELOSI,
Democratic Leader, House of Representatives, Washington, DC.

DEAR LEADER REID, LEADER MCCONNELL, SPEAKER BOEHNER, AND LEADER PELOSI: As efforts to address our nation's debt continue, we are writing to express our opposition to changing the formula used to calculate the annual cost of living adjustment (COLA) because of the harmful effects it will have on veterans and Social Security benefits.

The Congressional Budget Office estimates that adopting the chained consumer price index (CPI) to calculate annual COLAs could save the government $208 billion over ten years by reducing Social Security, disability, and other benefits, and by increasing revenues. More than half of this amount—$112 billion—would come from Social Security cuts, which veterans rely on very heavily for both retirement and disability benefits. Another 11 percent of the savings—$24 billion—would come from VA benefits, civilian pensions, and military retirement pay.

We estimate that use of the chained CPI would have a significant effect on benefits that millions of veterans depend on in the following ways:

Social Security Retirement Benefits: Social Security is one of our nation's most important programs serving veterans and their dependents and survivors. It currently pays benefits to over 9 million veterans—about 4 in 10. The average retirement benefit of a veteran receiving Social Security was about $15,500 in 2010. Adopting the chained CPI would significantly reduce those benefits, by changing the manner in which COLAs are determined. A veteran with average earnings retiring at age 65 would get nearly a $600 benefit cut at age 75, and a $1,000 cut at age 85. By age 95, when Social Security benefits are probably needed the most, that veteran would face a cut of $1,400—a reduction of 9.2 percent.

Not only would a Social Security COLA cut hurt veterans and their families; it is also misguided policy. Social Security is self-financed by the contributions of workers and employers. In effect, it belongs to its contributors. It is separate from the rest of the budget. To use it to reduce the federal deficit, which it did not cause, or effectively to fund other parts of the government or to help maintain tax breaks unrelated to Social Security, is to break the promise of Social Security.

VA Disability Compensation Benefits: Veterans are generally eligible for VA disability compensation benefits if they become disabled due to injuries or illnesses sustained during, or as a result of, military service. There were 3.2 million veterans receiving these benefits in 2010. A veteran receiving VA disability compensation due to a service-connected disability rated at 100 percent is currently entitled to receive $33,288 a year. Under the chained CPI, which is a cut in the formula traditionally used to determine the COLA for VA benefits, a disabled veteran who started receiving benefits at age 30 would have their benefits reduced by $1,425 at age 45, $2,341 at age 55 and $3,231 at age 65.

VA Pension Benefits: Veterans with low incomes who are either permanently and totally disabled, or age 65 and older, may be eligible for pension benefits if they served during a period of war. More than 310,000 veterans received VA pension benefits in 2010. The current benefit for a veteran is just $12,256 a year. Under the chained CPI, VA pension benefits for veterans aged 65 and older living in poverty would be reduced by $353 at age 75, $696 at age 85 and $1,029 at age 95.

Social Security and veterans' benefits need to be based on an accurate measure of inflation. The current COLA formula understates the true cost-of-living increases faced by seniors and people with disabilities because it does not take into account their higher share of spending devoted to health care, and that health care prices rise much more rapidly than overall prices. Although veterans who have service-connected disabilities and those receiving pension benefits are eligible for VA health care, they may still be impacted by rising out-of-pocket health care costs. Adopting the chained CPI would make the situation worse.

Instead, Social Security and VA benefits should be based on a formula that takes account of these higher health care costs called the CPI–E (Experimental CPI for the Elderly) developed by the Bureau of Labor Statistics. The CPI–E rises at a slightly faster rate than the formula currently used to calculate the COLA, and at a still faster rate than the proposed chained CPI, providing a modestly more generous COLA for seniors and people with disabilities.

We agree that political leaders need to restore fiscal discipline, but we believe it should be done with great care and without reneging on this country's promises to veterans, including the promises of Social Security and VA disability compensation and pension benefits—all of which are modest in size. Many veterans who rely on these programs live on fixed incomes and very tight budgets. For them, every dollar of hard-earned benefits counts in meeting basic expenses, attaining quality of life, and building a better future for themselves and those who depend on them. For many of them, reducing the annual COLA would mean real sacrifice. We ask that you not do that for those who have already sacrificed so much for this great country.

Thank you for your serious consideration of our views. We look forward to working with you on this important matter.

Sincerely,

Air Force Sergeants Association; Air Force Women Officers Associated; American Military Retirees Association; American Military Society; Association of the United States Navy; Blinded Veterans Association; Gold Star Wives; Iraq and Afghanistan Veterans of America; Jewish War Veterans; Military Officers Association of America; National Association for Uniformed Services; National Guard Association of the United States; National Military Family Association; Paralyzed Veterans of America; Veterans for Common Sense; Veterans of Foreign Wars; VetsFirst, a program of United Spinal Association; Vietnam Veterans of America.

THE AMERICAN LEGION,
Washington, DC, December 14, 2012.

Hon. HARRY REID,
Majority Leader, U.S. Senate,
Washington, DC.
Hon. JOHN BOEHNER,
Speaker, House of Representatives,
Washington, DC.
Hon. MITCH MCCONNELL,
Republican Leader, U.S. Senate,
Washington, DC.
Hon. NANCY PELOSI,
Democratic Leader, House of Representatives,
Washington, DC.

DEAR LEADER REID, LEADER MCCONNELL, SPEAKER BOEHNER, AND LEADER PELOSI: As efforts to address our nation's debt continue, we understand many proposals and policies are being reviewed. One proposal appears to be the changing of the formula used to calculate the annual cost of living adjustment (COLA) that affects Social Security and other beneficiaries, including many veterans. On behalf of the 2.4 million members of The American Legion I voice our opposition to this proposal because of the harmful effects it will have on veterans' and Social Security benefits.

The Congressional Budget Office estimates adopting the chained consumer price index (CPI) to calculate annual COLAs could save the government $208 billion over ten years by reducing payments of Social Security, disability, and other benefits. More than half of this amount—$112 billion—would come from Social Security cuts, which many veterans rely on for both retirement and disability benefits. Another 11 percent of the savings—$24 billion—would come from Department of Veterans Affairs (VA) benefits, civilian pensions, and military retired pay. The American Legion opposes the use of the chained CPI because using it would have significant deleterious effects on the benefits millions of veterans depend on in the following ways:

Social Security Retirement Benefits: Adopting the chained CPI significantly reduces these benefits by changing the manner in which COLAs are determined. Not only would a Social Security COLA cut hurt veterans, their families, and their survivors; it is misguided public policy. Social Security is financed by the contributions of our members and their employers. In effect, it belongs to its contributors. It is separate from the rest of the budget. To use it to reduce the federal deficit, which it did not cause, breaks the promise of Social Security and it could have harmful effects on the recruitment and retention of the Armed Forces.

VA Service-connected Disability Compensation: Veterans are eligible for VA service-connected disability compensation if they become disabled due to injuries or illnesses incurred during, or as a result of, military service. Under the chained CPI, which cuts the formula used to determine the COLA for VA benefits, disabled veterans who receive this benefit would have their benefits reduced by thousands of dollars over their remaining life times.

VA Pension Benefits: Veterans with low incomes who are permanently and totally disabled, or are age 65 and older, may be eligible for pension benefits if they served during a period of war. Under the chained CPI, VA pension benefits for veterans aged 65 and older living in poverty would be reduced over their remaining life times.

Social Security and veterans' benefits do need to be based on an accurate measure of inflation. The current COLA formula already understates the true cost-of-living increases faced by seniors and people with disabilities because it does not take into account their higher share of spending devoted to health care, and health care prices rise more rapidly than overall prices. Even though veterans who have service-connected disabilities and those receiving pension benefits are eligible for VA health care, they will still be impacted by rising out-of-pocket health care costs not covered by the VA. Adopting the chained CPI would make their situations much worse over time.

The American Legion understands the need to restore fiscal discipline, but it should not be done by reneging on this country's promises to its veterans who already have earned these benefits through their service to country. For these veterans and their families, reducing the current COLA represents real sacrifice. We ask you not to do harm to those who have already sacrificed so much for this great nation.

Thank you for your consideration. And thank you for what you have done on behalf of the nation's servicemembers, veterans, and their families and survivors.

Sincerely,

JAMES E. 'JIM' KOUTZ,
National Commander.

DAV,
Washington, DC, December 17, 2012.

Hon. BERNARD SANDERS,
U.S. Senate,
Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR SANDERS: On behalf of the DAV, a national veterans service organization with 1.2 million members, all of whom are wartime disabled veterans, I write to express our strongest opposition to any attempts by Congress to replace the current consumer price index (CPI) formula used for calculating the annual Social Security cost-of-living adjustment (COLA) with the Bureau of Labor Statistics (BLS) new formula commonly termed the ''chained CPI.'' As you know, the Social Security COLA is applied annually to the rates for VA disability compensation, dependency and indemnity compensation, and pensions for wartime veterans and survivors with limited incomes. Since the chained CPI is specifically intended to lower the annual Social Security COLA, its application would mean systematic reductions for millions of veterans, their dependents and survivors who rely on VA benefit payments.

In recent years, it has become apparent that even the current COLA has failed to meet the rising costs faced by disabled veterans, their dependents and survivors. These men and women are not traditional consumers of goods and services in the U.S. economy; they are significantly older and suffer disabilities at higher rates than average citizens across the age range of residents of this country. In general, they are heavy consumers of health care, both within the VA and DOD systems, from Medicare and Medicaid, and from private sector providers. The sickest and most infirm among them are unemployable. They are substantial consumers of prescription medications and other health aids. In many cases, they live on fixed incomes and some must subsist on a single source of income: their monthly government disability or pension payment. The current COLA does not even take into account the rising costs of food or fuel. Lowering VA benefit payments using a new formula designed to reduce federal spending at large seems an unconscionable policy and would threaten their financial security and must be rejected. In addition, we urge you to examine whether there are better, more appropriate indexes that recognize the uniqueness of this population's needs and consumption patterns.

Furthermore, these millions of disabled veterans, dependents and survivors suffer the additional indignity of the novel ''rounding down'' policy Congress imposed in 1991 as a ''temporary'' means to lower the federal deficit in fiscal year 1992 by reducing the annual COLA increase to the next-lower dollar. Adding a chained CPI formula to this reduction of benefits would serve to lower their standard of living even more, an ironic reversal of the very purposes of these payments.

On behalf of all disabled veterans and their families, we stand with you in firm opposition to the application of the chained CPI to disability and pension payments for veterans, dependents and survivors of veterans. America's heroes deserve better from a grateful and caring nation.

Sincerely,

BARRY JESINOSKI,
Executive Director
Washington Headquarters.

The PRESIDING OFFICER (Ms. HEITKAMP). The Senator from Alabama.

Mr. SESSIONS. Madam President, I will be yielding to Senator THUNE, one of the experienced former members of the Budget Committee. He will be sharing his thoughts. I would say to my colleagues, we have been hearing that the Democratic plan is a balanced approach. It is balanced, but it is not a balanced budget. What we need is a balanced budget. That means the amount of money that comes in is the same as the amount of money that goes out.

We can do that and increase spending every single year by 3.4 percent. This is very doable. It does not require the slashing of spending on every important account that we care about in Washington. That is what we are here for, and the administration, the Cabinet Secretaries and so forth, they will make sure the limited amount of money any government has is wisely spent. Therefore, we are not talking about devastating cuts. We are talking about better management and working with how to grow spending over the next 10 years—growing spending over the next 10 years by 3.4 percent, not at 5.4 percent. That balances the budget even under the assumption of 2.5 percent inflation. It can be done. That is what the experts tell us, and that is the best estimate we have today.

The motion to recommit the budget is now on the floor—recommit to the committee, with instructions that they decide what to do to alter it so that when it comes back it is balanced, a real balanced budget—not a balanced plan, not a balanced approach, not some balanced theory—but a real balanced budget. Presumably our colleagues think balance is important because they have mentioned the word about 40 times. We have been counting them since we have been on the floor. I think when we get to that vote we will be asking our colleagues: Do you really want to achieve a balanced budget?

Senator SANDERS said: We think you do not tax the rich enough. You need to tax the rich more and more—as if taxing and punishing them will fix the problem of growth in this economy that is truly too slow. We are having the slowest recovery in our Nation's history, at least since World War II. So we do not have a good recovery coming on. We need to be talking about that.

But I guess my final statement is we do not need a balanced approach, we need a balanced budget. There is a gulf of difference between the two.

The plan before us today raises taxes $1 trillion. They claim it cuts spending nearly $1 trillion and that it is a balanced approach: tax increases, spending cuts, and deficit reduction. That is the message that has been coming from the other side. Except it is not accurate. This budget increases taxes by $1.5 trillion. It also increases spending. That is what it does.

We are concerned about that. The net result is there is no change, it seems to me—no change, a good analysis shows, in the debt course we are on.

I see my colleague, Senator THUNE. It is now time to yield to him. I yield to Senator THUNE.

The PRESIDING OFFICER. Will the Senator be yielding off the resolution or off the motion?

Mr. SESSIONS. I thank the Chair. It will be yielding off the resolution.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. THUNE. Madam President, I rise today along with my colleague from Missouri, Senator BLUNT, to offer a couple of amendments that have been filed and that I hope we get an opportunity to vote on before this process concludes. If you look at the base Democratic budget that has been put before us, it has large tax increases in it; in fact, up to $1.5 trillion in new taxes.

What we would attempt to do is to ensure that those taxes, higher taxes, do not come by eliminating or capping the Federal tax deduction for charitable giving. We have tens of millions of Americans mired in poverty, and government budgets are more constrained than ever before and what fills that gap is the charitable giving. It is the generosity of people around this country who keep organizations going that are providing these essential and basic functions for many Americans.

In fact, in 2011, Americans gave nearly $300 billion to support charitable causes. This generosity not only helps to feed the hungry and clothe the needy, it has a real budgetary impact because this is an instance where the private sector is fulfilling a need that would otherwise have to be met by government spending.

Unfortunately, as we know, the White House has proposed limiting the value of itemized deductions for those earning above $200,000 for singles, and $250,000 for married couples to 28 percent. Previous estimates were that this proposal would reduce charitable donations by up to $5.6 billion a year. As the Charitable Giving Coalition has recently stated, that amounts to more than the annual budgets of the Red Cross, Goodwill, YMCA, Habitat for Humanity, the Boys and Girls Clubs, Catholic Charities, and the American Cancer Society combined.

But even this impact understates the degree to which charitable giving could be harmed under the White House proposal because we now have a new baseline with a higher top income tax rate. A new study by the American Enterprise Institute estimates that the President's itemized limitation under the new tax rates will lower total giving by individuals by more than $9.4 billion per year.

We ought to be exploring new options to expand charitable giving rather than limiting the charitable donations in order to fund higher levels of government spending. If we are going to explore any changes in the charitable deduction or any other tax provisions that we have in the Tax Code today, it ought to be in the context of progrowth revenue-neutral tax reform, not as a way to pay for higher spending, which is what these proposals would do. I hope the vote on this amendment this time around will be just as broadly bipartisan as the one I offered back in 2009, where we got 94 votes in support.

The second amendment will put the Senate on record in support of eliminating the destructive Federal estate tax, better known as the death tax. That amendment I offer with the Senator from Missouri and several others of my colleagues.

I have long believed the Federal estate tax is an unnecessary, counterproductive, and inefficient tax. More important, the death tax strikes many of us as not simply being bad tax policy but a policy that runs counter to the very essence of the American free market system. This is not a tax on rich fatcats, as some will claim. We already have an income tax, and it is one of the most progressive income taxes in the developed world.

The death tax is different. It is a tax on success, a tax on assets that have been accumulated through a lifetime of hard work and generated from income that was already taxed when it was earned. Many of these businesses are ''land rich and cash poor,'' meaning that the value of the business is in the land and in the business assets. These businesses do not have substantial liquid assets sitting around to pay a second layer of tax that is imposed when a loved one passes way. As a result, the death tax often requires that business assets are sold simply to pay the tax.

Consider South Dakota, where we have seen farmland prices increased by over 50 percent in just the past 5 years. States such as Iowa, Kansas, Missouri, Minnesota, and North Dakota have seen similar increases.

Finally, my amendment will give farmers, ranchers, and family business owners peace of mind, and it will do so in a deficit-neutral way. When we voted on a sense-of-the-Senate to eliminate the death tax in 2002, 11 Senate Democrats supported that, including a number of Senators who are still in the Senate today. Much has changed since 2002, but I believe the death tax was a bad tax law then, and it remains so today. I hope to get a strong bipartisan vote on this as well.

Before I shift to my colleague from Missouri, I simply want to say, as I have said before, that when we look at this budget process and the budget proposal put before us by the Senate Democrats, the question we ought to ask is, What does this do to promote economic growth? What does this do to create jobs? More than anything else, what we need in this country is increased economic growth. Increased economic growth will get the people who are unemployed back to work, which will increase the take-home pay of middle-class Americans.

We have seen a sluggish economy, chronic high unemployment, and a massive amount of debt over the past 4 years. It is time to chart a different course, and the way to do that is to put policies in place that will encourage economic growth. A $1.5 trillion tax increase is not the way to do that, and we certainly do not want to take away the incentive people in this country have to continue to give out of the generosity of their hearts to our charitable organizations all across the country.

It is also important that once and for all we get rid of the death tax, which is so punitive to people who work so hard and want to pass that on to the next generation of Americans.

I am happy to yield to my colleague from Missouri, who, like me, represents a lot of farmers, ranchers, and hardworking small businesspeople for whom the tax issues are important. He will offer comments on the impact of some of these tax policies and the impact some of the budget proposals coming from the Senate Democrats would have on the State of Missouri.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BLUNT. Madam President, I am glad to join Senator THUNE in proposing these two important amendments and also to join him on the overall point on which we ought to be focused, which is economic opportunity and economic growth.

How do we get people onto the pathway of more opportunity for them and their families? Private sector job creation should be the No. 1 domestic goal of America today. Frankly, it should be the No. 1 domestic goal of everything we do.

When we are dealing with a budget or an appropriations bill that deals with any kind of domestic policy, we ought to be thinking about how this would impact private sector job creation. How does this impact economic growth? How does this impact opportunity? What do we do to change our society for the better and not the other way around?

Clearly, I think we all appreciate the fact that Americans are more generous in giving to religious organizations and charities than anybody else in the world. My belief is that there is no country that comes anywhere close in charitable giving. It is not just the top earners in America who give money to charitable organizations, sometimes it is given by families who have to stretch the dollar to make the contribution they want to make to their church that Sunday or to make the contribution they want to make to the Girl Scouts or Boy Scouts activities or the YMCA or YWCA in their community. Nobody does this the way we do it.

I am proud to join Senator THUNE as he works on these issues. We have worked together for a long time, and Senator THUNE has always been a critical advocate for our charities as well as for families who work hard and create a small business or a family farm or ranch so they are able to pass it along to the next generation.

Let me first talk a little bit more about charities. The ability to voluntarily come together and do things is provided in the first amendment. It is not just an amendment that protects speech and religion, but it protects association, it protects people who make things happen in their community that otherwise would not happen.

Americans give like nobody else in the world. Every day our religious institutions, charities, hospitals, museums, and others come together to take private resources and meet a number of community needs which are met in the best possible way by people who are doing that through a charitable effort. They help to feed the hungry, care for the sick, serve the poor, and contribute to all kinds of educational institutions.

Americans help by undertaking critical research and giving money that goes to either help operate or actually support museums and parks. This is a small example of what Americans do because they give to charity, which is often done better than government bureaucracies; it is cheaper, more effective, more reasonable, and we need to do everything we can to continue to do that.

In 2011 Americans gave nearly $300 billion to charitable causes, and 75 percent of that giving was done by individuals. Of the 41 million American households who itemize on their taxes—where they can specifically see what they did—86 percent of those households take advantage of the charitable contribution as they calculate their taxes.

The vast majority of people don't give to charities for tax breaks. I was the president of a southern baptist university for 4 years before I came to Congress. Every university president I know knows a little bit about raising money, and every one of them knows that not every contributor is motivated by the Tax Code, but the Tax Code has an impact on whether they meet their goals. However, some contributors are concerned, and the size of that contribution matters as it relates to how they can leverage, frankly, the Tax Code in a way that makes it easier for them to give more to help take care of the things they care about.

We want to be sure we are doing what we can as we try to grow the economy, and an awful lot of our economy comes from the private sector. About 1 out of 10 jobs is in the charitable sector—1 out of 10 jobs is in the charitable sector. When we restrict that charitable sector, we restrict people from doing what they would do otherwise.

Senator THUNE mentioned $9 billion. Now, $9 billion of $300 billion, does that sound like a lot? It sounds like a lot to the kid who got the last scholarship. It sounds like a lot for the park that doesn't get the new playground equipment because the local Kiwanis club could not get to their goal so they could help their community. If we add up charitable contributions that anyone here gives to, in all likelihood, collectively it would amount to less than $9 billion. So of course it makes a difference, and it is a difference in whether or not they get there. The nonprofit sector employs 1 out of 10 U.S. workers and provides almost 14 million jobs and paid almost $600 billion in wages and benefits. It is about exactly the same in our State.

This is a part of who we are that we don't want to discourage. There is a reason Americans give more generously to charitable causes than anybody else in the world. Let's not walk away from that.

This amendment will ensure that the limits on charitable giving that are in place in the budget of the majority don't go toward just more government spending. If we want to have a discussion about how we might cut tax rates and encourage the economy, that is one thing, but if the discussion is to discourage people from giving to charities so there will be more money for government to spend, I just say that is the wrong discussion to have.

We should not increase government spending at the expense of America's churches and charities. And, of course, the death tax, small businesses, family farms, ranches have all paid taxes on everything they have. Lots of times they pay taxes on everything they have, such as the income tax and the annual property tax.

Everybody can think of 1 example, if not 100, of the family who works side by side. Frankly, by the time parents leave this Earth, it is really hard to determine who created the wealth. Was it Mom and Dad or was it the son or daughter who was standing right there beside them in the grocery store every day or working with them on the family farm or ranch?

In our State of Missouri, we have more than 100,000 individual farms. It is the second highest number of farms in America. We do not have the biggest farms and ranches in America, but we have more of them than any other State but for one. Those individuals and families have done what they could to try to create opportunity and a livelihood, and they would like to pass that along. What is wrong with that?

Clearly, the point we are at right now with the tax at the time of death is better than it has been in a while—I suppose not better than the 1 year there was no death tax. For 1 year we had no death tax, and that is the ideal that government should try to achieve again.

I am pleased to join Senator THUNE in this effort. I hope we will do what we can to encourage families who have businesses that they can pass along without having death as a taxable event. There are plenty of taxable events in life without having death as a taxable event.

I again thank Senator THUNE for his long advocacy of eliminating this unfairness in our Tax Code. I have been glad to join him in debate after debate over the years on this issue. Let's not move toward thinking we are doing the right thing by doing the wrong thing as it relates to family farms and business.

I also want to say as I conclude that I am going to be offering an amendment on the carbon tax as well. We should not have a carbon tax because the carbon tax that is anticipated in some of the language of this budget raises utility bills. Who is impacted most by a higher utility bill? It is the most vulnerable among us. It is the family who is the last family to get the new refrigerator, it is the family who is the last family to get the better insulated windows, it is the family who is the last family to get more insulation in their ceiling. All of the things we do that raise utility bills have a real impact on them just like whenever we are doing anything that raises costs, such as gasoline prices. The last person or family to get the fuel-efficient car is the one who can least afford to see what happens to their utility bill or their gasoline costs. I am opposed to this kind of tax being passed along to people who have a hard enough time paying their utility bill.

So whether it is the carbon tax or the death tax or a tax on charitable giving, let's not do the wrong thing for the sake of more government spending. Let's do the right thing for jobs and American families.

I ask through the Chair if Senator THUNE has anything he wants to say in conclusion on these amendments.

Mr. THUNE. Madam President, I thank my colleague from Missouri. He has a great deal of experience. As he said, we worked together on these issues for a long time. We both recognize the importance of economic growth. We see a budget put before us by the Senate Democrats that grows the government and not the economy. We believe the focus should be on growing the economy, not the government. The amendments we offered have that thought in mind.

There are other colleagues who are here to speak to the basic budget proposal the Democrats have put forward and talk about some of the amendments they intend to offer.

Thank you.

Mr. SESSIONS. Madam President, I see we have Senator VITTER of Louisiana ready to speak. I ask unanimous consent that their time be taken off the budget resolution.

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

The Senator from Louisiana.

Mr. VITTER. Madam President, I come to the floor on this budget debate and will specifically highlight several amendments that I am presenting that will be voted on in the context of the debate. We address several provisions that I think are important as we vote on moving forward with the budget.

One issue is a reform idea. It is very simple, but it is very basic, and I think it is important in terms of our leading through these fiscally tough times; that is, ending automatic pay raises for Members of Congress. I am joined in this amendment by Senator MCCASKILL of Missouri, and I thank her for her leadership. There is existing Federal law that establishes automatic pay raises for Members of Congress. We don't have to put in a bill, we don't have to debate the measure on the floor, much less vote. I think that is offensive to the American people, particularly in tough economic times such as these.

To Congress's credit, we have passed stopgap legislation to refuse pay raises since 2009, but we need to go the next legitimate step. We need to end all automatic pay raises and have the courage, if it is ever justified over time with inflation, to put in a proposal, to debate it, to vote on it, not to have automatic pay raises for Members of Congress. I urge my colleagues to support this amendment.

A second amendment would require photographic IDs for voting in Federal elections. This is largely provoked by the actions of the Obama administration's Justice Department which has been fighting States that are trying to institute photo IDs. That is allowed under Federal law, and several States are doing that and doing it properly, including Texas and South Carolina, but this Justice Department is trying to shut that down, even though it is allowed by Federal law. Interestingly, that assault on States trying to do their job, trying to do things properly, has been made by the head of the Civil Rights Division at Justice, Thomas Perez, who is now nominated for a Cabinet position—Labor Secretary. This amendment and this proposal would clarify it by actually requiring photo IDs for voting in Federal elections.

We require photo IDs for traveling in airports. We require photo IDs for going into a conference. We require photo IDs for a myriad of things, including visiting the White House. Surely it is a very legitimate, simple requirement that doesn't disenfranchise anyone to make sure the integrity of our election system is preserved. I urge my colleagues to support this amendment.

Third, another amendment I will bring would finally require the US–VISIT system to be properly and fully executed and put in place. The US–VISIT system, as the Presiding Officer knows, is an entry and exit control system to track foreign nationals who are properly visiting our country with visas, so it tracks them as they come in and go out, and if they don't go out in time, if they overstay their visa, it brings up a red flag that is sent to law enforcement officials.

This is not a small matter because, as we all remember, the 9/11 terrorists overstayed their visas. A proper US–VISIT system would have tracked that, would have caught them, would have done something about it. There has been a crying need since at least 1996. In 1996, Congress passed legislation that mandated the executive branch, within 2 years, establish this sort of system. Of course, it wasn't done in time for 9/11. After 9/11, the 9/11 Commission specifically went back and recommended that we get on this, that we finish the work, that we fully establish the US–VISIT system. It said:

> The Department of Homeland Security, properly supported by the Congress, should complete as quickly as possible a biometric entry/exit screening system.

Yet, even now, over a decade after 9/11, 12 years after 9/11, we don't have that system fully in place. We need that system, and this amendment would not just mandate the system but it would say that the Department of Homeland Security cannot grant legal status to those illegally present within the United States until we all comply with Federal law relating to the entry and exit data system required under the law originally passed in 1996.

In the context of immigration reform, I don't think we should consider granting legal status to those here illegally until we have this US–VISIT system, which is an absolutely essential component of enforcement.

A fourth amendment I have that we will be voting on over the next few days is in support of the Prenatal Nondiscrimination Act. This amendment would support that act and express the sense of the Senate that Congress should enact it. What does that act do? It provides that whoever knowingly performs an abortion that is sought based on sex or gender selection would be guilty of violating the law. So it prohibits discriminating against the unborn in the form of abortion sex selection.

A lot of folks don't realize it, but, again, this is not a theoretical issue. This, unfortunately, is an ongoing practice. There are at least four studies from universities—not from ultraconservative think tanks; UC-Berkeley is not a conservative think tank, University of Connecticut, Columbia University—there are at least four studies that found there is a strong son bias within certain American communities, a bias toward having sons, not daughters. These studies say that is ''clear evidence of sex-selection, most likely at the prenatal stage.''

That is sort of academic speak. What does it mean? It means that parents are selecting and using abortion to that outcome. It is always selection against women, against girl babies, in favor of sons. That is outrageous and it is tragic. We need to follow other countries that have prohibited this practice.

Other countries—the United Kingdom, India, China—have enacted these sorts of bans. The medical community, including the American Congress of Obstetricians and Gynecologists, the American Society of Reproductive Medicine, and the President's own Council on Bioethics, have all condemned sex selection abortions.

In 2007, the United States even spearheaded a resolution to condemn these sorts of sex selection abortions at the United Nations Commission on the Status of Women. Yet we are doing nothing about it in this country. So we should start doing something about this horrible practice in this country. I urge all of my colleagues to support this amendment.

Fifth and finally, I will have an amendment with regard to China, India, and Russia, and greenhouse gas regulation. The amendment and the idea are very simple. It creates a point of order against funding for greenhouse gas regulations until the administration can certify that China, India, and Russia are similarly implementing greenhouse gas regulations to reduce their own emissions.

There are big disagreements and debates about global warming, climate change, greenhouse gas regulation. I wish to forego all that and put it to the side. No matter what one thinks about that—causes and effects, trend lines, or lack of trend lines—one thing is perfectly clear and beyond dispute; that is, whatever the United States does is irrelevant if major players globally, such as China and India and Russia, don't do the same. Clearly, our action is irrelevant unless all three of those countries do the same. China has just surpassed the United States as the world's largest producer of CO_2. China now produces more than the United States and Canada combined. India is now the world's third largest offender of CO_2, and Russia is fourth. So unless these three countries adopt some sort of similar regime, our actions do zero in terms of the environment. But our actions would do a lot in terms of costing us jobs, killing jobs, and suppressing economic growth.

This is a very commonsense regulation. It shouldn't matter what one thinks about climate change with regard to how a Senator votes, because, again, our actions will have zero effect if China, India, and Russia are not taking similar action. I urge all of my colleagues to support this important amendment.

Thank you, Madam President. I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. PORTMAN. Madam President, I rise in support of Senator SESSIONS' motion to recommit on a balanced budget. I think it is important that we have a balanced plan before us, as we have talked about a lot today, but that means balancing the budget, just as we ought to do in our families and people have to do in their businesses. States all around the country have to do it. Local governments have to do it.

Let's stop spending more than we take in. We can do it over time and without making the kind of severe cuts that were alleged earlier. We can do it by growing the economy and restraining spending. So I am happy to stand in support of that.

I stand here because I am worried about where we are headed. Our debt now is about $140,000 per household. Think about that. For all of the folks watching today, on average, $140,000 is what every household in America owes on this debt. This is now something that, in my view, can put us in a perilous situation. Our economy is already weak and we have this huge debt and deficit, which is something that worries me. I think our country is in trouble.

The Democrats have a proposal. Their budget is before us now and this is what we are talking about. It adds another $7 trillion to that debt. It actually doesn't deal with our budget problems. In fact, it actually makes them worse, which I will talk about soon.

Let me for a minute, if I could, talk about where we are. There is a lot of discussion on the floor about, Gosh, we need to raise more revenue and how this is not about spending; it is about taxes. Republicans are saying, No, the problem is spending. Let me explain why we are saying that. It is arithmetic. It is math. It is what the numbers show.

This is from the Congressional Budget Office. This is the nonpartisan group here in Congress that tells us how much we are spending, how much revenue we are bringing in, and then they make a projection. They did this about 3 years ago. They said, Here is where we are heading as a country. Here is where we are now. Tax revenue is the blue line and spending is the red line. By their projections, by 2015, a couple of years from now, we are going to be back up above the historical levels.

Historically, taxes have been about 18 percent of the economy, and that is the way economists like to look at it: What is the percentage of the economy? Revenue has been about 20 percent. So here is 18 percent and here is 20 percent. This has been the average.

What they are saying is, actually it gets up to just over 19 percent in a couple of years, by 2015, and then stays up above the historical average over the next decade. In fact, what they tell us is that over the next decade we are going to have the second highest amount of revenue that we have had in the history of our country except for one other decade.

So when we say it is spending, that is the issue. It is because the revenue which, as we know, impacts the economy—the more revenue we take out of the economy the harder it is for the private sector to get ahead and to create jobs. We are saying, by the projections of this nonpartisan group, they are going to be slightly above the average.

The problem is spending. What they tell us is that in a few decades—here is 2040—spending is going to get so high that there is no way to catch up to it with taxes. We can't even do it under the income tax system. It is impossible.

Why do we say spending is a problem? Because if we don't deal with this issue, our kids and grandkids are not going to have the economic future we hope for them. The prosperity of this country will go down the drain because this spending level will make it impossible to create prosperity. That is the issue before us today. Yet, again, we have a budget before us that, unfortunately, doesn't address that issue. In fact, I would argue that it makes it worse.

Some have said, Gosh, we ought to be increasing taxes $1 for every $1 of spending reductions. What I would say to that is pretty simple. This line here is about 19 percent of the economy. That is the revenue line. And that is very close to the historical spending line, which is about 20 percent. So let's take 19 percent as the revenue line. The Democrats, who have talked today on the floor about $1 of revenue for every $1 of spending cuts, what do they mean by that? Well, this is 39 percent up here, here is 19 percent. So if we take $1 from each as a percent of the GDP, it would go to about this line here. Where is that? Well, 19 and 39, it is about 29 percent. What does 29 percent mean? That means we would have a government bigger than we have ever had in the history of this country. Again, the average has been about 20 percent in this country. That means we would have to have huge tax increases to get to balance. Nobody on this floor, Democrat or Republican, is talking about tax increases of that magnitude.

Why? Because that would be about doubling the taxes in this country. So everybody listening today would be looking at their taxes and saying: My gosh, my taxes just went up by 100 percent. That is what that would mean. It would mean the biggest government in the history of our country, so the scope and the size of government would grow.

So when you hear ''1 to 1,'' I hope you will just think about it in terms of what does this mean based on these projections that have been given to us by this nonpartisan group. It means a different country. It means a much bigger government. It means a much bigger burden of taxation. It means we end up not looking like the entrepreneurial, innovative America that has been on the cutting edge and has created the greatest economy on the face of the Earth.

That is our concern. That is why we say we have to deal with the spending. It is pretty simple. Again, it is really a question of math.

Mr. SESSIONS. Madam President, will the Senator yield for a question?

Mr. PORTMAN. I would be happy to yield.

Mr. SESSIONS. Senator PORTMAN is such a valuable member of the Budget Committee. He served as the Director of the Office of Management and Budget. He knows how this situation works.

But that dotted line on the chart, it is just spending, isn't it? It is spending as a percentage of the American economy. So in some sense that surging upward line of spending is even worse than at first glance it might appear.

Mr. PORTMAN. That is true. This chart is as a percent of the GDP. So, look, we all want the economy to grow. Actually, they projected it will grow under the Congressional Budget Office analysis. Even so, that growth in the economy cannot keep up with this great surge in spending.

So other folks have said on the floor over the last 24 hours: Well, gosh, let's go back to the Simpson-Bowles 3-to-1 ratio, where you have $3 in spending cuts for every $1 of revenue. That is what Erskine Bowles testified before the supercommittee on, that that was what their revenue was, $1 of revenue for every $3 in spending cuts.

That is also not what this budget does, this underlying budget, because it actually increases taxes dramatically. Even under their own calculus, again, it is 1 to 1. We have looked at it. We think the tax increase is between $1 trillion and $1.5 trillion in this budget. So it is the biggest tax increase in the history of the country.

What does $1 trillion mean—or $1.5 trillion? Well, it means that you are going to have to tax a lot of people other than rich people. I would refer you to an economic expert on this, a guy named Gene Sperling, who is down at the White House, who talks about these economic issues a lot. Here is what Gene Sperling said about raising $1 trillion. He said you cannot do it without hurting middle-class families. This is his quote:

> [A] careful look at the math of these types of caps and limits [on tax preferences] shows that, once one takes into account the reality of their impact on the middle-class families and on charitable donation, plausible limits raise only a fraction of the $1 trillion or more some have suggested.

It is just too much to raise without going to the folks who are making less than $200,000 a year, less than $100,000, less than $50,000. So I would just suggest today that we have a problem in this country. It is a spending problem. Yes, we want to get the economy moving, and that will create more revenue. But we have to address that issue and, unfortunately, the budget before us does not do it.

In addition to having these huge tax increases—the biggest in the history of our country—this budget also has huge spending. The spending is actually an increase. When you wipe away the gimmicks that are in the budget that they have proposed—and we have talked a lot about OCO. That just means the spending in Afghanistan. They project that all this spending is going to occur that nobody expects is going to occur, so because it does not, they say, well, that is a savings. Then you are going to be able to spend more to make up for that.

Well, we are going to spend some more in Afghanistan. We all understand that. But we are not going to spend as much as the CBO projects. So those savings are not real, unfortunately. That is in their budget. That is a gimmick.

They also say: Let's do away with this so-called sequester. This is the thing that the Budget Control Act put in place. The Budget Control Act said: Let's find these savings of $1.2 trillion in spending. Yet in this budget, they say: No, let's replace that. So you have to add that as well because instead of $1.2 trillion, they are saying half of that is going to be new taxes. So that is less spending cuts.

So when you add all that up, and when you wipe all that away, it looks like the spending increases are about $900 billion over the next decade. So despite all these problems, we are talking about a huge spending increase.

Now, let's just talk for a second about what the spending increase is on. Here is the debt chart I have in the Chamber that shows the debt climbing to $24 trillion over the next 10 years, under the Murray budget, under the Democratic budget we are talking about today. But what is the problem? Well, we are starting to do more to get the discretionary spending under control. That means the spending that Congress appropriates every year.

But when you think about the budget as kind of a pie, 62 percent of that budget—the biggest piece of that pie—is not spending that Congress appropriates every year. Congress does not do it because it is on autopilot. That is interest on the debt that you have to spend; and then it is the very important, vital entitlement programs—Medicare, Medicaid, Social Security—but that are not sustainable in their current form.

By the way, everybody agrees with that. The President talks about it publicly. Everybody talks about it privately. But the fact is, these programs are incredibly important. We want to ensure that they can continue into the future. That is why we need reform—to preserve and protect them. Yet, unbelievably, this budget before us does absolutely nothing there. In fact, when you add up the changes on the entitlement programs over the next 10 years—which, again, is the biggest reason for these huge spending increases; in fact, as a percent of GDP, it is the only reason—all of the spending increases are because of those entitlement programs and interest on the debt, all of them as a percent of the GDP, all of them. Yet this budget does not touch it. In fact, it slightly increases spending as compared to the CBO baseline, as compared to what we are going to do anyway that the Congressional Budget Office just told us about.

That, to me, is the most amazing part of the budget. It is the responsible thing to do. Again, the President has talked about it. Members of both parties acknowledge this. We have to deal with this issue. If we do not, we are not going to be able to have these programs going forward.

Under their budget, the disability fund in Social Security—and a lot of people rely on disability—runs out of money in 2016.

Under their budget, the Medicare trust fund itself goes bankrupt in 2024.

Under their budget, Social Security's fund for senior citizens would go bankrupt in 2033, to the point that under law—remember this is just 20 years from now—a 25-percent benefit cut would be put in place.

That is what this budget would lead to. So it is hard for me to take it very seriously as a budget. It is, I guess, more of a political document.

The final thing I will say is, if we do this, if we go down this path of more spending next year, more spending the next year, huge increases in spending and taxes over the next 10 years, we will not only have a budget that is out of control—and, as I said earlier, risk us having a meltdown in terms of our economy because of a potential crisis we could have, like has happened in southern Europe; Greece is a country people talk about—but think about what it does to our economy.

This huge overhang of debt and deficits everybody now acknowledges is bad for the economy. Some people think it is worse than others think. But if you look at these studies—the Rogoff-Reinhart study has been talked about on the floor. I know that is the one that says, when you get to the level we are at now, you lose about 1 million jobs per year.

Well, something is happening in our economy, and I think a lot of it—the negative part of it—is because of this debt and deficit. We are living through the worst economic recovery since the 1940s. All of us are discouraged by it, Democrats and Republicans alike. The average growth rate was less than 1 percent over the last 4 years, and that is not acceptable to any of us. We have to deal with this issue because it is the right thing to do for our kids and our grandkids, as we have talked about, the right thing to do for these programs so they are viable and their trust funds do not go insolvent, but also for today's economy. If we do not deal with this issue we are not going to have people taking the risk, making the investment.

There are companies making money out there. Do you know what they are doing with it? They are keeping it on the sidelines because they are afraid of this, because they see this coming. They are worried about making the investments. That is how we are going to create the jobs.

Right now, in the weakest economy we have had in a long time—and the worst economic recovery since the 1940s—we are looking at unemployment numbers that are unacceptably high. We are looking at a place such as Ohio where we have a struggle with manufacturing. We are trying to get back on our feet. We are looking for economic growth again. We are not going to get it unless we deal with this issue.

The Heritage Foundation has looked at this budget, and they have done an analysis of it in terms of its impact on jobs, on the economy. They have said the budget will result in losing 800,000 jobs in our country. In my State of Ohio, they said we will lose 40,000 jobs. We cannot afford to lose 40,000 more jobs.

The nonpartisan Congressional Budget Office—which I mentioned earlier and is the group in Congress that advises us on the economy—has said this new debt will reduce long-term economic growth and cost jobs.

So, ultimately, this is about a choice. Do we want to expand government or do we want to expand the economy? Do we want to create the opportunity to get the private economy moving or do we want to grow the size and scope of government?

We have a fundamental choice to make in this Chamber with regard to this budget today. I am hopeful we will be able to amend the budget so we can take out some of the taxes and the spending and the borrowing, so that it is better for the economy. Even if we cannot prevail—and if this budget passes over the next couple days here—I still hope, as a Congress, working with the President, we can address this issue.

Once this budget debate is behind us on the floor, I hope we can sit down as Republicans and Democrats alike, as Americans, acknowledging that if we do not deal with spending, we cannot get this economy back on track, acknowledging that trying to tax, spend, and borrow your way to prosperity does not work. We tried it. We have seen the results.

We have also seen the opposite, over time, through the great history of this country. The time-honored principles that have made us this cutting-edge economy, that have made us the envy of the world, relied on entrepreneurship, innovation, keeping taxes low, keeping government spending under control, and encouraging the private sector to do what they do best, which is, to create jobs. This is why I oppose this budget. This is why I also support a better way, to bring back the jobs and get our country back on track.

The PRESIDING OFFICER. The Republican whip.

Mr. CORNYN. Madam President, there has been a complete abdication of fiscal responsibility in Congress, particularly in the Senate, for the last 4 years, in that there has been no budget passed in this Senate for that period of time. What better manifestation, what uglier manifestation of that fiscal irresponsibility than the $16.5 trillion in debt.

Another symptom of that problem is the fact that in addition to the Senate not passing a budget for the last 4 years, in 4 out of the last 5 years, the President of the United States has missed the statutory deadline on submitting his proposed budget to the Senate for consideration and to the Congress.

Really, when we are talking about budgeting, the House is going to pass a budget that limits the rate of growth of Federal spending from 5.4 percent to 3.4 percent. It limits the rate of growth. Now, most of America would not call that a cut. But for some reason that is called a cut in Washington. What I would call that is a limitation on the rate of growth of Federal spending.

It is important we get the President's proposed budget, as required by the law. The law requires the President to send his proposed budget to the Congress by the first Monday in February. He has not done so, and we have been advised that we probably will not even see the President's proposed budget until our work here is done. I do not know what the President could do that would render himself any more irrelevant to this important process than not contribute his proposed budget on a timely basis, as required by the law.

Because the President has not complied with the law, I am going to offer an amendment to this budget resolution called the No Budget No OMB Pay Act of 2013. OMB, of course, stands for the Office of Management and Budget, the executive branch agency responsible for preparing the President's proposed budget.

The No Budget No OMB Pay Act would prohibit paying the salaries of the Office of Management and Budget Director, the Deputy Director, and the Deputy Director for Management for any period of time that the President is late in meeting the statutory requirement to submit his budget, as I said, by the first Monday in February.

I have also filed an amendment to the budget that would allow the Senate to express its support for this legislation.

It is certainly progress that now, after 4 years, Senator REID has seen fit to bring a budget to the floor. That is his prerogative as the majority leader, something we in the minority have no authority to do. But it represents progress—some small progress—that Senator REID has finally decided to bring a budget to the floor and that the Senate is now able to amend and debate that budget resolution.

As you have heard, the proposed budget that has come from the Budget Committee, Senator MURRAY's budget, raises taxes by $1.5 trillion and increases spending by 62 percent. What is worse, it actually fails to balance within 10 years, which is the budget window.

Equally as unfortunate, for the first time in recent memory, is that the Congress is acting before receiving the President's proposed budget. According to the National Journal, this marks an unprecedented break of 92 years of tradition in having the President make the first move in the budget process.

This is called leadership.

Current law requires the President to send his budget by the first Monday of February, which I have said. President Obama has ignored this requirement. He has missed the deadline 4 out of 5 years he has been President of the United States. This year he was required to issue the budget proposal on February 4, but he missed the deadline once again. While the Senate is acting this week, it has been 45 days since the President has failed to live up to the legal commitment for the President to submit his proposed budget. We all know nowhere else in America, whether in private life, private business, or in local or State government, can you fail to do your job and still be paid—only here in Washington, DC.

We know it is important the President and the executive branch live up to their responsibilities, just as it is important we do so ourselves. If the Office of Management and Budget does not do its job and produce a budget, its top official should not be paid.

Based on legislation we have already passed, both the legislative branch and now, if my budget amendment passes and if Congress embraces this requirement, both executive and legislative branches share responsibility when it comes to the budget. Without us doing our jobs and the President doing his job, spending will remain out of control. We all deserve better and the American people deserve better. They deserve the accountability which comes from the President fulfilling his legal responsibilities under the law of the land.

I yield the floor.

The PRESIDING OFFICER (Ms. WARREN). The Senator from Utah.

Mr. HATCH. Madam President, as the Senate continues to debate the first budget resolution in more than 4 years, I am struck not only by the things we know about the Democrats' budget but also the things we don't know. For example, we know the budget would increase our debt by nearly $7 trillion over 10 years and it would continue on an upward trajectory thereafter. What we don't know is how, while amassing all that debt, our Nation will be able to respond to unforeseeable crises and emergencies in the future.

In addition, we know the budget does next to nothing to address our runaway entitlement spending. What we don't know is how programs such as Medicare, Medicaid, and Social Security would survive over the long term if this budget were to be followed.

Finally, we know this budget includes as much as $1.5 trillion in new taxes. What we don't know is where all that revenue will be coming from. Last week before the budget was released I came to the floor to speak about the rumors the Democratic budget would include reconciliation instructions with regard to taxes. The concern I expressed at that time was the budget would instruct the Finance Committee to close so-called tax loopholes in order to raise revenue and this would, in effect, end ongoing bipartisan efforts on tax reform. As it turns out, my fears were not unfounded. Specifically this budget instructs the Finance Committee to find nearly $1 trillion in new revenues to pay for additional spending.

The deadline under these instructions would be October 1 of this year. That clashes directly with the schedule Chairman BAUCUS and I have set out for bipartisan tax reform deliberations in the Finance Committee. This budget would instruct the committee to set aside those reform efforts and, instead, comb through the Tax Code looking for new revenues. In addition, this budget includes deficit-neutral reserve funds and sequester replacement which total more than $500 billion. According to the Budget Committee, this new spending would be paid for by closing so-called tax loopholes for the wealthy and corporations.

In addition to the $1 trillion in reconciliation instructions, this budget includes potential for another half trillion in new taxes. This means up to $1.5 trillion in fresh taxes from this budget will be used to expand our already bloated Federal Government.

The budget repeats the common refrain we hear from our friends on the other side of the aisle that our Tax Code is so full of so-called loopholes which benefit only the wealthy. According to their arguments, these loopholes may be closed at any time to generate untold amounts of revenue without affecting the middle class or our economy.

During last week's Budget Committee markup, the chairwoman claimed they could hit their revenue target by ''closing loopholes and cutting unfair spending in the Tax Code for those who need it the least.''

This statement is simply incorrect. First of all, a loophole is something created by accident or carelessness which is then exploited. When my colleagues talk about loopholes, they aren't talking about backdoors created unintentionally or sneaky abuses of the Tax Code, they are talking about tax expenditures, all of which were deliberately placed into the Code for specific reasons. More often than not my Democratic colleagues use the term ''loophole'' to describe items in the Tax Code they don't like. This doesn't make the label any more honest.

Earlier this week one of my friends on the other side of the aisle took this rhetoric about loopholes up a notch. He described the Tax Code as this treasure trove of special deals and earmarks for the rich and well-connected. He went further by saying, We are at the place where the lobbyists wield the sweet corporate tax deals. He blamed Republicans for this, arguing we were responsible for the existence of these so-called loopholes and earmarks.

Admittedly there are some narrow provisions in the Tax Code—too many, if you ask me. There are supporters of these provisions on both sides of the aisle. Let's be honest. There aren't any real loopholes in the Tax Code, nor are there any earmarks. There are simply tax expenditures. If you look at a list of the largest tax expenditures, you will find a number of deductions and preferences which disproportionately benefit the middle class, middle-income taxpayers. That being the case, if my colleagues want to raise significant amounts of revenue by eliminating tax expenditures, they will have to do so by raising taxes on the middle class.

Look at this chart. If you look at this chart, you will see the revenue targets in the Democratic budget. First up, there is $975 billion right near the reconciliation instructions to the Finance Committee. Below that are additional revenues included in this budget. As I have mentioned, all told, if you include the specified revenue target for reconciliation and potential increases elsewhere, the budget may include more than $1.5 trillion in tax increases. Look at this.

Next we have a list of all the tax increases Senate Democrats have voted for over the last 2 years, including the elimination of tax breaks for oil and gas companies, increased taxes for carried interest and the so-called Buffett rule. All told, these tax hike proposals could raise about $108.3 billion in new revenues. At the bottom we see the difference between that number, the tax increases which Senate Democrats have actually voted for and the potential tax hikes which are included in the budget.

As I said, we can give the Democrats credit for having identified about $108 billion in tax increases they support, but that would mean there is as much as $1.4 trillion in unidentified tax increases in this budget.

How would they reach their target? The budget doesn't spell it out. It leaves more than enough room to speculate. For example, you might simply think they would adopt the idea from President Obama's past budgets to cap itemized deductions for higher income earners at 28 percent.

This seems unlikely for two reasons. First, to date very few Democrats in the Senate have come out in favor of that proposal. Indeed, it would impact things such as charitable contributions and pension deferrals which most have been unwilling to change. Second, and more important, according to the Joint Committee on Taxation, that proposal would generate only about $423 billion in new revenues over 10 years, which would leave my colleagues about $1 trillion short of their revenue goal. Still, I can't help but wonder if the tide has shifted with regard to this proposal.

With the Senate budget staking so much on the elimination of so-called loopholes, it will be interesting to see how many Democrats shift positions and endorse the President's proposal, even though it will not yield nearly enough revenue to reach the targets outlined in this budget.

Staying in the world of capping itemized deductions, there is also the proposal outlined by CBO in 2011 to cap all itemized deductions for all taxpayers at 15 percent. This would effectively raise taxes on every tax filer in every bracket who itemized their deductions. Make no mistake. This would be a tax increase on the middle class, meaning it would violate the promises made by President Obama and other Democrats to protect the middle class from further tax increases.

However, it would also generate enough revenue to be in the neighborhood of what the Democrats have outlined in their budget. All told, this proposal would, according to CBO, raise about $1.2 trillion in revenue over 10 years. Given the outlandish revenue proposal in the budget, this idea, while punitive and damaging to the middle class, can't be ruled out entirely.

I have another chart here which lists the top 10 tax expenditures according to the Joint Committee on Taxation. These 10 items account for 71 percent of what Democrats have called spending in the Tax Code.

What is No. 1 on this list? I will give you a hint. It is not corporate jet depreciation or carried interest. No, it is the tax-free treatment of employer-provided health care. Do you want to do away with that?

What is No. 2 on the list? It is the tax-deferred benefit for retired savings plans.

How about No. 3? It is the measure which provides relief against double taxation on investments. I am referring to the reduced rate on long-term capital gains and dividends. This rate went up recently. It was raised by 59 percent in the fiscal cliff bill. Raising it even more is a sure-fire recipe for job destruction and even slower economic growth.

No. 4 is the deduction for State and local taxes.

No. 5 is the home mortgage interest deduction. Do you want to do away with that?

No. 6 is the tax-free treatment of Medicare benefits.

So far I don't see a lot of expenditures aimed solely at benefiting the wealthy. No, most of these provisions benefit a significant number of middle-income taxpayers or earners.

Three of the four next items on the list are refundable, meaning the person filing the return can receive a check even if they owe no income tax. This is truly where there is spending in the Tax Code. These provisions exclusively benefit lower and middle-income earners. They are not available to those making over $200,000 a year.

The point is not simply there are a lot of popular tax expenditures. I think people know that already. No, my point is, given the difference between the revenue target in the Democrats' budget and the tax increases they supported on the record, there is no telling how they plan to actually raise their revenue. If they are serious about closing so-called loopholes to the tune of over $1 trillion, this list is where the real money is. If we are talking about raising that kind of revenue by eliminating tax expenditures, we are necessarily talking about provisions which benefit the middle class. It can't be raised through eliminating tax breaks for oil companies. It can't be raised by instituting the Buffett rule. It can't be raised even by eliminating all itemized deductions for millionaires.

I am sure my colleagues will disagree with this assessment. However, the burden is on them to show where I am wrong, and they can't.

This is their budget and their revenue target. If they want this budget to be taken seriously, the Democrats should come out and state specifically their plan for raising their $1.5 trillion in additional revenue. You can't simply say: We want the Finance Committee to figure out how to raise taxes by another $1 trillion to finance our spending spree. That is irresponsible and, as I said, it poisons the well for fundamental tax reform. You can't simply say: We want to turn off almost half a trillion dollars of sequestration spending cuts, but we won't say how we will pay for it. This is irresponsible and misleading to the American public.

Finally, I wish to point out the budget would also mark a significant shift in the position held by many Democrats with regard to corporate taxes. The Obama administration has repeatedly expressed support for approaching corporate tax reform in a revenue-neutral manner. Prominent Democrats on the Finance Committee have also publicly expressed support for revenue-neutral corporate tax reform in order to make America more globally competitive.

However, the Democrats' budget states: Eliminating loopholes and cutting unfair spending in the Tax Code for the biggest corporations must be a significant element of a balanced and responsible deficit reduction plan.

You cannot have it both ways. Revenue-neutral corporate tax reform means paring back corporate tax expenditures and lowering the corporate tax rate. Revenue-neutral corporate tax reform does not mean, and cannot mean, eliminating tax expenditures which some Members don't like because it polls well, and then using some or all of the resulting revenue gain to further expand the government. This is not tax reform of any kind, this is a tax hike pure and simple. I would be interested to find out whether the Democrats who have publicly expressed support for revenue-neutral tax reform will support this budget.

More generally, I wish to know where the Democrats stand on corporate taxes. Do they want to raise them, or do they want to make American companies more globally competitive? I hope it is the latter. You cannot do both.

When you look at the tax provisions of the Senate budget, it is clear it is nothing more than a political document.

I suspect my colleagues on the other side of the aisle know they cannot hit their revenue targets without impacting the middle class. I think they also know we can't do revenue-neutral corporate tax reform and at the same time raise more tax revenue from the corporate sector. I think they know that in real-world terms, the tax provisions of this budget are several bridges too far. So in the end, I have to assume there is a political calculation being made.

My colleagues apparently believe it makes good political sense to talk about reducing the deficit on the backs of the wealthy and less popular corporations rather than making difficult choices on spending.

The American people need a real blueprint for our Nation's fiscal future, not more talking points. Once again, I urge my colleagues on both sides of the aisle to reject this budget.

Now I wish to take just a few seconds to talk about one of the budget amendments I expect will be discussed and considered on the floor. I understand it is described as an amendment to "establish a deficit neutral reserve fund to allow States to collect sales and use taxes already owed under State law." This amendment is intended to be a proxy vote for a bill called the Marketplace Fairness Act.

I greatly appreciate the diligent efforts of the supporters of this bill, including Senators ENZI and ALEXANDER.

Clearly, a lot of work has gone into this legislation. However, over the last few months, I have been on the floor several times to talk about the importance of restoring regular order in the Senate. The Marketplace Fairness Act has been referred to the Finance Committee. Both Chairman BAUCUS and I have the view that legislation is more properly considered within the context of the committee's current bipartisan efforts on tax reform.

However one feels regarding this amendment, it is undeniable that the Marketplace Fairness Act is controversial and that concerns about and suggestions for the legislation have been raised by many stakeholders. I have met with many people on both sides of the Marketplace Fairness Act, including people from Utah, and have heard many concerns. I am not here to take a position on the substance of this legislation, only to note that it deserves to be fully debated in committee and I am concerned this amendment might not allow those debates to occur.

For this reason, I intend to vote no on this amendment at this time.

What I have said is extremely important. It is not partisan. It is pointing out these doggone problems with this bill, and I hope my friends on the other side will start looking at things such as this. Because we can play politics with these things all day long, but that doesn't make it right and it doesn't make it so we can do what my friends on the other side would like to do, which is raise revenue so they can spend more.

It boggles my mind. We have to find some way of living within our means in this country. If we don't, we are creating a new generation of debtors—our children, our grandchildren, and in many cases—in my case—great-grandchildren as well. It is the debtor generation now. Every one of them owes well over $50,000 personally, and that is going to go up exponentially if we don't watch what we are doing.

In fact, even if we do watch what we are doing, it is still going to go up. But we have to do everything in our power to give them a future. The debtor generation is all those who are less than 50 years of age but especially our youth. We simply can't barter away their future because we don't have the guts to stand up and do what is right.

I yield the floor.

Mr. SESSIONS. Madam President, I think we will proceed now to the other side. Then there will be back and forth on the Internet Fairness Act; is that correct?

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Madam President, it is my understanding there are a number of Senators who have come to talk on one of the provisions they would like to offer. I think we will start with their side, with Senator ENZI to be yielded to from their side.

If the Senator wants to yield time to him, I will then yield to a Democrat.

Mr. SESSIONS. All right.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. For the information of my colleagues—and I guess this will not be in concrete—I will recognize Senator ENZI for 10 minutes, Senator ALEXANDER for 10 minutes, and Senators BLUNT and AYOTTE for 5 minutes each.

Senator ENZI, I know, has worked hard on this legislation, and I yield to him.

Mrs. MURRAY. Madam President, I note the time will come off the resolution on this.

The PRESIDING OFFICER. That is correct.

The Senator from Wyoming.

Mr. ENZI. Madam President, I rise with Senators DURBIN, ALEXANDER, and others to discuss an amendment I am filing to the fiscal year 2014 budget resolution. The amendment establishes the deficit-neutral reserve fund that allows States to enforce State and local use tax laws and to collect taxes already owed under State law on remote sales.

The amendment captures the bipartisan, bicameral—the House and Senate—policy my colleagues and I are pursuing in S. 336, the Marketplace Fairness Act. I did hear my colleague from Utah mention he would like that to go through regular order. This does not preclude regular order. This would not be a final determination for the bill, but it would give us some kind of indication of the strength behind this idea.

As a former small business owner, I believe it is important to level the playing field for all retailers—in-store, catalogue, and online—so an outdated rule for sales tax collection does not adversely impact small businesses and Main Street retailers. The Supreme Court case earlier encouraged Congress to solve this problem. Thousands of local businesses are forced to do business at a competitive disadvantage because they have to collect sales tax and use tax and remote sellers do not, which in some States can mean a 5- to 10-percent price advantage. We should not be subsidizing some taxpayers at the expense of others.

Sales taxes go directly to State and local governments—that would be counties and cities and towns—which bring in needed revenue for maintaining our schools, fixing our roads, and supporting local law enforcement. If Congress fails to authorize States to collect tax on remote sales and electronic commerce continues to grow, we are implicitly blessing a situation where States can be forced to raise other taxes, such as income or property taxes, to offset the growing loss of sales tax revenue. Do you want that to happen? I sure don't.

Now is the time for Congress to act. Many Americans do not realize when they buy something online, order something from a catalogue from a business outside their own State, they still owe State sales taxes. It is just very difficult to comply with that. For over a decade, Congress has been debating how best to allow States to collect sales taxes from online retailers in a way that puts Main Street businesses on a level playing field with online retailers.

On February 14, 2013, the bicameral, bipartisan Marketplace Fairness Act was introduced to close the 20-year loophole that distorts the American marketplace by picking winners and losers, by subsidizing some businesses at the expense of other businesses, and subsidizing taxpayers at the expense of other taxpayers. All businesses and their retail sales and all consumers and their purchases should be treated equally.

The bill also empowers States to make the decision themselves. If they choose to collect already existing sales taxes on all purchases, regardless of whether the sale was online or in-store, they can, but it takes their action. If they want to keep things the way they are, it is the State's choice.

The Marketplace Fairness Act does not tax Internet use, it does not tax Internet services, and it does not raise taxes. It gives States the right to collect what is owed by the purchasing individual.

I wish to provide some highlights of what the Marketplace Fairness Act accomplishes. The bill gives States the right to decide to collect or not to collect taxes that are already owed. The legislation would simplify and streamline the country's more than 9,000 diverse sales tax jurisdictions and provide two options by which States could begin collecting sales taxes from online and catalogue purchases. The bill also carves out small businesses so they are not adversely affected by the new law by exempting businesses with less than $1 million in online or out-of-State sales from collection requirements. This small business exemption will protect small merchants and give new businesses time to get started.

Do not let the critics get away with saying this kind of simplification cannot be done. The different tax rates and jurisdictions are no problem for today's software programs. As a former mayor and State legislator, I strongly favor allowing States the authority to require sales and use tax collection from retailers on all sales if the State chooses to do so. We need to implement a plan that will allow States to generate revenue using mechanisms already approved by their local leaders. We need to allow States the ability to collect the sales taxes they already require. If enacted, it would provide approximately $23 billion in fiscal relief for the States for which Congress does not have to find an offset. This would give States less of an excuse to come knocking on the Federal door for handouts and will reduce the problem of federally attached strings.

The Marketplace Fairness Act is about States rights and it is about fairness. I strongly encourage my colleagues to vote for the Enzi-Durbin amendment to support the goals of States rights and a level playing field for all businesses.

I yield the floor and I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Madam President, I yield 10 minutes to the Senator from Illinois off the resolution.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Madam President, this is a photograph of a store in Palatine, IL, called Soccer Plus. Bob Naughtrip opened this store and sold sporting equipment in the suburbs of Chicago. He had a pretty good business going, but then he ran into something called show-rooming. That consists of people walking into a store and saying: I would like to try on a pair of shoes or some equipment. They would find exactly what they wanted, write down all the information, and then say: Thanks, Bob, walk out the door and order it on the Internet, paying for it without paying sales tax on their purchase. So every time Bob tried to sell something and collect the sales tax in Illinois—which he was required to collect—he was at a disadvantage from the people buying over the Internet. Is that fair?

The Supreme Court said it was up to Congress to decide whether that is fair. It is up to Congress to decide whether Internet sales should be subject to State and local sales taxes. That is why we are here. To my way of thinking, this is just a question of fundamental fairness. We are not talking about imposing a new tax—not at all. We are talking about existing taxes.

In my State of Illinois, incidentally, when I buy something on the Internet, I have a legal obligation to pay sales tax on it, but it is done voluntarily. Many times it is not collected when I make the purchase. I do it on my State income tax return each year. Most people don't do it at all, so the sales tax is never collected on the Internet purchase.

The purpose of this bill is to allow States, if they wish—voluntarily—to start having Internet retailers collect sales tax for the sales that are made over the Internet to people living in their State. This is voluntary, so the States can decide whether to do it. Is this a new tax? No. In 46 States it is an existing tax. It is now going to be collected as opposed to voluntarily adding it to an income tax return by individuals.

So it is not a new tax, and it is certainly not a tax on the Internet itself. It is just that happens to be the point of purchase. We have on the floor my friend, Senator BAUCUS of Montana. He is from one of the four States in our Nation that do not have a sales tax, and they, of course, are concerned about this issue. Let me make it clear: Anyone purchasing an item on the Internet in Montana is not going to have to pay sales tax if Montana doesn't have a sales tax. The same will be true for New Hampshire, as well as Delaware and Oregon—the four States that have no sales tax. So we are not imposing a new sales tax on Montana or any other State. Those that have the tax will be collecting it under our bill.

How about the Internet retailers who will be covered by this? We created an exemption, as Senator ENZI said. The exemption says they have to have $1 million in sales on the Internet before they have to do this—$1 million.

How many Internet retailers would that mean? We think about 1,000, 975 sell more than $1 million worth of goods each year on the Internet. So about 1,000 retailers on the Internet would be collecting the sales tax. They would look at my home address and they would assess the tax that is owed.

Wait a minute. How will that be assessed when each and every Internet retailer has to go through the burden of establishing this technology, these computer programs? No. The burden is on the States to provide the computer software for the Internet retailers, not at the expense of the Internet retailers. So it is a simple process, and it is a fair process.

Bob was a good businessman. He hired a lot of local people. He collected sales tax and paid his property tax, and with that money they built this road right out in front of his shop, they provided the police and fire services and things that are part of civilization, living in America. He paid the taxes on this, and he lost his business because his competitors weren't collecting the taxes.

I find it interesting, though. I recently made a purchase on Amazon, and they collected the sales tax from me in Illinois—which they can do. Amazon supports our bill, incidentally. They delivered it, and I believe they used the Postal Service this time, but sometimes they use UPS and FedEx. Their trucks and delivery people use the streets of Chicago and the streets of Springfield. They rely on the basic services we all count on. So even the Internet sales are dependent on some basic services that are going to be provided by a community.

I have heard so many speeches on the floor of the Senate about how much we love and venerate and respect small businesspeople. We are told that if this economy is going to get well and move forward, it is going to be driven by small businesses expanding their employment. Well, I believe that. I have seen it over and over again in Illinois and every State I have visited. But if they are going to have a fighting chance to compete, there ought to be a level playing field, as Senator ENZI said. There ought to be a basic fairness here.

If Bob's business had to collect sales tax for sales to Illinois residents, why wouldn't those who purchase over the Internet be under the same obligation? That is what this says. It basically establishes that responsibility.

Now, of course we have a lot of support for this—support from Governors and mayors and business developers and, of course, small businesses. So if people want to come to the floor and decide what side they want to be on, I urge them to be on the side of the same small businesses they have given speeches about over and over again.

I believe in these men and women. Many of them have gone into small business and taken a lot of risks. They are the backbone of our communities, there is no question about it. Time and time again, we go to them to make sure they are going to build the economy and hire the people whom we need in our local communities. So let's give them a fighting chance. The marketplace fairness bill will do that.

Senator ENZI was on this bill before me, Senator Dorgan from North Dakota before me, and when Senator Dorgan retired, I asked if I could join him. But I thank the Senator from Wyoming for his leadership. As you probably heard, Senator ENZI, before he came to the Senate, was a small businessman himself, and so he knows this firsthand.

So let's stand for business and retailers across America and give them a fighting chance. Let them be competitive. Let them continue to hire and be good neighbors in our communities. And let's say to the Internet retailers: We are glad you are doing well, but play by the same rules and make sure there is a level playing field.

Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. ALEXANDER. Madam President, if I might ask the Senator from Missouri to go ahead of me, if that is agreeable with the Senator from Washington.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BLUNT. Madam President, I thank my colleagues for recognizing me to make a few comments.

I agree with everything that has been said. I believe this is the fair thing to do. I think it is wrong for government to penalize some businesses over others. I think it is wrong, frankly, to have laws on the books that we know aren't being enforced. To have laws on the books that you know create law violators is the wrong thing to do. And frankly, in almost every State where—as Senator DURBIN pointed out, in his State and my State, which is next door to his State, you are supposed to pay this tax. People just don't do it. I think last year in Missouri we had about 300 people pay this tax in the entire State. I would bet, more than the collective tax they paid, that more than 300 people bought something over the Internet in the State of Missouri last year. So this is a tax that is on the books, it needs to be collected, and we ought to see what we can do to make that happen.

States that don't have a sales tax don't have to collect it. States that don't want to participate don't have to participate. But with all of the technology now available, with the $1 million exemption for businesses that want to sell a few things over the Internet—or maybe they want to sell everything over the Internet, they just don't sell very much—I think the objections that are reasonable to this have been more than met.

I saw in a publication just last week on this topic three pretty well known conservatives, one talking about the Internet at its inception when William F. Buckley said:

> If the advantage of tax-free Internet commerce marginally closes out local industry, reforms are required.

This was at a time when nobody was buying things over the Internet, when it was just getting started, when we didn't want to have a unique tax for the Internet. But in all of those discussions, I never heard a serious discussion that if you are on the Internet, you should avoid taxes that are required to be paid. And William F. Buckley at the time was saying that whenever this becomes a problem, something should be done about it, and that is what this bill would do.

One of my former colleagues when I was in the House, now the Governor of Indiana, Mike Pence, said:

> I don't think Congress should be in the business of picking winners and losers. Inaction by Congress today results in a system today that does pick winners and losers.

He is talking about this system.

Al Cardenas, the chairman of the American Conservative Union, said:

> There is no more glaring example of misguided government power that when taxes or regulations affect two similar businesses completely differently. Over time, the company that has to comply with a tax or a regulation will lose market share to its competitor who is carved out from this government interference.

That is what this is about.

I had a news conference on this in St. Louis a year or so ago, and as soon as the camera was turned off, the person interviewing me said: You know, one of my wife's friends has a wedding dress shop, and she sees people come in all the time who are clearly there to try on a wedding dress, get the number off the wedding dress, and order it on the Internet. And if the only difference in the cost of that wedding dress—I guess there are lots of variations but, say, 8 or 10 percent—if the only difference is the sales tax, that is not a fair competition.

And the person who went in the store to try on the wedding dress paid their local property taxes, they helped pay for the police protection, they helped pay for the sidewalk and the parking place, and then ordered the wedding dress from somebody who had contributed to none of that.

So I join my colleagues in saying this is the right thing to do. I hope we can get it done. And frankly, if we don't get it done, the States that say this tax needs to be voluntarily paid and know that is not happening should just get that law off the books. Having a law on the books that you know people violate is not the right thing to do.

Madam President, I would give back to Mr. ENZI or Mr. ALEXANDER whatever time I haven't used, and I look forward to hearing others talk on this issue.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Madam President, I ask unanimous consent that the hour for Senators KLOBUCHAR and COATS now begin at 4:10 p.m.

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

Mrs. MURRAY. Madam President, I yield 5 minutes to the chair of the Finance Committee, Senator BAUCUS.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Madam President, I think this amendment is not yet ready. It is premature. This is a very complicated question, and I think there has been a lot of easy talk and a little bit of herd instinct here that, gee, because most States are not sales tax States, therefore this amendment should be adopted.

The fact that is this is an extremely complicated question. For example, who is going to enforce this statute? Is the State of California, for example, or the State of Massachusetts going to enforce the noncollection of sales tax in another State? That is revolutionary. I cannot think of an instance where this Congress has legislated that a State can go into another State and enforce the taxation laws in that second State or when a State has empowered the State court in one State to go to another State and enforce the State taxation in that other State. It has not happened. It is not only complicated, but it is revolutionary. We have not done this before—nothing similar.

I understand the arguments of those who want to pass this. They make some good points. I have said to Senator DURBIN, Senator ENZI, and others that we in the Finance Committee will very seriously take this up as soon as we can and will probably in the context of tax reform.

Let me repeat. It raises lots of questions that have not been addressed with respect to States rights; that is, the degree to which authorities in one State or courts in one State are able to go to another State and enforce State taxation issues.

Certainly, we have the full faith and credit clause in the Constitution where if someone in California, for example, gets a court order or wants to enforce a collection of tax in California, that could not be overturned in another State. That is not this question. This question is whether courts in other States and citizens in other States can go to another State and force the court in that other State to enforce that other State's taxation law. We are not talking about the taxation law in California. We are talking about the other State taxation laws. We have never done that, and I don't think it is wise to start going down that road now.

Second, different States have different State taxation laws for different reasons. Some States have income taxes. Some don't. Some have sales taxes. Some don't. The State of Montana has decided no sales tax, but we will have a significant income tax. Other States say no income tax but a significant sales tax. That is their prerogative. That is how they want to run their State.

What does this do? This basically will have the virtual effect over a period of time of saying that all States have to have a sales tax—forget your income tax—and beyond that, it has to be the same rate. That is what is going to happen here over time if this is enacted into law. You are telling States they have to have a sales tax even if they don't want to. I don't think we want to do that, to say nothing of all the potential complications revolving around different jurisdictions.

I know the authors of this bill say: Computers can take care of it all. That is part of the problem. The computers get shut down, they get hacked. It is not the panacea a lot of people talk about. This is extremely complicated.

Sure, we have to have a full, complete hearing on this, and we should and we will. The best thing to do right now is to have this amendment withdrawn because otherwise there are going to be a lot of amendments offered today, tomorrow, and tonight that are going to show all the defects of this, and they are all going to pass, and that is going to seriously undermine and be a poison pill for this bill that is pending right now. So the best solution is to withdraw this amendment now. Let's not try to solve this here in the Senate budget resolution but, rather, it should be in the right forum in the right location, and that is the Finance Committee, with big hearings, and we will work all this out because there are very legitimate points to be made on both sides.

What bothers me is there is a lot of easy talk about how good this is, how fair it is, and nobody has thought through all the unintended consequences and all the problems that could arise, and I just started to raise a few of them.

My friend from Oregon had a good thought. What about Canada? What about direct sellers in Canada just across the border? They sell to the United States. Do we have jurisdiction over Canada? I don't think so. And I can see a burgeoning direct sales business and revenue to Canada, as my friend from Oregon thought of. There are a lot of others that we haven't thought about because it has not become ripe. It has not become ripe because we haven't had a direct hearing in a direct forum.

So I just say this is not a good idea. I understand the reasons why some advocate it, but I might say this: If we assume Federal dollars—because someone has to come up with asking Uncle Sam for Federal dollars to enforce this question in another State. Do we want that? I ask, who is the enforcer here? Is it another State? Is it Uncle Sam? I don't know. That has not been thought through.

Therefore, I strongly urge that it not be adopted. Otherwise, we are going to have a ton of amendments that are not going to be appreciated by the supporters of this bill. If they pass, it will dramatically weaken any momentum they think they are going to have. So discretion is the better part of valor. Let's withdraw this, and let's consider this calmly in the right forum.

Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. ALEXANDER. Madam President, I thank the Senator from Montana for his comments, since Senator ENZI has probably been considering this bill his whole career. He came to the Senate nearly 18 years ago, and he introduced it 14 years ago. So even by Senate standards, it has had a good deal of calm deliberation.

We have also had a hearing in the Finance Committee, where the distinguished chairman is in charge, and we have asked for a markup, which we haven't had.

Mr. BAUCUS. You will get one.

Mr. ALEXANDER. I thank the chairman for his commitment to a markup. I wonder if I might ask through the Chair when that would come.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Madam President, I can't guarantee a time. Nobody around here can. But I think it is appropriate that this is an issue that should come up in the context of tax reform, which the committee is pressing very vigorously. We had a meeting today in the Finance Committee on the first of many steps. Regrettably, Senator ENZI was unable to make it. It was on tax reform. And that is the appropriate forum for this to be brought.

Mr. ALEXANDER. Madam President, I think this illustrates the problem we are having. How can this be a part of tax reform when it is not part of the Tax Code? It has been heard by the Commerce Committee in the Senate. It has been heard by the Finance Committee. It has not been marked up. It has been heard by the House Judiciary Committee. Senator ENZI has been working on it for 14 years.

This is a very simple question. It is a matter of States rights, two words. Does a State, any State, have the right to decide whether to collect existing taxes from some of the people who owe the taxes or from all of the people who owe the taxes?

In the State of Tennessee, at the Nashville Boot Company store, I walk in, I try on a pair of boots, then I go order it over the Internet so I do not have to pay the sales tax. What the State of Tennessee wants to do—the conservative Governor Bill Haslam, the conservative Lieutenant Governor Ron Ramsey, the Republican legislature, these are not a bunch of big tax people—they want to collect the sales tax from everybody who owes it and they would like to require those who sell into Tennessee to do the very same thing they do, what the Nashville Boot Company does when I buy from it: They add the sales tax to the bill. They collect it and send it to the State. How hard is that to do?

My wife gave me an ice cream maker for my birthday last year. I ordered some ingredients to make chocolate ice cream, over the Internet. When I did that they added to my bill the sales tax based on my ZIP Code. It is as easy as looking up the weather on your computer.

That is all we are deciding here. We are only deciding whether we in the Congress are going to make State governments in our constitutional framework play Mother May I, by coming and pleading with us to allow the State to decide what to do about its own taxes. The State of Tennessee wishes to reduce its tax rate. It wishes to avoid a State income tax. It doesn't like the idea of treating one taxpayer one way and another one another way; and one business one way and another business another way. It wants to make that decision for itself.

When I was the Governor of Tennessee, nothing made me more unhappy than to look up at Washington and see people of my own political party come up here and think since they had taken an airplane to Washington, they had gotten smarter than I was, suddenly, just by an hour plane ride, and they were going to tell me what to do.

Now we have an honor roll of conservatives, and I will just speak to the conservatives on my side for a while, who said we do not think States ought to be playing Mother May I to the Federal Government on this question. Give State legislatures the power to make these decisions for themselves. That is consistent with the tenth amendment. That is consistent with our constitutional framework. And most of them are saying, as ours is in Tennessee: If you give us this power, the right to do it, which the Supreme Court has said you clearly have the right to do it—you, Congress, are the most qualified to do it. You can make this decision. Give us this power and we will lower our tax rate. That is what our State wants to do.

It might use the money another way. They might use it to pay outstanding teachers more, to lower the tuition rate. But States have the right to be right, and States have the right to be wrong.

There was a Supreme Court case 20 years ago at a time when most Senators didn't even know there was an Internet. The Court did say that States could not impose a burden on interstate commerce. But it said Congress could write the rules for doing that. Now it is about as easy to add the sales tax if you are buying from a catalog or buying over the Internet as it is if you buy from a local store. There is no reason for us to take the position that only we know best about how States should make decisions about their services or their taxes.

Some are worried that this might increase taxes. I have said most Governors think they will lower tax rates. But here is the honor roll of conservatives who are asking the Congress to reaffirm our commitment and understanding of our constitutional system which allows States to make this decision: Al Cardenas, chairman of the American Conservative Union; Governor Bob McDonnell, Virginia; Governor Tom Corbett, Pennsylvania; Governor Bill Haslam, Tennessee; Governor Chris Christie, New Jersey; Governor Rick Snyder, Michigan; Governor Butch Otter, Idaho; Governor Mitch Daniels, Indiana; former Governor Jeb Bush, Florida; former Governor Haley Barbour; the writings of the late William F. Buckley, et cetera, et cetera.

It is time after 20 years to take this simple 11-page bill that says States have the right to decide for themselves whether to collect an existing tax from some of the people who owe it or from all the people who owe it, by requiring the seller to collect the tax at the time of the sale: same tax, same store. They ought to be able to do that.

Finally, I ask unanimous consent to have printed in the RECORD following my remarks the comments of a number of conservative supporters of the Marketplace Fairness Act.

In our State of Tennessee this bill is an insurance policy against a State income tax. We don't have one. We don't want one.

It is also an opportunity for us to treat every taxpayer the same way. If you owe the tax, it is collected at the time of sale and you pay it, you don't avoid it. It is also a chance to treat all of the businesses that sell into Tennessee the same way. If you are going to sell to our 6 million people, we are going to treat you the same way we treat people in the State. We don't want to create an incentive for people to move out of Tennessee in order to sell into Tennessee. We want there to be a level playing field.

If Montana businesses do not want to sell in Tennessee, that is their prerogative. But if they do, we want to treat them in the same way we treat all the other businesses in Tennessee. Let's make it very clear: This is not a tax on the Internet. We have a Federal law that placed a moratorium on Internet access taxes. Let me repeat that. We have a Federal law that is an existing moratorium on taxing the Internet.

This is a question about whether the State of Idaho, the State of Wyoming, the State of Tennessee, the State of Massachusetts, or any other State, that may say if we are going to have a sales tax then we are going to collect it in the same way from all the people who sell to the people in our State. That is infinitely logical. With the advent of technology it is about as easy to collect it one way as the other. And it is fair.

I congratulate Senator ENZI and Senator DURBIN for their years of work. I appreciate very much the commitment of the chairman of the Finance Committee to say there will be a markup. I think it is absolutely wrong to think of it as part of tax reform since it is not part of the Tax Code. We might include a milk producers bill in tax reform as well by the Chairman's logic. They do not belong in the same place. This bill boils down to two words: It is a States rights bill. Do we have a tenth amendment, or the spirit of a tenth amendment, or do we not? Do we trust Governors and legislatures to make decisions, or do we not? Then they can decide whether they want to raise or lower taxes, whether they want to collect taxes from some of the people who owe it or from all the people who owe it. That is the issue, these two words: States rights. I think this issue is perfectly appropriate to bring up after 14 years of work by Senator ENZI, after hearing from the Senate Finance and Commerce Committee and the House Judiciary Committee. This is an opportunity for us to express our support for this principle of States rights and to give Governors and legislatures across the country a chance to treat businesses and taxpayers in the same way—stop picking winners and stop picking losers.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONSERVATIVES SUPPORT E-FAIRNESS

William F. Buckley, Editor At Large, National Review: "If the advantage of tax-free Internet commerce marginally closes out local industry, reforms are required... The mattress maker in Connecticut is willing to compete with the company in Massachusetts, but does not like it if out-of-state businesses are, in practical terms, subsidized; that's what the non-tax amounts to. Local concerns are complaining about traffic in mattresses and books and records and computer equipment which, ordered through the Internet, come in, so to speak, duty free." (William F. Buckley, "*Get That Internet Tax Right,*" National Review Online, 10/19/01)

Al Cardenas, Chairman, American Conservative Union (ACU): "A robust free-market system requires a level playing field, where the government doesn't get to pick winners and losers in the marketplace. Senator Enzi and Congressman Womack deserve praise for their efforts to empower states to make their own revenue policy choices and create a fair system of tax collection. The number one threat to the future of American competitiveness isn't other countries—it's our tax law. When it comes to state sales taxes, it is time to address the area where federally mandated prejudice is most egregious—the policy towards Internet sales, the decades-old inequity between online sales and in-person sales as outdated and unfair." ("*Statement from ACU Chairman Al Cardenas Applauding Efforts to Address Marketplace Fairness,*" Press Release, 2/14/13)

Hanns Kuttner, Hudson Institute: "Current policy gives remote sellers a price advantage, allowing them to sell their goods and services without collecting the sales tax owed by the purchaser. This price difference functions like a subsidy. It distorts the allocation between the two forms of selling. The subsidy from not collecting tax due means a larger share of sales will take place remotely than would occur in a free, undistorted market." (Hans Kuttner, "*Future Marketplace: Free and Fair,*" May 2012.)

Iowa Governor Terry Branstad: "Gov. Terry Branstad of Iowa this week became the latest in a string of top Republican state officials to back federal legislation giving states more freedom to collect online sales taxes. Branstad's letter of support, obtained exclusively by The Hill, comes not long after another prominent Republican governor, Chris Christie of New Jersey, also urged Congress to get moving on sales tax legislation . . . In a letter sent Thursday, Branstad encouraged his home-state senators to support a solution that he said would close a long-standing loophole. 'I understand that the coalition supporting this legislation is now very broad which gives me hope that, under your leadership, this legislation can be passed yet this year,' Branstad wrote to Sens. Chuck Grassley (R) and Tom Harkin (D). 'The Internet is now a robust, mature and dynamic marketplace that does not warrant special protections,' he added. 'The application of sales taxes only to 'brick-and-mortar' retailers, many of which are small businesses, puts those very entities at a competitive disadvantage.'" (Bernie Becker & Kevin Bogardus, "*GOP Governors Bolster Sales Tax Push,*" The Hill, 6/10/12)

New Jersey Governor Chris Christie: Governor Chris Christie: "I just want to make clear that I have been working on this issue in my role on the executive committee of the National Governors Association because it is an important issue to all the nation's governors. And I too—along with governors like Governor Daniels and others—urge the federal government and the Congress in particular to get behind Senator Lamar Alexander's legislation to allow states to be able to make these choices for themselves. And I think Senator Alexander's legislation would be a great step forward in that regard. It would give states options to decide how they want to deal with this and not have to any longer deal with the federal prohibition on dealing with it. So, it would allow us to do it in a much more uniform and broader way. So, I'm with Governor Daniels on this and other Republican governors—Governor Snyder of Michigan and others who feel strongly about it. And we've been working on it at the National Governors Association and I know we will continue to and hope to get some type of resolution to it by the end of this year." (Press Conference, Governor Chris Christie, 5/31/12)

Michigan Governor Rick Snyder: 'Technology currently exists to quickly and effectively calculate taxes due on sales and can be easily be integrated into online retailers' operations,' wrote Snyder, a onetime venture capitalist and former executive at the computer company Gateway. 'It is time for Congress to grant states the authority to enforce sales tax and use laws on all retailers doing business in their state.' (Bernie Becker, "Michigan Governor Joins Online Sales Tax Chorus," The Hill, 5/11/12)

Alabama Governor Robert Bentley: "Alabama's Republican governor has urged lawmakers from his state to support online sales tax legislation, adding to the growing roster of GOP officials who are on board with the idea. Gov. Robert Bentley told Alabama's two senators and seven House members the online sales tax bills would improve the state's fiscal situation, and stressed that the legislation would not create a new tax. 'The bills will give Alabama the authority to collect sales taxes—as we currently do from local brick-and-mortar retailers—that are already owed from online retailers,' Bentley wrote in a letter dated April 19. 'Allowing us to effectively close this sales tax loophole would help both our state's finances and our state's small businesses.'" (Bernie Becker, "Alabama Governor Gets Behind Online Sales Tax Push," The Hill, 4/25/12)

Nevada Governor Brian Sandoval: "'The only way to completely resolve this issue is for Congress to enact legislation that, within a simplified nationwide framework, grants states the right to require collection by all sellers,' Sandoval said in a statement." (Ed Vogel, "Gov. Sandoval Reaches Sales Tax Deal With Amazon," Las Vegas Review-Journal, 4/24/12)

Maine Governor Paul LePage: "Last week, Gov. Paul LePage, R-Maine, wrote his state's two U.S. senators, Republicans Susan Collins and Olympia Snowe, to urge them to back legislation introduced by Sens. Mike Enzi, R-Wyo., Dick Durbin, D-Ill., and Lamar Alexander, R-Tenn., that would close a loophole left by a 1992 Supreme Court decision. The high court ruled that states can't require retailers such as catalog and now online retailers to collect sales taxes from customers in states where those companies have no physical presence. 'There's no denying that passing the bill would give thousands of small Maine businesses a real boost,' LePage wrote. 'Through no fault of their own, federal policy now gives some out-of-state corporations an unfair advantage over other Maine retailers.'" (Juliana Gruenwald, "Tea Party Governor Is Backing Net Sales Tax Bill," National Journal, 3/20/12)

Virginia Governor Bob McDonnell: "'This bill helps to ensure that online retailers with a physical presence in Virginia are treated the same as traditional brick and-mortar retailers who are already required to collect and remit existing sales taxes on goods sold in the commonwealth.'" (Press Release, "Governor McDonnell Announces Agreement Reached On Tax Fairness Bill," Governor Bob McDonnell, 2/22/12)

Idaho Governor C.L. "Butch" Otter: "Gov. C. L. 'Butch' Otter backs taxing Internet sales to level the playing field between virtual businesses and brick-and mortar establishments on Idaho's Main Street. Otter made the remarks to Idaho chamber of commerce leaders meeting in Boise on Monday." ("Idaho Governor Supports Internet Sales Tax," The Associated Press, 1/30/12)

Indiana Governor Mitch Daniels: "[S]ales taxes that [states] impose ought to be paid, and paid by everybody equally and collected by everybody in the retail business ... We're not talking about an additional or new tax here—we're talking about the collection of a tax that's existed a long time." (Jeremy Hobson, "Indiana Makes A Deal With Amazon On Sales Taxes," Marketplace Business, 1/12/12)

Georgia Governor Nathan Deal: "Gov. Nathan Deal is considering extending the state sales tax to online purchases, he told newspaper publishers Thursday morning . . . 'In the absence of congressional activity on that . . . I think there will be some appetite to act on that in the legislature,' he said." (Walter C. Jones, "Ga. Considers Online Sales Tax," The Augusta Chronicle, 1/12/12)

Indiana Governor and former Representative Mike Pence: "I don't think Congress should be in the business of picking winners and losers. Inaction by Congress today results in a system today that does pick winners and losers.'' (House Judiciary Committee, Hearing On ''Constitutional Limitations On States' Authority To Collect Sales Taxes In E-Commerce,'' 11/30/11)

Former Mississippi Governor Haley Barbour: ''. . . [E]-commerce has grown, and there is simply no longer a compelling reason for government to continue giving online retailers special treatment over small businesses who reside on the Main Streets across Mississippi and the country. The time to level the playing field is now. . .'' (Letter To Sens. Enzi And Alexander Endorsing S. 1832, The Marketplace Fairness Act, 11/29/11)

Tennessee Governor Bill Haslam: ''The National Governors Association applauds your efforts to level the playing field between Main Street retailers and online sellers by introducing S. 1832, the 'Marketplace Fairness Act.' This common sense approach will allow states to collect the taxes they are owed, help businesses comply with different state laws, and provide fair competition between retailers that will benefit consumers.'' (National Governors Association Letter To Sens. Durbin, Enzi, Tim Johnson And Alexander Endorsing S. 1832, The Marketplace Fairness Act, 11 /28/11)

South Carolina Governor Nikki Haley: '' 'And I will tell you regardless of what happens with Amazon, we want them. I have told them we want you to do business in this state, but we want you to do it on a level playing field. They got free property, they got tax incentives, they got plenty of things. Don't ask us to give you sales tax relief when we're not giving it to the book store down the street or we're not giving it to the other stores on the other side of town, it's just not a level playing field.'' ' (Press Conference, Governor Nikki Haley, 4/28/11)

South Dakota Governor Dennis Daugaard: ''On March 11, South Dakota enacted S.B. 146, sales tax legislation that requires out-of-state retailers that sell to in-state residents to notify their customers of their personal use tax obligation. Under the law, online sellers are required to provide clear notice to consumers during the checkout process that a South Dakota use tax is due.'' (Rosemary Hawkins, ''Sales Tax Bills Pass In Arkansas And South Dakota,'' American Booksellers Association, 3/3/11)

Former Florida Governor Jeb Bush: ''It seems to me there has to be a way to tax sales done online in the same way that sales are taxed in brick and mortar establishments. My guess is that there would be hundreds of millions of dollars that then could be used to reduce taxes to fulfill campaign promises.'' (Letter To Florida Governor Rick Scott, 1/2/11)

MARCH 19, 2013.

DEAR SENATOR: The undersigned companies and state and national trade associations respectfully request that you vote yes on a proposed amendment to the fiscal year 2014 Senate Budget Resolution to implement S. 336, the Marketplace Fairness Act. The Marketplace Fairness Act would level the playing field for all sellers while assisting the states in collecting approximately $23 billion in uncollected state sales and use taxes that are currently due on Internet and other remote sales. The bill was introduced by a strong bi-partisan group of Senators, led by Senators Enzi, Alexander, Heitkamp and Durbin—to address the inequality in today's marketplace.

At issue is a decades-old Supreme Court ruling, issued in 1992 before the pervasiveness of Internet commerce, which prohibits states from requiring remote sellers to collect sales and use taxes owed on purchases from out-of-state vendors. This has created an unfair price disadvantage for brick-and-mortar businesses, has led to budget shortfalls for states as sales and use taxes go uncollected, and has placed an undue burden on consumers who do not realize they owe the sales/use tax if it is not collected by the seller, leaving them to face penalties and increased scrutiny from state auditors.

We support the Marketplace Fairness Act because it would give states the authority to manage their sales tax laws while addressing this issue. Only Congress can grant this authority to the states. S. 336 represents the best thinking of all the stakeholders and provides a pathway forward for states to collect sales and use taxes, simplify their tax statutes, and assist vendors with compliance, while providing for a robust $1 million small business exemption.

As the Congress seeks solutions to address the federal budget and the impacts of sequestration, the Marketplace Fairness Act is a proposal that will help states facing their own budget shortfalls without increasing the federal deficit. Congress has an opportunity to enhance states' rights over sales and use tax collection authority and in the process level the playing field for all merchants. Please support the budget amendment on S. 336, the Marketplace Fairness Act, because the time has come to update our local and state tax laws.

Respectfully,

NATIONAL TRADE ASSOCIATIONS

American Apparel and Footwear Association
American Booksellers Association
American Farm Bureau Federation
American Independent Business Alliance
American Specialty Toy Retailing Association
American Veterinary Medical Association
Association for Christian Retail
California Association of College Store
Campus Stores of New England
Certified Commercial Investment Member Institute
College Stores Association of North Carolina
Consumer Electronics Association
Consumer Electronics Retailers Association
Food Marketing Institute
Heating, Air-Conditioning and Refrigeration Distributors International (HARDI)
Independent Running Retailer Association
Institute of Real Management
International Council of Shopping Centers
International Downtown Association
International Economic Development Council
Jewelers of America
Middle Atlantic College Stores
NAIOP, Commercial Real Estate Development Association
NAMM, National Association of Music Merchants
National Association of Chain Drug Stores
National Association of College Stores
National Association of Electrical Distributors
National Association of Real Estate Investment Trusts
National Association of Realtors
National School Supply & Equipment Association
National Association of Wholesaler-Distributors
National Bicycle Dealers Association
National Grocers Association
National Home Furnishings Association
National Retail Federation
National Sporting Goods Association
North American Retail Dealers Association
Outdoor Industry Association (O1A)
Pet Industry Joint Advisory Council
Professional Beauty Association
Real Estate Roundtable
Realtors Land Institute
Retail Industry Leaders Association
Soccer Dealer Association
Society of Industrial and Office Realtors
Southwest Association of College Bookstores
Tri-State Bookstore Association
World Floor Covering Association

STATE/LOCAL TRADE ASSOCIATIONS

Alabama College Bookstore Association
Alabama Retail Association
Alaska Veterinary Medical Association
Alliance of Wisconsin Retailers
Arizona Retailers Association
Arkansas Grocers and Retail Merchants Association
Association of Washington Business
California Business Properties Association
California Retailers Association
California Veterinary Medical Association
Campus Stores of New England
Carolinas Food Industry Council
College Stores Association of New York State
Colorado Retail Council
Colorado Veterinary Medical Association
Connecticut Retail Merchants Association
Delaware Veterinary Medical Association
Economic Alliance of Snohomish County, WA
Florida Association of College Stores
Florida Retail Federation
Georgia Association of College Stores
Georgia Retail Association
Georgia Veterinary Medical Association
Idaho Retailers Association
Idaho Veterinary Medical Association
Illinois Association of College Stores
Illinois Retail Merchants Association
Illinois State Veterinary Medical Association
Indiana Association of College Stores
Indiana Retail Council
Indiana Veterinary Medical Association
Iowa Retail Federation
Iowa Veterinary Medical Association
Kentucky Retail Federation
Kentucky Veterinary Medical Association
Local First Arizona
Los Angeles Area Chamber of Commerce
Louisiana Retailers Association
Louisiana Veterinary Medical Association
Maine Merchants Association
Maine Veterinary Medical Association
Maryland Retailers Association
Massachusetts Veterinary Medical Association
Michigan Association of College Stores
Michigan Retailers Association
Michigan Veterinary Medical Association
Minnesota Business Partnership
Minnesota Chamber of Commerce
Minnesota Retail Association
Minnesota Veterinary Medical Association
Missouri Retailers Association
Mountains and Plains Independent Booksellers Association
Nebraska Retail Federation
Nebraska Veterinary Medical Association
Nevada Veterinary Medical Association
New Atlantic Independent Booksellers Association
New England Independent Booksellers Association
New Jersey Retail Merchants Association
New Jersey Veterinary Medical Association
New Mexico Retail Association
North Carolina Retail Merchants Association
North Carolina Veterinary Medical Association
North Dakota Retail Association
Northwest College Bookstore Association (WA, OR, AK, MT)
Ohio Association of College Stores
Ohio Council of Retail Merchants

Oklahoma Veterinary Medical Association
Pacific Northwest Booksellers Association
Pennsylvania Retailers' Association
Retail Association of Mississippi
Retail Association of Nevada
Retail Council of New York State
Retail Merchants of Hawaii
Retailers Association of Massachusetts
Rhode Island Retail Federation
Rocky Mountain Skyline Bookstore Association
Seattle Metropolitan Chamber of Commerce
South Carolina Association of College Stores
South Carolina Association of Veterinarians
South Carolina Retail Merchants Association
South Dakota Retailers Association
Southern Independent Booksellers Alliance
Tennessee Association of College Stores
Tennessee Retail Association
Tennessee Veterinary Medical Association
Texas Retailers Association
Tri-City Regional Chamber of Commerce
Tri-State Bookstore Association (ND, SD & MN)
Tri-State Jewelers Association
Twin Cities Metro Independent Business Alliance
Utah Food Industry Association
Utah Retail Merchants Association
Utah Veterinary Medical Association
Vermont Retail Association
Virginia Retail Merchants Association
Virginia Veterinary Medical Association
Washington Retail Association
Washington State Veterinary Medical Association
West Virginia Retailers Association
West Virginia Veterinary Medical Association
Wisconsin Association of College Stores
Wisconsin Veterinary Medical Association
Wyoming Retail Association
Wyoming Veterinary Medical Association

COMPANIES

Abbell Associates, Chicago, IL
Acadia Realty Trust, White Plains, NY
Amazon.com, Seattle, WA
AutoZone, Memphis, TN
Balliet's, LLC, Oklahoma City, OK
Barnes and Noble, New York, NY
Beall's, Inc., Bradenton, FL
Bed, Bath, & Beyond, Union, NJ
Belpre Motor Sales, Belpre, OH
Ben Bridge Jewelers, Seattle, WA
Best Buy Co., Inc., Richfield, MN
Blake Hunt Ventures, Inc., Danville, CA
BrandsMart U.S.A., Hollywood, FL
Bucksbaum Retail Properties, Inc., Danville, CA
Build-A-Bear Workshop®, Saint Louis, MO
Camelot Retail Consulting Group, Wichita, KS
Cascade Designs
CBL & Associates Properties, Inc., Chattanooga, TN
Cencor Realty Services, Dallas, TX
The Hocker Group, Louisville, KY
David Hocker & Associates, Owensboro, KY
DDR Corp., Beachwood, OH
Dick's Sporting Goods, Coraopolis, PA
DLC Management Corp., Tarrytown, NY
Donahue Schriber Realty Group, Costa Mesa, CA
EDENS, Columbia, SC
Evergreen Devco, Inc., Glendale, CA
ExOfficio, Seattle, WA
Fairfield Corp., Battle Creek, MI
Federal Realty Investment Trust, Rockville, MD
FedTax, Norwalk, CT
Foot Locker, Inc., New York, NY
Forest City Enterprises, Inc., Cleveland, OH
Gap Inc., San Francisco, CA
Garrison Pacific Properties, San Rafael, CA
General Growth Properties, Chicago, IL
Ginn Solutions
Givens Books and Little Dickens, Lynchburg, VA
Glimcher Realty Trust, Columbus, OH
Hart Realty Advisers, Inc., Simsbury, CT
Hutensky Capital Partners, Hartford, CT
Hy-Vee Inc., Des Moines, IA
Inland Real Estate Corporation, Oak Brook, Il
JC Penney, Plano, TX
Jo-Ann Stores, Inc., Hudson, OH
Bellevue Square Managers, Inc., Bellevue, WA
Kimco Realty Corporation, New Hyde Park, NY
L. Michael Foley and Associates, LLC, La Jolla, CA
Larson Binkley, Inc., Kansas City, MO
Lewis Electronics, Cleveland, OH
Limited Brands, Columbus, OH
Lowes Companies, Inc., Mooresville, NC
Macy's, Inc, Cincinnati, OH
Malcolm Riley and Associates, Los Angeles, CA
Marketing Developments, Inc. MI
Marshall Music Co., Lansing, MI
Meijer, Walker, MI
Michaels Electrical Supply Corp., Lynbrook, NY
Monte Cristo Bookshop, New London, CT
Pennsylvania Real Estate Investment Trust, Philadelphia, PA
Petco, Inc., San Diego, CA
Point of View Farm, Inc., Bengali, NY
Regency Centers, Jacksonville, FL
REI (Recreational Equipment, Inc.), Kent, WA
Reininga Corporation, Healdsburg, CA
RMResources, LLC, Ann Arbor, MI
Rosen's of Maine, Bucksport, ME
Sears Holdings Corporation, Hoffman Estates, IL
Simon Property Group, Indianapolis, IN
Stafford Properties, Inc., Atlanta, GA
Staples, Inc., Framingham, MA
Steiner + Associates LLC, Columbus, OH
Stirling Properties, Covington, LA
Tanger Factory Outlet Centers, Inc., Greensboro, NC
Target Corporation, Minneapolis, MN
Taubman Centers, Bloomfield Hills, MI
The Container Store, Dallas, TX
The CortiGilchrist Partnership, LLC, San Diego, CA
The Greeby Companies, Inc., Chicago, IL
The Home Depot, Atlanta, GA
The Howard Group, Albany, NY
The King's English Bookshop, Salt Lake City, UT
The Macerich Company, Santa Monica, CA
The Neiman Marcus Group, Inc., Dallas, TX
The Pratt Company, Mill Valley, CA
The Rappaport Companies, McLean, VA
The SEAYCO Group, Bentonville, AK
The Sembler Company, St. Petersburg, FL
The Weitzman Group, Dallas, TX
Tractor Supply Company, Brentwood, TN
VPI Commercial Realty, LLC, Knoxville, TN
Wal-Mart Stores, Bentonville, AR
WDP Partners, LLC, Phoenix, AZ
Weingarten Realty Investors, Houston TX
Wendy's Company, Dublin, OH
Western Development Corporation, Washington, DC
Westfield, LLC, Los Angeles, CA
Williams Ski and Patio, Highland Park, IL
Wolfe Properties, LLC, St. Louis, MO
Woolrich, Inc., Woolrich, PA
Zumiez, Inc., Lynwood, WA.

NATIONAL RETAIL FEDERATION®

March 19, 2013.

TO THE MEMBERS OF THE UNITED STATES SENATE: On behalf of the National Retail Federation, I respectfully urge you to vote in favor of the Enzi amendment in support of S. 336, the Marketplace Fairness Act, to the Concurrent Resolution on the Budget for Fiscal Year 2014.

As the world's largest retail trade association and the voice of retail worldwide, NRF's global membership includes retailers of all sizes, formats and channels of distribution as well as chain restaurants and industry partners from the United States and more than 45 countries abroad. In the U.S., NRF represents an industry that includes more than 3.6 million establishments and which directly and indirectly accounts for 42 million jobs—one in four U.S. jobs. The total U.S. GDP impact of retail is $2.5 trillion annually, and retail is a daily barometer of the health of the nation's economy.

As the retail industry evolves and digital commerce becomes a more prominent portion of total retail sales, it is critical that the tax laws not discriminate between similar businesses based on how their products are distributed. This collection disparity has tilted the competitive landscape against local stores creating a crisis for brick-and-mortar retailers around the country and in your state. The Marketplace Fairness Act addresses the crisis by removing the constitutional limitation on states' authority to collect sales and use taxes from remote sellers. This legislation will level the playing field, while protecting small businesses from complicated laws in other states with a healthy small business exemption.

The Marketplace Fairness Act is a commonsense piece of legislation necessary to modernize our federal and state understanding of sales tax laws so that they can keep current with real world change in the marketplace. Leveling the playing field for large and small retailers alike will create a business climate where retailers have a better opportunity to grow and create jobs in a truly competitive marketplace. Please support the local retailers in your state by voting for the Enzi amendment in support of S. 336, the Marketplace Fairness Act, to the Concurrent Resolution on the Budget for Fiscal Year 2014.

Sincerely,

DAVID FRENCH,
Senior Vice President, Government Relations.

[From, Marketplacefairnesscoalition]

ERICK ERICKSON IS WRONG, HERE'S WHY:

This morning Erick Erickson published a very misleading post that claims that legislation introduced by Senator Enzi (R–WY) will raise taxes and tax online downloads.

The truth is:

The Marketplace Fairness Act will not raise anyone's taxes; in fact it could help lower taxes by making state tax codes more efficient and restoring state and local control.

The Marketplace Fairness Act does not tax the Internet or Internet businesses.

The Marketplace Fairness Act has nothing to do with iTunes—digital goods are not covered by The Marketplace Fairness Act.

At the end of the day, the Marketplace Fairness Act gets the federal government out of the way of state policymaking and restores free market principles by leveling the playing field between local, brick-and-mortar sellers and their out-of-state competition.

By the way, it is probably a coincidence that he expresses his sincere concern for eBay sellers. Certainly eBay couldn't be behind Erickson's piece. The good news is that the Marketplace Fairness Act protects small online businesses by exempting the first $1 million in online sales—not total retail sales but specifically online sales—so the exemption actually applies to businesses with far more than $1 million in annual sales.

One MORE thing Erickson misses is that the tax is already due. As an avid online shopper himself, if he isn't calculating and remitting the use taxes he potentially owes, he could be audited and face fines and penalties. Truth is that every online shopper faces that threat under the current system and that is why a significant majority of online shoppers want the tax collected at the point of purchase.

At the end of the day we shouldn't be surprised that Erickson is taking the side of faceless Internet sellers who are desperately trying to protect their competitive advantage—as much as 10% in some places.

To quote Ronald Reagan, ''facts are stubborn things.'' Erickson is entitled to his own opinion, but not his own facts.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Madam President, I yield 5 minutes to the Senator from Maryland.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. CARDIN. Madam President, let me first thank Senator ENZI and Senator DURBIN for bringing forward this amendment. I agree with Senator ALEXANDER for his comment as it relates to this bill. Let me talk about one of the objectives we want to see in taxes. We talk about simplifying, we talk about fairness. We also talk about what is known as the tax gap. That is the gap between the taxes that we have imposed that we should collect and what we really collect. When it comes to sales and use tax, it has been estimated that because of the place in which an individual buys the product there is a $23 billion gap. That is $23 billion of taxes that are owed are not collected.

This is an urgent problem. In my own State of Maryland it is $300 million a year. There are people who are paying higher taxes than they should because Maryland has to impose higher rates to make up for that $300 million. We all talk about a system where we can spread the base and lower the rates. The first way you do it is by collecting the taxes that everyone should pay.

This is a good-governance issue, this is a fairness issue, this is an issue that is not that terribly complicated. We are not talking about any new tax responsibilities. We are not talking about any new taxes. We are talking about getting our local governments, as Senator ALEXANDER has said, the ability to collect the taxes that they impose in a fair manner. This is a matter of fairness. This is a matter of doing what is right.

Let me give one example that was brought to my attention by a retailer in Maryland, a person who works in an electronics shop in our State, where someone came into that shop recently and was shopping for a TV monitor, a new TV set. They did all the comparative shopping, brought the expert in from that store, answered all their questions and decided on what television set he was going to buy. He then went on his phone and ordered it from an Internet supplier. The price was identical at the two locations—identical. But the person bought it on the Internet because they did not have to pay the State sales tax. They had to pay the State use tax, but they never paid the State use tax. That is something we have to end. That is wrong. That is basic fairness.

The distinguished chairman of the Finance Committee points out, how do we collect these taxes? Let me point out we already collect taxes in our State from sales that are made outside of our State. We do it when there is that nexus that the Supreme Court has acknowledged, and as has been pointed out, the retailer you buy it from adds the State sales tax by putting in their sales the ZIP Code in which we live and they calculate the sales tax and they remit the sales tax. That is currently being done. This is not an additional burden.

Then I heard how complex it is to figure out what taxes are owed. Let me point out two points about that. First, the bill provides that the States adopt the streamlined sales and use tax agreement so we have a uniformity as far as how this is applied. But let me tell you, I do not even know that is totally necessary because there are computer programs today that figure this out for the retailer. The retailer knows the products they are selling and they know how the retail sales taxes throughout the Nation apply to the products they sell. It is a simple program. This is not a burden to the retailer.

Senator DURBIN already pointed out if you live in New Hampshire or you live in Montana or you live in a State that may not have a sales tax, your citizens are not going to pay a sales tax. It does not increase anyone's sales tax. All we are saying is that when our citizens buy products that are subject to our sales and use tax that they cannot get a competitive advantage by going on the Internet rather than using a retail establishment. What is wrong with that? We are not talking about imposing any taxes on anyone.

The PRESIDING OFFICER. The Senator has used 5 minutes.

Mr. CARDIN. Let me last point out, in an effort to make sure that no small businesses are disadvantaged, there is a small business sales exemption of up to $1 million, so we are not talking about very small sales. We are talking about a great deal of revenue.

I thank Senator ENZI for his leadership, and Senator DURBIN. This is long overdue. We should pass this.

The PRESIDING OFFICER. The Senator from Washington?

The Senator from New Hampshire?

MS. AYOTTE. I thought I was next. May I check that?

Mrs. MURRAY. I believe they are yielding time off the Republican side.

MS. AYOTTE. Madam President, I rise in opposition to the amendment I heard that is going to be filed, the so-called Marketplace Fairness Act. I think we have need to rename this legislative proposal for what it is, the Internet Tax Collection Act. I come from a State, New Hampshire, that does not have a sales tax nor do we have an income tax. One of our famous Governors said low taxes are the result of low spending, and that is how we do it.

There has been a lot of talk on the floor today about somehow this Marketplace Fairness Act is about States rights. This act, which really should be named the Internet Tax Collection Act, infringes on the rights of retailers in New Hampshire and businesses that have thrived and grown over something great called the Internet. It forces them to become tax collectors for the rest of the Nation. In fact, they would be forced to become tax collectors for nearly 10,000 tax jurisdictions across this country should this proposal go forward.

I have heard a lot of talk about leveling the so-called playing field. There is nothing level about this playing field. These are cash-strapped States looking for more money and asking Washington to impose burdens on other States that have chosen to have a low tax burden, like States such as mine which doesn't have a sales tax. In fact, this is another attempt to turn our businesses into tax collectors. I think it is wrong.

It is the opposite of States rights. There has been some discussion of conservative support for this. There is absolutely nothing conservative about this proposal because, again, what this is about is officials in cash-strapped States across the country looking for new ways to plug their budget holes. They are attempting to make New Hampshire businesses, and other businesses across this country, use the Internet to collect their taxes. This is not just about the State of Tennessee handling its own taxes, it is making New Hampshire, which has no sales tax, collect for the rest of the Nation, and it is wrong.

The exemption for small businesses is a red herring. This so-called exemption doesn't even match up with what the SBA defines as a small business retailer. We know what will happen with the small business exemption. When the States don't get the revenue they want, they will be right back here again looking for us to repeal the small business exemption, saying: It is not fair that this category of businesses has been exempt. They will be looking for more and more, and here we are in Washington letting them trample on the States that made the decision not to have a sales tax. This bill should not go forward.

I want to share some stories from New Hampshire. My constituents have written to me about this. A company in Franconia, which is in the northern part of New Hampshire, calls this a job killer. From Pittsfield, an online coin and stamp dealer says: If policymakers decide to impose new sales tax collection burdens on small businesses and force them to collect and remit 9,600 tax jurisdictions nationwide, the legal compliance and administrative cost alone would undoubtedly make it harder and, in many cases, impossible to enjoy the opportunities and benefits of the Internet marketplace.

This is from a business in Amherst:

Our company is a poster child for small family-run Internet businesses. We have over 80,000 customers nationwide. The burden of collecting and distributing sales tax for this would be prohibitively expensive.

Finally, another constituent from Boscawen believes this would open the door for States to begin taxing across their borders for many other different taxes. Another company from Rindge says:

This bill is absolutely terrifying. I think I may not be able to survive. I may not be significant to many in Washington, but my little machine shop is the center of my family's livelihood.

When I hear my colleagues come to the floor and call this a States rights issue, what about States such as New Hampshire? Why are we going to make this vibrant part of our marketplace, the Internet, a tax collection haven for other States? So businesses in New Hampshire and other States are going to collect taxes for Indiana, and this is all because cash-strapped States are coming here and asking Congress to do this.

By the way, for those who believe this is some kind of conservative bill, this is not my idea of conservative. The Americans for Tax Reform are against this, the Heritage Foundation is against this, the Campaign for Liberty is against this, the National Taxpayer Union is against this, Cato is against this, and the Heartland is against this.

This is not about small government. This is about forcing businesses in States like mine, with no sales tax, to become the tax collectors for the Nation. It is wrong.

This is not about small businesses. I urge my colleagues to vote against the online tax collection act because that is what this really is.

I yield the floor.

The PRESIDING OFFICER (Mr. COONS). The Senator from Washington.

Mrs. MURRAY. Mr. President, I yield 2 minutes to the Senator from Minnesota.

Mr. FRANKEN. Mr. President, I rise today in support of the Marketplace Fairness Act. This act will level the playing field for small business retailers in Minnesota and across the country.

I want to thank Senator ENZI for his years of work on this. He had a retail shoe store. I thank Senator DURBIN, Senator HEITKAMP, and Senator ALEXANDER for introducing this legislation. This legislation will simply allow States to help their brick-and-mortar retailers, including the mom-and-pop shops on Main Street, stay competitive in a marketplace where online sales have become a fact of life. The amendment we offered to the budget resolution today lays the groundwork for passing that legislation. It is a commonsense measure which brings our sales tax into the 21st century.

In Minnesota, the retail industry includes nearly a half million workers, which is about one in five jobs in our State. Those retailers need to compete on price and service every single day. The current sales tax system makes it impossible for them to compete.

Senator CARDIN spoke about something that is very common around this country. I have heard the same exact story myself. It is where someone walks into an electronics store and wants to buy a big flat-screen TV, and they get the guy who knows everything to come over and point out what is the best for their needs. The salesman is a very skilled guy. He was hired because he knows what he is doing. He sells the TV, except he doesn't sell it, not for his store. Instead, the customer gets on their smart phone and buys it online. They buy the same exact model at the same exact price, but because he or she doesn't have to pay the sales tax—they are supposed to, by the way, but they don't—they buy it online. They end up saving $100 and the brick-and-mortar store, which pays for employees, sewer, schools, and everything which makes a society work, loses the sale and cannot compete. It is just not fair. It is just not fair.

This is a commonsense amendment. Small businesses have an exemption. The exemption is written in the amendment. People cannot say, well, just because they have an exemption, we are going to get rid of the exemption in some way. It is an exemption that is a part of the amendment we are proposing.

I am proud to be on this bill. I am proud of my colleagues on both sides of the aisle. The Marketplace Fairness Act is common sense, it is bipartisan, and I urge my colleagues on both sides of the aisle to support this amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I am pleased to yield 5 minutes to the Senator from Rhode Island, who is a member of the Budget Committee and has worked hard to get us to where we are. I appreciate his input to get us to this point.

I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island

Mr. WHITEHOUSE. Mr. President, I have similar stories to those that have been described on the Senate floor today. Indeed, a former Member of this body, who is now the Governor of our State, Governor Chafee, wrote to me about a bookstore owner in Middletown, RI. The bookstore owner talked about patrons who would browse for books in his store, only to leave without actually making a purchase. He said they would make a list of the books they wanted to buy and then went to get them more cheaply on the Internet.

I have been approached by a Rhode Islander who works in a shoe store. He said he has seen people come in and have his employees bring them boxes of shoes to try on so they can find the exact size and model shoe they want only to then walk out the door without a purchase. They have seen it happen enough that they think what happens is the potential customer is instead going to an Internet site so they can buy the shoe more cheaply.

Now, there are true efficiencies and true benefits to shopping over the Internet. It is very valuable, and it is very sensible. Those are real factors. That is part of progress, and we have no quarrel with that. However, we should not be using discrepancies in taxes to favor shoe companies, one over the other, because one sells over the Internet and the other sells out of a brick-and-mortar store where people can actually come in and try on the shoes.

As a result of this loophole, big businesses who do business over the Internet have $23 billion to fiddle around with that doesn't go to support the kind of civic structure of our society—as Senator FRANKEN talked about.

The complexities are not that great. There is an existing Streamlined Sales and Use Tax Agreement that simplifies this immensely. The tax payments will very shortly be built into the basic business software. The concern about small businesses is misplaced because we completely exempt any business with less than $1 million in annual sales. They have no obligation to comply with this whatsoever.

The National Governors' Association, the National Conference of State Legislatures, the National Association of Counties, the U.S. Conference of Mayors, the National League of Cities, the Retail Industry Leaders Association, the National Retail Federation, the International Council of Shopping Centers, and amazon.com, to their credit, as well as AFSCME, support this.

I hope we can use the vote on this amendment to show that this is a piece of legislation that we are willing to move forward on. Then, of course, we will have to go through the legislative process of authorization in order to actually pass it into law. The budget amendment will not pass it into law, but I think it will send an important signal that will bring everybody to the table and finally get us to closure on this important piece of legislation.

I will close by thanking Senator ENZI, whom I see on the floor, for his work and his leadership and dedication in trying to get this right over 14 years. Before it was as easy as it is now to comply with this, he was working on this. Every year it gets easier. Every year the software is able to catch up more. Every year more States join the Streamlined Sales and Use Tax Agreement. He and Senator DURBIN have done a service to this country with their leadership on this issue.

Mr. REED. Mr. President, the Marketplace Fairness Act is about leveling the playing field for brick-and-mortar businesses. We have a bipartisan and bicameral bill to do just that. So I am pleased to join Senators DURBIN, ENZI, and many of my colleagues in offering this budget amendment today to add a deficit neutral reserve fund to ensure marketplace fairness by allowing States to enforce their State and local sales tax laws.

This is a big issue in Rhode Island, where businesses have a hard time competing against out-of-State retailers because of outdated rules that require shops on Main Street to collect revenue, but their out-of-State online competition does not.

When Internet commerce was still in its early stages online companies were basically exempted from collecting State and local sales tax for sales to States where they do not have a physical presence despite the fact there was an obligation to collect sales tax on those purchases.

This puts Main Street businesses at a competitive disadvantage, hurts the ability of Rhode Island to keep jobs in the State, and has strained State budgets all across the United States.

In 2012, Rhode Island lost out on estimated $70 million in uncollected revenue. Revenue that was owed but because of an outdated Supreme Court decision went uncollected. It is past time that we fix this loophole.

I have talked to a lot of local business owners about this in Rhode Island and many of them say the same thing: Since when is requiring all customers to pay the same sales tax rate a tax increase?

This is a bipartisan proposal. It seeks to keep jobs in our communities, and bring much-needed revenue to strained State budgets all across the United States.

I urge my colleagues to support this amendment and continued efforts to close this long-outstanding loophole.

I thank them and yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I yield 5 minutes off the resolution time to my colleague, Senator WYDEN of Oregon, who is an outstanding member of the Budget Committee. He has been waiting to come and speak. I want to thank him as well for his valuable input throughout the process.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Mr. President, I thank my friend from the Northwest. We worked it out so I could talk a little bit about Medicare and taxes as well.

Before Senator ENZI leaves, I just want to tell him he is someone who gives public service a good name. We have spent a lot of time working together on a variety of issues, such as tax reform, and particularly this idea of transition rules. I just want to tell the Senator how much I appreciate the way he approaches problem solving. I would say to colleagues that what I have not been able to figure out for the 10 years this debate has gone on is how we are going to make this work for America's innovators and small businesses. Let me give just a couple examples and be very brief.

What concerns me most about the bill as it is written today is State revenue collectors, under this legislation, in effect, will be outsourcing their jobs to America's small businesses, America's innovators. If the bill passes in its present form, those small businesses, our innovators, are going to spend their time trying to figure out how to collect all these taxes across the land rather than creating jobs. I don't think that is anything any of us want to do, Democrats or Republicans. That is point No. 1.

Second, I wish to talk about the international implications of this bill. Senator MURRAY and I and others, including Senator BAUCUS, are very close to the border. What concerns me, especially after the legal analysis I received from the Congressional Research Service, is I think the way this bill is going to work, people are going to end up calling it the shop Canada bill or maybe the shop Mexico bill or, what is even more ominous, the shop China bill. I wish to describe exactly why that is the case using the legal analysis from the Congressional Research Service.

The proposal, of course, requires American businesses to collect sales taxes on behalf of 45 State revenue collectors, but it imposes no such burden on foreign retailers that sell into the United States. So an Oregon business would have to collect taxes for New York, but Chinese firms wouldn't have to collect taxes for any State. Washington State businesses would have to collect taxes for Idaho, but Canadian firms are under no such obligation. I ask my colleagues: What is fair about sacking these American small businesses, these entrepreneurs, which are adding so much value to the new economy, to make it even more difficult for our small businesses to compete with Canadian sellers and European sellers and Chinese sellers? This bill as written is going to be a huge boon, for example, for the idea of setting up online businesses in Canada.

Small businesses all across the country, especially those that are near the border, in my view, would have every financial incentive to incorporate there. For the life of me, I don't see how that could be good for the American economy or fair to American firms that, for a variety of reasons, are not capable of moving.

Senator ALEXANDER was spot on in terms of talking about how we should look to States rights—I am certainly interested in that—but let's not do it so that in a globalized economy, we make it even tougher for American innovators to compete.

At this point, I ask unanimous consent to have printed in the RECORD a legal memorandum that was prepared for me by the Congressional Research Service that describes in great detail the unfairness the so-called Marketplace Fairness Act would create for American firms in a global economy.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL RESEARCH SERVICE,
July 23, 2012.

To: Senator Ron Wyden; Attention: Jayme White

From: Steven Maguire, Specialist in Public Finance, 7–7841; Jeanne Grimmett, Legislative Attorney, 7–5046; Erika Lunder, Legislative Attorney, 7–4538

Subject: Analysis of Possible Modifications to the Marketplace Fairness Act, S. 1832.

This memorandum responds to your questions about the "Marketplace Fairness Act," (S. 1832). The Marketplace Fairness Act (MFA) would modify current law to allow state tax authorities to compel out-of-state vendors to collect sales and use taxes. Your office asked CRS to: (1) analyze the impact of expanding the MFA to require foreign sellers to collect and remit sales tax; (2) identify legislative proposals to achieve this and assess if these are consistent with international trade rules; and (3) suggest other taxes that could be collected and remitted if MFA were to become law.

Generally, extending state sales and use tax collection authority beyond international borders could be complicated both administratively and legally. Under current law, states may only impose sales and use tax collection responsibilities on out-of-state sellers of goods and services to in-state persons if the seller has a "physical presence" in that state. This nexus standard is required by the Commerce Clause of the U.S. Constitution. When no physical presence exists, then the state sales and use taxes would apply to these transactions, though remittance of the tax would fall to the in-state buyer to the extent prescribed by state law. So, when the seller does not have a physical presence in the taxing state, the buyer is typically responsible for remitting the tax to the state.

For example, consider a consumer in Virginia who purchases a camera over the Internet or by phone from a retailer based in New York state. The camera retailer does not have an outlet or a physical presence (substantial nexus) in Virginia. The New York retailer is not required to collect New York sales taxes because the transaction does not occur at the retail outlet and the customer is not a resident of New York state. And, the retailer is not required to collect the Virginia sales tax because the retailer has no physical presence in Virginia. The Virginia consumer, however, is required to remit the use tax to the state.

Under its authority to regulate commerce, Congress has the power to authorize state action that would otherwise be an unconstitutional burden on interstate or foreign commerce, so long as it is consistent with other provisions in the Constitution. The Marketplace Fairness Act (MFA), if enacted, would be an example of Congress exercising that power. Under the MFA, Congress would authorize states to shift the burden for sales and use tax collection from the in-state consumer to the out-of-state seller as long as the state had either adopted the Streamlined Sales and Use Tax Agreement (SSUTA) or if the state implemented "minimum simplification requirements." If either criteria are met, then the state could impose sales and use tax collection liability on any remote vendor if the sale was sourced to that state under the sourcing rules in the SSUTA or the act. Neither set of sourcing rules are restricted to physical presence. So, for the states meeting either criteria, the bill would essentially change the nexus standard under the Commerce Clause by removing the requirement that the seller have a physical presence in the taxing state. While the bill would expand the authority of these states to impose sales and use tax collection obligations on remote vendors, it does not provide the states with additional enforcement mechanisms or authority. As discussed below, states could have difficulty in enforcing the law with respect to foreign vendors with little U.S. presence. CRS was not able to find any legislative proposals that would provide such a mechanism. Since no specific piece of legislation has been proposed, the following discussion of possible trade agreement implications is only a general one.

Removing the ‘‘physical presence’’ requirement does not mean that all remote vendors would be subject to the state collection responsibilities. First and foremost, nexus is also required by the due process guarantees of the Fourteenth Amendment. Unlike the Commerce Clause's nexus requirement, Congress may not change the standard required by the Fourteenth Amendment. Thus, even if MFA were enacted into law, states could still not impose sales and use tax collection responsibilities on entities that did not have sufficient contact with the state required for due process. Furthermore, it is possible that other domestic laws could also limit the ability of states to impose the collection obligations. For example, state law might contain exceptions or other provisions that limit or remove the liability in some cases.

With respect to international law, in general, the United States, or a subdivision thereof, could tax a sale by a non-U.S. merchant to a person in the United States without running afoul of what has been considered to be a consensus view of international law regarding a nation's jurisdiction to prescribe tax laws. As set out in the Restatement (Third) of Foreign Relations Law:

A State may exercise jurisdiction to tax a transaction that occurs, originates or terminates in its territory or that has a substantial relation to the state, without regard to the nationality, domicile, residence, or presence of the parties to such a transaction.

The Restatement further explains that taxes on transactions that occur, originate or terminate in a state ‘‘include sales, value-added, excise and severance taxes, as well as export taxes and customs duties.’’ It further notes that ‘‘states impose sales and excise taxes or customs duties on transactions in or touching the state, regardless of the relationship between the participants and the state,’’ but that ‘‘[a]n excise or tariff . . . may be imposed on a person participating in a transaction by reason of that person's relationship to the taxing site even though the transaction occurs outside the state's territory.’’ This latter principle would appear to have relevance for Internet or mail order transactions involving non-U.S. vendors, where the sales transaction itself may legally be sited outside the United States but the purchaser is located within this country. Further, under international law, if a state has jurisdiction for prescribing a rule of law, it also has jurisdiction to enforce that rule, be it through judicial or nonjudicial means.

At the same time, regardless of its status under international law, a requirement that places the burden of collecting the tax on a non-U.S. vendor with no ties to the United States or a particular U.S. state other than the sales themselves would seemingly pose practical problems with regard to its implementation. It appears difficult to envision a workable mechanism by which the United States could compel such a vendor in a foreign country to collect a U.S. tax. In this regard, punitive trade measures, such as prohibiting the importation of products from foreign companies that fail to collect the tax, would appear to raise issues under the General Agreement on Tariffs and Trade 1994 (GATT 1994). For example, GATT Article XI:1 generally prohibits the imposition of quantitative restrictions on imports from other WTO Member countries and a U.S. measure violating this provision would need to be justified under one of the general exceptions set out at GATT Article XX. It may be that, for practical purposes, implementation of a tax collection requirement imposed on non-U.S. vendors that in fact have no nexus to the U.S. state imposing the tax may call for some sort of reciprocal agreement between the United States and countries in which such vendors are legally constituted. Whether such an agreement is feasible, however, is far from clear and beyond the scope of this memo.

Finally, some have noted that U.S. based retailers may respond to the expanded state tax collection authority by shifting operations outside the U.S. to avoid the collection burden. The costs of moving operations and increased shipping costs, however, would seem greater than any benefit conferred by avoiding the collection burden.

With regards to your second question, national measures involving the imposition and collection of taxes on Internet and catalog sales of products would implicate international trade obligations involving trade in goods and possibly trade in services. Regarding a tax itself, Article III:2 of the General Agreement on Tariffs and Trade 1994 (GATT 1994) prohibits a WTO Member from imposing a sales, excise, or other tax on an imported product in excess of the tax imposed on the like domestic product. In addition, tariffs on products imported into the United States from non-U.S. vendors would be subject to GATT Article II, which prohibits the United States from exceeding the negotiated or ‘‘bound’’ rates for particular products contained in the tariff schedule that the United States has submitted to the World Trade Organization (WTO) under Article II. Also, as noted above, quantitative restrictions on the importation of products from WTO Member countries are generally prohibited under GATT Article XI: 1. GATT Articles III and XI are generally incorporated into U.S. free trade agreements (FTAs) such as the NAFTA. In addition, FTA parties are subject to the tariff rate and tariff reduction commitments made in the FTA regarding goods originating in the territories of the parties.

WTO obligations in the General Agreement on Trade in Services (GATS) apply to ‘‘measures by Members affecting trade in services’’ and thus, were a U.S. tax collection requirement placed on non-U.S. vendors to qualify as such, the GATS would come into play. For GATS purposes, the measure may be at the federal, state, or local level. According to the WTO Appellate Body, the phrase ‘‘affecting trade in services’’ is intended to give the GATS ‘‘a broad reach’’ and ‘‘the term ‘affecting’ . . . indicates a broad scope of application.’’ Here, the Appellate Body upheld a WTO panel interpretation of the phrase ‘‘measures by Members affecting trade in services’’ finding that ‘‘no measures are excluded a priori from the scope of the GATS as defined by its provisions.’’

‘‘Trade in services’’ would be involved if foreign vendor were considered to be a service provider—likely a provider of retail services—and the Internet or catalog sale fell within one of the modes of providing a service covered by the GATS. Internet or catalog sales may constitute either cross-border provision of a service or the consumption of a service abroad, i.e., the provision of a retailing service from the territory of the vendor into the territory of the U.S. consumer, or the consumption of a retailing service in the territory of the vendor by a U.S. consumer. If the measure were in fact covered by the GATS, the United States would be subject, inter alia, to the GATS most-favored-nation (MFN) obligation, meaning that it would need to accord to the services and service suppliers of any other WTO Member treatment no less favorable than it accords to the like services and service suppliers of any other country.

In addition, the United States has made a sectoral commitment under the GATS with respect to retailing services where these two modes of service supply are concerned, thus implicating additional GATS obligations. Thus, to the extent that catalog or Internet sales constitute a retailing service, and the service is provided cross-border or consumed abroad, the United States would be subject to GATS obligations involving market access and national treatment of services and service providers of other WTO Members in the retailing sector. Market access commitments generally involve prohibitions on various types of quantitative restrictions, such as limitations on the total value of service transactions in the sector in the form of a numerical quota. The GATS national treatment obligation requires that, regarding all U.S. measures affecting the supply of services, the United States must accord to services and service suppliers of any other WTO Member treatment no less favorable than that it accords to its own like services and service suppliers. U.S. free trade agreements also contain obligations involving trade in services, including MFN obligations and national treatment obligations that are not premised on specific sectoral commitments.

While U.S. trade agreements do not appear to expressly address a situation where a foreign service provider of one agreement party is required by another agreement party to collect sales, excise or similar taxes on sales made by the former in the territory of the latter, the obligations described above would be relevant if a case can be made that the requirement is covered by the GATS or the services chapter of an FTA. Further, were a quantitative restriction placed on retail sales services by a foreign service provider to U.S. consumers as a punitive measure for non-collection of sales taxes, GATS market access commitments may well be implicated. As is the case with the GATT, a measure that violates a GATS obligation may be justified under a GATS general exception if all the requirements of the exception are met.

Regarding your third question, the proposed MFA is narrowly focused on sales and use taxes and would not allow for states to use this new authority for the collection of any other taxes:

No obligation imposed by virtue of the authority granted by this Act shall be considered in determining whether a seller or any other person has a nexus with any State for any tax purpose other than sales and use taxes.

The MFA also expressly provides that:

Nothing in this Act shall be construed as—

(1) subjecting a seller or any other person to franchise, income, occupation, or any other type of taxes, other than sales and use taxes,

(2) affecting the application of such taxes, or

(3) enlarging or reducing State authority to impose such taxes.

If you have any questions, please call Steven Maguire on 7–7841, Jeanne Grimmett on 7–5046, or Erika Lunder on 7–4538.

Mr. WYDEN. Mr. President, I will just wrap up with this. As colleagues look at this—and we are going to have plenty of debate—let's think through the implications of what the administrative water torture is going to be all about for small businesses and why it doesn't make more sense for State tax collectors to do their job, No. 1; and No. 2, let us not make it harder for American small business to compete in tough global markets. It is plenty tough as it is.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, I yield 5 minutes to Senator COCHRAN.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, it is encouraging that for the first time in 4 years the Senate is considering a budget resolution. The absence of a resolution during this time has contributed to a breakdown in the legislative process. As a result, we have operated the Federal Government without a blueprint for revenues or spending.

Unfortunately, the budget resolution being considered by the Senate does not reflect a workable effort to get our country back on a sustainable path.

But rather than setting us on a new path toward a more affordable, efficient, and effective Federal Government, the Budget Committee has laid out a plan for higher taxes and more spending. It does not even pretend to balance the budget. Support of this budget would represent support for a bigger Federal Government and a weaker economy.

I have heard from many of the hard-working citizens in my State who are ready for better economic times and more opportunities to improve their lives. Our priority should be to help strengthen the economy and get government spending under control. The Obama administration has embraced a course which locks us into higher and higher deficits for the foreseeable future.

I am hopeful we can amend this resolution to produce a serious proposal that will lead to a more efficient, more effective Federal Government that better serves hard-working Americans rather than increasing the government's burden upon them.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. I yield 3 minutes off the resolution to the Senator from Minnesota, and then she will take her 30 minutes as the chairman of the Joint Economic Committee following that.

The PRESIDING OFFICER. The Senator from Minnesota.

Ms. KLOBUCHAR. Mr. President, I thank Senator MURRAY for her great leadership. I also wish to thank Senator ENZI and Senator DURBIN on the Marketplace Fairness Act. This is a bill and an amendment that needs to pass. It is incredibly important to small businesses, big businesses, and to people across this country who work for retailers.

When I travel around my State, I hear from small, locally owned retailers about the competitive disadvantage they face against online retailers, small businesses such as Creative Kidstuff that sells educational and developmental books for kids and Thrifty White Pharmacy, a full-service, employee-owned drugstore.

Right now, States are currently unable to require out-of-State or online-only retailers to collect sales tax and it puts local mom-and-pop stores at a disadvantage. Not only that, but this tax loophole is draining billions of dollars in lost revenues from State and local governments—$23 billion last year alone across the country.

In effect, this tax loophole subsidizes some taxpayers at the expense of others and some businesses over others. That is why we call this the Marketplace Fairness Act.

I have been committed to a competitive agenda for this country since I got to the Senate, and part of that agenda includes not only encouraging competition and innovation, but it is also about having an even playing field for our businesses. Minnesota alone lost about $394 million in 2011 from out-of-State sales that are legally due but not collected. This lost revenue translates into over 7 percent of Minnesota's general sales tax liability in 2011. That is what we are talking about. This is real money.

One of the longstanding principles of tax fairness is that similarly situated taxpayers should be taxed similarly. A bookstore on Grand Avenue in St. Paul has to charge a sales tax, while an online retailer selling that same book hundreds of miles away does not. A consumer buying a T-shirt in downtown Duluth is taxed differently than his friend who is buying that same T-shirt on the Internet. Someone buying a TV at Best Buy—hometown company—in Richfield, MN, is taxed differently than if he buys the same TV online.

Our current situation encourages tax avoidance, undermines our tax system, and ultimately creates a competitive disadvantage for brick-and-mortar retailers at a time when we want them to succeed.

I am so excited that there is a bipartisan group of Senators supporting this bill. Our momentum is growing. We can see it today on the floor.

I ask unanimous consent to have printed in the RECORD a list of some of the supporters from my State that includes major stores such as Target and Best Buy to the Uffda Shop in Red Wing, MN. I have shopped there and I suggest my colleagues do the same. It also includes Mary's Morsels & Catering and Sleepy Eye Floral & Design, to give my colleagues just a sense of the hundreds of companies that support this in Minnesota.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Stand With MainStreet.com.]

Minnesota imposes a sales tax that brick-and-mortar retailers (and their websites) collect at the time of purchase and remit to the state. Today some online-only retailers (including Amazon.com) are exploiting a loophole that allows them to not collect Minnesota sales tax on these same purchases, placing the burden on consumers to self-report and pay that tax directly. However, few do. This gives online sellers a competitive advantage by not collecting the tax and creating the perception that online-only purchases are ''tax free.'' The Minnesota Legislature is considering a proposal to require large online-only retailers to collect sales tax at the time of purchase like brick-and-mortar retailers are already required to do and to bring fairness to the marketplace. Competition among businesses, whether they operate on the Internet or in Minnesota communities, is important. The proposal being considered by the Legislature establishes fairness for a 21st century marketplace and makes sure that all sellers have the same tax collection obligations.

E-FAIRNESS SUPPORTERS

STATEWIDE BUSINESSES;

Target; Walmart Home Depot; JCPenny; Best Buy; Creative Kidstuff; Barnes & Noble; Sears; Thrifty White Pharmacy; Walgreens.

SMALL BUSINESSES

Hennen's Furniture; Happy Sleeper Furniture; Quality Appliance & TV Center; Roberts Fine Jewelry; Eichorn's Furniture; Brownie Furniture; Jenia's Appliance & TV; Woodwards Books; Puffes Fine Jewelry; Ferrin's Furniture; Red Wing Appliance; Wanshura Jewelers; Johnson-Mertz Appliance; Garon Bros Jewelers; Security Jewelers; First Photo; Bookstore at Fitgers; Ski Hut; Explorations; J Skylark Co.

Toys for Keeps; Logan's Furniture; Appliance Village Co. Master Jeweler; Waconia Farm Supply; Factory Direct Furniture; Linsk Flowers; Drury's Furniture; Grand Jete; Schroeder's Appliance Center Kern's Appliances; Bethany Book & Gift; Cycle City; Bob & Frans Factory Direct; Cattale's Books & Gifts; Uff da Shop; Rick's Home Furnishings; Yetzer's Home Furnishing; Vacuum Cleaner Outlet & Services; Valley Bookseller; Bakkum Enterprises, LLC; Mary's Morsels & Catering LLC.

Spicer Bike & Sports; Uncle Hugo's Science Fiction; Bookstore/Uncle Edgar's Mystery Bookstore; T & M Athletics; Artistic Floral; Dieknnan's Jewelry; Rhoda's Closet Inc. Hillary's; Pete's Surplus; Christian Book Store; Glenwood Floral & Greenhouses; Kraning Jewelry Inc.; Jenny & Co; The Framing Place and Gallery; Yarn Harbor; Gem Classics Inc.; Teske's Jewerly Inc.; Adventure Cycle and Ski; Bissen's Tavern; J B Off Sale Liquor.

Casey's Bar Inc.; Country Rose Floral; Collins Feed & Seed Center; Liquor Mart; A Johnson and Sons Florist; Kalli's Place; That Special Touch Flower Shop; Strom Clothing Co.; Thomas Liquors; Dar's Pub Inc.; Judy's House of Gifts; Suzanne's Jewelry; Big Guys Bar; Beltone Hearing Care Center; Woodwards Books, Yarns, Fabrics; Anderson Memorials Inc.; Eastside Express; Northwedge Greenhouse; Tradewind Products Art II (Framing & Art Supplies).

Fleur de lis; Replay MMG; Sleepy Eye Floral and Design; Chapel of Love; Grand Performance; Uncle Louie's Café; OFF Sale Liquor; Artistic Treasures; Phillson Award Etc. LLC; Double J Cafe; Antle's Long Guns & Accessories; Village Liquor; Dan's Dugout; Bremer's Bar Inc.; Shooters Pub LLC; Bill's

Repair; Town and Country Café; Stavrakis Jewelers; Wothe Bait; Life in Lavender.

Lake City Radio Shack; A&W Consulting; Bloomington Jewelry & Trophy Co.; Brinky's Liquor; C&J Store; Country Floral; Crosstown Market; Deb's Snow Sled Inn; Hwy. 25 Liquor; La La Homemade Ice Cream; Mike's Drive-In Liquor, Inc.; Moments On Main; On Sale Liquor; Oriental Orchid; Preston Liquor Store LLC; RMR Inc, Roger's Grove City Liquor; Slim's Wood Shop; Stogies Discount Tobacco; Trailhead Cycling & Fitness.

Nelson OFF Sale Card Shop; Colonial Laundry, Tara's Sewing Shop; Witoka Tavern; Doug's Bar; Bud Rose Flowers; The Attic Gallery; Cattales Books & Gifts (new & used book store); The Gumdrop Tree; Pioneer Cycle; Buskala's Jewelry; Straight River Sports & Fitness; Van Guilders; Bayside Floral; Waldeland Jewelry & Gift; Soderbergs Floral and Gift.

BUSINESS ORGANIZATIONS

Midwest Bookseller Association; Midwest Hardware Association; Minnesota Retailers Association; Minnesota Chamber of Commerce; Hibbing Area Chamber of Commerce; Saint Paul Area Chamber of Commerce. Dakota County Regional Chamber of Commerce; Richfield Chamber of Commerce; Minnesota Business Partnership; American Booksellers Association; Alexandria Lakes Area Chamber; Litchfield Chamber of Commerce; Woodbury Chamber of Commerce; Chisholm Area Chamber of Commerce; TwinWest Chamber of Commerce.

OTHER

Dakota County Board of Commissioners; Sleepy Eye Herald Dispatch.

Ms. KLOBUCHAR. Mr. President, I will conclude my remarks by saying this is an opportunity to help our State and local governments, but it is a big opportunity to help the employees and workers of this country who work every day, showing those TVs, making sense of things, explaining how things work, going to work every day, putting those flowers in the vases. They deserve an equal playing field. This amendment does it.

I am now going to begin my 30 minutes of Joint Economic Committee time. I am the vice chair of the Joint Economic Committee, which is a joint committee with the House and I am the Senate chair.

I ask unanimous consent to speak for up to 10 minutes, that Senator TESTER be permitted to speak for up to 8 minutes, that Senator SANDERS be permitted to speak for up to 5 minutes, that I then again be permitted to speak for up to 5 minutes, and that Senator FRANKEN be permitted to speak for up to 2 minutes.

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

Ms. KLOBUCHAR. Mr. President, I wish to first thank Senator MURRAY again for her leadership on the Budget Committee. Day in and day out, month in and month out, she has been working on this budget and she has achieved, along with the committee, a smart, balanced proposal for meeting our country's fiscal challenges.

This is not the first time I have come to the Senate floor to talk about the critical need for a balanced approach and to bring down our debt in a balanced way, but this is the first time in a long time I have actually felt optimistic that we are going to get a budget through the Senate and optimistic that there are a lot of stirrings of bipartisanship and compromise. While our budget, as has been pointed out and I will point out, is very different than the House budget, I think there are still grains of compromise there. We have seen this willingness in the Senate, with our Republican colleagues, to talk about bringing the debt down, whether it is the Gang of 6 or the Gang of 8 or whether it is the work of Simpson-Bowles or the work done with the Rivlin-Domenici group. These are all reasonable proposals. We don't agree with everything in them, but they are all reasonable proposals and they contain some balance.

The other reason I am optimistic is that we have a great opportunity here. I was reminded of this last week when former Republican Senator Judd Gregg testified before our Joint Economic Committee. He actually paraphrased the Foreign Minister of Australia saying, ''The United States is one debt deal away from leading the entire world out of economic doldrums.''

I couldn't agree more. Look at the economic news we have had in just the last month. We know there is so much work to do, that there are too many people unemployed, and there is too much investment that is not being made. But we also know that we saw the best month for unemployment numbers than we have seen in 4 years. We are seeing a turnaround in the construction market. We are seeing a turnaround in the housing market. I can tell my colleagues that in my State, we have unemployment that is at about 5.6 percent. So we are seeing progress, but we have more to do. The last thing we need to do now is to go backward. We need to go forward, and that is what Senator MURRAY's budget does in a very balanced way.

As I have said many times before, we are talking about balance. I believe the Senate budget achieves the right equilibrium. It includes an equal mix of responsible spending cuts and new revenue from closing loopholes and ending wasteful spending in the Tax Code. Our proposal builds on the $2.4 trillion in deficit reduction we have already received—I don't think every citizen knows that—$2.4 trillion. Let's remember 70 percent of that was spending cuts and the other 30 percent was revenue. That is a balance. It is not exactly the balance we wanted on our side of the aisle, but if we were to adopt the House budget right now, we would be at, if we include the past revenues, 10-to-1 spending cuts to revenue. That is not the balance we are seeing in the other proposals that have been made by these bipartisan groups.

How does our budget do this? The additional debt reduction to the $2.4 trillion we have done to get to over $4 trillion in debt reduction—first of all, $975 billion in targeted cuts and $975 billion in revenue. Again, this will help us to surpass the bipartisan goal of $4 trillion and put our debt-to-GDP ratio at about 70 percent.

Some of the most important points in the Senate budget include the fact that it replaces sequestration—which is just a hammer—with smart, targeted cuts while also making critical investments in areas such as education, workforce training, and infrastructure.

When I get out in our State with our unemployment rate at 5.6 percent, I hear time and time again that there are jobs unfilled, that we need to train workers, that we need our high school kids to be going into trades again, to be going into technology, math, and science. This budget accounts for that. It produces savings in Medicare and Medicaid by eliminating waste and fraud, promoting efficiency, and emphasizing cost alignment. We know a little bit about this in Minnesota, with the Mayo Clinic and the way we deliver health care in a high-quality, low-cost way.

One study out of Dartmouth showed that if they simply used in the rest of the hospitals across the country the cost-effective ways of the Mayo Clinic, we could save $50 billion—$50 billion in 5 years with chronically ill patients. That gives a sense of what we are talking about when we talk about high-quality, low-cost care.

Our budget also recognizes there is a massive amount of spending that takes place through the Tax Code to the tune of over $1 trillion per year in tax expenditures.

I come from a State with a thriving renewable energy sector, and 2 years ago we agreed to let the ethanol tax credit expire at the end of 2011, which saved billions of dollars. In fact, that was $60 billion in 10 years—$60 billion. I do not understand why the oil industry cannot follow ethanol's lead. I am proud of the work they are doing. I have been out to Lewiston. I have seen the drilling in North Dakota. It has helped to increase our own domestic oil production and decrease our dependency on foreign oil. But I do not believe the oil companies still need $40 billion in 10 years. That is a lot of money we could bring in to reduce the debt.

We can make other commonsense changes. One I would propose is with the home mortgage deduction, very near and dear to everyone's heart. Cap it at $500,000 in value of a home. If you buy a million-dollar home, great. Then you get it for up to $500,000 in value of the home. That brings in tens of billions of dollars in debt reduction.

All told, the proposal that is coming out of Senator MURRAY's budget reduces the deficit by approximately $2 trillion. If enacted, our debt will continue on a downward path, where our debt-to-GDP ratio will be, as I mentioned, about 70 percent. The Congressional Budget Office has stated that a debt-to-GDP ratio in that range would also result in a 1-percent increase in the size of the economy in that year.

We cannot discount the impact that a growing economy can have on deficit reduction. CBO expects GDP growth to be above 3 percent in 3 of the next 4 years. As the economy grows, we will see more revenue, and we will see lower deficits.

Former CBO Director Alice Rivlin, who just testified last week at a Joint Economic Committee hearing on the very topic of debts and deficits, said this:

The really important thing is to keep the debt from growing faster than the economy.

I could not agree more. Deficit reduction must be paired with economic growth. This is where we need to be, and I am optimistic that ultimately—while we have many differences that we are going to hear a lot about today—ultimately, we are going to come together on something that works for America.

Unlike the proposal in the House, I will tell you the Senate budget preserves and protects Medicare, ensuring that it is there for our seniors today and strong for our children and grandchildren tomorrow.

I firmly believe we can make some reforms to our Social Security safety net, and that those reforms—that money—can go right back into Social Security to keep it solvent. On the Medicare front, there are many things we can do without reducing the benefits for our current seniors, for the people who deserve that help.

Look at what we could do. The VA negotiates prescription drug prices and gets much less expensive drug prices for high-quality drugs. Right now, we do not do that with Medicare. By negotiating prescription drug prices under Medicare Part D, you could produce $240 billion in savings over 10 years right there. Why not leverage the power of America's seniors? They have a lot of power.

We all agree we need to reduce our debt. But our ultimate goal is not simply a balanced budget; it is a budget that is balanced.

Let's look at what goes on with the Ryan budget. Well, the Ryan budget gives millionaires a huge tax cut, drastically lowering their income tax rate from 39.6 percent to 25 percent.

Last year, the Joint Economic Committee, on which I serve, estimated that a similar plan introduced would have given millionaires an additional $285,000 in tax breaks, while hitting the average middle-class family with a $1,300 tax hike.

He also claims his tax cuts for the wealthy, which would cost about $4.5 trillion—and I say that because I believe they would be paid for by the middle class—will not add to the deficit. But Ryan refuses to name one specific loophole or expenditure that his budget would eliminate to pay for the tax cuts.

Some experts project that such extreme cuts, as we would see in his budget, would cost jobs. I believe that is true. That is why, as we are seeing this improvement in stabilization of our economy, we need to do things in a balanced way over the long term. We need to send the clear message that we are reducing this debt and get to our goal of $4 trillion in debt reduction in 10 years. But we simply cannot do it by doing it on the backs of the middle class who are still struggling in this country.

I urge my colleagues to support this budget proposal. It is time to get it done. I truly see this as a time of opportunities not only in the next 2 days to get the budget done, but also in the next few months as we negotiate with our colleagues across the aisle to get a budget for America.

Thank you very much, Mr. President.

I now yield 8 minutes to Senator TESTER of Montana.

The PRESIDING OFFICER. The Senator from Montana.

Mr. TESTER. Mr. President, I thank the senior Senator from Minnesota. I thank her very much for her comments.

I rise to join my colleagues who understand the need to strengthen our economy while taking responsible steps to reduce our deficit.

Four short years ago we were coming out of the worst economic recession, depression, since the dirty thirties. Today, this country needs a budget that tells Americans we are serious about growing our economy and creating jobs. Strengthening our economy will increase economic opportunities for all Americans and allow small businesses to expand and hire more workers. But a stronger economy will also help us reduce our deficit without cutting the investments that lay the groundwork for a better future for our kids and grandkids: investments in education, in infrastructure, in our health, investments in our veterans.

That is why the budget we are debating today is the responsible path forward for this Nation. It sets forth our priorities. It reduces our deficit without cutting the legs out from underneath our economy. It also tells Americans that we are not going to sacrifice those critical investments to strengthen our economy and enable our economy to grow.

Montanans know what it is like to live within their means. We do not spend what we do not have. And our State government is required to have a balanced budget. That is why Montana is one of the few States that survived the recession without dropping into the red. I am going to get into that in another area shortly.

We cannot tear the Federal Government apart to make up for the decisions that put us here in the first place. Ten years ago, we put two wars on the credit card at the same time we drastically cut taxes. Those choices quickly squandered the budget surplus we had in the 1990s.

Today the Republican plan approved by the House, known as the Ryan budget, uses tricks and gimmicks and smoke and mirrors to balance the budget. It sacrifices the welfare of our seniors, our students, and our veterans to get us back to the good old days.

It ends Medicare as we know it. It hands seniors a voucher that down the road will grow at half the rate of anticipated medical costs. Under their plan, for a procedure that a senior can afford today, tomorrow they will get a voucher for a part of what that procedure will cost, and they will be told: You make up the rest. And if you don't, too bad.

The Ryan plan also freezes Pell grants for students at a time when education costs continue to grow too fast for middle-class families to afford. Pell grants, education—a major driver in our economy.

It also makes it harder for low-income and unemployed veterans to get the health care they need. The Ryan plan is what I speak of. It cuts funding for women's health care and reduces coverage for preventative health services, such as cancer screenings—affecting 47 million women across this country. It does this while protecting tax loopholes for large corporations and failing to invest in roads and bridges. And the senior Senator from Minnesota knows all about bridges that collapse. She had one collapse in Minnesota. Those investments are necessary.

If you balance the budget by taking the country apart, what is the point of balancing the budget?

Now, there is no doubt we must reduce the deficit, and the Democratic plan responsibly cuts our deficit by putting us on a responsible long-term path that gets our fiscal house in order while investing in initiatives that grow our economy. It reduces the deficit by nearly $2 trillion over the next 10 years. Now, that is not chump change, and that is on top of the work we have already done over the last few years to reduce the deficit by $1.6 trillion. It does this while protecting seniors, women's health, middle-class families, and students.

Here is the kicker: Only the Democratic plan reforms the Tax Code and puts those savings toward deficit reduction. The Republican plan specifically forbids new revenue from tax reform to go to lower the deficit. For a party that claims balancing the budget is its holy grail, it is puzzling that Republicans want to use tax revenue to pay for more tax cuts. This is just one of many radical proposals and budget gimmicks they are proposing.

If you are for a balanced budget, then you must be for balanced deficit reduction. Every bipartisan commission that has looked at the problem agrees: to responsibly balance the books, you need to save money through a comprehensive plan that cuts spending, reforms entitlements, and fixes our Tax Code—and uses that savings to pay down the debt.

The time for commissions and working groups is past. We should have learned those lessons. We are here now to do the work to get our long-term deal to fix the budget. We will have to compromise, and that is the way it should be, because working together is what built this country. But only one plan is closer to where we need to be at the end of this debate. The Democratic plan cuts spending, keeps in place reforms to our health care system, and mandates the tax reform we need.

Tax reform will not be easy, but there are a few things that should not be hard to agree on either. I think tax loopholes for big oil and gas companies and corporations that ship jobs overseas should be wiped off the books.

We have two paths we can follow. One path drags this economy into a ditch by dismantling Medicare and cutting investments in infrastructure and our future. The other path takes a balanced approach to put this country on the road to long lasting economic growth and stability.

We have been lurching from one crisis to another for far too long. It has hurt job growth because businesses are holding back. They do not know where the debate in Washington is headed.

Offering them more certainty and strengthening this economy is something we need to do. We need to do it in a responsible way. We need to come together around a plan that strengthens our economy in the short term while taking real steps to reduce our deficit in the long term.

Senator MURRAY's plan is a better choice. It meets the needs of the American people. It shows them we are willing to lead. That is what we were sent here to do.

Mr. President, may I ask how much time I have?

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. TESTER. Perfect. Let me also take 2 minutes to comment on an amendment that some of my colleagues spoke of that will be filed to this resolution.

It is an amendment that would not only impose new burdens on small businesses but would also fundamentally alter the rights of States by allowing them to tax entities located outside their borders.

Now, I heard a few Senators earlier today advocating for the elimination of the current standard that only allows States to tax entities with a physical presence in that State.

Montana is one of those States that does not pay a sales tax. We do not want a sales tax. It has been on the ballot a number of times. It has been voted down by the people every time. But under the provisions that some in this Chamber are pushing, small businesses in Montana would be forced to do the bidding of the departments of revenue in other States by collecting and remitting their sales taxes.

Montana's budget is currently operating at a surplus—without a sales tax. The idea that other States would balance their budgets on the backs of Montana's hard-working businesses is not only wrong, it is flat insulting.

This is an unfunded mandate on Montana's small businesses, and it is a slippery slope of what businesses will do to take their collections out of State.

Where is it going to go from here? Agricultural products grown and raised in Montana and marketed in other States? This is an aberration of States rights—rights which so many in this Chamber say they support. I would urge my colleagues to vote against any measures that would gut these States rights.

With that, I thank the Senator from Minnesota and yield the floor.

Mr. SESSIONS. Mr. President, what is our agreement at this point?

Ms. KLOBUCHAR. Mr. President, the Joint Economic Committee has 30 minutes on our side, and I do not know on the Republican side. I think we are about halfway or more into it.

Mr. SESSIONS. You are into it?

Ms. KLOBUCHAR. Yes.

Mr. SESSIONS. OK.

The PRESIDING OFFICER. There is 12 minutes remaining in the period of time allotted for Joint Economic Committee remarks.

Mr. SESSIONS. I thank the Chair.

Ms. KLOBUCHAR. If the Senator would like to speak for a minute or so, if he has something he would like to say.

Mr. SESSIONS. Mr. President, I ask unanimous consent to speak for 2 minutes.

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

Mr. SESSIONS. Mr. President, I appreciated Senator TESTER's remarks and his belief that Montanans believe they should live within their means, and he supports a plan to reduce the deficit. But I just want to share with my colleagues that the budget that is before us today is not balanced. It does not reduce the deficit. It taxes a lot more, but its spending increases at the same level, and there is no net change in the unsustainable debt course we are on.

He said it reduces the deficit by $2 trillion. I want you to know that is what the Budget Committee claims for that budget, but it is not accurate. It does not reduce the deficit $2 trillion. It does not. It keeps us on the same path.

It is not a balanced deficit reduction plan, because it doesn't reduce the deficit. It increases taxes and increases spending, if you call that balance. It is not the right kind of plan. I wish we could get together on fundamentals of numbers in that budget.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Ms. KLOBUCHAR. Mr. President, I think we have made our case here with the $975 billion in spending cuts that are contained in the budget, and the fact that to date we have made $2.4 trillion in debt reduction, and of that 70 percent or $1.5 trillion has been spending cuts. What we are simply trying to do with this budget is keep this balanced approach to not set an economy—which was literally on its heels a few years ago—back in the same place. We want to do deficit reduction. We want to give our businesses the kind of consistency and incentive to invest, but not do it in a way which Chairman Bernanke has said would cause a sharp contraction by doing too much too soon at once on the backs of the middle class and seniors. I am very hopeful in the coming months I will be able to find some kind of compromise and agreement with our colleagues.

The American people are tired of the gridlock. They want to see people are willing to work together. I truly believe courage is not just standing alone but standing next to someone you don't always agree with for the betterment of this country. Senator SESSIONS and I have worked very well together on Judiciary matters, and I wish to continue to do this on the budget.

Turning to another matter, I spoke about marketplace fairness, and I support that amendment to this bill. I also want to talk about the medical device tax repeal. As I mentioned before, one of my major focuses in the Senate has been on an innovation agenda, the idea we should manufacture items in this country, invent things, and export to the world. This is how we are going to get out of the current situation we are in. I believe we can do it.

We need to do it by promoting innovation all across this country. My State has a long history of innovation, bringing the world everything from the pacemaker to the Post-it note. We are home to one of the world's leading medical device companies, Medtronic, started by Earl Bakken in his garage. It is not just the large medical device companies and their employees who keep this industry running, the small- and medium-sized companies and their entrepreneurs are incredibly vital as well.

In Minnesota we have over 400 medical device companies employing more than 35,000 people across the State. This thriving technology, the medical technology sector, has been one of the keys to our success and one of the bright spots in America's economy. When you look at the potential for exports, as you see a growing middle class in China and in India, people are finally going to the hospital. They are beginning to receive good health care. We have a great potential here for more jobs in America as long as we do this correctly.

The United States is currently the largest net exporter of medical devices in the world, yielding a trade surplus of roughly $5.4 billion a year. Medical device companies are also responsible for creating millions of high-paying, highly skilled American jobs, exactly the kinds of jobs we want in this country. These are the kinds of jobs where every parent sends their kid to high school and says, is he or she going to learn something which will create a job? I am looking at our pages right now, and I can tell you medical device jobs are one of those kinds of jobs.

In order to ensure our country remains a world leader in medical device innovation, we need to address the 2.3-percent excise tax on medical devices. As you know, this came out through the Affordable Care Act. At the time I opposed that tax. We negotiated and were able to get it halved from $40 billion to $20 billion in 10 years. It still isn't right because it creates too much of a burden.

Medical device manufacturers are not the ones which are going to get multiple new customers, millions of new customers out of the increase in coverage in the health care bill. Pharmaceuticals might. They negotiated something. Think about it. A lot of medical devices are used by people who are older. They tend to have health care coverage with Medicare and other things. This is the issue here is this is not at the right rate, this is not the right tax, and it should be repealed. The tax is a burden on medical device businesses but, most importantly, it is a disincentive for jobs. It stifles innovation, and it makes it more difficult for the next generation of lifesaving devices to make it to the market. I have been fighting to reduce it, repeal it, and to delay it since the first day it was introduced. At the end of last year, I rallied a record number of Democratic Senators behind the effort. While we couldn't get an agreement included in the fiscal cliff negotiations, we had great traction. I think there were 18 or 19 Democratic Senators in strong support.

I see Senator COATS from Indiana, as part of the strong support we had on the Republican side for repealing this tax.

This is why Senator HATCH and I have filed an amendment to the budget resolution to repeal this tax and help give these businesses and their employees the certainty and stability they need to keep researching, developing, and inventing the next medical breakthrough. Our amendment now has the support of 28 of my colleagues from both sides of the aisle. I am hoping we can continue to work in a bipartisan way.

I yield 2 minutes to my colleague Senator FRANKEN of Minnesota to speak about this important issue.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. FRANKEN. I rise today to speak about the promise of biomedical innovation in our country, as did Senator KLOBUCHAR. I talk a lot about the importance of biomedical innovation because in my home State of Minnesota there are 400 medical device companies, and there are more than 30,000 employees who support our economy while creating high-quality jobs. They do it while saving and improving patients' lives.

The industry is being punished for its innovation and growth. The medical device tax is cutting into the proceeds which go toward research and development and workforce training. By taxing companies on the first dollar of sales, they are especially hurting the very small companies, the startup companies, which may not be in profit yet. This is why I am happy to join with Senator KLOBUCHAR, with Senator HATCH, in filing this amendment to the budget resolution to allow for the repeal of the medical device tax. This amendment is an important first step toward fully repealing the tax and providing much-needed relief for our innovators and doing it in a fiscally responsible way.

Along with Senator KLOBUCHAR, I fought this tax from the beginning. The health care law will insure 30 million new Americans while also improving the health care of every American citizen. While I am proud to be a champion of that law, I believe the medical device tax is not the way to pay for it.

On this point, I disagree with the Obama administration, as I did from the beginning. Senator KLOBUCHAR also disagreed from the beginning. We fought against the tax and ultimately we were successful in getting it cut in half from what it was when it came out of the Finance Committee.

As a member of the HELP Committee, I will continue to improve our regulatory process. I am very proud I had a part in helping create the Medical Device Innovation Consortium, a private-public partnership in this industry which is a first of its kind. Part of this, I believe, is the full repeal of the Medical Device Act. As a first step, I ask my colleagues join those of us who are cosponsors of this critical amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Ms. KLOBUCHAR. I thank Senator FRANKEN for his strong words in support of this amendment. I thank him for being a cosponsor of this amendment.

May I ask how much remains on the Joint Economic time?

The PRESIDING OFFICER. There is 4 minutes remaining.

Ms. KLOBUCHAR. I want to thank the Senators who joined me today as we work to advance a smart, balanced approach for meeting our country's fiscal challenges. The time is ripe for common ground on a budget plan to move the economy forward. While I don't know if we will have that bipartisan plan in the next few days, I think we will get a budget through this Chamber which will pave the way for the kinds of bipartisan negotiations we need to have. We need to keep this country moving, and moving in the direction we need.

When I go out there and talk to small companies throughout my State, they want us to get something done. They want to have consistency so we are not playing green light, red light with the Tax Code; that they know exactly where they stand. I think they all acknowledge everyone is going to have to sacrifice a little here. I think they acknowledge we are going to have to do something which makes a difference and not just speak about it anymore. We have not only the opportunity but the responsibility to find common ground on a deficit reduction plan which will help build a stronger, more resilient framework for economic renewal so families and businesses have the certainty they need.

I think we know neither party is going to get everything it wishes, but this doesn't mean we can put our heads in the sand and pretend this isn't happening. I truly appreciate my Republican colleagues. When we meet behind closed doors and speak about this, they have a willingness to compromise. I think this is what will happen in the future. However, our job in the next 2 days is to get a fair budget through a balanced budget.

This is what Senator MURRAY's budget is. I have been part of this, and I look forward to working with her and our colleagues in the future to show the American people we can stand tall and do what is right.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, I rise today as the senior Senate Republican of the Joint Economic Committee to discuss one of the most fundamental issues this body confronts on a year-to-year basis, or at least should confront on a year-to-year basis, which is passing a budget through which we could operate the rest of the year and measure how we spend hard-earned taxpayer dollars.

Unfortunately, we haven't had one of these budgets for 4 years. I am pleased we finally have arrived at this particular point. I will speak about that in more detail.

A few years back when I was serving as Ambassador to Germany, I made calls on the various ministers. They would be equivalent to cabinet secretaries in our country. I would always try to get a little background information on them before I went to see if we had anything in common, or an ice breaker to start the conversation.

I was calling on one of the ministers and noticed, reading his background first, his birth date was the same as mine. It was a milestone birthday. We were both born in 1943. At the time, the date of my seeing him was just a couple of months after we both celebrated our 60th birthday.

To break the ice, I said to him: Mr. Minister, we have something in common.

He said: What is that?

I said: We both were born on the same day. Therefore, we both reached a very important milestone in life.

He looked at me seriously and said: And how are you doing with all of this?

I said: Well, I am doing fine. I don't feel any different, and I don't think I think any different. It is almost as if the number is meaningless.

He looked at me seriously and said: You are in serious major denial. This is a big deal. This is a major milestone.

Well, ever since he said that, I have been wondering, gosh, is that little pain in the right shoulder the beginning of more problems and so forth?

It reminded me of the situation we faced here when others have said the debt problem we have is not a major problem or that we don't have a spending problem. It reminded me of the minister who said: You have to be in major denial.

Year after year, we are spending a lot more money than we take in, and there is no end in sight to that. Mandatory spending alone on programs such as Medicare, Medicaid, and Social Security is projected to double in a few years' time. It is estimated each new child born today will inherit $50,000 or more of debt, which they will need to pay off as they grow, go through their education years, and become part of our economy. They are going to be saddled with this ever-growing debt.

My three latest grandchildren, Grace, Charlie, and Avery, all young, just a few years old, are inheriting a very significant amount of debt which will saddle and stifle their opportunities to participate in the American dream and enjoy many of the same opportunities many of my generation have had.

Interest rates were held down by the Fed at historically low levels. We might also be facing our day of reckoning. I had the opportunity to speak with the Fed Chairman some time back. He indicated we are running out of tools here at the Fed to address these problems. The people up the street who handle the fiscal issues, not the monetary issues, need to stand up and address the problem.

I think we all know we can only keep interest rates low for so long. It is important to understand a 1-percent point increase in interest rates would add over $1 trillion to the United States debt in a 10-year period of time. These historically low rates are not going to stay historically low forever. They are going to rise as investors lose confidence in America's ability to pay off their debts in the future if we keep plunging into the level of debt and deficit spending which has been taking place here over the last several years. Eventually, we are going to reach that tipping point, and when we reach that tipping point, investors and consumers lose confidence. When that happens, interest rates rise. When interest rates rise, it impacts our economy in a very significant, negative way. All we have to do is look across the Atlantic, in Europe, to see what is happening there to get a glimpse of the crisis that can come with not dealing with the ever-increasing debt and not taking the necessary steps over a period of some time to put our country on a fiscal path to health.

I think most of us here know that we have to make some tough choices and that it will require political will in order for us to address this. We have been avoiding this for years, and we are going to face a debt-induced catastrophe if we don't address it and address it soon.

So when you are faced with this kind of fiscal mess, what do you do? Well, what families and businesses all across America have had to do when they have faced these types of situations—sit down, create a budget, and put themselves back on a path to balance and prosperity in order to avoid the inevitable: a collapse of the family budget or the business budget. Our communities and our States have had to do this. We see this happening everywhere except in Washington. It is this body and this administration that have refused to step forward, No. 1, to pass a budget on which to guide our spending and, No. 2, to make the decisions necessary to turn this economy around and begin to put us on a better path toward a balanced budget.

Why a budget? Well, it helps us identify priorities. Sitting on the Appropriations Committee, where agency heads and Secretaries come before us and present their requests for the future fiscal year in which we are making decisions, I ask each one of them: Do you have a plan B?

They say: What do you mean by a plan B?

I say: if we continue down this path that is going to ever shrink discretionary spending—whether it is for cancer or paving roads or education or any other worthy project, there is going to be less money if we don't address this spending problem, particularly if we don't address mandatory spending.

I ask them: Have you looked at doing what every family has had to do and what every business has had to do during these 4 years of tepid growth, which just seems to linger and linger and linger? We still have 23 million people out of work. Have you looked at ways in which you can make your spending and the parts of the budget you oversee more efficient and more effective? Are there things you can cut? Are there programs you can eliminate that no longer are effective or perhaps shouldn't have been there in the first place? Are there things you would like to do but without the resources are not able to do at this time?

You know, if a family is faced with lower revenue—dad's salary has been cut or mom has lost that second income or for whatever reason—and they are having a hard time making payments—education for the children, mortgage payments, and so forth—the family has to say: You know, we are going to have to look at how we spend money, and we are going to have to cut back. Maybe we won't be able to go to Disney World this year as we had planned. Maybe we will need to buy a tent and go to the State park or do something less expensive. And if they have kids with a credit card: We are going to have to put limits on that or you are going to have to scale back.

These are decisions every family has had to make. These are decisions every business owner is faced with and has to deal with, and they are doing that. But this is a decision that hasn't been made here.

Well, it has been 4 years—1,400-some days; I think 1,422 days and counting—since this body, the Senate, has passed a budget which would allow us to determine what our priorities are or at least give us a guidepost as to how we are going to spend money. Four years since this body has presented to the American people, who elected us to come here and represent them, a budget and give them the transparency of how we are spending their money.

Finally, after 1,422 days, after 4 years, we have a budget before us. While I am pleased that is the case and I am pleased we are here debating that, it is disappointing when we learn what that budget offers.

One would think, after 4 years—and particularly after the 4 years we have been through and the 23 million people unemployed or underemployed and the rate of growth of this economy half of what it normally is—that the budget being presented to us would take some steps toward addressing our spending issues and would not incorporate $1 trillion or more of increased taxes, which will simply go to more spending. How could we possibly support a budget—being $16.7 trillion in debt—that plunges us further into debt—a staggering increase in debt—and also doesn't reduce spending? That is at least a step but nothing nearly appropriate to what we are facing.

So this budget grows government. Let's not make any excuses. It grows government by increasing spending, and it grows government by a massive increase in taxes just after we have had one a few months ago, not counting the massive increase in taxes that is going to occur beginning in 2014 with the implementation of ObamaCare. When we add that up and look at the cost of that, we face a dire circumstance. So one would think a budget being offered to us would not increase debt by 42 percent but would address the real problem.

I know there has been a dispute about how much of the budget revenue is increased taxes. Some say $1.5 trillion. Those who have presented the budget simply say: Oh, no, it is only $1 trillion. Well, whether it is $1.5 trillion or only—only—$1 trillion, it is $1 trillion in new taxes on the American people after they just got hit with more than $½ trillion 2 months ago and are going to get hit again with another $1 trillion when ObamaCare fully kicks in. I mean, it just defies credibility, and I think the investment community and consumers and taxpayers all across America look at this and say: What in the world are you doing?

What are the consequences of this? Well, the Heritage Foundation indicates that the Senate Democrats' budget would cost over 8 million jobs nationwide and 225,000 jobs in my own

State over the next 10 years. They estimate that the budget would reduce economic output by $1.4 trillion and reduce private domestic investment by $820 billion. We certainly see the trend here, and the trend is a negative consequence not a positive consequence.

So I think these statistics emphasize the fact that the entire mindset behind this budget seems to be how we can find more revenue to fund more government spending rather than how do we grow the economy. Our goal ought to be to grow the economy, not grow an already bloated government with more taxes to pay for more government spending.

This budget never balances the budget. We will never reach the point our States have had to reach in balancing their budgets. The majority of our States have had to pull themselves out of a hole, and they have done so because many are constitutionally mandated by their own State constitutions to balance that budget. Families have had to balance their budgets, and businesses have had to balance their budgets. Only the Federal Government doesn't seem to balance its budget and this plan doesn't even attempt to get us there.

I have been coming to the Senate floor day after day after day this year basically talking about the need for Republicans and Democrats and the President to come together with a bold, credible, and enforceable long-term plan to reduce our debt and put our country back on a path toward growth and prosperity. We need to recognize that it will take more than a quick fix. It is going to take more than this soap opera drama of kicking the can down the road, extending the decisions we have to make for yet another few months behind this, behind that, or whatever. It is going to take the will to roll up our sleeves, stop wasting our time and instead get to work on a plan that will deliver real results for the American people.

To solve this dire situation and reduce dangerously high debt, I believe we need a plan that includes three major things:

We need to reform the way we spend. We need to go through each program at every agency and department and determine how we can do more with less. My colleague from Oklahoma, TOM COBURN, already has taken steps to triage our Federal Government's spending by identifying programs that are ineffective, unnecessary, and overly duplicative.

We need comprehensive tax reform. The Joint Economic Committee has heard witnesses from the left, from the right, from the middle, nonpartisan, Republican, Democratic, Independents, and there is a consensus: If we don't have comprehensive tax reform together with a sensible, credible, long-term, enforceable deficit-reduction plan, we will not pull ourselves out of this mess we are in.

The growth element of what we need comes through tax reform. Senator WYDEN and I, in a bipartisan way, have worked for years—he worked years before that with former Senator Judd Gregg—on putting together a plan. We are not saying it is the be-all, end-all, but it forms the basis for a simplification of the Tax Code. It is revenue neutral, it addresses our lack of competitiveness around the world in terms of our corporate entities and businesses, it fixes rates at reasonable levels, and it ought to be the basis for at least the discussion and moving forward.

If we don't combine our spending discipline with comprehensive tax reform, we are not going to have the element that will produce the growth and revenue that will bring us closer to balance.

Finally—I talk about this all the time—let's have the courage to address what we know is driving us into more and more deficit and will prevent us, if we don't adjust it, from ever having a rational plan to get us out of this situation, and that is mandatory spending.

Let me quote from the President's own bipartisan commission. They said:

> By 2025, revenue will be able to finance only interest payments, Medicare, Medicaid, and Social Security. Every other Federal Government activity—from national defense and homeland security to transportation and energy—will have to be paid for with borrowed money.

That is because our revenues will only pay for these few programs, which are eating up all of our expenditures. So from cancer research to education, from paving roads to air traffic control to meat inspectors, national defense and homeland security, and everything the government does that is an essential function for the Federal Government—all will paid for with borrowed money.

Let me go back to their statement.

> Debt held by the public will outstrip the entire American economy, growing to as much as 185 percent of GDP by 2035. Interest on the debt could rise to nearly $1 trillion by 2020.

That is just 7 years away. Returning to the quote:

> These mandatory payments—which buy absolutely no goods or services—will squeeze out funding for all other priorities.

So not only will the uncontrollable growth of mandatory spending squeeze out funding for all other programs or priorities in our country, but it will also jeopardize the safety net we have put in place for retirees who have worked hard and put money aside to become eligible when they retire for Social Security and Medicare and for those who find themselves in a situation where Medicaid is a necessary safety net.

We have always taken pride in being a country that is compassionate. We have been a place where, if you work hard, you can earn a good living, you can raise a family, and in later phases of life you will be able to rely on the safety net of health and retirement programs you have invested in. But if we don't act on mandatory spending, if we don't act on Medicare and Medicaid and Social Security, we will all but ensure the demise of these much needed programs for future generations. Failing to act and leaving our children and grandchildren with this enormous debt burden is immoral.

We all know—or we ought to know by now—our current path is unsustainable. Academics, economists, and business leaders from all sides of the political spectrum repeat the same thing: Unless we make the tough choices we have been avoiding for years, we are going to face a debt-induced catastrophe and it is only a matter of time and the clock is running down.

Congress and the President must summon the courage and the political will to do the right thing and take the tough medicine now that will heal this economy. What we have been doing for the last 2 years that I have been here is basically looking at a chronic illness and saying: Take two Advil; maybe you will feel better in the morning. That doesn't work. We need the bold, the credible, and the enforceable plan that will put us on the path to prosperity, and it must include spending discipline, comprehensive tax reform, and mandatory spending reform.

I am going to be offering up to five amendments to this budget. I don't want to spend a great deal of time on this now. I will, for the record, mention the five I am going to offer.

The first is a mandatory spending budget point of order. This would be a point of order against any legislation that increases the net level of mandatory spending at any time our gross Federal debt exceeds 100 percent of the economy or our GDP.

Numerous studies have said that when we reach 90 percent, we are at a tipping point, and it becomes historically proven that it has a serious negative impact on our economy. I have raised this to 100 percent to allow a little room. This point of order will be in place and, if passed, can only be overridden with 67 votes. This should force Congress to think before we act.

Secondly, I am offering an amendment that is called debt transparency legislation. One of my colleagues and a Member of the House of Representatives, LUKE MESSER, has passed similar legislation in the House with very significant bipartisan support.

It simply requires the Congressional Budget Office to report annually an estimate of the cost per taxpayer of the deficit for any year that the President's budget is projected to be in deficit. The American people deserve to know this number, and this amendment would achieve that.

I am also offering an amendment to repeal the 3.8-percent tax on investment income. If we want to stifle the economy more, if we want to prevent more growth and slow down this economy, throw in yet another tax on the very people who are providing the capital and the investment.

We just talked about the medical device tax, which I have supported, working along with Democratic cosponsor Senator KLOBUCHAR from Minnesota and many others who have joined us. It is an absolutely irresponsible tax, simply a way for the administration to pay for the costly health care law that taxes the very industry that is providing us revenues, high-paying jobs, and helping our trade balance exported quality products. This is crippling, and it is forcing some of these companies to look overseas because of this egregious surtax on top of all the other taxes they pay. So I support the amendment of Senator HATCH and Senator KLOBUCHAR to repeal that medical device tax.

I am also offering an amendment designed to fix our broken and convoluted Tax Code. I see Senator WYDEN has come to the floor. Senator WYDEN and Senator Gregg started a heroic project several years ago to put together a comprehensive tax reform package. The work and the hours spent in pulling this together is amazing. When Senator Gregg left the Senate, he called me and he said: This is something I think you ought to take a look at. Perhaps you can take my place and work with Senator WYDEN so it can be a bipartisan effort going forward. We have discussed this with our colleagues. It should serve as the basis for tax reform.

As I said earlier in my remarks, we cannot address this problem without spending discipline and comprehensive tax reform combined. All the witnesses who have come before us in the Joint Economic Committee have asserted this and enforced this; that it is the necessary element to provide the growth to accompany the spending discipline and, added to that, the mandatory entitlement reform.

Finally, an EPA amendment—which working with my colleague Senator MANCHIN, a Democrat, again, a bipartisan effort—to deal particularly with an EPA rule. I will not go into the details of that.

But these will be some of the amendments I will be offering in conjunction with my colleagues to hopefully make this budget a better piece of legislation.

To conclude, it has been 4 years since the Senate has passed a budget. The plan before us, in my opinion, has not been worth the wait. It will not help generate more jobs for the more than 23 million Americans who are either unemployed or underemployed. It will not improve this slow economy. It will not save Medicare and Social Security from going broke. It will not produce a path to bipartisan comprehensive tax reform. It will not ever balance the budget. It will not help hard-working Americans get back to work and get ahead in this life. We can do better than this.

After 4 years of inaction, the American people deserve better than this plan. The American people elected a divided government. It was not a mandate for either party. It is a challenge, a challenge all of us need to accept.

So let us act now. Let us summon the courage to stand and work together on a truly balanced plan—not one that calls for ever more spending and ever higher taxes but one that puts in place real reforms.

The first step is passing a credible budget. Sadly, in my opinion, this budget doesn't match the need. Hopefully, we can make the adjustments for this to put us on that path to prosperity.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I yield myself 10 minutes off the resolution.

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

Mrs. MURRAY. Mr. President, we are having this debate in hopes of ultimately reaching a fair and bipartisan budget deal. We all know that is not going to be easy, so the least we can do is get our facts straight. It is kind of disappointing to see that rather than engaging in a productive conversation, some of our Republican colleagues prefer to launch some pretty inaccurate attacks. I would like to take just a moment to correct some of those inaccuracies so we can focus on the urgent task at hand.

Some Republicans continue to claim the Senate budget includes a $1.5 trillion tax hike. I talked about this last night, but I wish to make it clear again. This is not true. Here are the facts:

Of the $975 billion in new revenue from those who can afford it the most, $480 billion is matched with responsible spending cuts to fully replace sequestration, $100 billion goes toward targeted, high-priority infrastructure repairs and job training to help boost our economy and put Americans back to work. The rest goes to reduce the deficit. But, unfortunately, rather than seriously considering the credible path we have presented in our budget plan, some Republicans have decided to play some games with these numbers and are not telling the truth.

Instead of subtracting the sequestration replacement portion and the investment package from that $975 billion in total revenue, they are trying to say we should add it all together. They are taking one side of the ledger, combining that with the other side of the ledger, and coming to a conclusion that makes absolutely no sense. It doesn't make sense. You don't have to take my word for it. Fact checkers and reporters have called this claim false. They have called it a step too far. The Washington Post fact checker even gave it two Pinnochios.

Republicans have also made the argument that this budget actually only includes $300 billion in deficit reduction. That distorts the facts. It is not true, and it is inconsistent actually with what Republicans have claimed in the past.

Our budget includes 1.85 in deficit reduction, evenly divided between responsible spending cuts and new revenue. That revenue comes from closing loopholes and cutting wasteful spending from a Tax Code that has been skewed toward the wealthiest Americans and biggest corporations. But some Republicans say that because part of what we are doing is replacing sequestration with smarter deficit reduction, that this somehow diminishes the savings.

I actually find this kind of interesting because I served on the Joint Select Committee on Deficit Reduction when Republicans and Democrats discussed ways to replace sequestration, which was, of course, well after sequestration had been signed into law. We didn't reach an agreement because Republicans refused to include revenue. But we did agree then that deficit reduction to replace sequestration was deficit reduction. In fact, my colleague Senator TOOMEY put forward a plan to replace sequestration—to replace sequestration that he said would have ''reduced our deficit by $1.2 trillion.''

I find it odd that some Republicans were willing to count replacing sequestration as deficit reduction when they were putting forth plans to do it, but they will not treat the Senate budget the same way, especially since bipartisan groups, including Simpson-Bowles and Domenici-Rivlin and the Committee for Responsible Federal Budget, all used the same starting point that the Senate budget does. Like us, these groups knew sequestration was not deficit reduction. It was there to trigger deficit reduction that would come from replacing it. That was the whole point.

In fact, the Center on Budget and Policy Priorities noted that the Senate budget uses the appropriate starting point:

> ''Bowles and Simpson received no criticism when they did the same thing for their new budget plan of a few weeks ago.''

I didn't hear any Republicans complaining then. This just goes to show that, sadly, some of our Republican colleagues appear more interested in politicized attacks than serious consideration of our plan. The American people deserve better. They deserve better. They want an honest conversation. That is what we are trying to have with the credible approach we put forward.

Finally, I wish to strongly dispute the criticism I have heard that Democrats somehow don't take reducing our deficit and debt seriously. Despite what you may have heard, Democrats care deeply, as we both know, about restoring our Nation's fiscal health. We think it would be absolutely wrong to pile up unsustainable debt and hand it to our children. That is exactly why the Senate budget presents a serious, credible, and sustainable approach to getting our debt and deficits under control.

Experts on both sides of the aisle have generally come together around a few principles for a responsible deficit reduction plan. The Senate budget builds on the work of the last 2 years to meet each of those benchmarks.

In 2010, the Simpson-Bowles fiscal commission recommended finding roughly $4 trillion in deficit reduction over 10 years. This has now become the benchmark of other serious bipartisan proposals. The Senate budget builds on the $2.4 trillion in deficit reduction that has already been done in the last 2 years since Simpson-Bowles, with an additional $1.85 trillion in new deficit reduction, for a total of $4.25 trillion in deficit reduction since the Simpson-Bowles report.

What the Senate budget does is it takes us the rest of the way to that $4 trillion goal and actually beyond it. Following the recommendations of Simpson-Bowles and the Senate Gang of 6 plan, the Senate budget importantly reduces the deficit to below 3 percent of GDP by 2015 and keeps it well below that level for the rest of our 10-year window in a responsible way. It pushes our debt as a percentage of the economy down, moving it in the right direction, as we have been told is an important goal.

So our budget reaches these benchmarks the way the American people have consistently said they want it done and the way economists and experts across our political spectrum have recommended—with an equal mix of responsible spending cuts across the Federal budget and new revenue raised by closing loopholes and cutting wasteful breaks that, by the way, primarily benefit the rich.

This budget responsibly cuts spending by $975 billion. As a member of the Budget Committee, the Presiding Officer knows we made some pretty tough choices to get there.

We think every program, including the ones that we know are important, needs to be wringing out the waste and trimming fat and reducing costs so our taxpayers get that benefit. So $500 billion of our deficit reduction comes from responsible savings on the domestic spending side, including, by the way, and I remind all, $275 billion in health care savings that we do in a way that does not harm seniors or families.

There are no sacred cows. We have put everything on the table. But we do it in a responsible way to preserve and protect and strengthen programs such as Medicare and Medicaid that the American people support as well. Our budget saves $240 billion by carefully and responsibly reducing defense spending while giving the Pentagon enough time to plan and align the reductions to time with the drawdown of our troops from overseas. The remainder of the savings, $242 billion, comes from savings on interest payments due to lower debt.

Taking the balanced approach the American people have consistently called for, our Senate budget matches those responsible spending cuts with $975 billion in new revenue, which is again raised by closing loopholes and cutting unfair spending in the Tax Code while locking in tax cuts for the middle class and low-income working families so we protect them from paying anymore.

There is bipartisan support for reducing the deficit by making the Tax Code more fair and efficient. During the fiscal cliff negotiations, Speaker BOEHNER proposed that we reduce the deficit by $800 billion by closing what he called special-interest loopholes and deductions. So the Senate budget takes him up on that. Every bipartisan group that has tackled this issue in a serious way recommended a lot more revenue than the $600 billion raised from the wealthiest Americans in the yearend deal.

If our budget passes, the total deficit reduction since the Simpson-Bowles report will consist of 64 percent spending cuts, 14 percent tax rate increases on the rich, and 22 percent new revenue from closing loopholes and cutting wasteful spending in the Tax Code. That is a responsible approach. It is a balanced and fair approach. It is the one endorsed by bipartisan groups and experts and it is one that is supported by the vast majority of the American people.

I want to say this again. Here are the facts. Our budget does not include a $1.5 trillion tax hike. It does raise $975 billion, again from closing loopholes and cutting wasteful spending in our Tax Code. It reduces the deficit by $1.85 trillion when analyzed the same way Republicans have analyzed their own proposals. And Democrats do care deeply about our country. We do want to reduce our debt and deficit, which is exactly why we have put forward a responsible proposal to put our debt and deficit on a downward sustainable path. As we continue this debate over the next day I urge my Republican colleagues to stick to the facts. Let's end the misinformation. Let's work together on the job the American people want us to focus on and get a comprehensive budget deal and get our country back on track.

Mr. President, I yield 10 minutes off the resolution to Senator WYDEN.

Mr. SESSIONS. Mr. President, will the Senator yield for a question? I will not insist on an answer but I wish to raise something.

Mrs. MURRAY. If the Senator would withhold, because we have two Senators waiting to talk. I will be happy to answer that. Can we let two of them go on our time?

Mr. SESSIONS. You have the time. That will be fine. Thank you.

Mrs. MURRAY. I yield 10 minutes to Senator WYDEN and 35 minutes to Senator LEVIN.

Mr. LEVIN. If I can ask Senator WYDEN to yield, that 35 minutes will be allocated by me among a number of Senators on this side.

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

The Senator from Oregon.

Mr. WYDEN. Mr. President, when we began the budget debate in Senator MURRAY's committee last week, I said that Senator MURRAY's challenge gave new meaning to the idea of playing a tough hand. Many thought her task was essentially ''Mission Impossible.''

The fact is, for all of us who know Senator MURRAY well, she has spent her whole life coming up with solutions to those matters that people said were ''Mission Impossible.'' She spent her whole life coming up with accomplishments that actually solve problems. I commend Senator MURRAY for all of her work on this matter. I think it is very clear that when we get the kind of bicameral, bipartisan agreement that addresses the major concerns we are debating here on the floor, it is going to be in no small measure because Senator MURRAY continued to reach out to all sides. I want her to know how much I appreciate that.

I think we all understand these are complicated issues. At the same time, the challenge of coming up with a bipartisan agreement here is not rocket science in terms of identifying what the issues are. There are two issues here. One of them is taxes and the other is Medicare. The two of them in fact are inextricably linked in many respects, because I have heard some on the other side of the aisle say I will look at ways to reform taxes if colleagues on the Democratic side will look at ways to protect Medicare and at the same time hold down its costs. We have heard other Senators say the reverse. So these issues are inextricably linked.

One of the reasons I support this budget this evening is that I think this budget provides significant space for Democrats and Republicans, as this process goes forward, to produce bipartisan solutions on those two issues, the tax question and the Medicare issue, in the days ahead.

Let me take a few minutes. Senator COATS talked about our bipartisan efforts. I have had a chance for the last 5 years to work with two very thoughtful, conservative Republicans—Senator COATS and our former colleague Senator Gregg. Senator BEGICH and I have been part of a bipartisan team that is, in effect, seeking to modernize some of the principles that a very big group of Democrats and Ronald Reagan agreed to in the 1980s, which is to clean out some of these outlandish special-interest tax breaks.

I see my good friend Senator LEVIN tonight. He is going to outline just some of those outlandish tax breaks. We ought to clean them out and use a portion of those dollars to hold down the rates and keep progressivity. In the 2 years after Democrats and Republicans did that in the 1980s, the country created millions of new jobs. No one can say that every one of them was due to that tax reform effort, but it certainly helped.

We had Senator ENZI on the floor earlier this evening. I have been working with him on something that I think has been missed in the tax reform debate, and that is Senator ENZI has said when are people going to start talking about the transition rules you would need to actually implement the tax reform plan because today in a global economy—and Senator MURRAY and I come from a part of the world that is so trade sensitive—here we have Senator ENZI talking about something very practical that ought to be very attractive to the most progressive Member of the Senate and the most conservative Member of the Senate. Under the Murray proposal these are the kinds of ideas we should be looking at in the days ahead.

Let me now turn, if I might, to the Medicare issue. Again, we all understand it is right at the heart of this when Senator MURRAY and Congressman RYAN and all those who are going to be in a bipartisan conference are negotiating. I continue to believe it is critically important to protect the Medicare guarantee, something I have battled for since the days when I was codirector of the Oregon Gray Panthers, and we can do it in a way that will hold down costs. This is another area where Senator MURRAY has given us a chance to look at some of the solutions that could win support on both sides of the aisle. I will touch on them briefly.

For years now we have had advocates on all sides of the political spectrum talk about the value of merging Part A, which is the hospital portion of Medicare, with Part B, the doctors and outpatients part of the program. Here is a chance to save billions of dollars while also helping vulnerable seniors hold down some of their out-of-pocket expenses. It is there for the doing under the Murray budget. I think we can forge bipartisan support for it.

Let me move on now to the question of chronic care. This is where more than 70 percent of Medicare costs go, for those who are suffering from heart and stroke and cancer and diabetes. The accountable care organizations, which are an important part of the Affordable Care Act, are clearly going to help with respect to how we look to treat this population. But it is not going to lift all the boats. There are a lot of very effective plans and group practices around the country that are going to give us the opportunity to put in place integrated, effective plans to help the most sick among us. We ought to pursue it. The Murray budget will give us that opportunity.

I will close simply by saying there are some very good ideas for promoting Medicare quality and holding costs down, which cost very little, such as the approach Senator GRASSLEY has given me the chance to partner with him on, that would open for the first time the Medicare database so that we would get a sense of what Medicare was paying various doctors and providers for various services.

I know colleagues are waiting to speak. I will wrap up by saying that on the biggest challenges of our time, which I think come down to two issues, taxes and Medicare, the Murray budget gives us a chance to come together in a bipartisan way. We are not going to get it all done, obviously, this week. But we are going to have a chance to do it and I think in both of these areas, taxes and Medicare, there are Senators on both sides of the aisle who can pick up on this budget and find a way to help Senator MURRAY and others who are going to participate in these discussions get us to the solutions we need that will strengthen our economy and protect our people.

I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, first I commend Senator MURRAY and the Budget Committee for the plan they have presented to us. It represents an enormous step forward on an issue of huge significance to American taxpayers. It is a step toward balanced deficit reduction.

An important part of balanced deficit reduction is reducing the deficit without severely damaging important protections for and investments in American families. One way to do that is by ending unjustified tax loopholes and ending the damage they have inflicted on our budget. Senator MURRAY's summary of the Foundation For Growth, the budget plan before us, refers to ''the sheer magnitude of the revenue lost to off-shore tax abuse, wasteful and inefficient loopholes, and other business tax breaks.''

Many Senators have focused on this issue over the months and the years. A number of them will, I expect, be joining me on the floor over the next few minutes. For many years as chairman of the Permanent Subcommittee on Investigations I have focused on the maze of offshore schemes and complex gimmicks that are concocted to allow a privileged few to avoid paying the taxes that are rightfully owing.

Our subcommittee has, on a bipartisan basis, filled volume after volume with damning detail on how these schemes work and the damage they cause. As Senator MURRAY and the Budget Committee have pointed out in their blueprint, we are at a moment in history when we can remove this blight. The pressures on the Federal budget and the threat to economic growth and prosperity that they represent require action. We must close these loopholes. The relentless arithmetic of our budget situation compels it; fairness and justice demand it.

We come to the floor today in support of the revenue provisions in the budget resolution before us. We are going to outline the ways for ending these tax avoidance schemes, the preposterous contortions that too many corporations and wealthy individuals employ to avoid paying taxes. We will illustrate the huge loss in Federal revenues, the resulting rise in deficits from these contortions, and will show how that loss has contributed to a shift in the tax burden from corporations and the wealthy to middle-class families and small businesses. This is a shift that has occurred largely without the notice or the approval of the American public. We are going to demonstrate how closing these loopholes is integral to any balanced deficit reduction agreement that is built on the common good.

The case for additional revenue and for closing tax loopholes as a source of that revenue is overwhelming. Serious deficit reduction requires more revenue, as everybody from the Simpson-Bowles Commission to the Domenici-Rivlin task force to the Concord Coalition to Fix the Debt, has recognized. They have rightly concluded that without additional revenue, the deficit reduction numbers simply do not add up. Republicans have insisted that the discussion of revenue as part of our deficit-reduction approach is finished.

The other day Speaker BOEHNER claimed, ''The talk about raising revenue is over.'' He is mistaken. Our effort is picking up steam. These Republican protests cannot erase the fact that Federal revenue remains significantly below its historic average as a percentage of the gross domestic product of our economy, and that revenue is, and under current trends will continue to be, below the levels we have needed in the recent past to balance the budget.

In particular, the loss of corporate tax revenues is an ongoing cause of deficits. At a time when corporations enjoy record profits, the highest in half a century, revenue from corporate income taxes has fallen off as a percentage of our taxes collected.

In 2006, corporate tax revenue made up about 15 percent of all Federal revenue. In 2012, it had fallen to 10 percent. Somebody has to pick up the slack. In this case it has been average American families. Why is corporate revenue a shrinking share of our Treasury even though the U.S. corporate tax rate, at 35 percent, is one of the highest in the developed world? It is because the top tax rate doesn't tell the story. While our tax rate at the upper limit is 35 percent on corporations, the average U.S. corporate taxpayer's actual tax rate was just 12 percent in 2011, which is the lowest in generations.

A recent study by two think tanks found that 30 of our largest corporations with combined profits of more $160 billion paid no income tax, zero, from 2008 to 2010.

The Permanent Subcommittee on Investigations, which I chair, has outlined in great detail the black magic that these corporations employ to make their tax bills disappear. One major culprit is offshore tax avoidance. This is hardly a new problem, but it is receiving attention like never before—perhaps because it is simply too big to ignore any longer.

This recent edition of The Economist—just a few weeks ago—pointed out in its lead story and on its cover that tax haven abuse is now a $20 trillion problem for the global economy.

That is $20 trillion, not billion. They also have a special report on this offshore finance. The headline here—and it is an eye-popper, I hope—is that ''The Missing $20 Trillion—How To Stop Companies And People Dodging Tax.''

The Permanent Subcommittee on Investigations has been digging into these abuses for years. Last year a subcommittee report outlined how three U.S. companies—Apple, Google, and Microsoft—had used offshore gimmicks to avoid taxes on almost $80 billion in profits. Much of this tax avoidance stems from manipulation of intellectual property and other intangibles. Companies develop valuable knowledge within the United States, often using tax credits, grants, and other Federal support. They then transfer that valuable property under various legal schemes to offshore subsidiaries at bargain basement prices, thereby shifting the profit that this valuable property generates overseas where it is shielded from taxes.

Other offshore schemes involve pretzel-like twisting of tax laws. For example, the subcommittee found that Hewlett-Packard employed such a gimmick to bring home money that was held offshore—bring it back to the United States—without paying the required taxes. Here is what the law requires: When profits are brought back to the United States, the profits are taxed. The IRS allows an exemption for very short-term loans from offshore subsidiaries to their domestic parent. Hewlett-Packard exploited that exemption by concocting a rotating series of alternating loans from a pair of offshore subsidiaries to make billions of dollars in what should have been taxable repatriated income appear to be short-term loans exempt from taxation. This is a gimmick that is so blatant that even some of Hewlett-Packard's accountants questioned it.

Our subcommittee found that Hewlett-Packard used this offshore cash—used it here—shielded it in taxes to help run its U.S. operations during the 2010 fiscal year. To quote from the subcommittee's description:

> There does not appear to be a gap of a single day during that period where the loaned funds of either BCC or CHCC—

The two offshore subsidiaries in question—

> were not present in the United States. Moreover, a similar pattern of continuous lending appeared to be occurring for most of the period between 2008 and 2011.

Now they are talking about short-term loans—which I believe is 30 days or less—but they are supposed to be exempt from taxes when they are lent from an offshore subsidiary back to the parent here in the United States. This has been going on for years without a gap by using a gimmick that they found in the Tax Code, which is egregious. It is time to act.

Senator WHITEHOUSE and I introduced a Cut Unjustified Tax Loopholes Act not too long ago. Our bill would help address some of these tax schemes, and others as well. It is a powerful weapon in our deficit-reduction arsenal if we will use it.

Today a coalition of more than two dozen national public interest groups, as well as dozens of State and local organizations, released a letter urging the Senate to adopt our Cut Loopholes Act.

Mr. President, I ask unanimous consent that this letter be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MARCH 21, 2013.

DEAR SENATOR, We write to ask you to join as a cosponsor of the Cut Unjustified Tax Loopholes Act (S. 268), introduced by Senators Carl Levin (D-MI) and Sheldon Whitehouse (D-RI). This bill would close a myriad of corporate tax loopholes that serve no public purpose and would raise at least $190 billion over ten years. We urge the Senate leadership to include the provisions of this bill in any budget deal struck this year. The legislation tackles offshore tax loopholes that allow and even encourage many large U.S. companies to shift U.S. jobs and profits to offshore subsidiaries. Corporations that benefit from all of the advantages of doing business here are able to use creative tax planning to avoid paying taxes on income legitimately earned in the United States.

As federal revenues from corporations hover at multi-generational lows, cracking down on offshore tax abuses should be at the top of the Congressional ''to do'' list. The Senate Permanent Subcommittee on Investigations has estimated the cost to taxpayers of tax-avoidance schemes involving tax havens at $100 billion annually. New estimates put the amount of lost revenue as high as $150 billion: $90 billion from corporate tax avoidance and $40-$70 billion from individual tax evasion. Tax haven abuse is widespread: at least 83 of America's top 100 publicly traded companies have subsidiaries in offshore tax havens, according to the GAO. Some of these subsidiaries are nothing more than P.O. boxes. In fact, 18,857 corporate 'headquarters' are registered at one modest five-story building in the Cayman Islands.

This is also a jobs problem. At a time when far too many Americans are facing unemployment, our tax code is rewarding U.S. corporations for moving and operating abroad rather than in the U.S. It allows corporations to immediately deduct some of their expenses for moving and operating those overseas facilities even though the companies can defer U.S. taxes on the offshore profits indefinitely. The CUT Loopholes Act would promote investments in American jobs by removing some of these incentives.

The non-partisan Congressional Research Service recently found that U.S. multinational corporations reported ''profits'' in offshore tax havens that far-exceeded the entire economies of those tax havens. For example, in 2008, U.S. multinational corporations' reported profits in Bermuda and the Cayman Islands exceeded 645% and 545% of those tax havens' GDPs, respectively. After surveying the multinational corporate profits reportedly from tax havens, that report found ''these numbers clearly indicate that the profits in these countries do not appear to derive from economic activities related to productive inputs or markets, but rather reflect income easily transferred to low-tax jurisdictions.''

Here is an example of how these loopholes work. A recent investigation by the Senate Permanent Subcommittee on Investigations found that Microsoft avoided $4.5 billion in federal income taxes over three years by using sophisticated accounting maneuvers to artificially shift its income to tax-friendly Puerto Rico. The company sold certain intellectual property rights to its Puerto Rican subsidiary. Now the parent company pays that subsidiary 47% of the revenue generated from its American sales despite the fact that its products were developed and sold in the U.S.

Businesses should compete based on the quality of the products and services they offer, not on the cleverness of their tax attorneys in exploiting loopholes like these. Tax haven abuse by large multinational corporations puts small businesses — and even large domestic businesses — at a competitive disadvantage in the marketplace. Along with individual filers, they must shoulder the extra tax burden through higher taxes, a reduction to public services, or a larger share of the federal. A 2012 U.S. PIRG report found that the average extra tax burden shifted to just one ordinary taxpayer due to tax haven abuse adds up to $426 per year. If small businesses were to make up for the revenue lost just from the corporate abuse of tax havens, each small business in America would have to pay $2,116. It is time for Congress and President Obama to correct this imbalance and make sure multinational corporations are contributing their share.

Offshore tax loopholes create winners and losers. The winners are multinational corporations, usually in financial services, high tech, and pharmaceutical industries. The losers are those businesses who stay here in the U.S. and those who can't afford to hire expensive tax planners and lobbyists. Those on the losing end of these loopholes include retailers, small businesses, and ordinary taxpayers, who are forced to pick up the tab for tax haven abuse.

Due to the substantial loss of revenue, governments at all levels, here and around the world, cut programs and jobs that are critical to economic recovery and growth. We are finally seeing international bodies such as the European Union, the G–20 and the Organization for Economic Cooperation and Development and government leaders from U.K. to India taking action. The United States should be leading these efforts, not following and certainly not ignoring the fact that these stateless corporations are not going to act until we eliminate these loopholes for good. Additionally, by closing these corporate tax loopholes we send a message around the globe that corporate tax avoidance is unacceptable whether it be in the developing or developed world.

As Congress looks for ways to reduce the federal deficit and debates tax reform proposals, members should start with the elimination of these loopholes, which could raise as much as $1.5 trillion in revenue over the next ten years. Policies that would close a number of the most egregious of these offshore tax loopholes are included in the Cut Unjustified Tax Loopholes Act (S. 268). The Levin-Whitehouse bill would end incentives that encourage the offshoring of jobs and profits.

Diverse constituencies, including small business, labor, faith, and public interest groups support closing these loopholes. We urge you to stand with taxpayers by joining as a co-sponsor of the Cut Unjustified Tax Loopholes Act and urging your leadership to close these loopholes as part of any budget agreement made in the next year.

Sincerely,

Action Aid USA
Alliance for a Just Society

American Federation of Labor and Congress of Industrial Organizations (AFL-CIO)
American Sustainable Business Council
American Friends Service Committee
Business for Shared Prosperity
Center of Concern
Center for Effective Government
Citizens for Tax Justice
EG Justice
Financial Accountability and Corporate Transparency Coalition
Foreign Policy In Focus
Foundry United Methodist Church
Friends of the Earth US
Global Financial Integrity
Jubilee USA Network
Main Street Alliance
Maryknoll Office for Global Concerns
New Rules for Global Finance
Presbyterian Church (USA)
Public Citizen
Service Employees Union International (SEIU)
Tax Justice Network USA
TransAfrica
U.S. Public Interest Research Group (PIRG)

STATE/LOCAL ORGANIZATIONS

Arizona PIRG—AZ
Jubilee San Diego—CA
California PIRG—CA
Nicaragua Center for Community Action (NICCA)—CA
Resurrection Lutheran Church—CA
Colorado PIRG—CO
Connecticut PIRG—CT
Pax Christi Catholic University of America—DC
Foundry United Methodist Church—DC
Florida PIRG—FL
Georgia PIRG—GA
Georgia Rural Urban Summit—GA
Georgia Fair Share—GA
9 to 5 Atlanta—GA
MoveOn Atlanta—GA
Atlanta Jobs with Justice—GA
Provincial Council of the Clerics of St. Viator (Viatorians)—IL
Illinois Maternal and Child Health Coalition—IL
AIDS Foundation of Chicago—IL
Autism Society of Illinois—IL
Union Church of Hinsdale—IL
American Bottom Conservancy Illinois—IL
Citizens Against Ruining the Environment—IL
Eco-Justice Collaborative—IL
Holy Cross International Justice Office—IN
Sisters of the Holy Cross Congregation Justice Committee Notre Dame, Indiana—IN
Des Moines Chapter—Women's International League for Peace and Freedom (WILPF)—IA
Iowa Annual Conference of the United Methodist Church—IA
Iowa Citizens for Community Improvement—IA
Iowa Move to Amend—IA
Green Dubuque—IA
Iowa Progressive Action Coalition—IA
Iowa Citizen Action Network—IA
Iowa Mainstreet Alliance—IA
Iowa PIRG—IA
Iowa Policy Project—IA
Maryland PIRG—MD
Maryland United for Peace and Justice—MD
Institute for Justice and Democracy in Haiti—MA
Jubilee Justice Task Force of the United Church of Christ—MA
Jubilee Massachusetts—MA
Massachusetts PIRG—MA
Immaculate Heart of Mary Justice, Peace and Sustainability Office—MI
Holy Innocents Episcopal Church—MI
PIRG in Michigan—MI
Missouri PIRG—MO
Missourians for Tax Justice sub-committee of the MO Association for Social Welfare—MO
Economic Justice Task Force—MO
Progress Now Nevada—NV
New Hampshire PIRG—NH
New Jersey PIRG—NJ
NJ Working Families Alliance—NJ
NJ State Industrial Union Council—NJ
NJ Save Our Schools March—NJ
NJ Main Street Alliance—NJ
NJ Citizen Action—NJ
New Mexico PIRG—NM
North Carolina PIRG—NC
Jubilee Oregon—OR
Oregon PIRG (OSPIRG)—OR
Pennsylvania PIRG—PA
Grey Nuns of the Sacred Heart—PA
Small Business Chamber of Commerce—SC
Texas PIRG—TX
Vermont PIRG—VT
Jubilee Northwest—WA
Fuse Washington—WA
Washington PIRG—WA
Hill Connections—WI
Madison Teachers Inc—WI
Wisconsin Alliance for Retired Americans—WI
Citizen Action—WI
Wisconsin Community Action Program—WI
Wisconsin Education Association Council—WI
Wisconsin PIRG—WI.

Mr. LEVIN. I see there are a number of my colleagues who have joined me here in this effort so I will close with the following comment. Some of the people argue that they will consider closing tax loopholes but only if the resulting revenue is used to lower tax rates rather than reducing the deficit. This position is unwise for two reasons. First, the budget deficit is a significant problem for our country, and we should address it. Senator MURRAY's budget wisely takes the view that we need to act to reduce the deficit.

Second, the people who elected us overwhelmingly believe that reforms to end these tax schemes, which I have outlined, should contribute to deficit reduction. A recent poll shows that more than 80 percent of Americans believe that revenue we recover from closing tax loopholes should be dedicated to reducing the deficit, not to cutting rates.

Let's follow the path this budget resolution before us outlines: spending cuts, yes, but prudent, carefully considered cuts that preserve our most important priorities; Savings from reform of entitlement programs, yes, but reforms to keep the faith with seniors today and in the future. And, yes, revenue, revenue that ends the privileges of an influential few who have for far too long enjoyed unjustified tax breaks that boost corporate profits and the bank accounts of the wealthy few at the expense of ordinary Americans.

Earlier today Senators WHITEHOUSE, MCCAIN, and I—a bipartisan group—filed an amendment to the budget resolution suggesting the need to close tax loopholes. Our amendment makes reference to ending offshore tax abuses by large corporations. Our amendment provides that at least some of the revenue generated must be used for deficit reduction. This bipartisan amendment makes a strong statement on the momentum that is building for balanced, commonsense deficit reduction.

There is a group of Senators who have come to the floor with me so we can end these tax schemes and gimmicks. I thank Senator MCCAIN, Senator WHITEHOUSE, and I thank my other colleagues who are here today for the work they put into a very vitally important issue.

Mr. President, I believe Senator WHITEHOUSE is ready to proceed. Senator WHITEHOUSE is my principal cosponsor on this amendment, along with Senator MCCAIN.

Mr. President, how much time do I have?

The PRESIDING OFFICER (Mr. UDALL of New Mexico). The Senator has 24 minutes remaining in his name.

Mr. LEVIN. Is 9 minutes sufficient?

Mr. WHITEHOUSE. It is more than sufficient.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. WHITEHOUSE. Mr. President, I thank Senator LEVIN for his leadership on this issue. I am proud to be part of his Levin-Whitehouse group in putting this together. If we boil down the discussions that we are having back and forth about the budget, they come to a very simple question; that is, can we use the money that is in tax avoidance, in tax loopholes toward solving our sequester problem, our deficit problem, and our debt problem?

The way this has been described so far is that there are spending cuts. That is one part of the equation. The other part of the equation is tax increases. That has been the way this has been framed. That overlooks the third big piece of the problem, which is money that goes out the backdoor of the Tax Code without ever coming into the U.S. Government in revenues. I want to let people who are watching know—because they probably won't believe it—what a colossal number that is.

We get $1.09 trillion in revenue out of the individual Tax Code. We get $181 billion in revenue out of the corporate Tax Code. We give away $1.02 trillion out the backdoor of the Tax Code for individual deductions and loopholes. We give away $157 billion out the backdoor of the Tax Code in corporate deductions and loopholes. The IRS estimates that there is $385 billion which never even gets into the formula because of what Chairman LEVIN was talking about: companies and individuals who hide their revenue and income offshore so it never even gets into the tax package. If we add it up, there is actually more money lost through tax avoidance than there is collected in tax revenue in this country.

When people talk about only the tax revenue and only spending cuts, they are trying to hide a very big ball. That is the basic difference between the Democratic proposal and the Republican proposal. We want to take $975 billion, which is only 7 percent of all the money that goes out the backdoor of the Tax Code, and use it toward ending the sequester and balancing the budget. That is our proposal. The Ryan Republican proposal is to take 41 percent of that money that goes out the backdoor of the Tax Code and use every nickel of it to lower the high-end rates for corporations and for wealthy Americans who pay the highest end rates. They don't put a dime from this toward either the sequester or deficit reduction. We cannot have that be the rule.

If we take this number, which is an annual number—the minimum is right here, $1.02 trillion plus $157 billion. We do our budget over a 10-year span. These are annual numbers. That means in a 10-budget horizon, we have at least $11.5 trillion going out the backdoor of the Tax Code. If we allow for moderate growth in the economy, it is not $11.5 trillion, it is $14 trillion. If we throw in the nearly $400 billion in offshoring, we are up to nearly $18 trillion—$18 trillion that goes out the back door of the Tax Code.

By the way, although there are important middle-class deductions in the middle of this, such as the home mortgage deduction, there is an awful lot of nonsense and mischief in the tax expenditures that go out the back door of the Tax Code. If we want to know why hedge fund billionaires pay a lower tax rate than their chauffeurs and the hospital orderly rolling his cart down Rhode Island hospital hallways in the middle of the night, we can look at the mischief in the Tax Code for the carried interest exception. If we want to know why corporate jets, private jets get favored treatment, look at the accelerated depreciation schedules in the corporate Tax Code. There is a lot of mischief and monkeyshines that have been built into the Tax Code by lobbyists for the wealthy and lobbyists for powerful corporations over the years.

All we want to do—and what this fight is all about—is take $975 billion out of those trillions and trillions of dollars that go out the back of the Tax Code and use it to get rid of the sequester and to balance the budget. That is what we want to do. And what the Republicans want to do is take 41 percent of that and use every dollar—every dollar—to lower tax rates for the richest people. They don't spend a nickel in all of that toward reducing the deficit or toward ending the sequester.

This Tax Code spending—all the earmarks the lobbyists built into the Tax Code over decades—is the Republican treasure trove. That is their Ali Baba's cave. That is where all the goodies are, and they don't want to spend a nickel of it either getting rid of the sequester or helping with deficit reduction. They want all of the treasure in Ali Baba's cave of special tax deals to stay with the big corporations and with the wealthy in the form of lower tax rates. That is the entire debate between our sides right now.

I think Chairman LEVIN, by putting forward this plan to take this offshore hidden revenue and bring it into the discussion and use it to help solve our sequester, use it to help support our economy, use it to help reduce our deficit, is a very strong idea, so I am very pleased to support him. I appreciate his leadership. I am delighted Senator JOHN MCCAIN has joined us on this to make this a bipartisan initiative. They show great leadership together, and I am delighted to join them.

With that, with my great appreciation to Chairman LEVIN, I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. First let me thank Senator WHITEHOUSE. He has been a leader in this effort for a long time. His support here is critical and will really make a difference.

How much time do I have?

The PRESIDING OFFICER. There is 14 minutes remaining.

Mr. LEVIN. I yield 7 minutes to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. BLUMENTHAL. Mr. President, I wish to add my thanks to the chairman of the Armed Services Committee and the leader in this effort to close some of these abusive and unnecessary and wasteful loopholes. I also thank Senator WHITEHOUSE and Senator MCCAIN for their leadership in this effort, which is about fundamental fairness.

Most importantly, let me thank Senator MURRAY for the hard work, the courage, the strength it has taken to put together a budget that is intensely complex, dealing with issues that are hugely challenging, and craft a solution that presents a vision for the future of America that is very distinct and different, as well as very preferable to the one presented by the House budget. The House insists on a cuts-only approach and absolutely refuses to consider new revenue. The solution crafted by Senator MURRAY and her committee has opted for balance and compromise—two words that unfortunately are too often missing from our deliberative process.

Our budget achieves $1.85 trillion in new deficit reduction, with an even mix of $975 billion of new revenue and $975 billion in responsible spending cuts. That is a real achievement.

We are here today to talk about cutting loopholes, tax breaks, giveaways to people who don't need them and corporations that don't deserve them. Their existence undermines the fundamental fairness of our Tax Code.

The fact that more money goes to tax avoidance than to tax revenue is a fundamental, searing indictment of our Tax Code, and it is the reason there is resistance to people paying their fair share. Again and again and again, what I hear from citizens, from taxpayers, from residents of the State of Connecticut is, I would be willing to pay my fair share as long as others are required to do the same.

Fairness is at the core of our Tax Code. It is the reason why voluntary compliance is so important and why it happens—because people rely on its fundamental fairness.

The offshoring of profits and ending those offshore tax abuses that have been described so eloquently by Senator LEVIN and Senator WHITEHOUSE is absolutely necessary to a sense of fairness in our Tax Code. As important as the additional money is the sense of equity it would bring to our Tax Code.

Likewise, fair and effective tax enforcement is critical. I know as an enforcer of civil laws for 20 years as attorney general it is important to a sense of fairness in our society, and effective enforcement requires resources. It requires tightening rules relating to tax shelter promoters; stiffening penalties for the aiders and abettors—the ones who enable violations of our tax laws and tax evasion; and modernizing Federal tax lien registration. We are fond of saying in this body that the devil is in the details. Here, the devil is in nonenforcement of those detailed regulations and rules that require compliance.

Similarly, ending excessive corporate tax deductions or stock options and closing some of the loopholes that apply to derivatives are fundamental to fairness and to preserving a sense that everybody is bearing a fair share of the burden. Those rules that presently permit evasion and abuse must be ended. The consequences are huge because they apply to the vision of the future that each of these rules and budgets contemplate.

The wasteful tax loopholes mean losses in revenue, and those, in turn, mean we must cut programs as a consequence. In my home State of Connecticut alone—just to show some of the consequences of the House or Ryan budget—47,000 seniors would pay more for prescription drugs next year, and that means $828 for each of them, on average, more in the cost of drugs in 2014 alone and more than $13,000 over the next decade.

The House budget would cut $8.73 billion in funding Connecticut receives for nursing care and other health care services for seniors and the disabled, putting at risk tens of thousands of Connecticut seniors who rely on Medicaid for their long-term health care needs.

I have sponsored the Bring the Jobs Home Act, which many others have cosponsored, which would close that loophole for corporations that send jobs and ship employment overseas. We need to bring those jobs back.

The House budget would double down on job-killing cuts to infrastructure and research and economic development programs. The Economic Policy Institute has found that these cuts would cost Connecticut over 24,000 jobs in 2014 alone.

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

Mr. BLUMENTHAL. Our economic recovery is fragile. Job-killing cuts must be stopped.

I thank Senator LEVIN for his leadership on this issue.

I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, first of all, let me thank Senator BLUMENTHAL for his tremendous work in this area.

I yield the remainder of my time, which I believe is 6 or 7 minutes, to Senator SHAHEEN. Is that correct?

The PRESIDING OFFICER. That is correct.

The Senator from New Hampshire.

Mrs. SHAHEEN. Mr. President, I thank Senator LEVIN for the work he has done to look at the tax loopholes that should be closed and to bring attention to really the fairness we should have in our Tax Code.

I am here to join my colleagues in talking about the importance of passing a budget that will address our debt and deficits and protect middle-class families while investing in our future job growth. I applaud Senator MURRAY for her leadership and the work of the Budget Committee in bringing this document before us.

We have made significant progress in the last few years to get the American economy growing, and we have taken real action to reduce our deficits, but there is more we can do on both fronts, and the budget before us addresses both of these urgent priorities in a responsible way.

No one is questioning the need to address our debt and deficits. The question is, Can we do this in a responsible way? Can we come together in a way that protects our economic recovery?

Unfortunately, because of continued political stalemate, we have seen the across-the-board spending cuts known as sequestration go into effect. Now we need to come together to support a plan to address these harmful automatic cuts because they are hurting small businesses. They are having an impact on our economic recovery. They are forcing furloughs of public employees—in New Hampshire, people such as our Portsmouth Naval Shipyard workers and our air traffic controllers. They are creating economic uncertainty that is putting our economic recovery in jeopardy.

I have had the chance to travel around New Hampshire in the last month or so and talk to companies that are concerned about the impact of these automatic cuts. One of those companies I visited is called Cirtronics, which is a manufacturing company in Milford, NH. The company employs about 150 people, and it manufactures a diverse array of products, from circuit boards, to medical equipment, to defense and homeland security products. Cirtronics doesn't have any direct government contracts, but many of its clients do. As a result, the company is facing a lot of uncertainty under sequestration. According to its CEO, Geraldine Ferlins, this uncertainty is getting in the way of the company's growth. She said:

How do you plan without knowing how you will be affected? You hear about how CEOs are hesitant to hire. This is why.

Another company in Salem, NH, called Micro-Precision Technologies is a small, family-owned business with about 20 employees that makes semiconductors used in the military, aerospace, medical, and communications industries. About 80 percent of Micro-Precision's business is with the Department of Defense. Sequestration has meant that their orders are down about half for the month of January. They had been planning to hire two new people, but unfortunately they cannot do that because they are so uncertain about what is going to happen.

That is why we need a better approach to addressing our budget situation. We need a plan that looks at all areas of our spending—at our domestic, at our defense, at our mandatory programs—as well as at revenues through tax reform. That is exactly the approach that was taken by the Budget Committee in passing out the budget resolution that is before us this week. That is why I supported it. It replaces the harmful cuts under sequestration with a balanced mix of responsible spending cuts as well as additional revenues. So instead of across-the-board cuts, the budget makes targeted cuts to several areas. It cuts health care spending without harming beneficiaries; it reduces defense spending cuts, as we wind down our operations in Afghanistan; and it results in reduced interest payments on our debt.

The budget also provides a balanced approach by ending, as Senator LEVIN pointed out, the unfair tax breaks for the wealthiest and for big corporations. I certainly applaud Senator LEVIN and Senator WHITEHOUSE, and I was really glad to hear that Senator MCCAIN has joined them in addressing these unfair tax breaks.

The budget does all this, and yet it still invests in our economy in a way that allows it to grow. It provides much needed funding for our aging transportation infrastructure. It creates an infrastructure bank that is a bipartisan idea that allows us to get a greater bang for the taxpayer buck. There is no doubt that we have to do more to fix our debt and deficits, but we need to do it in a smart, responsible way. That is what this budget does.

I certainly hope we will be able to come together this week to replace the harmful cuts under sequestration with a comprehensive and responsible plan for addressing our debt and deficit. That is why I intend to vote for this budget—because it does exactly that.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, my colleague, Senator MURRAY, has questioned the $1.5 trillion in tax increases that we have contended in this legislation. I think it is there because there are two separate reserve funds that would allow taxes to be increased by $500 billion without legislation and would go through without a supermajority, to be passed on a simple vote.

But our colleagues say that is not there, so I would offer into the RECORD, Mr. President, a number of documents that support our view that it is $1.5 trillion. Others can agree, disagree about it, as it is presently written. I would offer that for the RECORD and our explanation and why we think that is accurate. I ask unanimous consent to have that material printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AN EXPLANATION OF THE $1.5 TRILLION TAX HIKE IN THE SENATE DEMOCRATS' FY2014 BUDGET

When the Budget Committee minority staff began analyzing Senate Democrats' FY 2014 budget last week, they discovered that the plan called for not $975 billion in tax increases—the amount that the majority claimed—but instead $1.5 trillion in tax hikes.

How is this possible? The answer lies in an arcane budget tool known as a ''deficit neutral reserve fund'' (DNRF). Because it is not possible to legislate on a budget resolution, DNRFs were created to facilitate the passage of subsequent legislation. They do this by removing future barriers in the form of budget points of order.

To understand how DNRFs work, consider an example: A Senator wants to introduce a piece of legislation to increase funding for border security. Even if that bill's spending is completely offset with new tax revenue, the legislation could still be subject to a budget point of order. (Importantly, if the new spending is offset with spending reductions elsewhere, the bill would not be subject to that point of order.) So if the Senator knows during consideration of a budget resolution that he will be introducing border security legislation at a later time, he can offer a DNRF to preclude the possibility of that point of order being raised when his bill is brought up.

Returning to the Senate Democrats' FY 2014 budget, the majority asserts that their plan ''includes budget reconciliation instructions . . . that [instruct] the Senate Finance Committee to report legislation that will reduce the deficit by $975 billion through changes to the tax code alone.'' The budget also calls for an extension of the certain refundable tax credits that were originally included in the 2009 stimulus law (the American Reinvestment and Recovery Act). After accounting for the extension of these tax credits, the summary tables included with the budget reflect a revenue level that is $923 billion higher than the Congressional Budget Office current law baseline.

In a separate place in their policy document, Chairman Murray proposes to ''[replace] sequestration using the following equal mix of responsible spending cuts and . . . $480 billion in new revenue . . .'' Finally, the majority also proposes a $100 billion ''jobs and infrastructure'' package that ''is fully paid for by eliminating loopholes and cutting wasteful spending in the tax code . . .'' [see Table 1]

It was initially assumed that this additional $580 billion was simply a detailed breakdown of a portion of the $975 billion in tax increases called for through reconciliation, but then Budget Committee analysts found two separate deficit neutral reserve funds (Sec. 301 and Sec. 308) that exactly match those respective amounts. Recall that the sole purpose of a DNRF is to pave the way for legislation that increases both taxes and spending. If the Murray budget intended for the $580 billion to be a subset of the $975 billion, they would have had no need to include these two DNRFs. In other words, it must be assumed that the $580 billion is in addition to the tax hikes called for in the reconciliation instructions.

In total, therefore, the Senate Democrat budget clearly calls for $1.503 trillion (the $923 billion from the tax increases through reconciliation adjusted for the extension of the refundable tax credits plus $580 billion) in tax increases. The budget's authors have protested this calculation, but if they wish to clear up the confusion, surely they would agree to amend their resolution to remove these two DNRFs and remove any possibility that the funds will be used for additional future tax increases.

Table 1—Proposed Tax Increases in the Democrats' Budget

Proposed tax increases	10-year total	Cite in budget document* and how implemented
''Includes $100 billion . . . paid for by eliminating loopholes''	$100 billion	Top of page 8 ''Infrastructure'' Reserve Fund (deficit neutral: higher taxes for higher spending).
''This budget replaces sequestration using . . . $480 billion in new revenue raised by closing loopholes''.	$480 billion	Middle of page 21 ''Replace Sequester'' Reserve Fund (deficit neutral: higher taxes for higher spending).
$975B reconciliation instruction to Finance Cmte, less the extension of stimulus refundable tax credits.	$923 billion	Middle of page 66 Reconciliation Instruction
TOTAL TAXES IN BUDGET	$1.503 trillion.	

* ''Restoring the Promise of American Opportunity'', Chairman Patty Murray, March 13, 2013.

APPENDIX A—DETAILED CITATIONS IN CHAIRMAN MURRAY'S BUDGET DOCUMENT, ''RESTORING THE PROMISE OF AMERICAN OPPORTUNITY

On page 66 is an explanation of the $975 billion reconciliation instruction:

The Senate Budget calls for deficit reduction of $975 billion to be achieved by eliminating loopholes and cutting unfair and inefficient spending in the tax code for the wealthiest Americans and biggest corporations. It recognizes that the Finance Committee, which has jurisdiction over tax legislation, could generate this additional revenue through a variety of different methods.

On page 55 is an explanation of the permanent extension of the 2009 refundable tax credits:

[T]he Senate Budget builds on the middle class tax relief that was legislated in the American Taxpayer Relief Act of 2012 (ATRA) and supports the permanent extension of the American Opportunity Tax Credit... as well as the temporary enhancements to the Earned Income Tax Credit and the Child Tax Credit, all of which are scheduled to expire after 2017.

On page 8 is an explanation of the new revenue used to pay for the new infrastructure spending:

Includes a $100 billion targeted jobs and infrastructure package that would start creating new jobs quickly, begin repairing the worst of our crumbling roads and bridges, and help train our workers to fill 21st century jobs. This jobs investment package is fully paid for by eliminating loopholes and cutting wasteful spending in the tax code that benefits the wealthiest Americans and biggest corporations.

On page 21 is an explanation of the new revenue used to pay for the sequester replacement:

This budget replaces sequestration using the following equal mix of responsible spending cuts and new revenue from the wealthiest Americans, which builds on the precedent set in the bipartisan year-end deal... $480 billion in new revenue raised by closing loopholes and ending wasteful deductions that benefit the wealthiest Americans and biggest corporations...

APPENDIX B—QUOTE FROM KEITH HENNESSEY (STANFORD UNIVERSITY), INCLUDED IN THE WASHINGTON POST ARTICLE ''MITCH MCCONNELL'S CLAIM THAT THE DEMOCRATS PLAN A $1.5 TRILLION TAX HIKE''

Keith Hennessey, another former GOP budget expert who now teaches at Stanford University... was especially suspicious of the fact that reserve funds do not have limits—as is sometimes the case in budget resolutions—and said it was perfectly acceptable to argue that the budget ''also allows for another $580 billion in tax increases to offset additional spending increases she [Murray] assumes and promotes aggressively.'' He added: ''If anything I'd argue that even the $1.5 trillion number understates the tax increases allowed by the Murray budget resolution. She's requiring $975 billion in tax increases to reduce future deficits, and allowing for unlimited amounts more to pay for new spending. I find that terrifying.''

Mr. SESSIONS. I would like to say this to my chairman: I am willing to concede the point if the chair would agree to amend the two reserve funds so that they cannot be used to advance tax increases, and I would cease making that argument and accept the fact that you have already almost $1 trillion in new taxes.

So I would ask through the chair, is the Senator willing to amend those two reserve fund languages so they cannot be used to add another $500 billion in new taxes?

Mrs. MURRAY. Mr. President, let me just respond again. As the Washington Post said in giving this concoction two Pinocchios, the reserve funds the Senator refers to lie within there in order to provide the $975 billion in revenues. So essentially what he is doing is double-counting. So I would just say to the Senator through the Chair that there is no need to have any kind of agreement here. That is what our budget does. It is clear. It is what every expert has said.

Mr. SESSIONS. Mr. President, I thank the chair, and I assume, then, that she refuses to clarify the ambiguity, the certain option to increase taxes by another $500 billion. That could be eliminated simply by making the suggestion I just announced. She is rejecting that. So I think it is legitimate to assume that the intent of this reserve fund is to raise taxes another $500 billion.

Secondly, with regard to the situation we have been discussing concerning the sequester, I know the Senator said just a few moments ago that the sequester is not deficit reduction. We can disagree about that, but that was her opinion, apparently. I think it is inaccurate.

But my question to the Senator is, does your budget as now presented on the floor eliminate the spending limits that are in current law under the Budget Control Act and specifically the sequester portion?

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, as I have stated many times out here on the floor—and our budget is very clear—we replace sequestration with a balanced mix of spending cuts and revenues, exactly as we have stated. There is no reason to misconstrue this. That is exactly what our budget does.

Mr. SESSIONS. Well, I wouldn't misconstrue it. So it does eliminate the sequester.

So then the next question would be, did you score the allowed increase in spending of $1.2 trillion in your budget as increased spending?

Mrs. MURRAY. Mr. President, this is a matter of semantics. We replace the sequestration, very clearly, because it is very damaging to our country.

Mr. SESSIONS. Well, your staff indicated that you could not double-count that money, and if you eliminated the $1.2 trillion in sequester limit and allowed $1.2 trillion more to be spent, you would not save $1.85 trillion but approximately $700 billion on that decision alone. Do you agree with your staff in their analysis?

Mrs. MURRAY. Mr. President, I assume we are taking this off the Republican time.

The PRESIDING OFFICER. The Senator is correct.

Mrs. MURRAY. Mr. President, let me be very clear: We have put out a budget that is credible. It is clear, and it is a good, solid approach. I know we are playing with numbers here in terms of baselines. There is no need to do that. We are doing what every single budget has done—Simpson-Bowles and everyone else—replacing the sequestration. We are clear that we have $975 billion in spending cuts, $975 billion in revenue. We, within the context of that, replace the sequester cuts. We take the $2.4 trillion that has already been done since Simpson-Bowles—since Simpson-Bowles and we add another $1.85 trillion in deficit reduction.

Mr. SESSIONS. One more question, then. Do you still stand by the promotional material that went with the budget—and in the budget document itself—that you have reduced the deficit over current law by $1.85 trillion or isn't it a fact that eliminating the sequester reduces that to approximately $700 billion in savings?

Mrs. MURRAY. Mr. President, over the baseline, which we are very clear in what we are using—we are not hiding the ball, as he is trying to do when he is mixing numbers here—we reduce the budget by an additional $1.85 trillion, absolutely.

Mr. SESSIONS. Mr. President, I would just say that the Associated Press disagrees. It is plainly inaccurate. Plainly, I asked that question, over current law, did they count the sequester increase in spending? And the staff admitted in our Budget Committee mark up that it did not—that increased spending—and therefore we reduce the deficit savings from $1.85 trillion to about $700 billion. There is another $700 billion in gimmicks, so there is no reduction in the deficit in this budget.

The AP reported:

> . . . because Democrats want to restore $1.2 trillion in automatic spending cuts . . .—cuts imposed by [the] failure to strike a . . . budget pact—Murray's blueprint increases spending slightly when compared with current policies.

The Hill says:

> The Murray budget does not contain net spending cuts with the sequester turned off.

So I will say this is a serious issue. We need to understand that the sequester is law. It is not just a policy, it is in law. It is taking effect right now. The deficit reduction proposed by this bill is not $1.8 trillion but, in fact, zero.

I thank the Chair and would now recognize Senator BARRASSO for 10 minutes, I believe, and Senator ALEXANDER for 10 minutes. I thank them for their patience.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. BARRASSO. Mr. President, within the last 20 minutes, I have heard on the floor comments about the sequester. A previous speaker on the Democratic side of the aisle said the sequester was hurting small business and said the sequester was causing economic uncertainty. Another Senator on the other side of the aisle made reference to the Washington Post.

Well, I would draw the attention of this body to the Washington Post of this morning, a front page story in the Washington Post of today, Thursday, March 21: ''Health-care uncertainty weighs down small firms''—not the sequester, uncertainty about the health care law. ''Requirements under 2010 law sow confusion, fear among businesses.'' That is the problem that is driving the fear and the anxiety and the lack of new business starts and the failure to expand business.

In this article, there is a small business owner of an air-conditioning firm in Richmond. He says:

> In speaking to them, I am convinced—

He is talking about other customers, he is talking about other businesses—

> I am convinced that the primary reason we aren't seeing a robust economic recovery is the uncertainty and costs associated with this health-care law.

''Looming health-care changes hold back small businesses.''

Another quote from the article:

> It's already hard out there right now. . . . This may be—

''This'': the health care law—

> the straw that breaks the camel's back.

Not the sequester, not made-up confusion by the Democrats, it is the health care law that is hurting our economy. Even the Federal Reserve, in their Beige Book, said so this past month.

So I rise today to speak on the fiscal year 2014 budget and the choice we face over whether we are going to grow the economy or just grow government bureaucracy.

When I travel home to Wyoming, as I did last weekend and will again this weekend, I hear from hard-working American taxpayers that they do not believe Washington is spending their tax dollars wisely. They think Washington has become far too inefficient, ineffective, and unaccountable. It is not just the people in Wyoming I am hearing it from. According to Gallup, Americans across the country estimate that the Federal Government wastes 51 cents of every dollar it spends. More than half of all taxpayer dollars are wasted is what the American people believe. So when people look at the Federal budget—and the debate that we are having today in the Senate—it is no wonder they are concerned. They want to know how this budget is going to affect them and their quality of life.

Looking at the Democratic budget, I think the American people have every reason to be skeptical and every reason to be concerned. This budget is just more of the same—more taxes, more spending, and more debt—and it never reaches balance, not this year, not 10 years from now, not ever.

This budget does far too little to heal our ailing economy and far too much to expand Washington bureaucracy. The budget the Democrats have put forward would increase taxes by $1 trillion. That is on top of the trillion dollars in tax increases in the President's health care law. It is also on top of the tax hikes the President demanded in the January deal to avoid the fiscal cliff. In contrast, the Republican plan from the House Budget Committee will not increase taxes at all.

The Democrats' budget will also rack up $7.3 trillion in new debt over the next decade. Since President Obama took office 4 years ago, he has added more than $6 trillion to our national debt. For 4 years, he has run budget deficits of over $1 trillion each and every one of those 4 years. Now Senate Democrats want to throw good money after bad and add another $7 trillion on top of that. The President has simply wasted too much of the American taxpayers' money. The American people have been stuck with an enormous bill as well as an anemic economy and economic growth that has been very slow.

The American people think more than half of all Washington spending is wasted, and the Democrats cannot find a single dollar that they think should be saved. Democrats actually want to increase Washington's spending by another $645 billion.

This budget would spend $46.4 trillion over the next 10 years. Apparently, President Obama thinks the only things which need to be cut from our budget are White House tours.

Well, Republicans and the American people know there is a lot more we could be cutting. Taxpayers are demanding Washington finally get serious about our budget and stop the political games and political gimmicks. It is time for Washington to do what families across the country have always needed to do, live within their means. Democrats still don't seem to get it. They continue to insist the rules don't apply to Washington, and they should not be held accountable for their spending choices.

Like their other failed policies of the past few years, the Democrats' plan is very much a statement of their priorities. It does nothing to stop the overregulation which is destroying jobs and strangling our economy. It protects failing government programs from reform. It does nothing to preserve and protect Medicare and Social Security for future generations. It spends more money so Washington Democrats don't need to make a single tough choice. They have made their priorities clear, but they are the wrong priorities for America.

Republicans have offered a plan which starts to rein in Washington's spending and getting it back in line with revenue. This is what we should be doing. With a debt of more than $16 trillion, it is why, and it is way beyond the time to balance the budget.

We need to finally start to ease the burden of that debt on future generations. We need to reduce our obligations to countries such as China. We need budget reforms which help to grow our economy and create jobs, or we can go in the opposite direction the Democratic way. The Democratic budget never balances. It never even comes close to balanced.

The smallest deficit it ever achieves would be more than $400 billion in 2016, and then the deficit begins to climb again. It continues Washington's unrestrained borrowing and spending and continues the damage 4 years of failed Democratic priorities have done to our economy. According to one independent analysis, the Democrats' budget would cost America 853,000 jobs. Total economic output would be $1.4 trillion less because of this budget. Private investment would be $82 billion less per year.

As bad as this budget is, at least we finally have a Democratic budget to debate. This is the first time in 4 years the Democrats have even bothered to offer a budget in the Senate.

President Obama has not even submitted a budget. Where is the President's budget? It was due on February 4. Now the White House says they will finally produce a budget maybe sometime in April. This is more than 2 months late.

What we have to work with is an unserious budget plan written by Senate Democrats. It is inadequate to the challenges we face as a country. It is out of touch with what the American people want, and it is a slap in the face to the hard-working taxpayers who will need to pay for it.

If President Obama truly believes we can take a balanced approach to our budget, he should publicly oppose this wildly unbalanced budget which harms America. We need a serious budget, one which grows the economy, not government bureaucracy.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. ALEXANDER. Mr. President, I wish to speak for a few minutes about 11 million low-income children in America, children which all of us would like to help. These are children that I wish would have a chance to get a little help getting to the starting line towards realizing the American dream. I am talking about the children we help through the Federal education program called title I of the elementary and secondary education act.

It is the largest of our Federal programs aiding elementary and secondary schools. It provides $14.5 billion a year to local school districts. The express purpose of it is to help low-income children in schools across our country.

The problem is that the money is not going to help those children as it was intended. It is being diverted for other purposes.

As part of our discussion today and tomorrow on the budget, I will be offering an amendment on behalf of myself, Senator PAUL, Senator RUBIO, Senator TOOMEY, and Senator MCCONNELL, which will redirect the 14.5 billion Federal dollars we spend on behalf of 11 million children living in poverty.

This is the way we would do it: We would simply pin $1,300 in funds to each of those children, and let this money follow the child to the school they attend, any accredited school, public or private.

In a contentious Washington world this is a problem which seems to have a broad amount of agreement from the left and the right. As I said, this $14.5 billion, which is appropriated expressly to help these 11 million children, isn't getting to them. It is ending up in other places. It is distributed by a complicated Federal formula which is generally based on the percentage or number of low-income children in a particular school district and the average per-pupil expenditure in the State.

What happens is the money largely follows the teachers' salaries. The children in wealthier districts are usually taught by teachers who earn higher salaries. The children in poor districts are usually taught by the teachers who earn lower salaries. A lot of the title I money ends up in the schools with more of the wealthier children instead of the schools with the poorer children.

Marguerite Roza, in a report by the Center for American Progress—which I think can be fairly described as a progressive think tank, explained:

The difference in actual school expenditures are often substantial because teachers' salaries are based on their experience and credits or degrees earned, and because high-poverty schools have many more less experienced, lower paid teachers and much more turnover than low-poverty schools.

She offers Baltimore as an example:

> When teachers at one school in a high-poverty neighborhood were paid an average of $37,618, at another school in the same district the average teacher's salary was $57,000.

Assuming the same average number of teachers per school, say 20, the difference in dollars for the two schools is $387,640. That is a lot of money per school.

Under the Federal formula, this is considered ''comparable'' or fair, which means the poor school is essentially stuck with newer, less expert teachers. This is a system designed for the bureaucracy and the adults, not the students.

A different report by the Fordham Foundation, which I would call a center-right foundation, came to a similar conclusion. It summed up its findings by saying:

> All of these problems have a common root: today, money does not follow children to the schools they attend according to their needs. Instead, money flows on the basis of factors which have little to do with the needs of students, the resources required to educate them successfully, or the educational preferences of their parents.

We have scholars from the Center for American Progress and Fordham Foundation coming to the same conclusion, largely because the title I money is distributed based on teachers' salaries and because very often the wealthier school districts pay teachers more. We have significantly more title I money in a school with wealthier children than with poor children, even though the purpose of the $14.5 billion is to help those low-income children move from the back of the line to the front of the line.

This is a lot of money. This is $1,300 per child. If you have a school full of children who bring $1,300 with them pinned on their jackets, they have a lot of money to help those children. I think most of us believe that if we are trying to help children get to the starting line, children who might not have had as much help as other children, might not have had a book read to them by their parents, might not have eaten lunch that day, and who have other challenges associated with living in poverty, then we want to make sure we are spending every single dollar designated toward them for them.

Why isn't the right solution simply to say let's take these $1,300 per student and let it follow the student to the school they attend? This means almost all the money would go to public schools. We have 100,000 public schools in the country, but children are usually assigned to public schools. Sometimes they may choose a public school. This is a matter of State law. This wouldn't interfere with that at all. If the parent chooses instead for their child to go to a nonprofit or attend a private school, as long as that school is accredited, the $1,300 would follow the child to that school.

Some may say that sounds a little different than the way we do it now. It is a little different, but the main difference is the money follows the child. It is not different that we spend public money in private schools. We already do that with title I money by providing services to children who go to private schools under a formula in the Federal law. We have long experience, dating back to World War II, with public money following college students to community colleges, to universities, and even after World War II to high schools. The GI bill followed the veteran to the school they wanted to go to, whether it was the University of Tennessee, Notre Dame, Yeshiva, or any other school, as long as it was an accredited school.

Of course, in our system of education I think we would all agree that we have had the greatest success with higher education, for a variety of reasons. I believe one of the reasons for this success is we have provided generous amounts of Federal dollars that follow the student to the accredited college of their choice, public or private. We call those Pell grants. We call those federal loans. More than half of the college students in the country today go there with some government money that follows them to the academic institution of their choice.

By allowing title I money to do this, we could say the $1,300 scholarship is almost a Pell grant for kids. We could say we will attach it right to the child. It follows the child to the school. It is the most logical way to do that.

Some of my colleagues would like to fix this comparability problem by imposing a whole series of mandates on State and local school districts even though the Federal Government only supplies about 10 percent of all the money spent on local elementary and secondary schools. This would produce a minor revolution in the country, and it would be a gross overextension of Federal power to say that just because we provide 10 percent of the money, and we don't give it effectively, we are going to make it our job to tell Tennessee, Georgia, New Mexico, or any other State how to spend it.

The simple and logical way to solve the comparability problem that the left and the right agree on is to let the $14.5 billion follow each of the 11 million children living in poverty to the school they attend. Then we could make sure that taxpayer dollars are being used in the most effective way to help these children have the single best opportunity they may have to get a leg up on reaching the American dream, which is through a good education in the best possible school.

I look forward to introducing an amendment to do this. As the ranking member of the Health, Education, Labor and Pensions Committee, I look forward to working with Senator PAUL, Senator RUBIO, Senator TOOMEY, Senator MCCONNELL, and, hopefully, a number of my Democratic colleagues to solve the misallocation of title I money.

Let's do the simple and logical thing: Let the funds follow low-income children to the school they attend.

I yield the floor.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. LEE. Mr. President, I rise today to raise my voice in this important dialogue about the budget currently pending before this body.

I am thrilled as, first, we are actually having this debate. It has been 4 long years since we passed a budget. I am deeply disappointed the President's budget is not part of this discussion. He missed his first Monday in February requirement, and it must not fit into his schedule to produce one until the second week of April.

Budgets are economic documents, but they are also much more than that. Budgets reflect moral choices we make as a nation. They shape the kind of society we will build for the future. Budgets are about setting priorities.

Republicans realize we have a moral obligation to spend the American people's hard-earned dollars wisely. When those tax dollars are paid into the government, we have an obligation to be careful with them. We should spend them only in areas that we need to cover a constitutionally authorized function of government and not $1 more. That is why we support reforms to fix programs that Washington should be funding, to eliminate programs that it shouldn't be funding and to balance the budget in the process.

We all know the Federal Government wastes hundreds of billions of dollars each year, and the President should work with Congress to identify and remove wasteful areas within the budget. My office has been focused on a very simple message that seems to make sense to every American: Cut this, not that.

The Federal Government wastes hundreds of billions of dollars every year, and instead of targeting waste, it is unfortunate the President is using fearmongering tactics to scare Americans into believing cuts have to come first from important priorities—priorities such as first responders, law enforcement, national security, and educators.

The President and his allies in Congress want to increase spending and raise taxes. Republicans, meanwhile, want to prioritize spending and keep taxes low. The President is intentionally making cuts to government spending as painful as possible to force more tax increases. Cut this, not that.

This is a debate about priorities. Republicans have identified trillions of dollars in savings that would come from eliminating waste and reforming programs rather than cutting important essential services. The President is choosing to cut the most visible items in order to build opposition to any further spending reductions.

The debate should not be about whether we should cut, but, instead, how we should cut in order to preserve our ability to afford our true national priorities.

Here are some examples of the massive waste: $1 million spent taste testing food that would be served on Mars; $4.5 billion in improper food stamp payments used to purchase junk food, fast food, gourmet coffee, guns, and even alcohol; $1.5 billion for free and subsidized cell phones billed to the American taxpayer; $230 million spent on first-class and business-class travel.

I say to my colleagues and to the President of the United States, cut food testing on Mars, not teachers; cut free cell phones, not border security; cut premium first-class travel, not air traffic controllers; cut improper food stamp payments, not first responders.

The President's second inaugural address was an advertisement for the biggest, most expensive government our country has ever seen. It was a pitch for new government solutions, more government programs, and the promises of a government-made utopia. Of course, no mention was made about the future cost of the President's vision for the country, no mention was made about how we would pay for it, and no mention was made of the damage that will occur from our increasing debt and deficits.

Americans and Members of this body hear this message and get pulled into a debate over the proper size of government or whether a certain policy represents good government or bad government. We argue for a smaller or more limited government or for one that is more efficient or more affordable. Unfortunately, this is often where we fail to articulate a positive vision of what America looks like under the type of government we are striving to create. It is time to reframe this debate. It is time for us to focus on the kinds of principles that will lead us to the kind of country and the kind of society we want for our future and for ourselves.

Here is the principle I ask Americans and my colleagues in the Senate to consider: The opposite of bad government is not necessarily good government—at least not just good government. It isn't even necessarily limited government. The opposite of bad government is a strong civil society. A free and strong civil society is built on the innate desire of Americans to contribute freely to the betterment of the community. It is not the product of bureaucratic, centralized decisionmakers handing down rules and regulations for the rest of us to follow. A civil society is the result of the relationships that connect, bind, and strengthen us. It is derived from the condition in each of us to do our part to help those around us.

Civil society is where free individuals thrive and communities flourish. The interconnection of local communities has always been at the heart of our Nation. I am convinced our future success will be found in a return to that connectedness that has driven the American dream from the very beginning of our Nation.

We see the bonds of civil society when a parent instills values in a child, when a doctor heals a patient, when a teacher stays late to help a student learn to read, when a neighbor stops to help a neighbor, when a pastor inspires faith in a troubled soul. These are the keys to restoring our faith in the institutions of civil society and away from dependence on an administrative state full of so-called experts. ''We, the people'' does not mean a collective adherence to the agenda of the ruling class in Washington. It instead means that as Americans we share certain basic values and principles that when viewed as a whole help form and secure a more perfect union.

Americans' belief in civil society is grounded in bedrock principles of freedom, self-reliance, and self-governance. It is manifested in the form of historic American institutions, including the family, schools, churches, private groups, and civic organizations. These institutions of civil society teach the morals, values, and behaviors that instill faith, confidence, and trust between individuals, communities, and even government. The Constitution of this great Nation provides the framework that ennobles the vision of the individual while, at the same time, enabling the value of the institutions to create an environment where people are secure and prosperous and free.

It is important to remember that government cannot create a civil society, but it can kill it. Over the past 80 years, the Federal Government has expanded well beyond its constitutional limits. History demonstrates that as the power of the Federal Government increases, the ability to self-govern diminishes to a corresponding degree. As self-governance decreases, so too does the influence of the institutions of civil society. Soon, the ability to instill faith, competence, and trust among individuals and communities is replaced by the false promises of big government.

America is extraordinary, not because of who we are but because of what we do. Despite the current crushing weight of our bloated Federal bureaucracy, we can still see the strength of our Nation's fabric through the intertwining actions of the genuine heroes all around us. They are often described as the daily deeds that everyday citizens perform every day, but they are powerful reminders of the strength of the American spirit and the values we share.

We have a moral obligation to future generations to make the peoples' priorities our priorities. The budget debate isn't just about dollars, it is about sense. It is about common sense. Rather than having a budget battle between Democratic and Republican priorities, we should be having a dialog about American priorities.

Republicans recognize that keeping dollars, decisions, priorities and, at the end of the day, power in the hands of the people is what has long made America the greatest civilization the world has ever known. Now is the time to return to that model. I encourage my colleagues to keep that very model in mind as we embark on this critical debate. Working together we can, we must, and we will restore the greatness and prosperity of our Nation.

I yield the floor.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. ISAKSON. Mr. President, I appreciate the recognition, and I ask unanimous consent—I was going to ask that Senator SHAHEEN be allowed to follow me. She is on the floor now and so she will.

I am pleased to stand and talk about amendment No. 138, sponsored by Senator SHAHEEN of New Hampshire and myself. It is a solution to a problem we have in this country and we have in this body. The problem is we have not been able to appropriate; we have not been able to budget. Our debts and deficits have grown, and it has turned into a situation where we do not function as well as we should over the most important responsibility of government; that is, spending money.

For one second I wish to talk about my side. Then I will defer to a lady who has been there and done that, because the State of New Hampshire is a biennial budgeting State.

We have a process problem. We budget every year, we spend money every year, but we never do oversight, we never look for cost-benefit savings, and we never look at analysis. This biennial budgeting amendment does the following things:

No. 1, it amends the Budget Act to require the Congress to do a 2-year budget, not a 1-year budget; No. 2, and followed by that, it requires them to do 2-year appropriations bills, not 1-year appropriations.

The appropriations bills and the budget are passed in the first year of a Congress, which means the odd-number year. In the even-number year, it is dedicated to oversight, efficiency, and cost-benefit analysis, something we do far too little of in this body and far too little of in this country.

Wouldn't it be nice to have elections every even-numbered year where Members of Congress were running for office based on the savings they are going to find, the efficiency they will create, and the accountability they will have in appropriations, rather than talking about how much more bacon they are going to bring home or how much more money they will spend.

This legislation creates a new majority point of order against any amendment that is not confined and coordinated with the 2-year budget process and the 2-year appropriations process.

I have been in Washington 15 years, and we have gotten into the business of when we do appropriations bills, they are omnibus; and when we do budgets, which we haven't done in 3 years, they end up being more of an argument over political philosophy than a practical roadmap for the American people.

The biennial budgeting process, which has been adopted by 20 of the 50 States in this country, is a process that will work and will force us to do what we know our job is—to appropriate, to budget, and then to conduct oversight to make sure the money we are spending is efficient.

One side note before I yield to Senator SHAHEEN. The State of Israel, 3 years ago—4 years ago—was having difficulty with deficits and debt. They went to the World Bank for advice and consultation and they recommended—the World Bank did—that they adopt a biennial budget process and a biennial appropriations process. In the 3 years since that time, while operating under those principles, they have gone from deficits to surpluses, and they have gone from debt to a lower debt. In other words, it has worked in Israel, it worked in a democracy, it works in 20 of our 50 States, and it can work in the United States of America.

Every President since Ronald Reagan has endorsed the biennial budget. Members of the Cabinet of the President who were nominated and have been confirmed have endorsed a biennial budget. Pete Domenici started this process 15 years ago, and we want to bring it to a conclusion this year. So I urge my colleagues to support and adopt amendment No. 138, creating a biennial budget process and accountability for our appropriations.

I yield the floor now to the Senator from New Hampshire, who has been there and done this in her State, and she is a great partner with me in this bipartisan amendment for success in this Congress.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mrs. SHAHEEN. I wish to thank my colleague from Georgia Senator ISAKSON for his eloquent and thoughtful remarks in support of the biennial budgeting amendment. I am proud to join him as a cosponsor of this amendment and a cosponsor of the legislation we introduced last week, in fact.

I am pleased to point out on the floor with us is Senator ANGUS KING, my neighbor from Maine, who is also a sponsor of biennial budget legislation.

I appreciate we have the budget resolution before us. I think it is an important step toward returning to regular order. But the fact is, as my colleague just pointed out, since 1980, we have only had two budget processes that have finished on time, according to schedule. We have had every President since that time, since Ronald Reagan, endorse a biennial budget. As my colleague said, I have been there and done that. As Governor of New Hampshire, as the Governors of 19 other States, we have biennial budgets. It has worked very well—because as this amendment would do, and as the biennial budget process would do, it would give us the chance to spend the first year of the budget cycle working on the budget, looking at programs and preparing for the budget and then the second year in oversight, so we can make sure what we are spending our money on is effective and is doing what we want it to do. It would give us a more transparent process and would, hopefully, allow us to address what has been one of the real challenges we have faced in Congress; that is, getting a budget through on time, according to the process.

As my colleague from Georgia pointed out, as we think about addressing the debt and deficits facing the country, as we think about investments we need to make going forward, thinking about how we can use the process in a way that is more effective, that works better, is something we also ought to be including. We have had a lot of momentum that is built around the biennial budget legislation. In the last Congress, we had 37 bipartisan cosponsors. We had the support of then-budget chair Kent Conrad and ranking member JEFF SESSIONS. So we have some momentum. I think we clearly have an opportunity. I hope we will take advantage of it and that our colleagues will support this effort.

I thank my colleague for his leadership.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. ISAKSON. Mr. President, I just to want to thank the distinguished Senator from New Hampshire for what she has done in supporting this, and I thank my other colleagues who are supporting it. This is an idea whose time has come. I urge every Member of the Senate tonight to vote for this amendment so we can begin a new process and a new day in this Congress.

I yield back.

The PRESIDING OFFICER (Mr. KING). The Senator from Washington.

Mrs. MURRAY. Mr. President, I yield 5 minutes off the resolution to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. UDALL of New Mexico. I thank the chairman, and I rise to speak briefly in support of the Senate budget resolution and four amendments that I will be offering. I believe these amendments will improve the underlying budget resolution and they deserve broad support.

First, Udall amendment No. 192 addresses the need to increase access to care for rural veterans.

Many of these veterans, including those in New Mexico, travel long distances between their homes and Veterans' Administration medical centers. Many other States have rural veterans who face the same challenges. I am glad to be joined by Senator MORAN from Kansas as a cosponsor of this bipartisan amendment. Expanding access to health care in rural areas helps our veterans get the care they need.

The second Udall amendment, No. 311, would ensure that the 113th Congress can strengthen and reform the National Nuclear Security Administration. During the past decade NNSA has shown repeated failures in managing and planning projects. The result is costly overruns, deferrals, and, in some cases, security lapses. These failures are not only a threat to our national security, they pose threats to the safety of the scientists, engineers, and other workers employed at the National Labs.

I cosponsored an amendment to the 2013 Defense Authorization Act with Senator Kyl to form an advisory panel and to take a look at this to make bipartisan recommendations to improve the governance and structure of the NNSA. It is vital that necessary reforms would be completed.

The third Udall amendment, to lay the foundation, is for future hard rock mining reform in the 113th Congress. I have just filed this amendment so it does not yet have a number. We should correct a longstanding fiscal loophole and establish a royalty on hard rock minerals mined on Federal lands. Since 1872, the Federal Government has literally been giving away our gold, silver, uranium, and other hard rock minerals, handing over these public resources for free. A royalty is long overdue. It could be used for the reclamation of thousands of abandoned hard rock mines across the country, as well as for budget deficit reduction.

Oil and gas and coal all pay Federal royalties when extracted from Federal land. All other developed nations apply royalties to hard rock minerals. This amendment does not prejudge what type of royalty Congress might agree on. The mining industry supports one type of royalty. We have worked with Chairman WYDEN, Ranking Member MURKOWSKI, and Majority Leader REID on the text of this amendment, and I hope it is acceptable to a broad range of the Senate.

Lastly, I have also filed an amendment to allow for full funding of the Impact Aid Program. This program is one of the oldest Federal elementary and secondary education programs, going back 63 years. Impact Aid supports school districts that lose local revenues, such as property taxes, when educating pupils who live on Federal lands, such as military bases and Indian reservations. Impact Aid funding has been flat for many years, but the costs of education have gone up significantly, shortchanging many Indian communities.

I am pleased to be joined on this amendment by Senator BAUCUS of Montana who faces many of the same issues as we do in New Mexico and throughout the West. Finally, let me thank Chairman MURRAY for the work on this budget. She has shown real courage and leadership on this budget and pulled together a very diverse committee.

I think this is a budget bill that is good for the middle class, and it is going to be a fair and sensible budget. The budget is critically important to my State of New Mexico. It replaces the devastating sequester cuts with a balanced approach that will save thousands of jobs in my State. At home in New Mexico, sequestration is not just another political issue, it is a bread-and-butter issue for our family budgets: smaller paychecks, lost contracts, real economic harm.

Not only does the Senate budget resolution put a stop to the sequester, it also helps rebuild our economy with $100 billion for jobs and infrastructure investment. It will help spur job creation and rebuild the outdated infrastructure on which American businesses depend.

I urge my colleagues to support my amendments and support this budget.

Mr. President, I yield the floor to Ranking Member MURKOWSKI from Alaska.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. REID. Mr. President, would my friend yield for a unanimous consent request?

Ms. MURKOWSKI. Absolutely.

Mr. REID. I do appreciate the courtesy. Members are waiting all over the Capitol and maybe a few other places.

The PRESIDING OFFICER. The majority leader.

Mr. REID. Mr. President, I ask unanimous consent that the pending motion be set aside and the following amendments to S. Con. Res. 8 be called up:

Murray No. 433, Hatch No. 297, Stabenow No. 432, Grassley No. 156, Mikulski No. 431, Ayotte No. 158, Cruz No. 202, Murray No. 439, Crapo No. 222, and Shaheen No. 438; that the time until 8:10 p.m. be equally divided between the two managers, or their designees, prior to votes in relation to the Sessions motion and the first four amendments listed; that all after the first vote this evening be 10-minute votes; that there be 2 minutes equally divided in the usual form prior to each vote; that no amendments be in order to the motion or any of the amendments prior to the votes in relation to these items; that following votes this evening, the remainder of today's session be for debate only on the concurrent resolution; further, that when the Senate convenes at 9 a.m. on Friday, March 22, the Senate resume consideration of S. Con. Res. 8 with the time until 11 a.m. equally divided between the two managers or their designees; that at 11 a.m., the Senate proceed to vote in relation to the remaining amendments listed above; that there be 2 minutes equally divided prior to each vote and all after the first vote in this sequence be 10-minute votes; that upon disposition of the last amendment listed, there be 2 hours equally divided between the two managers or their designees remaining on the concurrent resolution; finally, the next amendment in order be an amendment from the majority side to be followed by a Republican alternative to Shaheen No. 438.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. REID. Mr. President, I have been in consultation with Senator MCCONNELL today. We believe this is an appropriate way to go forward. I appreciate very much the work of the two managers on this legislation. This is noteworthy legislation. Debate at this point has been courteous and strong. There are feelings on both sides, and that is what this body is supposed to be.

So I am grateful to the two managers of this bill, and I again appreciate my friend from Alaska yielding.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I ask unanimous consent to take 3 minutes off of our side of the 30 minutes to allow the Senator from Alaska to proceed, and then we will continue on the debate.

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

The Senator from Alaska.

Ms. MURKOWSKI. Mr. President, I came to the floor, as Senator ISAKSON from Georgia and Senator SHAHEEN from New Hampshire were speaking about the biennial budget amendment and the effort they have undertaken. I just want to acknowledge their leadership on this issue. I think it is smart, I think it is wise, and I think it is something that we as a Senate should surely consider. I wanted to just make that brief comment.

As the ranking member of the Energy and Natural Resources Committee, I know bipartisan progress on energy is possible in this Congress. While it may take our committee some time to develop, consider, and complete legislation within this area, we have a great opportunity to take the first step forward today through the adoption of a number of energy-related amendments that I have offered. I filed three amendments that would help us seize on the historic opportunities within our reach. I hope the Senate would agree to adjust the resolution before us to reflect their beneficial impact.

The first amendment that I have introduced is cosponsored by the Senator from Missouri, Mr. BLUNT. It would raise an estimated $3.1 billion—not through taxes but by facilitating new energy production on Federal lands and waters that are currently not open to development.

It is worth noting that the $3.1 billion estimate is probably far too low. Almost certainly that number does not account for the substantial receipts that would result from a good plan to boost Federal production offshore and onshore in Alaska and across the continental United States. But for this amendment, we relied on the Congressional Budget Office estimates for receipts that we already know we can raise. If we were to take action today, we will also generate far greater receipts in the years ahead. CBO doesn't assume that production will begin within its 10-year window, but it has acknowledged that Federal receipts will grow tremendously by several billion dollars a year once it does.

Some Members might question why this amendment is even necessary at all. They know that oil and natural gas production is rising in this country. After watching a few campaign ads, listening to a few speeches, they might think that everything is fine right now. But that is hardly the case. While overall production has in fact risen, the entirety of that increase has been from State and private lands. Production on our Federal lands and waters—the only area that the Federal Government is responsible for managing—has actually fallen.

According to the Congressional Research Service, oil production on Federal lands is down 6 percent since 2009 while natural gas production is down 21 percent. Just as worrisome, the pace of permitting—which is a key indicator for future production—has also slowed.

The Senator from Missouri and I believe it is time to produce more of our prolific resources beneath our Federal lands and waters. We need the jobs, we need to reduce our deficits, we need to keep energy prices down, and we need to break our dependence on foreign oil. New production will help us accomplish all of those crucial goals, and there is no real downside.

My second amendment is focused on increasing oil production on Federal lands in Alaska. Right now, no production is occurring on those lands. That is the case even though we have more than 200 million acres of Federal land and close to 40 billion barrels of conventional oil just waiting to be produced. The cause, of course, is the Federal Government continues to deny, delay, and generally up-end anyone who tries to bring energy to the market. The consequences are now apparent for all to see.

In 1988, Alaska produced more than 2 million barrels of oil per day. Last year, they had fallen all the way down to 526,000 barrels per day, and it is forecasted to drop even further in the years ahead. In Alaska, we are treating this as an emergency, and the Senate should as well. If our production continues to decline, the Trans-Alaska Pipeline system could be shut down. Our Nation could lose a substantial share of its oil supply. Jobs will be lost, energy prices will rise, our dependence on foreign oil will deepen, sapping our economy and progress that we have made.

These consequences and others that would manifest must be avoided—can be avoided—and it is within our power to do that. Alaska doesn't need subsidies or loans or grants or tax credits. What we need is permission to produce. We need the Federal Government to work with us, not against us. We need access to our National Petroleum Reserve. We need access to that tiny dot of land in the nonwilderness portion of the Coastal Plains. We also need to be able to explore new areas where resources have not yet been discovered.

My amendment is simple. It would modify the budget resolution to account for substantial receipts—about $2.5 billion—from increased oil in Alaska. As with the amendment that Senator BLUNT and I have cosponsored, this estimate is probably too low. We anticipate that receipts would grow tremendously once production begins. We always talk about the need for an ''all of the above'' policy. That would allow for it.

I have one final amendment that I would speak to briefly, and this is one that would facilitate the creation of an advanced energy trust fund. This was part of my energy 2020 blueprint that I released earlier this year. It is specifically designed to help create an energy policy that pays for itself. It would open new lands that are not currently available for development and devote a share of the receipts to energy research.

This concept has gotten pretty broad support, notably from the think tanks, and even more notably from the President himself. But I would be remiss if I didn't point out why my plan works and why the President's does not. While I would raise new receipts from new production, the President would divert revenues from production that is already scheduled to occur.

The result of his plan would be either deficit spending or, most likely, tax hikes elsewhere in the budget. Neither of those would be acceptable to us, particularly when we know there is a better path forward.

My amendments offer us an opportunity to create jobs, to make energy more affordable, to reduce our debt, to break our dependence on foreign oil. That is in the best interests of a coherent energy policy that so many of us are working to develop and certainly in the best interests of our Nation's budget. I encourage my colleagues to take a look at these amendments and, should they be brought before us for a vote, to join me in support of them.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GRASSLEY. I think I can yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, I rise to speak about amendment No. 156. I am offering this amendment to the majority budget to ensure that tax reform is revenue neutral and the money available to do tax reform is not used for spending, as the underlying resolution proposes. I am pleased to be joined in offering this amendment by a number of my colleagues: Senator ENZI, Leader MCCONNELL, Senator CORNYN, the finance ranking member Senator HATCH, as well as Senators BURR, ROBERTS, PORTMAN, ISAKSON, THUNE, COATS, and RUBIO.

In order to ensure tax reform does not become a tax-raising exercise, this amendment eliminates the nearly $1 trillion in new revenue and the reconciliation instructions called for in the majority's budget. It further creates a deficit-neutral reserve fund for progrowth, revenue-neutral tax reform.

The budget reconciles the Finance Committee to come up with nearly $1 trillion in revenue. I spoke last night how difficult that is to do unless you want to tax middle-income Americans. This reconciliation instruction, in addition to raising a lot of money to spend more, dashes the hopes that the Finance Committee can take a bipartisan approach to tax reform. First, it puts in place an arbitrary deadline that requires the Finance Committee to produce a bill by October 1 of this year. Tax reform will be a long and difficult process. Hopefully it will not take 3 years to produce it, as it did in 1986, the last major tax reform we had, but discussions about tax reform should not be cut short to meet an arbitrary deadline. The Finance Committee needs to be allowed to do its work.

Second, reconciliation is not a suitable way to produce tax reform that simplifies the Tax Code. This is because it prohibits any changes to the Tax Code that score as adding anything to the deficit. This requirement is incompatible with the goal of simplifying the Code, making it easier to administer. Chairman BAUCUS has voiced similar concerns, which is why he has concerns about including a reconciliation instruction in the budget.

While the budget does not call explicitly for tax reform to be a part of the reconciliation process, it has that effect by requiring the Finance Committee to come up with nearly $1 trillion in ''savings . . . by eliminating loopholes and cutting unfair and inefficient spending in the Tax Code.''

If such large amounts of low-hanging fruit exist in the Tax Code, you would have thought that either Chairman BAUCUS or I, during the period of time I was finance chairman, would have gone after some of these along with the billions of dollars of loopholes that we have worked to close already. The truth is that the majority's definition of a loophole is so broad as to be void of any real meaning, and their idea of spending in the Tax Code is popular deductions widely used by middle-class Americans such as tax deductions, mortgage interest, charitable giving, State tax deductions, and in order to raise the revenue they want to, you have to go to those areas. When you do that, you end up taxing middle-class America.

Also, referring to these tax increases as savings or as eliminating loopholes or spending in the Tax Code does not change the fact that to raise nearly $1 trillion, the middle class will see higher tax bills. The budget of course does not only assume nearly a $1 trillion in tax increases, additional reserve funds in the budget assume another $500 billion in tax hikes to pay for more spending.

The underlying premise in this budget is that the Federal taxes are too low to support much-needed Federal spending. The budget resolution has this completely backwards because until we get spending under control, we will never be able to raise enough revenue that will suffice to satisfy the spending appetite that some in Congress have.

Yesterday I had charts—I have a different one today—that lists the last five times we had a balanced budget. The last five times were the years 1969 and 1998 through the year 2001—5 years in the last 43 years. As you can see, in each of these years, spending as a percent of GDP was significantly lower than 20 percent—significantly lower than 20 percent. This line represents the spending level of these years, right here, the years when we balanced the budget. Over the next 10 years as projected by the Congressional Budget Office, under current law spending will average 22.1 percent of gross national product as CBO estimates it under current law. Actually the budget resolution would be higher than that 22 percent.

Lower on the chart I have another dotted line which represents projected revenue, right here, about 18.9 percent. That is over the next 10 years. As this chart shows, these revenues are more than enough to bring our budget into balance simply if we return to the spending levels of the late 1990s and 2000.

The larger gap where spending was and where spending is projected to be is where our problem is. In between here and here is where the problem is. Congress has exhibited an appetite in the last few years to go hog wild on spending compared to the average of the last 50 years of about 20 percent.

We all know there is clutter in the Tax Code. There has been a proliferation of tax preferences that should be reexamined. However, they should be reexamined in the context of enacting progrowth tax reform, not as a means to finance higher government spending. The goal of tax reform is to simplify the Tax Code and make it more efficient. The ultimate goal is economic growth, but true tax reform should be revenue neutral. It should not act as a way to increase taxes. Revenue raised by eliminating tax preferences should be used to lower marginal tax rates because that is where you get economic growth, you encourage entrepreneurship, and that is how you create jobs.

The assumption in the budget that business and corporate loopholes are available for revenue reduction is particularly puzzling. We currently have the highest tax rate among our major trading partners. The President has even recognized the competitive disadvantage this puts us in. That is why he has called for reducing the corporate tax rate from 35 percent down to 28 percent. That is the President of the United States who wants to do that.

At a recent hearing before the Budget Committee on tax expenditures, the Democrats' only witness, Professor Edward Kleinbard, similarly recognized the need to use revenue from eliminating business tax preferences to lower rates. It was his view that the corporate rate should be reduced to the mid-20s by eliminating corporate tax expenditures.

I want to stress this was the opinion of the majority's witness. Raising revenues by closing so-called loopholes or reducing tax expenditures is a tax increase. Unless it is used to offset true tax reform, it is a tax increase that will support more spending, and that is the purpose of it, according to the budget resolution.

Tax reform, then, should be revenue neutral and my amendment would ensure that any reduction in tax preferences is used to lower tax rates. In other words, tax reform and not finance more spending.

I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. I yield 15 minutes off my time to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, first I thank Senator MURRAY and the Budget Committee for producing a budget that says loudly and clearly that our No. 1 priority is to fight for a stronger middle class, even as we dramatically reduce budgets and stabilize the debt by the end of the decade. I also applaud Senator MURRAY and the committee for producing a budget resolution that insists on a balanced approach to deficit reduction: both spending cuts and revenue increases—both.

I also applaud my colleague Senator LEVIN for his leadership on using his investigating subcommittee, his Permanent Committee on Investigations, to bring to light over the last few years the number of loopholes and the egregious tax spending that we are doing through loopholes that allows corporations and others to get by without paying their fair share of taxes.

Senator CARL LEVIN has long fought to bring fairness to the Tax Code. His investigations have shown that one of the major things we have to do is to close up some of those egregious loopholes.

My colleague from Iowa was just talking. He pointed out the years we balanced the budget. I note those are the years when we had a Democratic President, President Clinton. We were working off the 1993 deal that was made to both reduce spending and increase revenues. We had growth in the economy. We had low unemployment. We balanced the budget for 5 years in a row.

During that time our revenues averaged about 20 percent of our gross domestic product. Now it is down to less than 18 percent. We also know that demographics, including the tens of millions of baby boomers becoming eligible for Social Security and Medicare, will place vast new demands on our budget. At the same time, we need to make investments in infrastructure, research, and education to prepare our young people and our economy for the competitive global economy that is coming. I remind my colleagues that when President George W. Bush's tax cut was passed in 2001, it was defended on the grounds that it was only going to take a small part of the projected surpluses that we were going to have for the next 10 years. That was what was said.

As we now know, those surpluses didn't materialize. We had the tax cuts, we had two unpaid-for wars that completely wiped out the expected surpluses, and yet we kept those big tax cuts going and that created big deficits. Then the onslaught of the great recession in 2008 pushed our deficits even higher.

To date, only one-eighth of the revenues lost by the Bush tax cuts have been restored. Yet many of the Republicans keep repeating their mantra that we only have a spending problem, not a revenue problem. This is demonstrably not the case.

If we go back in time, when I was here, President Reagan pushed through some tax cuts. To his credit, he realized he went too far. He reversed course and supported two income tax increases. In looking back just 12 years ago, President George W. Bush's tax cuts also went too far, again, contributing to the largest deficit in our history.

One would think we would want to reverse course, but Republicans have dogmatically refused to reverse course on increasing revenues. They are sticking to their ideological mantra. They say: Don't touch tax breaks for the wealthy and the largest corporations. Instead, cut the programs that undergird the middle class and meet the needs of the most vulnerable citizens. They demand that we slash funding for infrastructure, innovation, and education and keep tax cuts for the wealthiest Americans.

There are abundant opportunities for cutting waste, cutting spending, but it needs to happen on both sides. Yes, we need spending cuts. We need to cut spending by closing tax provisions in the Tax Code that hurt our economy. That is where we need to cut some spending—tax spending that goes to the wealthiest and goes to large corporations.

I will cite a few examples. Consider the so-called deferral provision governing taxation of profits earned by companies overseas. Follow this: A U.S. company can deduct the cost of starting a business overseas, such as building a facility. They can deduct the cost of shipping equipment to that plant even if it comes from America. But the Tax Code then allows these companies to delay paying taxes on these profits until its profits are brought back home.

So on one hand, they get tax breaks for building a plant overseas, they get other tax breaks for shipping the jobs overseas, they get tax breaks for shipping equipment that could be used in America overseas—those are immediate. They get the tax breaks right away, but when that plant earns a profit, they are not taxed until and unless they bring those back home. That is totally unfair to U.S. manufacturers who may have a factory in Iowa or New Mexico and pay their full taxes at a full and fair rate. The lost revenue is unfair to Americans who play by the rules, pay their full taxes, and, yes, Americans who rely on essential government services.

Here is another one. U.S. companies can sell their patents to their own subsidiaries with an overseas postal address in a country with low tax rates. The parent company is paid to use the patent, generating profits for the company, but the taxes on those profits are not paid as long as the money is technically in the subsidiary's account even if the money is deposited in a U.S. bank.

Consider another tax outrage, and we all know it by the name of ''carried interest.'' What does that mean? It means that for those individuals who are fortunate enough to make $10 million a year, they pay income taxes at the rate of 39.6 percent. But if a hedge fund manager makes $10 million managing a hedge fund and never invested a penny, they get taxed at 20 percent, not 39.6 percent. Twenty percent is the capital gains rate for most of our income. Well, why is that? Well, there is no rational reason. That was just put into the Tax Code I guess by some great tax lobbyist who was hired by the hedge fund industry.

These gimmicks and tax breaks cost the Treasury untold billions of dollars. They serve no constructive economic purpose. In fact, they give incentives to corporations to make decisions that harm the U.S. economy and American workers. By ending these abuses, we can generate needed revenue while creating a fairer Tax Code, one that does not reward corporations and the wealthy for behaviors that put the rest of us at an unfair disadvantage.

When I hear someone say, well, we are going to have tax reform, but it must be revenue neutral, what I hear is, let's keep all the tax loopholes for the wealthy and these large corporations. I say it is time to end that. We need that revenue for education, reinvesting in the infrastructure of our country, biomedical research, and science research. We need it to make sure that our young people today are able to compete in this global economy in the future.

Compromise, commonsense, and good-faith negotiations are what we need today. We do not need someone saying: No, we cannot raise revenues; all we have to do is cut spending. On our side, under the leadership of Senator MURRAY, we have said we will cut spending, but we will also raise revenues. We will have a balanced approach.

I urge my colleagues to vote yes on this budget resolution and to say no to all of these amendments that would upset what I think is a very good, solid budget resolution that has been put forward by Senator MURRAY and the committee. Let's put dogma aside. Let's act rationally and reasonably, and let's come together for a balanced and responsible solution to our Nation's budget challenges.

I yield the floor.

The PRESIDING OFFICER (Mr. UDALL of New Mexico). The Senator from New Hampshire.

Ms. AYOTTE. Mr. President, I rise in support of amendment No. 297, which has been brought forward by my colleague, Senator HATCH from Utah. I am proud to be a cosponsor of this amendment that establishes a reserve fund to repeal the onerous medical device tax. In fact, the medical device tax is nearly a $30 billion new excise tax on medical devices. It took effect on January 1 to pay for the President's new health care law, and it affects everything from orthodontics to the most complex lifesaving medical devices—just to name a few: joint replacements, knee braces, pacemakers, visual aids for sight-disabled people. It affects things that help people who are ill, such as lifesaving devices and technologies that people need, and this tax burdens all of them, and it will increase health care costs.

I thank Senator HATCH for his tremendous leadership on this issue. He has been fighting so hard to repeal this onerous tax since it went into effect. I thank Senator HATCH for bringing this important amendment forward because the medical device industry in America is a manufacturing success, and I have seen this in my home State of New Hampshire, where we have nearly 50 medical device companies that employ almost 3,500 Granite Staters. We are very proud of those companies, and we want to keep them in New Hampshire and hopefully grow them. When I campaigned for the Senate, I went to visit many of these companies. They told me about this tax and the impact it will have on their companies.

The medical device technology and medical field in this country is a great success story. In 2008 the industry employed over 420,000 workers, generated more than $24 billion in payroll, and paid 40 percent higher salaries than the national average in terms of a job. These are great-paying jobs. They are high-quality, good-paying, sustainable jobs, and this tax is going to make sure we have fewer of those good jobs that Americans want so much right now. With the Nation's unemployment rate still unacceptably high, we should be doing everything we can to create a good climate for American companies so they can strive and make sure we have more economic growth and make sure people have good-quality and high-paying jobs.

If this tax is left in place, the medical device tax will absolutely stifle hiring. For example, a 2011 study by the Hudson Institute found that the device tax threatens nearly 43,000 jobs nationwide and will cost $3.5 billion in wages. I hear a lot of talk from my colleagues about investing. This is something where this tax is basically going to kill good-paying American jobs. It defies common sense. Over 16 percent of respondents to a survey last year said they would reduce staff and employees in order to lower costs before the implementation of this device tax.

In my home State of New Hampshire, a study found that we could lose potentially hundreds of employees due to the cost of this medical device tax.

I had an opportunity to visit one of those companies, Corflex, which is located in Manchester. They manufacture orthopedic medical products. Corflex has seen steady growth over the years. It is a small thriving business in Manchester, NH. When I met with the CEO at Corflex, he showed me their balance sheets. He showed me the balance sheets before the medical device tax went into effect and after the medical device tax went into effect. What he showed me is that they went from being a profitable company to a company that would sustain a loss. This is a great company that was founded by a person in New Hampshire who was an entrepreneur and just had a dream. This tax would change a profitable company into a company that would experience a loss. He said: If this tax is not repealed, it will ultimately force companies, like us, to cut research and development dollars, pass costs on to consumers, or even consider reducing our workforce.

Last year I visited Smiths Medical Facility in Keene, which employs 500 people in New Hampshire. They are doing great work at Smiths Medical. The vice president of global operations of technology told me that repealing the medical device excise tax is about improving patient care and investing in more innovation and jobs.

The medical device tax has sadly already cost the United States thousands of jobs. We need bipartisan action now to repeal this onerous tax that is killing jobs in this country. I know there are Senators on both sides of the aisle who support the Hatch amendment.

For smaller device companies, like many in New Hampshire, this tax hits them even harder. In fact, Teleflex—a Pennsylvania-based company that has a manufacturing plant in Jaffrey, NH—does what many larger medical device companies do: they rely on small companies to do their research and development. The vice president of Teleflex said:

I think the fear is that there is a lot of good that comes out of small medical device companies, and with more costs thrown upon them, it's going to be harder and harder for them to sprout up and make a go of it . . . I think the view in the industry is that this is going to stifle innovation.

Why is this going to stifle innovation? Because this is a tax that is not a tax on profit, it is a tax on revenue. It is a 2.3-percent tax on revenue. What does that do to startups? What does that do to investments? Basically what we are saying is, don't start your new medical device company here with your new idea on how to save American lives because we are going to tax you whether you make a profit or not. That is why this tax is very onerous on startups. It is essentially a tax on innovation.

The device tax also stands to increase health costs, and that is why I don't understand why it was used to fund the President's new health care law—because we are going to see greater costs. In fact, the CMS Actuary, Richard Foster, said he anticipates that the excise tax will generally be passed on to health consumers in the form of higher drug and device prices and higher insurance premiums. It will raise national health costs by a whopping $18.2 billion by the time we reach 2018.

Even though it only went into effect a couple of months ago, we are already hearing about the job losses in this country because of the medical device tax. We heard that Stryker Corporation laid off 5 percent of its global workforce. Covidien, which makes surgical instruments, recently announced the layoff of 200 American workers. And guess where they plan to shift their production. They are shipping it offshore to Mexico and Costa Rica. And that is the other impact of this tax—encouraging new devices to go elsewhere, to plant their new investment in other countries instead of here in the United States of America. That is another horrible impact of this medical device tax. Zimmer said it planned to cut jobs and outsource. The CEO of Cook Medical, the world's largest privately owned medical device company, said it will have about $20 million less to develop and improve patient care and access to technology. We heard so many of these stories about American companies that are being hurt tremendously by this medical device tax.

So what is this about? This is about repealing this onerous tax. This is a tax that taxes innovation, increases health care costs, and also is a tax that kills good-paying American jobs.

Finally, we want the new medical devices to be developed here in this country. We don't want them to be developed in Europe because of an onerous tax. What we are going to see is that Americans are going to have less access to the very new and best products because it is going to become too costly in this country for new companies to develop those products and for startups and, at the end of the day, it will be sad for Americans.

I urge my colleagues to support the Hatch amendment and, again, I thank him for his leadership.

The PRESIDING OFFICER. Who yields time?

The Senator from Alabama.

Mr. SESSIONS. Mr. President, I think we have confusion on the time limits. I had reserved 10 minutes; I have 17 on the motion. I think there has been some confusion about it. What is the status of the time?

I ask unanimous consent for 10 minutes.

The PRESIDING OFFICER. The time until 8:10 is divided. Of that remaining time, the Senator from Alabama has 8 minutes. There is still time remaining on the motion.

Mr. SESSIONS. Does that include—

The PRESIDING OFFICER. But it cannot be used before 8:10.

Mr. SESSIONS. So that time could be used after 8:10?

The PRESIDING OFFICER. That is correct. After the votes occur.

Mr. SESSIONS. After the votes?

The PRESIDING OFFICER. There will be 2 minutes equally divided.

Mr. SESSIONS. Well, my colleague Senator HATCH is here. The 8 minutes, as I understand, that exist—he wishes to speak. If he spoke, would that count against my time?

The PRESIDING OFFICER. It is the Senator's time to yield.

Mr. SESSIONS. I ask unanimous consent that the vote be delayed until 8:15.

The PRESIDING OFFICER. Is there objection?

Mrs. MURRAY. Mr. President, our Members have been waiting for 2½ hours to get to a vote. I know we have had a lot of time to debate. We will have additional time after the votes as well, as the Senator knows, tonight and tomorrow morning. I would respectfully ask if we could stay on time because a lot of Members have been waiting for the vote.

Mr. SESSIONS. Well, reclaiming the floor, I ask unanimous consent that the vote start at 8:12, and I will be happy, and we will make it all happen. Senator HATCH can have 1 minute.

Mrs. MURRAY. I assume that means the time will be divided equally, which means the Senator from Alabama would only have 1 additional minute.

Mr. SESSIONS. I will do my best.

I yield to Senator HATCH for 30 seconds.

Mr. HATCH. Mr. President, I rise to say a few words in support of amendment 156 offered by Senator GRASSLEY and myself.

This amendment would strike the tax reconciliation instructions from the budget and, instead, create a deficit neutral reserve fund for pro-growth, revenue-neutral tax reform.

The American people have had it with our current tax code.

It is too complex.

It is overly burdensome.

And, it is an impediment to economic growth and our global competitiveness.

Members from both parties need to work together to reform our tax code to provide greater fairness and simplicity and to ensure that it encourages growth.

In order to do that, we need to work at finding ways to broaden the tax base in order to lower the marginal tax rates.

That is how we encourage economic growth.

That is how we create jobs.

For the first time in many years, there is bipartisan agreement in both the House and Senate on the need to move forward on tax reform.

Unfortunately, rather than letting those efforts move forward, the budget before us today would hijack those efforts.

Under this budget, the Finance Committee would be instructed to scour the tax code in search of nearly $1 trillion in new revenues in order to pay for new spending.

It is bad enough that this budget would greatly increase our Nation's debt. And, it is bad enough that it doesn't balance at any point.

But, to add massive tax increases on top of that is simply unconscionable.

As I said this afternoon, more than 70 percent of the revenue loss due to tax expenditures comes from the top 10 tax expenditures, most of which predominantly benefit the middle class.

As Senator GRASSLEY stated last night, the top 20 tax expenditures—which also greatly benefit the middle class—account for 90 percent of the revenue loss.

So, as we can see, we simply cannot generate a significant amount of revenue—certainly not in the magnitude imagined under this budget—without negatively impacting the middle class.

I hope my colleagues will reject this attempt to once again raise taxes on the American people.

Toward that end, I hope they will support our amendment.

I will recap quickly. The Grassley-Hatch amendment assures tax reform will travel on a bipartisan path. It corrects the partisan process in the budget with an elimination of reconciliation. That is all it does, and we ought to all support it.

The PRESIDING OFFICER. Who yields time?

The Senator from Washington.

Mrs. MURRAY. I yield 3 minutes to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Thank you very much, Mr. President. I thank my colleague, the terrific chair of the Budget Committee, who has worked so hard in putting together the budget.

I wish to speak for a moment on the amendment I will be offering in a few moments that relates to Medicare and protecting Medicare for future generations by keeping it as an intact insurance plan. There are very different visions, as we all know, and this will be an opportunity tonight to vote on which vision we support.

The House, under the Ryan Republican plan, has eliminated Medicare as we know it and replaced it with a voucher program which only covers part of the costs, increasing costs for seniors of around $6,000 per person. They would have to go back into the private insurance market and try to find insurance that would work for them.

We very clearly say that Medicare is a great American success story. We have created a generation of seniors such as my mom and future generations who will be able to live longer, healthier lives, play with their grandchildren and great-grandchildren because of something they have paid into all of their lives called Medicare.

When we look at the choices, even the people who invented this whole idea passed by the House have said that the proposals ''lack safeguards for beneficiaries and threaten to shift costs to the elderly and disabled and force them to shop for coverage in a confusing insurance market.''

That is what the folks who came up with the Republican idea are saying. Even Chairman RYAN's own description of his plan admits: ''We are stopping the open-ended, defined benefit system.''

In other words, the Republican plan will end Medicare and end its guaranteed benefits—benefits that seniors have paid into throughout their lives, for the security of knowing they have a health insurance plan; they won't have to go out and try to figure out how to find private insurance and then have a voucher to pay for part of it.

To add insult to injury, what is most concerning is the money that is taken away from seniors, the costs that are added, the savings in the Republican budget, don't go to save Medicare, they go to give another round of tax cuts for the wealthiest Americans. One more time we are seeing seniors, as we have seen middle-class families, as we have seen the vulnerable in our communities, find themselves sacrificing over and over again so the wealthiest among us, the well-connected, can get another special tax deal.

My amendment makes it very clear. If Members vote for my amendment, they are voting for Medicare. If Members vote against it, they are voting for the Republican plan that dismantles Medicare as we know it and takes the money and turns it around and gives it to another tax cut for the wealthy.

The other side of the aisle and those on the other side of the building have called the Ryan Republican plan a balanced plan. It is certainly not balanced for seniors. It is anything but balanced for the middle class. I hope when the opportunity comes we will see a very strong vote in support of my amendment to guarantee Medicare going forward for our seniors.

Thank you very much.

The PRESIDING OFFICER. Who yields time?

The Senator from Alabama.

Mr. SESSIONS. Mr. President, it is good to be considering a budget again. It has been 4 years since one has been brought to the floor. It is important that we do so because the Nation has never, ever faced a more systemic debt threat to our country.

Erskine Bowles and Alan Simpson both told us before the Budget Committee that this Nation has never faced a more predictable financial crisis. What they meant was that if we don't change course, we are going to have a crisis.

I would say one of the things that would make our economy grow better, create jobs, confidence, and productivity gains would be for this Nation to commit itself in a responsible way over a decade of effort to balance the budget. We can do that with increasing spending every year by 3.4 percent. It does not even require a net reduction in spending each year. It will be hard. It will require us to change some course because we are on a path now to increase spending 5.4 percent a year, and that is the difference in an unsustainable path and a sustainable path.

We have the budget of the majority before us, Senator MURRAY's budget. It is not the kind of budget we should pass. It is the kind of budget—it requires alteration, in my view, and it needs to be placed on a path to balance. I think my Democratic colleagues implicitly agree with that, because they have been talking about balance all week. We started keeping a tally on it.

Look at this chart. We made this chart not too long ago. We determined the word ''balance'' had been mentioned by the Democrats 120 times. We kept on counting and now it is up to 165 times. Maybe that indicates they believe a balanced budget is important. They say, however, that when they say balance they mean we balance deficit-reduction spending cuts with deficit-reduction tax increases, and that totals $1.9 trillion in net deficit reduction. Nothing could be farther from the truth. I hate to say that. It is unbelievable to me that in the Senate we have legislation on the floor that is being counted $1 trillion—really $2 trillion off—and fundamentally, indisputably, that is correct.

At the Budget Committee hearing last week, I asked a staffer for the Democratic majority:

> Can you honestly say that under this budget you can achieve $1.85 trillion in deficit reduction and eliminate the sequester with only $975 billion in new taxes?

The answer: ''No.''

When I pressed him: Well, what does that mean? He said it would be $700 billion. And what he was talking about was $700 billion under current law.

The way the confusion has occurred is our colleagues are switching around in the way they compare spending cuts.

This is the true situation: Under current law—that is the Budget Control Act and the tax increases we had in January—that is current law—we are projecting to continue deficits throughout the entire 10-year period and increase interest charges by dramatic amounts, placing this country in a very serious predicament.

So what do we say about it? Mr. Elmendorf, the Director of CBO, testified a couple of weeks ago before the Budget Committee and I asked him: Under the current law that we are operating under, including the full cuts in the sequester, including the tax increases in January, were we still on an unsustainable course? He said we were.

What I want my colleagues to know with every fiber in my being is: Please know that if you take out the sequester, you increase spending. You do not have $1.9 trillion in deficit reduction. You have only $700 billion. And then if you add other gimmicks in the budget, including not scoring the doc fix, misscoring war costs, and misscoring the stimulus spending, we end up with hardly any deficit reduction at all.

We raise taxes in this budget almost $1 trillion. We have no deficit reduction because we increase spending as much as we increase taxes. So, apparently, my colleagues should know and think about this: A ''balanced'' plan that has been mentioned 165 times means we raise taxes $1 trillion and we increase spending $1 trillion, and there is no net deficit reduction in the course of this 10-year budget.

So we are asking that this budget go back to the committee and give them full authority to produce a balanced budget in any way they wish to. They can raise taxes, they can cut spending, but we are saying we have to get off the unsustainable debt course. The choice is to have a balanced budget because it will create confidence, it will create business certainty, it will electrify the world, it will help people see that we are on a sound path and not on a dangerous path that could lead to fiscal crisis.

It is so important for my colleagues to know one more thing, and that is experts have told us—Carmen Reinhart with the Reinhart-Rogoff study has told us that when debt reaches 90 percent of the value of our GDP, growth begins to decline in the country. We are now at 104 percent, and the debt factor is the gross debt of the United States is what they used in that study. This is confirmed by the International Monetary Fund, the European Central Bank, and the Bank for International Settlements, all of which have done studies of developed nations with high debt, and they say it cuts growth. Reinhart and Rogoff says 1 to 2 percent. A 1-percent reduction in growth amounts to a million jobs. For the last 3 years, our growth has substantially fallen below what CBO projected. I believe the debt is already pulling down our growth.

I ask my colleagues one more thing: All of us have traveled our States. We have talked to our constituents. We have answered their questions. They ask: Are you going to do anything about the budget? Are you going to balance the budget? Why aren't you bringing up a budget? Don't you, colleagues, say we should have a balanced budget? Don't you say we should be moving toward a balanced budget, at least?

Many of you—at least half of our Democratic colleagues—have said they favor a balanced budget constitutional amendment so we have this country on a right path. You validated your promises back home. You should support moving this bill back to conference and letting the chairman write a budget that balances. It would make this economy much better.

I thank the Chair and yield the floor.

AMENDMENTS NOS. 433, 297, 432, 156, 431, 158, 202, 439, 222, AND 438 EN BLOC

The PRESIDING OFFICER. Under the previous order, the clerk will report the amendments that are in order en bloc.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID] proposes amendments en bloc: for Mrs. MURRAY, amendment numbered 433; for Mr. HATCH, amendment numbered 297; for Ms. STABENOW, amendment numbered 432; for Mr. GRASSLEY, amendment numbered 156; for Ms. MIKULSKI, amendment numbered 431; for Ms. AYOTTE, amendment numbered 158; for Mr. CRUZ, amendment numbered 202; for Mrs. MURRAY, amendment numbered 439; for Mr. CRAPO, amendment numbered 222; for Mrs. SHAHEEN, amendment numbered 438.

The amendments, en bloc, are as follows:

AMENDMENT NO. 433

(PURPOSE: TO AMEND THE RESOLUTION)

(The amendment is printed in today's RECORD under "Text of Amendments.")

AMENDMENT NO. 297

(Purpose: To promote innovation, preserve high-paying jobs and encourage economic growth for manufacturers of lifesaving medical devices and cutting edge medical therapies)

At the end of title III, add the following:

SEC. _____. DEFICIT-NEUTRAL RESERVE FUND FOR REPEAL OF MEDICAL DEVICE TAX.

The Chairman of the Senate Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, amendments between the House and the Senate, motions, or conference reports related to innovation, high quality manufacturing jobs, and economic growth, including the repeal of the 2.3 percent excise tax on medical device manufacturers, by the amounts provided in such legislation for that purpose, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2013 through 2018 or the period of the total of fiscal years 2013 through 2023.

AMENDMENT NO. 432

(Purpose: To establish a deficit-neutral reserve fund to protect Medicare's guaranteed benefits and to prohibit replacing guaranteed benefits with the House passed budget plan to turn Medicare into a voucher program)

At the appropriate place, insert the following:

SEC. 3___. DEFICIT-NEUTRAL RESERVE FUND PROHIBITING MEDICARE VOUCHERS.

The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports related to access for Medicare beneficiaries, which may include legislation that provides beneficiary protections from voucher payments, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2013 through 2018 or the period of the total of fiscal years 2013 through 2023.

AMENDMENT NO. 156

(Purpose: To protect Americans from a $1,000,000,000,000 tax increase and provide for pro-growth revenue-neutral comprehensive tax reform)

Beginning on page 49, strike line 20 and all that follows through page 50, line 3 and insert the following:

TITLE II—RESERVE FUNDS

SEC. 201. DEFICIT-NEUTRAL RESERVE FUND FOR REVENUE-NEUTRAL PRO-GROWTH TAX REFORM.

The Chairman of the Senate Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, amendments between houses, motions, or conference reports that reform the Internal Revenue Code of 1986 to ensure a revenue structure that is more efficient for individuals and businesses, leads to a more competitive business environment for United States enterprises, and may result in additional rate reductions without raising new revenue, by the amounts provided in such legislation for that purpose, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2014 through 2018 or the period of the total of fiscal years 2014 through 2023.

On page 4, line 6, reduce the amount by $20,000,000,000.

On page 4, line 7, reduce the amount by $40,000,000,000.

On page 4, line 8, reduce the amount by $55,000,000,000.

On page 4, line 9, reduce the amount by $70,000,000,000.

On page 4, line 10, reduce the amount by $82,110,000,000.

On page 4, line 11, reduce the amount by $95,881,000,000.

On page 4, line 12, reduce the amount by $115,534,000,000.

On page 4, line 13, reduce the amount by $135,203,000,000.

On page 4, line 14, reduce the amount by $149,801,000,000.

On page 4, line 15, reduce the amount by $159,630,000,000.

On page 4, line 20, reduce the amount by $20,000,000,000.

On page 4, line 21, reduce the amount by $40,000,000,000.

On page 4, line 22, reduce the amount by $55,000,000,000.

On page 4, line 23, reduce the amount by $70,000,000,000.

On page 4, line 24, reduce the amount by $82,110,000,000.

On page 4, line 25, reduce the amount by $95,881,000,000.

On page 5, line 1, reduce the amount by $115,534,000,000.

On page 5, line 2, reduce the amount by $135,203,000,000.

On page 5, line 3, reduce the amount by $149,801,000,000.

On page 5, line 4, reduce the amount by $159,630,000,000.

AMENDMENT NO. 431

(Purpose: To establish a deficit-neutral reserve fund to require equal pay policies and practices)

At the end of title III, add the following:

SEC. 3___. DEFICIT-NEUTRAL RESERVE FUND FOR EQUAL PAY FOR EQUAL WORK.

The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports related to efforts to ensure equal pay policies and practices, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2013 through 2018 or the period of the total of fiscal years 2013 through 2023.

AMENDMENT NO. 158

(Purpose: To prohibit the consideration of a budget resolution that includes revenue increases while the civilian unemployment rate is above 5.5 percent, the administration's prediction for the unemployment rate without the stimulus)

At the end of subtitle A of title IV, add the following:

SEC. 4___. POINT OF ORDER AGAINST CONSIDERATION OF A BUDGET RESOLUTION THAT INCLUDES REVENUE INCREASES WHILE THE UNEMPLOYMENT RATE IS ABOVE 5.5 PERCENT.

(a) POINT OF ORDER.—It shall not be in order in the Senate to consider a concurrent resolution on the budget for the budget year or any amendment, amendment between Houses, motion, or conference report thereon that includes a revenue increase while the unemployment rate is above 5.5 percent.

(b) SUPERMAJORITY WAIVER AND APPEAL IN THE SENATE.—

(1) WAIVER.—Subsection (a) may be waived or suspended in the Senate only by an affirmative vote of three-fifths of the Members, duly chosen and sworn.

(2) APPEAL.—An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under subsection (a).

(c) DETERMINATION OF REVENUE INCREASE.—For purposes of this section, a revenue increase is an increase in Federal Revenues in any fiscal year above total revenues in the same fiscal year of the most recent Congressional Budget Office baseline.

(d) DETERMINATION OF UNEMPLOYMENT RATE.—For purposes of this section, the unemployment rate is the Current Population Survey seasonally adjusted national unemployment rate for the most recent month, published by the Bureau of Labor Statistics.

AMENDMENT NO. 202

(Purpose: To establish a deficit-neutral reserve fund to provide for the repeal of the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 and to encourage patient-centered reforms to improve health outcomes and reduce health care costs, promoting economic growth)

At the appropriate place, insert the following:

SEC. _____. DEFICIT-NEUTRAL RESERVE FUND TO REPEAL THE PATIENT PROTECTION AND AFFORDABLE CARE ACT AND THE HEALTH CARE AND EDUCATION RECONCILIATION ACT OF 2010.

The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, amendments between houses, motions, or conference reports relating to the repeal of the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 without raising new revenue, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2013 through 2018 or the period of the total of fiscal years 2013 through 2023.

AMENDMENT NO. 439

(Purpose: To amend the deficit-neutral reserve fund for tax relief to provide tax relief for low and middle income families)

On page 56, line 12, insert ''relief for low and middle income families'' after ''enterprises,''.

AMENDMENT NO. 222

(Purpose: To establish a deficit neutral reserve fund to repeal the tax increases enacted under the Patient Protection and Affordable Care Act that were imposed on low- and middle-income Americans)

At the appropriate place insert the following:

SEC. _____. DEFICIT-NEUTRAL RESERVE FUND TO REPEAL TAX INCREASES UNDER THE PATIENT PROTECTION AND AFFORDABLE CARE ACT IMPOSED ON LOW- AND MIDDLE-INCOME FAMILIES.

The Chairman of the Senate Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, amendments between houses, motions, or conference reports that would repeal the tax increases enacted under the Patient Protection and Affordable Care Act that were imposed on low- and middle-income Americans by the amounts provided in such legislation for that purpose, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2013 through 2018 or the period of the total of fiscal years 2013 through 2023.

AMENDMENT NO. 438

(Purpose: To establish a deficit-neutral reserve fund to protect women's access to health care, including primary and preventative health care, family planning and birth control, and employer-provided contraceptive coverage, such as was provided under the Affordable Care Act (PL 111–148))

At the appropriate place, insert the following:

SEC. _____. DEFICIT-NEUTRAL RESERVE FUND RELATING TO WOMEN'S HEALTH CARE.

The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports related to women's access to health care, which may include the protection of basic primary and preventative health care, family planning and birth control, or employer-provided contraceptive coverage for women's health care, by the amounts provided in such legislation for these purposes, provided that such legislation does not increase the deficit or revenues over either the period of the total of fiscal years 2013 through 2018 or the period of the total of fiscal years 2013 through 2023.

The PRESIDING OFFICER. The Senator from Washington.

AMENDMENT NO. 433

Mrs. MURRAY. Mr. President, I want all of our Members to understand that the second amendment we will be voting on tonight is the Ryan budget.

Now, there seems to be some resistance among my Republican colleagues in bringing up the House Republican budget for a vote, and it is pretty easy to see why that is. Last year's Republican budget was, in fact, soundly rejected by the American people in the election. Since then, it continues to be very clear the American people prefer a balanced and fair approach that puts our economy and our middle class first—not an extreme, irresponsible approach.

Unfortunately, House Republicans put forward a budget last week that doubles down on the rejected ideology that the American people spoke about. They have a new talking point about their same old budget. They now claim their budget would eliminate the deficit in 2023. House Budget Committee Chairman PAUL RYAN has even said it does not really matter how their budget eliminates the deficit.

Americans across our country who will feel the impact of the choices we make in the coming weeks and months believe that it does matter. So while some of my Republican colleagues would probably prefer not to hear about it, I think that the impact of the House Republican budget is a crucial part of this debate, and we owe it to the American people to put our opinions on the record.

We have come a long way, but there are still far too many Americans today who are unemployed or underemployed, which is why our Senate budget's first priority is boosting our economic recovery.

Speaker BOEHNER has actually agreed with President Obama that our debt does not present ''an immediate crisis.'' So you might think the House budget would phase in cuts responsibly so we can protect our fragile recovery.

Instead, the House Republican budget would do serious damage to job creation and job growth, and it doubles down on the harmful cuts from sequestration, which the nonpartisan Congressional Budget Office estimates will lower employment by 750,000 jobs this year alone and slow economic growth.

The House Republican budget will weaken our economy in the long term as well. As any business owner will tell you, in tight times, the last thing you want to do is cut investments that help make you stronger. Well, that is what the House Republican budget does. It cuts investments in education, so our students and workers are less prepared for the jobs of the future. It would undermine our ability to upgrade our roads and bridges and highways and ports even though our national infrastructure just got a D-plus from the American Society of Civil Engineers. And the House budget would greatly reduce our ability to support research and development, making it so much harder for us to maintain the innovative edge that helps us attract new industries and new businesses to the United States.

Americans want to see a budget that puts the middle class first and asks the wealthiest Americans and biggest corporations to do their fair share too as we work toward deficit reduction.

So our Senate budget locks in tax cuts for the middle class while closing loopholes and cutting wasteful spending in the Tax Code. Our budget uses that new revenue from the wealthiest Americans and biggest corporations for deficit reduction and for investments that support our economy and strengthen our middle class.

The House Republican budget, which we will vote on tonight, does the opposite. According to the Tax Policy Center, the tax plan in the House Republican budget would cost nearly $5.7 trillion in lost Federal revenue, and the majority of that lost revenue would benefit the wealthiest Americans.

Just like past House Republican budgets, it is once again pretty unclear how this budget would pay for all those tax cuts that are skewed toward the wealthiest. But the reality is that to achieve the goals that are laid out in their budget, House Republicans will either have to add to the deficit—meaning their budget might not actually balance, as they claim—or they are going to have to raise taxes on the middle class.

According to the Center on Budget and Policy Priorities, to keep from increasing the deficit while lowering rates—which they propose to do—the House budget would have to raise taxes by an average of $3,000 on families making less than $200,000 a year who have children. But in their plan, the wealthiest Americans will see a net tax cut averaging about $245,000.

There is no reason middle-class families should have to pay for a tax cut for the wealthiest Americans. That is bad for our economy. It is very unfair. That kind of unbalanced approach is what made Americans reject the House Republican budget in the first place.

The same is true of Medicare. We just heard Senator STABENOW talk eloquently about the importance of Medicare. Well, the House Republican budget would replace the Medicare guarantee with a voucher, capped at growth levels below projected health care costs, forcing our seniors to pay more and more out of pocket, and ending Medicare as we know it.

That is not a solution that our seniors deserve.

AARP said, in their critique of the House Republican budget:

> Removing the Medicare guarantee of affordable health coverage seniors have contributed to through a lifetime of hard work is not the answer.

That is not me, that is AARP.

The Senate budget offers a much better answer. Let me remind everyone, in our budget we uphold the principle—consistent with Simpson-Bowles and all other bipartisan deficit reduction proposals—that the most vulnerable families should not be asked to bear the burden of deficit reduction.

Our budget maintains the safety net that has kept millions of families and children above the poverty line during the recession and strongly supports efforts to help our low-income students and others, as they try to get back in the job market.

House Republicans say their budget balances. Nothing in it sounds like balance to me. I would like to remind my colleagues as this debate continues that unlike what House Republicans have said about how a budget achieves its goals, how it achieves those goals really matters a lot.

The American people have rejected this plan, and, understandably, some of my colleagues across the aisle would prefer not to vote on it. Our Senate budget offers a credible, serious approach to a fair and bipartisan agreement. It puts jobs and the economy first and provides a credible, balanced path forward.

We are going to have to make some tough choices in the coming weeks and months, and I recognize moving away from the extreme approach in the House Republican budget is going to be a tough choice for many of my Republican colleagues. But I hope, as they consider the effects of the House Republican budget on our economy and on our families throughout the country, and the fact that the House Republican approach has been thoroughly reviewed and rejected by the American people, they will now be willing to come to the table, end the gridlock and dysfunction, and discuss a fair, comprehensive budget deal.

Mr. President, I yield the floor and yield the remainder of my time.

The PRESIDING OFFICER. The Senator from Alabama.

MOTION TO RECOMMIT

Mr. SESSIONS. Mr. President, I ask for the yeas and nays on the motion to recommit.

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 assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from New Jersey (Mr. LAUTENBERG) is necessarily absent.

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

The result was announced—yeas 46, nays 53, as follows:

[Rollcall Vote No. 45 Leg.]

YEAS—46

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

NAYS—53

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

NOT VOTING—1

Lautenberg

The motion was rejected.

Mr. REID. Mr. President, I move to reconsider the vote and to lay the motion on the table.

The motion to lay on the table was agreed to.

Mr. REID. Mr. President, while I have everyone's attention, today, this evening, and tomorrow, we are going to have a lot of votes. Everyone should understand they are not going to have time to spend a lot of time with constituents, to make phone calls. When the time is up, we are turning it in—Democrats or Republicans. There are no excuses. We have a lot to do and we are determined to get these votes in very quickly.

AMENDMENT NO. 433

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, this next amendment is the Ryan budget. The House Republicans have doubled down on failed policies by passing the same budget that was rejected by the American people just a few months ago. Now Senate Republicans are going to have to decide whether they agree with this approach.

This budget would be devastating for the middle class and the economy. It would cause millions of our workers to lose their jobs and dismantle programs such as Medicare that seniors and families depend on. It relies on gimmicks and tricks to eliminate the deficit by an arbitrary date and does all that while giving the wealthiest Americans a tax cut.

I encourage my colleagues to oppose this amendment.

The PRESIDING OFFICER. Who yields time?

The Senator from South Dakota.

Mr. THUNE. Mr. President, the House Republican budget does something the Democratic budget does not do—it balances. It actually balances in 10 years, and it does it not by taxing more but by spending less, spending at a slower rate—3.4 percent over that 10-year period.

If we look at what the House Republican budget does, it is focused on growing the economy, not growing the government. What the Democratic budget, before the Senate this evening, does is it grows the government, not the economy.

In fact, if we look at the analysis that has been done, it is suspected the Democratic budget would cost us 850,000 jobs and reduce take-home pay for middle-class families by $1,500. The House Republican budget takes seriously the challenges that are facing this country, takes the steps necessary to save and protect Medicare for future generations of Americans, something this budget—the Senate Democratic budget—does not do.

I urge my colleagues to support this budget, and it is a serious one, that balances the budget in 10 years and puts our economy back in growing mode and our fiscal house back in order.

Mrs. MURRAY. Mr. President, 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 amendment.

The clerk will call the roll.

The bill clerk called the roll.

Mr. DURBIN. I announce that the Senator from New Jersey (Mr. LAUTENBERG) is necessarily absent.

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

The result was announced—yeas 40, nays 59, as follows:

[Rollcall Vote No. 46 Leg.]

YEAS—40

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

NAYS—59

Baldwin
Baucus
Begich
Bennet
Blumenthal
Boxer
Brown
Cantwell
Cardin
Carper
Casey
Collins
Coons
Cowan
Cruz
Donnelly
Durbin
Feinstein
Franken
Gillibrand
Hagan
Harkin
Heinrich
Heitkamp
Heller
Hirono
Johnson (SD)
Kaine
King
Klobuchar
Landrieu
Leahy
Lee
Levin
Manchin
McCaskill
Menendez
Merkley
Mikulski
Murphy
Murray
Nelson

Paul	Schatz	Udall (NM)
Pryor	Schumer	Warner
Reed	Shaheen	Warren
Reid	Stabenow	Whitehouse
Rockefeller	Tester	Wyden
Sanders	Udall (CO)	

NOT VOTING—1

Lautenberg

The amendment (No. 433) was rejected.

Mrs. MURRAY. Mr. President, I move to reconsider the vote.

Mrs. BOXER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 297

The PRESIDING OFFICER. Under the previous order, there will now be 2 minutes of debate equally divided in the usual form prior to a vote in relation to amendment No. 297, offered by Mr. HATCH.

The Senator from Utah.

Mr. HATCH. Mr. President, what we want to do is repeal the $30 billion costly medical device tax. It is a gross tax on these businesses. We have already lost 5,000 jobs and we will lose 46,000 more.

I hope everybody will vote for this.

Ms. KLOBUCHAR. Mr. President, this is a bipartisan amendment. This is about innovation and jobs. The medical device industry is one of our biggest exporters. We have so many opportunities out there with a growing middle class in China and India to export even more, but we cannot have a tax that puts us at a competitive advantage. I think people understand that. This is about manufacturing, high-skilled jobs, millions of jobs in America.

I ask my colleagues to vote with Senator HATCH and me to repeal this tax.

The PRESIDING OFFICER. Who yields time?

The Senator from Utah.

Mr. HATCH. Mr. President, I yield back the remainder of my time 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 amendment.

The Senator from Washington.

Mrs. MURRAY. Mr. President, I yield back all time and ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays are ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from New Jersey (Mr. LAUTENBERG) is necessarily absent.

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

The result was announced—yeas 79, nays 20, as follows:

[Rollcall Vote No. 47 Leg.]

YEAS—79

Alexander	Barrasso	Blumenthal
Ayotte	Begich	Blunt
Baldwin	Bennet	Boozman
Burr	Hatch	Paul
Cantwell	Heitkamp	Portman
Cardin	Heller	Pryor
Casey	Hoeven	Reed
Chambliss	Inhofe	Risch
Coats	Isakson	Roberts
Coburn	Johanns	Rubio
Cochran	Johnson (WI)	Schumer
Collins	Kaine	Scott
Corker	King	Sessions
Cornyn	Kirk	Shaheen
Cowan	Klobuchar	Shelby
Crapo	Lee	Stabenow
Cruz	Manchin	Thune
Donnelly	McCain	Toomey
Durbin	McConnell	Udall (CO)
Enzi	Menendez	Vitter
Fischer	Merkley	Warner
Flake	Mikulski	Warren
Franken	Moran	Whitehouse
Gillibrand	Murkowski	Wicker
Graham	Murphy	Wyden
Grassley	Murray	
Hagan	Nelson	

NAYS—20

Baucus	Heinrich	Reid
Boxer	Hirono	Rockefeller
Brown	Johnson (SD)	Sanders
Carper	Landrieu	Schatz
Coons	Leahy	Tester
Feinstein	Levin	Udall (NM)
Harkin	McCaskill	

NOT VOTING—1

Lautenberg

The amendment No. 297 was agreed to.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Madam President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 432

The PRESIDING OFFICER. Under the previous order, there will now be 2 minutes of debate equally divided in the usual form prior to a vote in relation to amendment No. 432, offered by Ms. STABENOW.

The Senator from Washington.

Mrs. MURRAY. I yield my 1 minute to the Senator from Michigan.

Ms. STABENOW. Madam President, this is a very simple, straightforward amendment. A ''yes'' vote supports Medicare as an ongoing insurance plan. A ''no'' vote sides with what the House of Representatives has done with the Ryan Republican budget: dismantling Medicare, turning it into a voucher program, adding $6,000 on average in costs to seniors and, adding insult to injury, their budget takes the money, doesn't strengthen Medicare but provides another tax cut for the wealthiest Americans, averaging about $245,000 for those at the very top. Please vote yes. Let seniors know in this country what they have paid into their entire lives will be there for them and the great American success story of Medicare will remain strong for the future.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Madam President, I rise to set the record straight. Amendment No. 432, which characterizes the House budget plan as a plan to turn Medicare into a voucher program, is patently false. This amendment is not trying to voucherize Medicare. That is not true. I think it is ironic that my colleagues on the other side of the aisle attack the House budget proposal when the Affordable Care Act took $716 billion from the bankrupt Medicare Program to create an unsustainable new entitlement.

In no way can the House budget be considered as turning Medicare into a voucher program, and we reject the characterization of amendment No. 432. The House budget proposal draws from bipartisan proposals put forth by the Breaux-Thomas Medicare Commission, President Bill Clinton, and Domenici-Rivlin.

We are prepared to take the amendment. We will be happy to take it by unanimous consent.

The PRESIDING OFFICER. The time of the Senator has expired.

Mrs. MURRAY. 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 amendment.

The clerk will call the roll.

The assistant bill clerk called the roll.

Mr. DURBIN. I announce that the Senator from New Jersey (Mr. LAUTENBERG) is necessarily absent.

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

The result was announced—yeas 96, nays 3, as follows:

[Rollcall Vote No. 48 Leg.]

YEAS—96

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

NAYS—3

Cruz	Lee	Paul

NOT VOTING—1

Lautenberg

The amendment (No. 432) was agreed to.

Mr. MERKLEY. Madam President, I move to reconsider the vote and to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 156

The PRESIDING OFFICER. Under the previous order, there will be 2 minutes of debate equally divided in the usual form prior to the debate on amendment No. 156 offered by Mr. GRASSLEY.

Who yields time?

The Senator from Iowa.

Mr. GRASSLEY. Madam President, this amendment strikes a $975 billion tax increase. This amendment in turn sets up a deficit-neutral reserve fund that will allow the Finance Committee to reform corporate and individual taxes in a revenue-neutral way.

The President got his $612 billion tax increase January 1. We should not raise taxes another $1 trillion with unemployment at 7.7 percent. We should not close loopholes for more spending. We won't grow the economy by raising taxes by $1 trillion as the majority wants to do. We will grow the economy with more efficient progrowth tax reform.

My amendment is progrowth, pro-small business, and pro-jobs. The Democrats' budget taxes the middle class to spend more. It is balanced and fair because they have finally come to the conclusion they cannot raise taxes just on the wealthy; they have to raise it on the middle class.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Madam President, again, the goal of our budget is to tackle our deficit and debt responsibly in a way that works for the middle class and the economy. That means a balanced mix of responsible spending cuts and new revenue from those who can afford it the most.

All of the bipartisan groups that have examined our budget situation have acknowledged this reality—Simpson-Bowles, Gang of 6, Domenici-Rivlin—and recommended more revenue than the roughly $600 billion that we generated in the yearend deal. In fact, Simpson-Bowles and the Gang of 6 each recommended well over $2 trillion in new revenue, which is several times more than the yearend deal. Repealing this budget's proposed revenue increase and striking the reconciliation instruction would be wholly irresponsible. We cannot cut our way out of this problem.

I urge my colleagues to vote no.

For the information of all Senators, this is the last vote this evening. Tomorrow there are votes beginning at 11. I ask again that all Senators be here. We are going to move through a lot of amendments tomorrow. I have a lot of Senators asking me to have their amendment voted on. I assure everyone that by 1 a.m., 2 a.m. tomorrow night, many Senators won't have that opportunity unless they are here and help move that process along.

I yield the floor and ask for a ''no'' vote.

I 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 amendment.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from New Jersey (Mr. LAUTENBERG) is necessarily absent.

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

The result was announced—yeas 45, nays 54, as follows:

[Rollcall Vote No. 49 Leg.]

YEAS—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

NAYS—54

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

NOT VOTING—1

Lautenberg

The amendment (No. 156) was rejected.

Mr. MERKLEY. Madam President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. PORTMAN. Madam President, we have had a great debate here on the floor today about the budget. What we have heard is the fact that in the face of unprecedented debt and deficits, we need to get spending under control and grow the economy. Unfortunately, the Democratic budget that has been presented doesn't do that because it actually increases spending and increases taxes.

But there is an alternative, and that is to restrain spending in ways that are smart but also get this economy moving so we have more revenue and revenue the way we ought to get it, which is through growth. One obvious way to do that is through tax reform.

We just had a vote on a tax reform proposal. I am offering a couple of amendments that I want to talk about tonight. One is with regard to tax reform on the business side, where there is an amazing consensus now between Democrats and Republicans, the White House and the Capitol on how to get this economy moving again by ensuring that our Tax Code becomes more competitive globally—not to cut taxes, not to raise taxes, but in a revenue-neutral way to improve the way we collect taxes at the business level to be sure we can create more jobs at a time when we are suffering through the worst recovery we have had since the Great Depression.

Second, I am going to offer an amendment that ensures that we have the right information from the Congressional Budget Office and the Joint Committee on Taxation, which are the two groups who give us information here on Capitol Hill, as to what tax reform means because we want to be sure that as we reform our Tax Code, we do it in a way that is progrowth and projobs.

Fundamental tax reform should be done across the board, in my view, not just on the business side but also on the individual side. On the individual side, we have a great opportunity to broaden the base of tax and lower the rates to make the code again more progrowth. Most businesses in America pay their taxes through the individual Tax Code because they are what are called passthrough entities, about 85 percent of businesses—they tend to be smaller businesses. That is very important.

But tonight I want to talk about the other part of that, which is the business Tax Code that relates to primarily our larger companies and a lot of the international companies, so-called C corporations.

Back in 1986 we actually reduced the rate on the corporate side from 46 percent down to 34 percent. That was 1986. It was done in a bipartisan way with Ronald Reagan and Tip O'Neill, and the idea at that time was to take our tax rate down to the point that it was competitive, meaning that it was below the average of our global competitors.

In the intervening 2½ decades, guess what has happened. Every single country of the developed world—the so-called OECD countries, our global trading competitors—every single one of them has reformed its tax code. They have lowered their rates, but they have also made their codes more competitive—every single country except us. So America has been on the sidelines while these other countries have moved quickly to improve their tax code. Why? Because they want investment, they want the jobs, and what has happened is, sure enough, they are more competitive.

Capital is now flowing outside of this country. We are losing headquarters. We are in a situation where if there is a foreign acquisition to be made, those companies in foreign countries have an advantage because they have a more competitive tax code. Our tax rate, which in 1986 was purposely put in place to be just below the average of all the developed economies in the world, is now No. 1. It is the highest rate in the world. That is a No. 1 we don't want to have.

Japan just lowered their rate last year, putting America as the top corporate tax rate in the world. This means, again, we are losing people, we are losing capital, we are losing headquarters, we cannot keep up.

So what is the solution? Well, let's go do what we did back in 1986 again, let's do it quickly, and let's do it on a bipartisan basis because everybody seems to agree that our current code is not competitive, that the rate is too high. We have some disagreements on how to correct it, but actually there is a growing consensus about that as well.

The White House has talked about this. In fact, in a February 2012 white paper issued by the Treasury Department, they said: Let's lower the rate of corporate taxation by broadening the base, meaning reducing or getting rid of a lot of the preferences that have built up in the Tax Code. By the way, hundreds of them have been built up in the Tax Code since 1986. So not only has our rate become high because other countries have lowered theirs, we have added more and more complications to our Tax Code.

It is not just the White House that is talking about this. In front of our committee, the Budget Committee, a professor came to talk to us—who was the Democrats' witness; this was not the Republican witness—who was gung ho also on doing corporate tax reform. This was the Democrats' witness. This is what he said:

> . . . corporate income tax's statutory rate of 35 percent is today far outside world norms. The rate needs to come down. . . . I therefore conceive of corporate tax reform as a roughly revenue neutral undertaking, in which the corporate tax base will be broadened through closing business tax expenditures and loopholes, and the resulting revenues used to pay down the corporate rate.

Pay down the corporate rate.

In the paper from the Treasury Department in February 2012, they said we should reinvest the savings we get from getting rid of some of these loopholes and expenditures and use it, as they said, to invest in lowering the rate.

So here we have an opportunity as a Congress—Republicans and Democrats alike—to do something that is good for jobs. By the way, the Congressional Budget Office has looked at this in terms of who benefits. It is not the corporate boardroom that benefits, it is the workers. They have said 70 percent of the benefit of lowering the corporate rate is going to go to workers in the form of higher salaries, better benefits, and more jobs.

By the way, the Congressional Budget Office has also said if you would like to get this economy moving, probably the best bang for your buck is going to be to do something on the corporate tax code because it has gotten so complex and the rate has gotten so high. If you do this, you are also doing something we ought to be doing generally in our Tax Code; which is you are not picking winners and losers. Instead of the government stepping in and deciding where resources are allocated, you have the private sector doing that, market forces doing that, which is going to help grow the economy.

So just as President Reagan and Democrats did in 1986, we should cap or eliminate inefficient tax preferences and loopholes, and we should use that revenue to reduce both the corporate rate and the individual rate, without adding to the deficit.

Another amendment of mine takes this same idea, which is tax reform on the individual-corporate side, and allows us, as legislators, to understand better what we are doing.

Right now, when the Congressional Budget Office and the Joint Committee on Taxation give us an analysis of taxes, they tell us the revenue is likely to be based on what they call a static score—a static score. It does not take into account the big macroeconomic changes you are likely to see from people's changed behavior from lower rates, for instance.

I will give you an example. Back in 2003, the capital gains tax, as you know, was reduced. So what did they say? Well, the Joint Committee on Taxation and CBO did their analysis, and they said: Well, that means, because you lowered the rate of taxation, you are going to get less revenue, right, because you have less taxes coming in. No. Because they lowered the capital gains tax, there was more economic activity. It turns out we actually got more revenue in. So in 2007 they said revenue was going to go down. In fact, revenues shot up. The same thing happened, by the way, back in 1997, the last time this Congress had a unified balanced budget. That was when Bill Clinton was President, and he worked with the Republican Congress to get some of the spending under control, as we talked about earlier. But they also cut the capital gains rate, and, lo and behold, as I recall, about $100 billion showed up on the revenue side that folks did not expect because we lowered the capital gains rate. Because of the behavioral change, the dynamic scoring, the macroeconomic scoring, showed that was going to happen, but the static score did not.

So as we begin to formulate what kind of tax reform we should do on the individual side and on the corporate side, wouldn't it be great if we had access to two kinds of analysis: one, the static score—and that will continue to be the official analysis; nothing changes there—but also why shouldn't we have access to the macroeconomic analysis—not done from the outside, not from groups from the outside that might have a pretty aggressive dynamic score, but let's just use the macroeconomic model that the Joint Tax Committee already does. In fact, they are required to look at it in three different ways. CBO already does. It does not add more work in the sense that this analysis is already being done; it is just that we are getting the benefit of it.

So this second amendment that I hope my Democratic colleagues will also support, as I hope they will the first one, says, quite simply: Let's have more information so we can make smarter decisions. Who could be against that?

Some have said: Well, we do not believe in dynamic scoring. Fine. If you do not believe in dynamic scoring, let's see what happens. We are going to have a static score, which will be the official score still—that is what we will have to use around here—and then we will have that dynamic score. Again, we want that so we can formulate a better tax proposal but also to know what the impact is going to be. We will see what happens.

My belief is that the macroeconomic score is more likely to be accurate, as it has been in the past, and over time I would not be surprised if this Congress decides: My gosh, that is more consistent with the behavior changes you are going to see with good tax reform. Let's make that part of the official analysis. But that is not what we are talking about tonight. The official score would still be the static score.

I believe this will enable us to be better legislators, and certainly it will enable us to have an opportunity, as we look at this budget deficit and these historic debts and the impact it is having on our kids, on our grandkids and on today's economy, to come together as Republicans and Democrats and do the two things that everybody knows have to be done: One, restrain spending, specifically to deal with these important but unsustainable entitlement programs—remember this: The Congressional Budget Office has told us in the report just about 2 weeks ago that the growth of Medicare, Medicaid, and Social Security, incredibly important programs—and that is why we need to save them—that growth will go up by 94 percent over the next 10 years. It nearly doubles. In fact, they have told us that as a percent of the economy, which is how they look at the spending—as a percent of the economy, the only growth in our spending over the next 10 years is going to be from these entitlement programs and interest on the debt. Other parts of our budget actually, as a percent of the economy, are going to be flat or even a little bit below as a percent of the GDP. But what is going to grow dramatically are these programs.

So we know we have to have entitlement reform to save these programs so that the trust funds do not go insolvent, which they otherwise will. But we also know as part of that we should do tax reform. Those two together—entitlement reform, smart reforms to make these programs work better to ensure they are there for the future, and then tax reform that is progrowth, that is going to generate revenue, to help us because it will change people's behavior, which will change economic growth, which will, in turn, provide more revenue—revenue, really, the right way—will help us get the debt and deficit under control and at the same time give people the opportunity to get back to work, deal with the weakest economic recovery since the Great Depression, help us to get out of the doldrums we are in right now in this economy.

The shot in the arm that tax reform can give us—particularly if we have the right information from these organizations on the Hill: the Congressional Budget Office, the Joint Committee on Taxation—will enable us to move this country forward in ways that can be bipartisan, in ways that can be consistent with what the administration and the Congress are talking about: restraining spending, growing the economy.

I thank the Chair for letting me talk about this tonight. I look forward to having these amendments offered tomorrow. I hope my colleagues on both sides of the aisle will be willing to stand together and to say: Yes, we can do this. We can get this economy moving. We are going to have to change the way we deal with our tax system. We are going to have to retrain the spending. If we do that, our future can be brighter.

I yield back my time.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Madam President, I just want to thank the Senator from Ohio for his usual very clear way of explaining things. I know that comes from the tremendous background he has had, not just in the House but actually putting together a White House budget before. I guess the Senator has had access to these different sources of information before and knows how they could work if we could get access to them.

It is hard for me to believe that somebody would not want more information. They can analyze themselves whether they think it is useful. But more information is always better. So I thank the Senator for bringing that amendment here, and his other amendment as well. But as to that one, it is just incredible to me that anybody could oppose it.

So I thank the Senator for the thought he put into it and for the great presentation he did.

Mr. PORTMAN. I thank the Senator.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. MORAN. Madam President, I have filed an amendment, No. 233, that I would like to visit with my colleagues about this evening.

I am pleased we are debating a budget. Budgets have great purposes in individual and business lives, and they are certainly important to us as we try to solve the country's fiscal problems.

A budget is a document that determines how much money we have to spend and how we are going to spend it. In determining how we are going to spend money, we establish priorities.

I want to talk about one of my priorities for the investment of our taxpayer dollars. Kansans and citizens from across the country pay their taxes. In many ways, they would be pleased by having to pay taxes if they knew the money was being well spent. One of the areas where I strongly believe we can prioritize and that money can be well spent is in support of the National Institutes of Health.

We have a tremendous opportunity to continue to lead in the world's research to solve individuals' problems with their health, with the treatment of disease, in eradicating disease, and treating the people of our country and really the people of our world.

This amendment I am going to discuss adds $1.4 billion in spending for the National Institutes of Health. Our citizens and our country face a significant challenge. There is not a family in our Nation who has not suffered from the consequences of cancer and other horrendous diseases. We have seen tremendous success. America leads the world in finding cures and treatments for those diseases.

A problem is, the funding for NIH has remained at a virtual standstill since 2010. In my view, those who come to Congress with the desire to make sure every dime, every nickel is wisely spent, and those who come to Congress with the belief that we need to care for people and provide compassion to all, can come together and jointly agree that money spent on the National Institutes of Health is both. It is a sense of providing well-being, comfort, care, and treatment for people who desperately need that, and it is the realization that when we invest in research, in projects that ultimately cure a disease, we are saving money. We save money by curing and treating diseases, which then means that the cost of health care is reduced.

Long before Congress passed a so-called health care reform bill, I outlined to my constituents in Kansas what we could do to save health care costs. One of the points in my plan was to invest in medical research because money invested today in research saves lives and reduces costs.

There is also the reality that the United States of America is the place to do research. But we are facing tremendous challenges because of the flat line of NIH spending and the lack of real dollars available for medical research. In fact, we have to worry that there is a brain drain, once again, going on in the United States. Other countries are investing. Other countries with more difficult economic challenges than ours are increasing their funding for medical research.

I have always worried that if we do not compete, if we do not maintain a steady opportunity for research scientists in the United States, we will lose the edge and the economic and health benefits that come from having that edge in a global economy.

Our own Director of the NIH, Francis Collins—highly regarded and with tremendous background, intellect—has indicated that we are seeing the potential for a brain drain. This is what he said in February of this year, just last month:

> Since 2003 the NIH budget has basically lost about 20% of its purchasing power by effectively flat budgets that have been eroded by inflation.
>
> The consequence of that to grantees who send us their best ideas in hopes of being supported is that their chance of being funded has dropped from about 1 in 3 which is where it has been for most of the last 50 years now down to about 1 in 6 . . .
>
> Imagine yourself as a young investigator [a scientist] with a great idea, ready to tackle it and to do so in your university setting somewhere [in the United States] knowing that you have only a 1 in or less chance of getting funded, seeing that there seems to be no real clear path forward for achieving stability in the support of biomedical research, wondering whether you can legitimately speak to young people who are wanting to follow in your path about whether this is a path they should choose.

Dr. Collins says this deeply worries her. At a time we need to encourage our children to pursue degrees in education, science, research and medicine and the absence of continued increase in funding for health research, for biomedical research, we clearly send a message this may not be the career you wish to pursue. At the same time as other countries increase their support for biomedical research, we send a message, even though you decide you want to pursue this career, maybe you should pursue it someplace else. This is a serious problem which desperately needs our attention.

I am going to ask my colleagues to support an amendment which establishes a clear understanding of the value of biomedical research, both again that opportunity to increase the longevity of our lives, to improve the quality of our lives, to combat those diseases which are so devastating to so many families in our country, knowing when we do that, not only are we improving individual lives, the well-being of families across our Nation, but we are also investing in an opportunity to reduce the long-term costs of health care in the United States.

This issue is one of great importance to me, and I can't imagine there is a Senator in our Chamber who hasn't experienced the challenges of disease and death in their own families. We have seen tremendous strides in turning this around. It is so clear to me we need to make certain those strides continue.

I was pleased to have the Senator from Illinois seek me out on the Senate floor this evening to suggest there is an opportunity for us to work together. While I have an amendment filed, Senator DURBIN and I are having a conversation tonight, tomorrow, to see if there is a way we can come together in a joint amendment to fully establish all of us are in favor of funding the

NIH, the National Institutes of Health, at a magnitude and a level which will again restore us to the forefront of medical research around the globe.

We will send a message to our students and future scientists America is the place medical research should occur and where they should pursue their careers. Disease can be conquered and lives can be restored. Most important, there may be hope in the United States. The serious and debilitating diseases, the causes of death so many families face day after day and year after year, can be cured and treated.

I look forward to those conversations with my colleagues to find the right words to bring us together to demonstrate significant and real support for funding the National Institutes of Health.

I yield my time.

Mr. CHAMBLISS. Mr. President, I wish to speak on what almost qualifies as a historic event:

For the first time in 4 years, the Senate will try to complete a budget resolution.

Since 2009—the last year the Senate passed a budget—the government has run deficits in excess of $1 trillion every year. The Democrats' budget resolution that we are currently debating will, in fact, only reduce net deficits by $279 billion.

I have spoken on the Senate floor and around the country for the past 2 years in favor of a budget that will end excessive spending, provide a platform for tax reform, and rid ourselves of oppressive debt and deficits. But I am afraid that even after the Senate has completed its work, I will still be advocating for those changes.

Senate Democrats have not used their proposed budget resolution to make government better. Their proposal does little in the way of reform, and actually grows the government instead of the economy. It is discouraging to anyone concerned about excessive government debt, and it is discouraging to the job seekers who are, unfortunately, so abundant right now.

What the Democrats have proposed is not a budget at all. It is merely a spending plan to further stunt economic growth and job creation, while condoning increasing the deficit and growing the government. I believe the American people expect a budget that provides a platform for our economy to grow. A budget that increases government spending, increases debt, and further endangers our Medicare and Social Security is not what Georgians or people across America want.

We have a real opportunity now to correct a lot of missteps. We need a budget that will reform our Tax Code, grow the economy, reduce poverty, and fix our entitlements.

Yet here, in the middle of a global economic crisis, we are going to vote on a budget that does none of that.

Mr. President, tonight the Senate voted on a budget that will balance in 10 years the—budget proposed by House budget chairman PAUL RYAN. I can't think of better way to show the American people and the world that our government is serious about getting back on track and reclaiming our country's financial dominance. Simply put, Mr. President, even with all the provisions combined, the Murray budget doesn't get us out of debt. The Ryan Budget does.

A budget that balances in 10 years should be the starting point for discussions, and we need to make that budget a reality now to secure America's future. Economists, budget experts, and analysts across the country have come to the conclusion that the debt we have already accumulated is having a negative effect on our economy. We have known for a long time—and have been told many times by economists—that when a country's gross debts reach 90 percent of GDP, its economy will contract substantially.

We have seen in places such as Japan and Europe that when debt gets out of control, the government's response to control debts must be tougher. Unfortunately, as my friend from Alabama, Senator SESSIONS, noted yesterday, the International Monetary Fund, the Bank for International Settlements, and the European Central Bank have all analyzed our debt and found that we are now at 103 percent of GDP. That is a staggering and shocking number. It is a hopeless number.

We haven't balanced our budgets in so long that we have ended up harming America's economic engine—and the Democrats' proposal doesn't fix anything. It merely continues our unsustainable spending.

We voted on a spending measure yesterday that lowered our discretionary spending down to 2008 levels. With some hard work, we can keep our discretionary spending at sustainable levels. However, what we haven't addressed is the continued rise in mandatory spending which has increased substantially since 2008.

We simply cannot continue to let mandatory spending go unchecked. This budget's approach to restraint is half-hearted, at best. President Obama likes to remind us that he is in favor of entitlement reform. I would like to give him the benefit of the doubt about that—but is this the best his party can come up with? We are a nation that believes in caring for the most vulnerable among us, but if we continue to operate our programs this way, on a path toward bankruptcy, we will never be able to keep our promises.

We can no longer allow the American people to suffer by not providing the economic basis for recovery and growth. The equation is simple: A balanced Federal budget that is free of excessive debt leads to a healthy economy and sustainable job creation.

COMMUNITY HEALTH CENTERS

Mr. SANDERS. I would like to thank Chairwoman MURRAY for including the request I made in the budget resolution to provide $2.2 billion in discretionary funding and $2.2 billion in mandatory funding for community health centers in fiscal year 2014.

I believe that community health centers are the answer we are looking for to make health care work for everyone, and I am very grateful for the language included in this Budget that recognizes the value of health centers.

As the Senator knows, since enactment of the Affordable Care Act, budget cuts have significantly reduced discretionary funding for the Community Health Center Program. Current service levels for the Community Health Center Program have been maintained only by redirection of the ACA's mandatory expansion funding—which is not authorized beyond the year 2015.

In other words, beginning in fiscal year 2016, the community health center fund will expire. Unless we find a solution to this problem, community health center funding will be reduced by 69 percent. If adequate funding is not restored, the result will be dramatic reductions in the number of patients community health centers are able to serve. I believe that would be a serious mistake.

Would the Senator be willing to work with me and other Senators on resolving the funding cliff facing health centers in 2016 so we don't have a massive cut facing such a valuable program?

Mrs. MURRAY. I thank the Senator and I couldn't agree with him more on the value of the Community Health Center Program. I know very well about the value they bring to Washington State, and also to the country by controlling health care costs and delivering care to our Nation's most vulnerable people and communities. We have included language that recognizes the importance of adequately funding the Community Health Center Program and I look forward to working with the Senator and other Senators to try and find a solution to the community health center funding cliff before it occurs.

Mr. SANDERS. I thank the Chairwoman. The sooner we can work on this the better, as it will really give the program and all the centers across the country the stability and certainty they need to plan for the future.

Mrs. MURRAY. I thank the Senator for raising this very important issue. I look forward to working with him to ensure that community health centers can continue to provide care to our most vulnerable populations today and in the future.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. There are a lot of problems with the country and the way we manage business. Frankly, President Bush became engaged in a war which used up so much of his time and effort. President Obama is not trained as a manager. He has never been a manager, Governor or managed a business. He has too little tough, serious management of the taxpayer's money in this country. It is time for us to get under control the spending which goes on.

In my humble opinion, the American people are tired of sending more money to Washington just because we run out. We say it is not our fault; it is the way things are. We can't have any reduction in spending. There are people who are hurt and in pain, hungry, women, elderly, singles, and married. They need to have more money. Any change in our policy whatsoever means somebody is not getting something they are entitled to.

The truth is many of our programs serve many good people in need, but almost all those programs have serious management problems which could be run effectively and efficiently, and the program would cost substantially less without any significant diminishment of the effective aid which is rendered by that program. I believe the American people understand this absolutely and fully.

As we have done, as an amendment or idea comes forward to confront wasteful spending, somebody in this body, particularly in the Senate, always objects. They raise the specter of meanness and unkindness and that sort of thing. In truth, we all ought to identify serious problems and fix them.

For example, in our energy policy, we have had some of the most amazing failures and losses of Federal money I can imagine, beyond anything which is logical and absolutely should not have happened.

Most people have heard of the Solyndra company. They had political connections to the White House and received $528 million in Federal loans, went bankrupt and left Uncle Sam holding the bag.

There was another company, Abound Solar. It declared bankruptcy after receiving $400 million in Federal loan guarantees. Failing to deliver on the promises they made, somebody at the Department of Energy, apparently, was not checking very well. Maybe they were more interested in a press release, a big announcement, going to some solar factory and saying how we are going to create jobs, grow the economy and pump hundreds of millions of dollars into a program which sank.

Beacon Power received $43 million in Federal loan guarantees before it shut down.

Fisker, an electric car maker, is not making any cars now due to production problems. It received more than $190 million from the Department of Energy.

A123 Systems, a battery maker, also received substantial Federal loans. It is bankrupt.

The President emulates the failing energy programs of Europe. His policies were designed to promote an energy theory which is not ready economically. It is one thing to invest in research to try to create a new battery; it is another thing to try to loan hundreds of millions of dollars to a company to produce a product which is not competitive and not ready for prime time. This is the mistake we made.

Mr. Lomborg, from Europe, who wrote the book ''Cool It'' and is, in my opinion, an expert on these issues, pointed out a number of years ago in his book the best way to handle this is for the government to subsidize where it can and direct money to try to reach technological breakthroughs, but you should not mandate the people of the United States, or use any kind of program which will not work, cost a lot more money, and have little benefit on the environment.

Back in 2008, President Obama made this statement: ''Will America watch as the clean energy jobs and industry of the future flourish in countries like Spain, Japan, or Germany?''

That is what he said. We need to emulate Spain, Japan, and Germany.

Spain right now is having to cut back dramatically on its forward-leaning green mandates. They went probably further or as far as any country in Europe. It has been a total disappointment. They are reducing their subsidies. Their economy is in shambles, and they are not doing well.

The Financial Times in February of this year wrote:

> The Spanish government's latest bid to cut its growing debts to the country's energy sector is expected to slash profits at renewable energy companies as Madrid continues to grapple with a $37 billion deficit built up through years of subsidies.

They continue:

> Shares in Acciona, Spain's largest wind power operator, have tumbled almost 20 percent, with Analysts expecting Acciona's earnings per share to drop by 40 percent, while Abengoa's EPS are forecast to drop by 12 percent.

Germany is also cutting back. According to Reuters in January of this year:

> [The German energy company] RWE is delaying investments. SIAG filed for insolvency. REpower Systems is cutting temporary staff. All show how German Chancellor Angela Merkel's $734 billion plan to replace nuclear reactors with renewable sources is stalling.

Former Secretary of Treasury, under President Obama, Larry Summers said this: ''Government is a crappy venture capitalist.''

This is exactly correct. We have no business trying to pick and throw American taxpayers' money into risky ventures. We are not good at it. Spain and Germany are not good at it—governments aren't.

When it is your money and you are putting up $100 million, then you are at a point where you need to be very serious about that investment.

These are some points I wanted to make because I think the American people are tired of hearing Washington say send more money.

No, we are not going to cut spending in Washington. We can't do that in the budget which is on the floor. It does not cut spending, actually does not reduce the deficit. It increases spending, increases the deficit, and increases taxes by $1 trillion.

What did they say in the budget? We are not going to cut spending. There is nothing we can cut. The government is working. Every dollar we receive, every dollar we distribute is absolutely critical and cannot be contained. Send more money. Just send more money and don't complain, American people.

I think people are getting tired of that. They have a right to be tired of that. They should not send another dime until we are on the right path.

I see my friend Senator ENZI, and I would be pleased to yield the floor.

I would note Senator ENZI is the senior member of the Budget Committee and is a successful businessman who has a proven record in his State. He understands these issues, and he is trained as an accountant. I am sure when he sees what we do in the budget process around here, he must wonder what world we are connected to.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. I wish to thank the Senator from Alabama for all the work he has done on the budget. He worked on a budget for 2 years previous to this which never materialized. I am so pleased he and his staff are working on a budget.

I understand his disappointment. I am an accountant, and I hope Senator JOHNSON, who is the other accountant in the Senate, will have an opportunity to come to the floor and talk about some of the numbers because there seems to be some discrepancies in the numbers. He has tried to pin those down by asking questions of the staff and, as a result, has come up with some demonstrations that show where the budget we are currently talking about goes.

I wanted to just briefly share an article I ran across today. It is called ''Mr. Penny vs. a dragon: Hey kids, it's the national debt!''

How are kids across America going to understand the debt? We are having a lot of problems understanding it in this body. Washington's budget squabbles and financial fights are enough to tangle up anyone's head, so one can only imagine how it might confuse children. So enter Mr. Penny and the Dragon of Domeville. Let's see, that would be the dome? Yes.

This children's book by Lucile McConnell seeks to raise awareness of fiscal irresponsibility and the national debt for those who are just out of diapers. The book's hero, Mr. Penny, is introduced as ''quite an individual and not a follower,'' and begins:

> Once upon a penny, in the Land of Us''—

That would be U.S.—

> in the little town of Meville, lived a little penny. In fact, a whole lot of little pennies were scattered all over the Land of Us, but our story is about one particular penny: Mr. Penny. He was a singular fellow, quite an individual and not a follower of the crowd.

The antagonist, a dragon—a black dragon—if this had been a western story, it would be the guy with the black hat—a dragon designed to represent a bloated Federal Government that will not stop growing and loves to eat currency.

In fact, he developed a taste for charred bills . . . dollar bills. Within no time, the dragon had devoured $15 trillion—

You can tell the book is a little old, otherwise it would be $16.6 trillion, which is where we are now—

and was always looking around for more to consume.

Eventually, Mr. Penny scores a one-on-one with the dragon and does his level best to convince the dragon just how reckless Federal waste can be.

I don't think you know what effect you are having on the whole land of Us by eating the money that we send to Domeville. . . . Our schools are closing; our youngsters can't go to college; our oldsters can't get medical help; our businesses are failing because there is no money for loans; our roads and bridges are falling down; our towns and industries are not safe; our citizens do not have jobs; and we are running out of money.

On the book's Web site, McConnell describes herself as ''a tax/commercial transactions attorney'' practicing in Washington and New York and says—and this is very important—all funds from the book—all funds from the book—will go toward paying down the national debt.

In an author's note in the book, McConnell writes:

Our beloved Country is in trouble . . . big trouble. This is the kind of trouble that cannot be solved unless we all pitch in and come to the aid of our country immediately.

She adds:

My hope is that after reading this book, young people are energized about the possibility of what we can accomplish together through cooperation and teamwork.

So, Madam President, I had an amendment in the committee that would have taken care of some of those charred bills and converted them to metal coins—dollar coins. If we were to do that, it would probably save about $1 billion. That maybe doesn't sound like much around here, but $1 billion would be a good start and would put a little punctuation in this book.

We are getting to the point where if we don't do something, we will not have money to spend. If interest rates go up—and if people lose confidence in our economy, the interest rates will go up—the only thing we will be able to pay is interest. Doesn't that sound like somebody who has used their credit card too much and can't afford to pay the credit card down? Of course, we are not even worried about paying the credit card down. We are not even talking about doing that. We are not even talking about balancing the budget at this point, and we need to do that or maybe we need to pass out copies of ''Mr. Penny and the Dragon of Domeville.''

I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Madam President, we talked about a number of challenges our Nation faces and the debt course we are on. The Director of the Congressional Budget Office, Mr. Elmendorf, testified just a few weeks ago before our Budget Committee and declared that we remain on an unsustainable financial course even after the Budget Control Act that reduced spending and even after the tax increase in January, and that this does not get us out of the danger zone.

We have hundreds of billions of dollars in deficits every year, and he is projecting that interest on our debt in the 10th year will rise to $800 billion, which is about what the score of the Murray budget that is on the floor today would add to our debt.

Fundamentally, this budget that is before us today did not change the debt course we are on. It does not have $2 trillion in spending reductions, and it leaves us on the same dangerous course as Mr. Elmendorf said we are on, so we have to get off of it.

I want to share a few things that drive home the danger we are in. Now, we have a strong economy. We have a great entrepreneurial spirit. We have a tremendous infrastructure compared to most places. We have a rule of law that helps us tremendously in terms of managerial efficiency and contracts and complex documents that can be entered into. If there is a dispute over it, you can go to a Federal or State court and have a pretty good chance of a fair decision being reached even in the most complex matters involving high finance. That is not true in most places in the world, so it gives us an advantage.

We have an educated workforce. We have a lot of people who are willing to work and hustle. So we have some advantages. We have a history of trade and freedom. But I want to show this chart, because we may not be doing as well as we think we are, and the debt that we are facing may be more serious than a lot of people will acknowledge.

This is a chart that shows the debt per person in the Eurozone compared to the United States. It is a stunning chart. Some people have explained it somewhat by saying, well, our economy in the United States is bigger than other economies in the world. Therefore, individual Americans normally make more money and, therefore, they can carry more debt. But anybody who sees this chart has to begin to understand and worry that the needle of our debt is in the red zone—the danger zone.

Look at this. This includes spending for Federal, State, and local government. These are 2012 projections of general government expenditures in nominally U.S. dollars—all converted to U.S. dollars by the International Monetary Fund. This is not the United States. This is the world's economic outlook according to the International Monetary Fund. This is the way they score our debt compared to the rest of the world in comparable U.S. dollars.

Look at this: In dollars, Spain's debt per person is $24,000. Spain is in serious financial difficulty now. Its debt has caused the interest on their debt to surge. They are paying a large amount. They have tried to bring that under control, but their unemployment is high, and the net result has been the economy is stagnating dangerously. It is a sad thing.

Italy has more, with $26,000; Portugal, $39,000 per person; Greece, $42,000 per person; but the debt per person in the United States, according to the International Monetary Fund, is $53,400—higher than all those countries.

I would say to my colleagues, we are not in a position of safety. I would say to my colleagues that this is a kind of debtload that we need not to underestimate. We might find that this economy is more unpredictable than we think.

As I said last night, I remember Alan Greenspan being before the Budget Committee in 2001 and telling us we had to worry. And the worry was that we had so much money that we would pay down all the debt in the United States and then—he worried—what we would do with the extra money when we paid the whole debt down. This is the maestro, Alan Greenspan.

I say that just to indicate that if he misses it that badly, maybe Mr. Bernanke will miss it. Actually, the Wall Street Journal documented that when Mr. Bernanke was advising Alan Greenspan, the Federal Reserve Chairman, about the bank mortgage situation in the mid-2000s—2003, 2004, 2005—he was advising Mr. Greenspan to keep pouring the low money out, keep encouraging banks to lend, lend, lend, and he rejected the idea we were in danger. Then, whammo, we had this horrible recession of 2007.

So I would just say this chart shows us that we need to get our house in order. The American people know that. They tell me that everywhere I go. So why won't Congress respond?

Well, the House has responded. I know my Democratic friends don't like to hear that, but this budget that PAUL RYAN produced, while not a perfect document, it changes the debt course of America. It balances the budget, and we could do the same thing if we wanted to, and do it in a different way. Let's do it a different way, but we should have a balanced budget. And we don't, and there is no plan to get there—not even close.

One of the things that is happening in America today is the growth in our economy is not where it should be. This chart is a vivid indicator that the Congressional Budget Office, our top adviser, has been consistently wrong about its projections in the last several years. This is CBO forecasts 2 years before an event. OK? So in 2008, what was CBO projecting the growth rate to be in 2010?

They projected it would be 3.1 percent, but it came in at 2.4 percent. In 2009, what did they project we would have as growth in 2011? They projected we would have 4 percent growth in 2011.

We had less than half of that—1.8 percent. That is a huge difference.

Now Christina Romer, who served President Obama as his top adviser on economic matters, has estimated that the difference in 1 and 2 percent growth is 1 million jobs. So what do we have here? We have more than 2 million less jobs being created in 2011 than were projected by the experts that we relied on in 2009.

And look at this. It is even worse in 2012. They projected back in 2010 that growth in 2012—just 2 years in advance—would be at 4.4 percent, and it came in at 2.2 percent. So these 1.8 and 2.2 percent growth figures are really not growth. That is not a job-creating factor. You need to have more growth than that to create real jobs and hiring and wage improvements and raises.

So I just would ask my colleagues: What is causing that? What is causing that? Professors Rogoff and Reinhart did the fabulous book, ''This Time It's Different,'' and they did an empirical actual study of the economies of over 200 years of nations who ran up too much debt.

They studied what happened and the ones that had debt crises. What did they conclude? And not based on theory, not some ideal formula reached in academic situations, but what actually happened in these countries? What they concluded was that when the gross debt exceeds 90 percent of GDP, 90 percent of the size of the economy, then growth begins to slow. They found that the growth was slowed by 1 to 2 percent.

In 2010, the gross debt of the United States exceeded 90 percent of the economy and CBO's forecast was off. The next year, we were still way above 90 percent. In 2012, we were way above 90 percent of GDP. The debt is so high that it impacts economic growth, it would appear to me. I think this is a fact not being fully considered by CBO and it is impacting our economy, and it argues against any idea that we have no responsibility to start confronting our debt situation now.

In addition to Rogoff and Reinhart—perhaps stimulated by Rogoff and Reinhart, in the last couple of years, the International Monetary Fund, the European Central Bank, and the Bank for International Settlements have studied these very issues because it is a big deal in Europe. Many of the countries in Europe are deeply in debt, their economies are stagnating, and they have studied this issue. And what did they conclude? They concluded basically the same thing. Every one of those studies shows that when a country reaches a high level of debt—in the range of the 90 percent—they begin to suffer economic growth reduction. One of the studies went as low as 60 percent of your GDP in debt begins to slow the economy.

They have various factors in how it is done and the studies are constructed in different ways, but the net result is that when our debt situation is applied to each of those three studies, our economy is projected to be suffering as a result of the high debt we have. So I would say those three studies validate the concerns of Rogoff and Reinhart. Those three studies indicate we are already in America suffering growth loss because of the debt we have.

As we wrestle with how to deal with our economy, I would challenge all of our Members and challenge commentators in the media to ask tough questions: Can we continue to borrow more, run up more debt, and attempt to create a stimulus effect in our economy today? How much can we do that?

The Congressional Budget Office early this year concluded in a thorough report that if we were to balance the budget and bring our debt down to the level—as Congressman RYAN proposed and as we proposed in the committee, and as I proposed in my amendment tonight—and balanced the budget, what would happen? They predict this economy in 10 years would be stronger than it is if we hadn't done that, if we used two other scenarios that had less reduction and allowed more debt to accumulate.

Did you hear that? The economy over the long term will be healthier in this country, according to our own CBO, if we get our debt under control and balance our budget. It is in their report in January of this year. We need to listen to that. The American people know you can't get something for nothing. They know you can't borrow your way out of debt. As one of my citizens in Evergreen told me several years ago at a town meeting, My daddy said you can't borrow your way out of debt. Isn't that true? That is what we have been doing. We are going to borrow somehow and create a false high, a sugar high, and that is going to fix our problems. It has proven not to be the case.

What do we need to do? We need to do the same thing responsible people all over the world do. We need to do the same thing families do, the same thing States do that are well managed—and many are very well managed—and that counties and cities do; that is, operate within our means. Let's have a budget that actually balances, and all of the other factors will come into play. Debt as a percentage of GDP and these arguments about primary debt, and debt as a percentage of the economy, that is not where we need to be.

If we balance the budget over a period of time—carefully, so it doesn't do damage to the economy—and do this in the right way, we will make this economy better, and we will have people working who are now on unemployment. We will have people working and bringing home paychecks who are now on food stamps and TANF and other welfare programs. They will have jobs and they will be able to get pay raises and they will be able to work longer hours and get some overtime, and be able to pay down the house payment or the car payment. People are hurting out there. We have fewer people working today than we did in 2000. The average wage has declined—not increased—in the last 10 years. This economy is not growing. My Democratic colleagues are correct about that. People are hurting.

So how do you fix it? Do you borrow more so we can spend more? Is the government going to lift people out of poverty by giving them more checks that we taxed more and passed out more money? Is that compassion? I don't think so.

I have worked with working people. I have worked construction. I grew up in the country. I know people who didn't have money and how they can live and take care of their families on modest means, and they were independent, with pride and self-respect. We have an award being given in North Carolina to a food stamp office employee who talked people into taking food stamps who said they didn't need them. The award was given to her for overcoming mountain pride. So is this the status of the American economy today, that we are talking people into not being independent, we encourage them to take benefits from the government when they say they don't need them? That is what they gave her the award for.

We have got food stamp promoters in foreign embassies, in the consulate offices all over. They are meeting and promoting new residents to America—legal, presumably—to get on food stamps and other benefits programs. But you are not supposed to be admitted to the United States if you are going to be a charge on the State, so we checked on that. Do you know what we found? That about two-tenths of 1 percent—not 1 percent, but two-tenths of 1 percent of the people who apply to enter the United States are turned down because they might not be financially able to support themselves. One study said at least 36 percent of lawful immigrants in our country today are on some sort of welfare benefit program.

If they have to have health care to survive and go to the hospital, they need to get it, and we want to help people who are in need. But doesn't anybody follow common sense? Doesn't anybody understand we have a reasonable law that says, If you are going to come to America, we need to know you are going to be able to take care of yourself? You shouldn't be coming to America to get on a benefit program. We are not checking. Nobody is checking. Nobody is worried.

So what will they do? They will get Uncle Sam to ask the taxpayers to send more money, and we will keep spending more. It is a bottomless pit, you know. We will just tax the rich. How about that? Because shouldn't the rich pay more because somebody immigrated to America and their income was low? And so we will just give them money.

Do you know they did the same thing, the Department of Agriculture, with people who entered the country? They had a soap opera series of videos, and this is what they did: A lady speaks to another lady and she says something about food stamps. The other lady says, Well, my husband has a good job. I don't need food stamps. That is the first scene. The first lady says, Well, you don't understand.

After two or three of these videos, the first lady convinces the second lady that she should ask for these benefits when she said she didn't want them. She was a lady of pride and dignity. She didn't think she had to have this and wasn't asking for it. But our government overcame her resistance. The U.S. Department of Agriculture was promoting this and paid money to buy these ads: Don't worry, we will ask the American people to send more money. But we won't ask you to send more, we will ask the rich to send more money.

I remember years ago George Wallace used to want to tax the power company. He always wanted to tax the power companies. I was looking at my electric bill the other day and they list your charges, and one of them is the State tax. So they taxed the power company, and the power company passes it on to the person who buys the electricity. Give me a break. A tax on the economy is a tax on the economy. It is a weak argument that you can have an unlimited amount of money by taxing the rich. At some point it becomes not correct, not fair, and not right if the money is being thrown away on Solyndras and A–123 battery companies that go bankrupt. But nobody worries about it: Send more money.

We are having abuses in the SNAP program, and I proposed an amendment that would eliminate an abusive part of the food stamp program a year ago. In 2001, we spent $20 billion a year on SNAP. Last year, we spent $80 billion. It has gone up, from 20 to 80, four times. We identified a categorical eligibility gimmick that was allowing people to get food stamps who did not qualify and should not have received them. I said, Let's close that loophole. Over 10 years we were projected to spend $800 billion on the food stamp program. This would have reduced it by 11, so we would have been spending $789 billion instead of $800 billion. And do you know what they said? Sessions wants to take food out of the mouths of babies. People are going to starve. He is uncompassionate. He is unkind. He wants to chop the budget so we can hurt people. It was voted down. And we had reports showing that this was an abusive practice that should have been fixed.

Now we want to ask the American people, Send more money. We want to tax you more. Well, what about the abuse in the food stamp program? There is no abuse. The Department of Agriculture said we have less fraud than we have ever had in history. And I used to prosecute that as a Federal prosecutor. I know there is fraud in there. We established without any doubt that their claim that they have minimal fraud is only in the computer part of the program.

Nobody is checking to see if somebody who qualified for any of these government programs later gets a job and doesn't meet the qualifications. They still are getting benefits all over the country, unless they self-report. All kinds of things such as this are going on. No one is checking to see if somebody goes into two food stamp offices, two other benefit offices of various kinds and asks for them under different names at each place and produces some sort of ID. There is all kinds of abuse in this system and I hear it all the time.

Most people who get food stamps need it, they qualify for it, and they would get it under any kind of reasonable reform that would occur. But to suggest that we aren't wasting money through practices that allow unqualified individuals to gain access to multiple programs of this kind is a mistake. It absolutely happens every day.

I tried cases to a jury of stores selling food stamps, manipulating the program, dealing with corrupt individuals who brought the food stamps in to sell because they had obtained them fraudulently and never needed the food at all. This idea that there is no fraud in this program is ludicrous. That is what the leaders of the Department of Agriculture are saying: We have no problem. It is OK. Just send us more money. We will keep expanding and growing every year—maybe double the thing again, I guess.

These are the kinds of things that I believe this budget does not address. This budget allows spending to continue at its current rate, it allows the debt to continue at its current rate. Spending goes up and taxes go up. That is what this budget does. Spending goes up and taxes go up and the deficit is not reduced.

I hope that somehow we will come to our senses, go back home, and talk to our constituents. We will listen to them when they plead with us to do something about the debt course we are on. They tell us they are disgusted with the way things are going in Washington, and we say: We cannot do anything about it. They said there is not a problem. You don't understand the challenge we face. We really have to have more money. That is what we have to have. We can't get by on the money we have been having. We have to increase the money you give us.

Do you know that if we increase spending every year 3.4 percent—and these figures are not disputed—if we increase spending each year 3.4 percent, we could balance the budget? The problem is that our spending is increasing at 5.4 percent. It is hard to believe that difference would cause as many billion dollars in debt as it does, but it does. Each year, we add hundreds of billions of dollars to the debt. In fact, the last 4 years we have averaged adding $1,100 billion to the debt each year. As those dollars are added to the debt, we pay interest on them, and interest is surging.

We are going to find, according to the CBO, on the course we are on and on the course we would stay on if this budget passes, that we would not do anything different than where we are today, which means we would be paying about $800 billion in 1 year in interest. The road bill is $40 billion, education is about $100 billion—it is going to crowd out spending for every agency in our government. For research and development—we are just going to keep raising taxes now?

When we talk about a $650 billion tax increase in January this year on the rich, that passed. That went through. That will be $65 billion a year in extra revenue. I am saying to you that the Congressional Budget Office tells us that in 10 years from now, we will be paying $800 billion a year in interest. You are not going to tax the rich out of that. It is just not going to happen.

We are at a point where the debate today and the last week in the Budget Committee has put us in a position to confront the choices we have. Forgive me if I am passionate about this. We have waited 4 years to even see a budget brought to the floor when the law of the United States of America says a budget should be brought every year to the floor and every year before the committee and the President is required to produce a budget every year. For the first time since the Budget Act has been passed, the President has not produced a budget this year. But the Senate has begun to act, so I guess we are supposed to be happy for that. And I am happy for that, but I think we would be a lot better off, the country would be a lot better off—we may be in a better position to reach some sort of compromise on some of the great issues had we been publicly wrestling with these issues for the last 4 years instead of sweeping them under the table.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant bill clerk proceeded to call the roll.

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

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

MORNING BUSINESS

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

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

WOMEN'S HISTORY MONTH

Mr. MCCONNELL. Madam President, I rise today to celebrate Women's History Month. This March, we pay tribute to the generations of women in