

not be able to pay our veterans benefits.

This is shocking. We cannot allow this to happen. So we have to come to the table. That is why I said at the opening of my remarks we all have to be at the table, and all things have to be on the table.

Now, I am going to talk about political leadership. I want to talk about all of us at the table. I lived through a very serious crisis when Ronald Reagan was President, and Ronald Reagan, Tip O'Neill, and Howard Baker provided the political leadership. It was tough. It was scary.

In 1982, we were scared that we could not meet our obligations, that our Social Security checks would go out. The trust fund was running on fumes. America faced the fact that we would go into default with our senior citizens. President Reagan provided leadership. I did not agree with everything President Reagan wanted to offer. But he said: We have to put America first. He called up his friend Tip O'Neill. Tip O'Neill brought Democrats to the table. Bob Byrd was our party's leader in the Senate. Those two men stood together as Americans, not as Democrats. We turned to Bob Dole, chairing the Finance Committee, and Howard Baker. They came to the table, not as Republicans but as Americans. That is what we need now. We have to come to the table as Americans.

I love being a Democrat. My family were Democrats. We are going to be Democrats forever. But what I love more is being an American. I got into politics as a protester. In other countries they would have thrown me in prison. Here they put me into politics to stand up for the people. I would not have been able to go to college; I would not have been able to pursue the American dream.

I love America and I want America to have a great future ahead of it. We have to stop acting as if we are the Red Party and the Blue Party. We have to start behaving as if we are the Red, White, and Blue Party.

Now, I have heard about these pledges to Grover Norquist. But I take one pledge. I take a pledge to the flag of the United States of America. One Nation, under God, indivisible, with liberty and justice—justice—for all. That is what we need to do.

I take an oath on the Constitution to protect and defend the people and the law that governs it. Let's get real and let's realize whom our first pledge is to.

So I say to my colleagues on both sides of the aisle: Go back to your Republican history books. Read what Ronald Reagan did in 1982. Read what Republican leadership did in 1986. I will do the same for Democrats. When Tip O'Neill brought us to the table, I had to make tough votes. We drank strong medicine. But you know what. At the end of the day we made our obligations. Seniors got their checks, we got the Social Security trust fund out of

that crisis, and we became a stronger economy and a better America. We can do it. But let's realize to whom we take our pledge. Mine will always be not to the Democratic Party but to the United States of America. So let's be at the table and put all things on the table.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

THE DEBT CEILING

Mr. ISAKSON. Mr. President, I rise for a moment during this time of morning business to talk about what everybody is talking about—the crisis with our debt ceiling, the approaching deadline, and what we should do. Last night, as I thought about what I would say this morning, I thought back to that horrible month of September and October of 2008, when the greatest financial crisis since the Great Depression hit the United States. I was a Member of the Senate, and I was here the night the TARP vote came before us to try to salvage and save the financial system of the United States. That was probably the toughest vote I ever took. It was the right vote, because we stabilized the financial system. At that time, we were reacting to a crisis we were not in control of.

Today, we have a crisis we are totally in control of. It is ironic to me that 30 or 35 days before the deadline of August 2, we are fiddling around arguing with each other, when we should be talking to each other, looking at those things we can do to avert a crisis and move forward. I see that our leader has come to the floor. I will shorten my remarks so he can have his full time. This is a crisis of which we are in control, unlike 2008. We can make a difference.

The balanced budget amendment proposed by the Republican conference of the Senate is the straitjacket and the discipline we all need. When I was a State legislator for 17 years, we had a program on drug abuse that said “just say no.” We taught kids not to use drugs. We need a way for Congress to “just say no” to spending, and have the discipline to have a constitutional restriction on our ability to have runaway spending without any accountability. It is the kind of discipline almost every State imposes upon itself.

In Georgia, we cannot deficit spend because our constitution won't let us. We cannot borrow more than 10 percent of our entire budget because the constitution will not let us. Those are the types of disciplines the Congress needs.

Before I yield to the leader, I will end the way I began. When the financial crisis hit in September 2008, we were

dealing with issues over which we had no control. Today, we are dealing with an issue upon which we have total control. It is time to put on the straitjacket—the procedure and process to balance the budget and run our country as every American family has to run its budget.

I yield the floor.

The PRESIDING OFFICER. The minority leader is recognized.

REDUCING THE DEFICIT

Mr. MCCONNELL. Mr. President, I want to say a word about the President's press conference yesterday.

What I heard him propose is that we solve the debt crisis by spending more money—solve the debt crisis by spending more money; that we solve the jobs crisis by raising taxes—solve the jobs crisis by raising taxes.

I want to know, is there a single Member of Congress, Democrat or Republican, who thinks it is a good idea to raise hundreds of billions of dollars in new job-killing taxes at a time when 14 million Americans are out of work? If so, I haven't heard from any of them. But that is what the President was trying to defend yesterday.

Who thinks the answer to a \$1.6 trillion deficit is a second stimulus, that the answer is more deficit spending? Where in the world did that idea come from? That is what the President was trying to defend yesterday.

Look, the President needs to get serious about this. He said yesterday that reducing the deficit grows the economy. That part of his press conference he got right. Reducing the deficit grows the economy.

His own Small Business Administration has told him not to enact one of the tax hikes he was proposing at the press conference yesterday. This is what they said over at SBA: “This can force many small businesses to close their doors.”

Fourteen million people are out of work, and he wants to take an action that could force small businesses across the country to close? That is his vision of shared sacrifice?

I think the American worker has sacrificed quite enough already. Besides, all of us know that Congress isn't going to approve hundreds of billions of dollars in tax hikes. It is simply not going to happen. We have known that for 6 months, and we have been saying it all along.

The President does not seem to get it. So let me do something that I think would be constructive. I want to invite the President to come to the Capitol today and meet with Senate Republicans anytime this afternoon that he is available; come on up to the Capitol and meet with Senate Republicans. That way, he can hear directly from Senate Republicans why what he is proposing will not pass. So I invite him to come up today and meet with Senate Republicans, hear directly from them, and we can discuss what he has

in mind. Maybe we can start talking about what is actually possible.

The President says he wants us to get working. I can't think of a better way than to have him come right on over today—we are waiting—and hear from our conference about the legislative realities in Congress right now.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. THUNE. Mr. President, I ask unanimous consent to enter into a colloquy with my colleague from Nebraska.

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

BALANCED BUDGET AMENDMENT

Mr. THUNE. Mr. President, our Nation has an over \$14 trillion debt and unless we can get a handle on it—I have a chart which I think shows what our future will look like if we stay on the current trajectory. You can see that the path leads higher and higher in debt to GDP levels. That level is unprecedented in American history. You have to go back to World War II when we had this kind of debt to GDP. The chart shows we are going to face an ever increasing burden and debt.

Without shoring up our finances, we know what our future will look like. This week, we saw that the country of Greece had to approve an austerity package to be eligible for their next disbursement of a multibillion dollar bailout loan from the IMF and other European countries. This austerity package included 28.4 billion euros in spending cuts and tax increases. That is exactly what will happen if we don't do anything. We will reach a time when we will be facing massive cuts in spending and tax increases, if we don't get our fiscal house in order.

But that isn't necessary, because there is a better way to solve this problem. Instead of more debt and spending, we can pass a balanced budget amendment that would prevent us from spending more than we can take in. We know what the effect of this will be on our future as well.

We have States across this country—49—that have some type of balanced budget requirement, including South Dakota. That is the reason why our State's budget is always balanced. Our legislature cannot go home until that happens. We need that same sort of discipline here in Washington, and a balanced budget amendment would bring that about.

I have with me on the floor a colleague from Nebraska, Senator JOHANNIS, who also served as his State's Governor. My understanding is that the Senator from Nebraska, when he

was Governor, had a balanced budget requirement in Nebraska's constitution. I wonder if he can explain the effect that had on his State, and whether it forced them to make some of the tough choices necessary to get a budget balanced.

Mr. JOHANNIS. Mr. President, I appreciate the opportunity to speak about a topic that I think has made all the difference in the world for my State of Nebraska.

I did have the privilege, a few years back, of serving as the Governor of the State of Nebraska. Until I came out to join the Cabinet as Secretary of Agriculture, I served about 6 years. Before that, I was the mayor of our State capital in the community of Lincoln, a great community. We followed the same pattern at the Governor's office that we did at the mayor's office. And we Governors had a simple principle: We did not spend money we did not have.

Before I talk about the balanced budget amendment, let me explain how that worked as mayor of Lincoln. My budget staff would go to work. They worked on the budget pretty much year-round—really, it was a year-round endeavor—and at some point in the process I would get a stack of paperwork that was about an inch thick, with line after line after line of items they were proposing we needed to spend money on to keep the city running. There would be everything from police cars to whatever, to salaries. I mean, imagine what it takes to run a city, and it would be on that list. I would go through item by item, page by page, studying each entry. Ultimately, we came to a conclusion for each entry: Yes, I believe this is necessary to keep our city going.

Well, somewhere in that thick stack of paperwork, I would turn over the page and I would come to a page where there was a red line drawn through the items. The significance of that red line was that everything above that red line we had money for and everything below that red line there was no money for. So if the next entry below the red line was something that I wanted to see happen as the chief executive of that community, I had to cut spending to eliminate something else because, you see, when I went to the city council I couldn't go to them and say: For operations, we are going to borrow a whole bunch of money. That didn't change at all when I became the Governor of the State of Nebraska.

Our constitution requires a balanced budget. It is very straightforward. It basically says: You can't spend more than what is coming in. You can't buy things you don't have money for.

Let me add another piece to this—and this makes our State quite a bit different, I think, than virtually any other State in the United States. Way back when our constitution was written, those who sat down to write the constitution—with amazing foresight—said: At some point politicians, in their

passion to get reelected, are going to say to the people, they can have all of this, and then finance it by borrowing money. Well, they didn't want that. So there is literally a provision in our constitution that, in essence, says: You can't borrow any money. I think the limit is something like \$100,000 or \$500,000, and that is it.

If you drive across the roads in Nebraska, I will just point out, they are paid for. Why? Because we don't spend money we don't have. Our constitution will not allow us to do it. So year after year, when we get together, we look at the priorities of State. It might be education, it might be something relative to human services, it might be roads. But whatever it is, the executive branch—me, as Governor, working with the legislature—would decide what we are going to fund and at what level.

Now, I could guarantee the people of Nebraska three things would happen by the end of the legislative session: No. 1, a budget would be passed; No. 2, it would be balanced; and, No. 3, we would not borrow money for those first two things to happen. A budget would be passed, it would be balanced, and we weren't going to borrow money to make that happen. That has been going on for decades and decades and decades.

Some of my colleagues are probably ready to rush down to the floor and say: Oh, MIKE, that sounds so backward. But here is what I have to say. During this very difficult economic time—and all of us agree it has been one of the toughest times since the Depression—unemployment in Nebraska has not gone over 5 percent. Unemployment today in Nebraska is 4.1 percent. Let me say that a bit differently. Ninety-six percent of people able to work in Nebraska have a job—96 percent.

This year our legislature actually recessed early and—I believe I remember this correctly—they unanimously passed the State budget. There are Democrats in the legislature, there are Republicans in the legislature, and there are Independents. One might ask: How did they do that? They did it because they felt a responsibility to the State and to their constitution to get a budget done, to make sure it was balanced, and not to borrow money to get there.

Let me contrast that with what is happening out here. What is happening out here is that for decades and decades and decades, we, as the Federal Government, have said to the people: Don't you worry. We can be all things to all people. We can give you this and we can give you that because we have this big credit card. Well, that credit card today is now at \$14.5 trillion and growing—growing and growing and growing.

When I go back home and do town-hall meetings, and I look across the room and I see young people or children, it pains me to tell them that I know who is going to be responsible to pay off the credit card. It is not MIKE JOHANNIS, who turns 61 this year, although it should be my responsibility;