

in a period of morning business for 1 hour. Republicans will control the first half and the majority will control the final half.

Following morning business, the Senate will resume consideration of the motion to proceed to H.R. 2055, the Military Construction and Veterans' Affairs appropriations bill, postcloture. We hope to yield back time and begin consideration of the bill sometime today.

BUDGET NEGOTIATIONS

Mr. REID. Mr. President, there are some in the Republican Party who will not listen to the truth no matter who speaks it.

This is my opinion: If we allow this Nation for the first time in its history to default on our national obligations, it will not only be a black mark on our reputation but also a massive financial disaster that will sweep the world into global depression.

But it is not my opinion alone. I have come to that belief by listening to the most respected voices in the business community. Default, they say, is a "risk our country must not take."

They are not the only ones who believe that is true. The most respected bankers have also said it. JPMorgan Chase CEO Jamie Dimon said default would be "catastrophic."

Investors have said it. Bill Gross, one of the world's largest mutual fund managers, sent us a warning yesterday. He said:

There should be no question at all. The debt ceiling must be raised and not be held hostage by budget negotiations. Don't mess with the debt ceiling, Washington.

That is what Bill Gross said.

Economists have also said it. Ben Bernanke, appointed by President Bush as Chairman of the Federal Reserve, has said default would be a "major crisis" that would send "shock waves" through the world financial markets. Yesterday, he said failure to avert default would mean "huge financial calamity."

Even other Republicans have said it. This is what Speaker BOEHNER said in April:

Not raising the debt limit would have serious—very serious—implications for the worldwide economy and jobs here in America.

Perhaps most telling of all, all three rating agencies have already sent warning shots across our bow. Last night, Moody's cautioned us that America's AAA rating was already under review for downgrade. Never in the history of the country has that happened, that we are being reviewed to downgrade our debt rating. We have 3 weeks left until we miss our first payment. They cited the "rising possibility" that we will default. They said we could lose this crucial rating—which saves every American money every day—even before we miss a payment.

Standard & Poor's has told Congress and business leaders that even if the

United States keeps paying creditors but delays payments such as Social Security or veterans' benefits, it may cut our rating.

Fitch Ratings has said a default would "threaten the still fragile financial stability of the United States and the world as a whole."

So why are some Republicans in Congress still saying that a first ever default on our Nation's financial obligations would be no big deal?

When every financial expert, investor, business leader, and banker in the country—and even every reasonable member of your own political party—is telling you the consequences of default would be catastrophic, it is time to start listening. Why? Because default won't just roil the financial markets, pushing interest rates higher and tank the stock markets. It will affect every American's wallet as well.

Here are a few of the things that will happen. Social Security checks and benefits to our troops would stop. Some of the most vulnerable Americans would be placed at risk. Our promise to the men and women who protected this Nation so bravely—and those who protect it today—would be broken. We would not be able to make payments to our military.

Payments on our national debt would stop. American investments and retirement accounts could be decimated. Millions of Americans could lose their jobs.

Interest rates would rise not only for the government but for ordinary Americans as well. Those Americans will pay more for their mortgages. They will pay more to use a credit card or buy a car or finance a university education. They will even pay more for their electric bills, groceries, and gas. The spike in interest rates and damage to the U.S. dollar alone would cost the average American family more than \$1,500 immediately. It would be the most serious financial crisis this country has ever faced, and it would come at a time when our economy can least afford it. In the long run, it would wind up costing the government not millions, not billions, but trillions of dollars—a fact Republicans shouting about the debt fail to mention. For every 1-percent increase in interest rates, it will cost our Nation \$1.3 trillion—again, not million, not billion, but trillion. For every 1-percent increase in interest rates, it will cost this Nation \$1.3 trillion.

With so much at stake, even Speaker BOEHNER and Minority Leader MCCONNELL seem to understand the seriousness of the situation. They are willing to negotiate in good faith, which I appreciate, and the country appreciates.

Meanwhile, House Majority Leader ERIC CANTOR has shown that he shouldn't even be at the table, and Republicans agree he shouldn't be at the table.

One House Republican told Politico, a Hill publication, last night: "He lost a lot of credibility when he walked

away from the table. . . . It was childish." What is that all about?

We had negotiations going on here in Room S. 219, a short jaunt from here, and he walked out on the meetings with the Vice President of the United States. It was childish.

Another Republican said CANTOR is putting himself first. He said this: "He's all about ERIC."

The time for personal gain and political posturing is over. It is time to put our economy and our country first. The risks we face are simply too grave.

We don't need to take my word for it. More than 300 respected business leaders wrote to Congress the night before last to make it clear how serious this crisis is.

A great nation—like a great company—has to be relied upon to pay its debts when they become due. This is a Main Street not Wall Street issue.

We are listening. It is time for the irresponsible voices in the Republican Party who continue to deny the truth of this crisis to start listening as well.

I note the absence of a quorum.

The PRESIDING OFFICER (Mr. UDALL of New Mexico). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. The Republican leader is recognized.

BUDGET NEGOTIATIONS

Mr. MCCONNELL. Mr. President, over the past few days, a lot of people have taken it upon themselves to offer Republicans in Congress and me in particular their advice on the debt limit. I have listened to all of it very carefully. I appreciate how frustrating it is for people to think that in spite of everything we know about the state of our economy, and despite all the warnings we have heard about the dangers presented by our deficits and debt, we can't do something about it. I share that frustration. No one has spent more time cajoling and persuading this White House of the need to do something big.

I was truly hopeful the President could be persuaded to view the upcoming debt limit vote as an opportunity to cut Washington spending and the debt that has ballooned since he took office, and to preserve entitlements at the same time. But, in the end, he wasn't interested in doing something of that magnitude that would pass.

He gave us three bad choices: higher taxes, smoke and mirrors or default, and we refuse to accept any of them. Republicans will not be reduced to being the tax collectors for the Obama

economy. We will not be seduced into calling a bad deal a good deal, and we will not let the White House fool around with the full faith and credit of the United States.

If the President wants to threaten seniors or veterans or rattle the world economy by pretending he cannot pay our bills, he, of course, can do that. But he is not going to implicate Republicans in these efforts.

That is why I proposed, as a last resort, a plan that would force the White House to show its hand. If the President would rather default than cut back on the size and scope of government, let him explain that. If he would rather preserve his vision of Washington than protect entitlements, let him explain that. If he and the Democratic Senate would rather borrow and spend us into oblivion, they can certainly do that. But do not expect any more cover from Republicans on it than they got on health care—none.

The American people deserve to know what their elected representatives stand for in this debate. None of these proposals that have been presented up to now would do that.

If Democrats will not agree to reforms we need, then we should at least show the public where we stand. What they wanted was a deal that purported to lower the debt from \$26 trillion to \$24 trillion over 10 years, then have us give it thumbs up and call it a bipartisan victory for fiscal discipline. We were not about to call this a good deal any more than we were willing to call the health care bill real reform.

We refuse to let this President use the threat of a debt-limit deadline to get us to cave on tax hikes or phony spending cuts. It is time to change this debate altogether. It is time to make it clear to the American people where the two parties stand in this debate.

Either you are with the President and his vision of a government that continues to live beyond its means or you are with those of us who believe Washington needs some strong medicine. Either you want to simply borrow and spend our Nation into oblivion or you want to get our fiscal house in order, and the single most effective way to do that is with a balanced budget amendment.

If the President and Democrats in Congress will not agree to cut back, let's force them. Let's pass a constitutional amendment that actually requires Congress to live within its means.

It is time for the American people to contact lawmakers on the Democratic side and simply demand it. Republicans are unanimous in their support for a balanced budget amendment. We need 20 Democrats to join us.

It is an uphill climb, but if the American people speak out, we can get it done. If the President will not agree to it, it is time we go around him and directly to the American people.

Let's keep the pressure on. Let's show the administration where the

public is on this issue. Let's get our fiscal house in order.

I yield the floor.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senate will be in a period of morning business for 1 hour, with Senators permitted to speak therein for up to 10 minutes each, with the time equally divided and controlled between the two leaders or their designees, with the Republicans controlling the first half and the majority controlling the final half.

The Senator from Tennessee is recognized.

THE BUDGET

Mr. CORKER. Mr. President, I realize a scheme has been concocted on the debt ceiling that allows Democrats to go into this next election continuing to ensure that spending to many of their constituents is at levels that please them; therefore, allowing them to run successfully in 2012, and that scheme also allows Republicans to run in 2012 with spending being the issue.

I think we all understand that, look, the debt ceiling is going to be increased, and it is going to be increased in such a way that both sides of the aisle have the ability to campaign against the other respective to their bases.

But the fact is, our great Nation is in decline because of the elected leaders in Washington. Our great Nation is in decline because of this body and the way it is acting, the House of Representatives and the way it is acting, and the White House and the way it is acting.

This body, as we meet and go on to a spending bill, is helping our great Nation go into decline. Let me explain why.

Maybe the debt ceiling was the wrong place to pick a fight as it relates to trying to get our country's house in order. Maybe that was the wrong place to do it. The reason it was chosen is because this body has not passed a budget in 806 or 807 days, and I credit both sides for that. But the fact is the Senate has not passed a budget in over 806 days.

I had a dinner this week, Monday night, with six Democrats and five Republicans. I will not mention their names to impugn them in any way. But all of them expressed tremendous frustration with the way this body is being run. Basically, most Senators in this body are nothing but two-bit pawns—two-bit pawns—as a political fight is under way basically to lay out the groundwork, if you will, for the 2012

election. That is what is happening right now in this body, and I think we all know that.

Yet yesterday we voted to move to a spending bill where we, in essence, are acting as accomplices. We are accomplices to this—the Presiding Officer and myself. I voted against it. But anybody who votes to go to a spending bill without forcing the Senate to come to terms with a budget is, in essence, an accomplice to allowing the shenanigans that are taking place right now to continue. We are allowing this great Nation to go into decline by not forcing us to make those tough decisions.

The reason the debt ceiling was chosen is because there has not been any other mechanism to cause us to sit down and make those tough choices as it relates to spending in our country. Because we were unwilling to do that, many people lined up, as a matter of fact, Democrats and Republicans—there is a Gang of 6 that had been working, with three Republicans and three Democrats. It is my sense that they too had planned to use the debt ceiling vote as a place to try to cause us to come together around something that might be sensible for our country. We have not seen the details of that. I hope we will see that soon.

But my point is, both sides of the aisle actually had focused on this debt ceiling vote—or many people on both sides of the aisle—to try to cause us to have the fiscal discipline we need. Obviously, with this new scheme, that is not going to happen.

I think we all know the debt ceiling is going to be raised. Blame will be assessed to either side. Both sides will use that in the 2012 election, and then we will move on to another cycle where probably we will continue to be irresponsible.

But the fact is, by moving to a spending bill without a budget—everyone who agrees to do that, every single person in this body who agrees to move to a spending bill, no matter what it is funding or no matter at what level it is funding the things it is funding, every one of us is an accomplice in causing this great Nation to decline, every single one of us.

I would urge people in this body who would like to see us actually do our work, cause us to function the way the Founding Fathers had created this body, cause us to function in a way that no longer allows our country to be in decline, I would urge everybody in this body to not agree to go to this spending bill and to say we will not spend any more of the U.S. resources—taxpayers' resources—without first agreeing to those tough decisions.

I love seeing some of the masters of the universe on some of these financial programs in the morning. I heard one of them this morning on a particular program I sometimes turn on to see what the markets are doing in reaction to the ridiculous, undisciplined nature of this body, I heard one of them say the debt ceiling is no place—most