

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