and over and over again and we know because we have heard that the plan which will come to a vote in the House, unfortunately, will not have bipartisan support, does not solve the problem, does not stop us from being downgraded in our credit rating, does not put us in a situation for long-term problem solving.

It keeps us stuck in the mud for months over and over again by only addressing the debt ceiling for 4 months or 6 months. We will be right back here again stuck when we need to be able to solve this and move on and focus on growing our economy so businesses can create jobs. People in Michigan have had enough. I have had enough. They have had enough.

One man called my office earlier today. He said: I do not want to relive this nightmare in a few months. I could not agree with him more. We cannot be in a situation where we are not creating economic certainty, solving this problem, and then moving forward as a country in a global economy. We have a lot of work to do to be able to compete around the world and make sure our businesses are creating jobs here at home.

Families and small businesses in Michigan have been through enough. It is time to get this done. We have to do it together. It is about working together. It is about creating a bipartisan plan, and it is time to get that done. I know my colleagues in the Senate on both sides of the aisle know the seriousness of this situation. I certainly know our leader does, and I am grateful for his persistence and focus in bringing people together to solve this.

We have a serious debt crisis that we can and must solve, and the House must join us in a bipartisan solution. We also have a jobs crisis in our country. We need to resolve the current impasse and then focus like a laser on growing our economy so companies can create jobs, so we can get out of debt, and we can stay out of debt.

I would strongly urge my colleagues, my colleagues on the other side of the aisle in this Chamber, to continue to work together to find a solution, to come together, to get this done in the Senate. I would urge my colleagues, on behalf of the hard-working men and women of the State of Michigan, it is time to come together to get this done. We know what needs to be done. We know it has to be bipartisan, and we know we have to work together. People in Michigan are saying enough is enough. It is time to get this done.

I yield the floor.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. REID. Mr. President, I ask unanimous consent that morning business be extended until 6:45 p.m. today, with Senators permitted to speak therein for up to 10 minutes each, and that at 6:45 I be recognized.

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

The Senator from Utah is recognized.

Mr. HATCH. Mr. President, I ask unanimous consent that I be permitted to give my full speech.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

THE DEBT CEILING

Mr. HATCH. Mr. President, according to President Obama and Treasury Secretary Geithner, the Federal government will default on its obligations in 5 days, on August 2, 2011.

It is clear that some Democrats, including President Obama, want to use this fiscal crisis to raise taxes.

Under the guise of closing loopholes, the administration wants to set the stage for tax increases to finance historic levels of government spending.

When this President came into office, he saw himself as the second coming of Franklin Roosevelt. He was going to finish the work that LBJ was unable to complete. And a fawning media was happy to encourage his grandiose vision for national economic reordering.

I get a big kick out of this ''Time'' magazine article entitled ''The New New Deal.''

Using the financial crisis of 2008 and 2009, he was going to transform the United States into a European-style social democracy.

Businesses, and the individuals who start them, would no longer be free entities with property rights. They would be arms of the state that exist for the purpose of funding ever expanding welfare programs.

Taxation would no longer be a necessary evil, with citizens and businesses recognizing a legal duty to pay what was owed, but understanding that they were ceding their property rights to the government to provide for certain public goods.

Instead, businesses and taxpaying citizens would be obligated to share their wealth with the state.

Because the progressives running the administration do not believe in natural rights to liberty and property because they think everything a family or business makes is in fact due only to the largesse of the state paying taxes is no longer something that must be done, but something that people should want to do.

They owe it to the government to pay taxes, since that money is not really theirs anyway. In this new progressive political community that the President hopes to create, taxation becomes shared sacrifice, and taxpayers become gleeful participants in ''spreading the wealth around,'' as the President once put it.

But the President and his party have hit a brick wall. The spending part was easy. The taxing part is hard.

For all of the talk about how Republicans are divided on the issue of raising the debt ceiling, you only have to scratch the surface to see the deep divisions among Democrats.

The reason that the President has offered up no plan to reduce spending, and the reason Democrats have not passed a budget in over 800 days, is because they are badly divided.

They all want the massive levels of new spending that the President pushed through in his stimulus and ObamaCare. But not all want to pay for it.

They all want to maintain existing levels of entitlement spending. But not all want to raise the taxes necessary to pay for it.

They know that some of their constituents like all this spending, but they know that the vast majority of Americans reject the President's funding of his leviathan state through higher taxes.

So they do nothing.

The President has no plan.

I want to repeat that again.

The President has no plan.

Maybe if we shout it from the rooftops, the media will start to take notice.

The President has no plan. And Senate Democrats don't either; certainly not one that addresses our current fiscal crisis.

The critical issue we face is more than imminent default on our obligations. That is unlikely to happen. It certainly should not happen. In my opinion, it will only happen if the President wants it to happen. On Wednesday, I asked the Financial Stability Oversight Council, which is chaired by Secretary Geithner, to provide me and the rest of this institution with an assessment of the cash position of the United States. As Congress considers options for raising the debt ceiling, it needs to know precisely how Treasury plans to pay its bills, and when it is going to fall short of cash to do so.

I asked that the Secretary respond to this reasonable request by yesterday afternoon. The Secretary chose not to respond. I want to be clear that this unresponsiveness by his Treasury Secretary is unacceptable. President Obama needs to understand that this failure to provide the Senate with critical information is not tolerable and will not be forgotten.

Still, I am confident that the Nation will get through this immediate crisis, and there will be no default. But that is only part of the problem. The real issue remains. The United States cannot support the level of spending President Obama has given us and that Democrats from the New Deal onward have bequeathed to the Nation in the form of ever expanding entitlement spending programs.

That is the real issue. And the majority leader's proposal does not address this, any more than the President's White House bromides about a balanced solution address it.

The real threat to this Nation is not the threat of a downgrade due to default.

The real long-term threat is a downgrade of the Nation's credit rating because President Obama has written checks that this country can't cash.

The real threat is that interest rates will go up for businesses, families, students, homeowners and anyone who has to borrow money. The economic ramifications of a downgrade threaten to bowl over our fragile economy. Job creation remains weak. Annualized growth in real inflation-adjusted GDP was only 1.3 percent in the second quarter. This follows on the heels of .4 percent growth in the first quarter.

Along with many others, I have said that if we do not get our spending under control, we are on a glide path to Greece and other Eurozone countries whose credit ratings are destroyed and whose bonds have junk status. Those countries would not have solved their problems by allowing the government to borrow more. Their only way out was to reduce the size of their welfare states.

Yet this is what the President, and the Treasury Secretary, and congressional Democrats are suggesting as a solution. They would have you believe that everything will be set right if only we give the President the legal authority to borrow an additional $2.7 trillion.

Americans are not buying this snake oil. I know that Utahns are not buying it. They understand that our nation's fiscal problem is spending. Giving the President more power to borrow more money is not going to fix that problem. Reducing spending is going to fix that problem.

The numbers could not be more clear.

As we can see, here are the Federal taxes and spending as a percentage of GDP. The red line is the spending line. We can see it is out of control in the 2012 Obama budget. The blue line is the average of what it has been in the past. We can see it is tremendously below where the President's budget is taking us.

Federal spending, as a share of our economy is trending at a pace 15 to 20 percent greater than its historical average of 20.6 percent of GDP. If we leave in place this year's level of taxation, including the marginal rate relief of the 2001 and 2003 tax cuts, and patch the alternative minimum tax—or AMT—the Federal tax take will equal or exceed its historic share of the economy.

Liberals suggest that the deficit and debt must be addressed through tax increases.

This is either deliberately misleading or sadly delusional.

Maybe we have found the truly shovel-ready policies of my friends on the other side, and they smell like a freshly fertilized farmer's field. Or maybe my friends on the other side simply refuse to come to grips with reality. But sticking their heads in the sand is not an option here. The markets, and the American people, understand the nature of our crisis.

Non-defense discretionary spending is at historic levels. And our entitlement programs are headed for bankruptcy. This fiscal year we have a projected budget deficit of $1.5 trillion.

We have a debt of over $14.3 trillion.

President Obama's budget assumes $13 trillion in new debts. This spending needs to be brought to heel. But the proposal of the majority leader does not get the job done.

It allows for the largest debt ceiling increase in history.

This makes sense. President Obama has given us the largest deficits in our history, and his borrowing needs are historic as well.

To pay for his political science experiment to turn the United States into Sweden, he earlier required a $1.9 trillion debt limit increase. That was the largest in the Nation's history.

But now he is coming back for another $2.7 trillion.

Conservatives understand that this is not sustainable. It is one thing to raise the debt limit. It is another thing to do so without reforms that would keep us from getting into a fiscal crisis of this magnitude again. That is why I, and many others in Congress, pledged to vote against a debt ceiling increase prior to the institution of immediate spending cuts and spending caps, and sending a strong balanced budget amendment with taxpayer protections to the States for ratification.

To be clear, that commitment to cut, cap, balance passed the House with bipartisan support. The Senate could have taken up that bill last week, but Democrats chose to table it rather than debate it. And the President chose to tell us what he did not support rather than what he does support.

Any increase in the debt limit needs to be accompanied by serious spending reductions, but the bill of the majority leader does not get us there. All it does is provide President Obama with an opportunity to borrow more money to pay for more spending.

The President would get a $2.7 trillion debt limit increase but less than $1 trillion in cuts.

And most of those cuts are gimmicks. They assume savings from war spending that the President has not requested and that is unlikely to materialize.

It does not include a balanced budget amendment. And most importantly from my perspective, it assumes a massive tax increase in 2013 by allowing the 2001 and 2003 tax relief to expire, allowing the AMT to hit middle-class taxpayers, and allowing for increases in estate taxes that are a small business and job killer.

You won't see that though in the talking points. They bury the breadth of that tax hit in their baseline assumptions.

But we know that President Obama and his liberal allies are planning massive tax increases on the middle class. While their rhetoric suggests that we can fix out debt crisis just by raising taxes on the rich and closing loopholes, the reality is that they are setting the stage to roll back tax expenditures.

And cutting back tax expenditures will be a tax increase on middle income itemizers.

When Democrats talk about tax expenditures, they are talking about your ability to purchase a home, or save for retirement, or give to your church, or put away money for your children's education.

That is where the money is. It is not in bonus depreciation for corporate jets. And it is not in tax benefits for energy companies. It is not in changing the treatment of carried interest for private equity companies. It is not in repealing the deduction for mortgage interest related to yachts used as second homes.

This issue of tax expenditures is confusing and demands greater clarity. As ranking member of the Finance Committee, it is my responsibility to correct the record on what the curtailment or elimination of tax expenditures would really mean for taxpayers and families.

I have spoken about tax expenditures a number of times in the last few weeks, but given the failure of the President and his congressional allies to take on our spending crisis, I want to reemphasize the essential point—if Democrats are allowed to balance the budget their way, it will result in new tax burdens for the middle class.

Tax expenditures are not ''spending through the tax code.'' They are an opportunity for you to keep more of your own money.

And they are not, by and large, special interest benefits that disproportionately benefit wealthy taxpayers. The Democrats' rhetoric on expenditures does not jibe with the reality of our Tax Code. The data are clear. Tax expenditures tend to skew towards taxpayers below the President's definition of the rich.

Let's work through some examples of what concrete proposals to cutback tax expenditures would yield in revenue and what they will mean to middle income Americans.

I am going to take a look at the budget outline presented by our friend and colleague, the distinguished chairman of the Senate Budget Committee. The Senate Democratic Caucus outline was discussed among the larger Democratic Caucus. Republican members, including long-standing Budget Committee members, were briefed by reading the details of the outline in the Washington Post. The Senate Democratic budget called for $2.38 trillion in tax increases when measured against the current policy baseline. The current policy baseline represents the level of taxation Americans are currently paying.

According to materials released by Senate Budget Committee Democrats, they are looking at three categories of tax increases.

The first category would raise marginal rates on single taxpayers with $500,000 and over in income and married couples with $1,000,000 and over in income. For those taxpayers, including many small business owners, the marginal rates would rise by 17 percent.

According to the Tax Policy Center, the TPC, a think tank often cited by our friends on the other side—certainly not a conservative think tank—at least 38 percent of flowthrough income, much of it small business income, would be subject to the marginal rate hike.

The marginal rate on capital gains and dividend income would rise by 33 percent. Keep in mind the IRS Statistics of Income group reports that 65 percent of capital gains income would be hit by this tax hike. Add in the tax increases from ObamaCare, and in less than 18 months the marginal rates on capital gains and dividends will rise by 59 percent. Is that a positive signal for investors to move capital into projects? That tax hike represents $380 billion of tax increases in the Democratic budget.

Now, look at this chart, the Senate Democratic budget tax increases. The total tax increases needed are $2.380 trillion. They suggest, No. 1, raise the marginal rates on singles over $500,000 and married couples over $1,000,000. That would be $380 billion. No. 2, closing corporate loopholes and curtailing offshore tax evasion is $262 billion. After that, the remaining tax increases needed from tax expenditures would be $1.738 trillion.

So, again, we would take the total tax increases needed—$2.380 trillion—reduce that by the $380 billion gained from raising the marginal rates on singles earning over $500,000 and married couples over $1,000,000 and closing corporate loopholes and curtailing offshore tax evasion with $262 billion, and the remaining tax increases needed from the tax expenditures alone would be $1.738 trillion.

The second category of tax increases in the Democratic budget is a set of concepts we have heard about for years in Senate floor speeches. President Obama frequently refers to them as well. We also see these concepts mentioned in the vast left-of-center DNC think tank establishment and by liberal pundits. They fall into two groups of proposals: The first group is closing corporate loopholes, and the second group is curtailing offshore tax avoidance or evasion.

Again, as you can see, they want to increase taxes by $2.380 trillion by raising the marginal rates on singles earning over $500,000 and married couples earning over $1,000,000, which is $380 billion. Then they want to close corporate loopholes and curtail offshore tax evasion, and they think they can save $262 billion on that. That still leaves $1.738 trillion.

The Finance Committee Republican staff compiled all known, specified, and scored proposals in these two groups. Staff calculated the proposals as summing $642 billion over 10 years. The numbers are Joint Committee on Taxation scores.

Mr. President, I ask unanimous consent to have printed in the RECORD a summary of the staff calculations.

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

	JCT Estimates	Treasury estimates (in billions)
Other revenue changes and loophole closers	$ 262	$ 336
Eliminate fossil-fuel preferences	40.7	46.2
Increase unemployment taxes	47.4	61.0
Simplify the tax code	(10.7)	0.4
Reduce the tax gap and make reforms	(10.1)	1.4
Modify estate and gift tax	3.1	$ 19.50
Sum	$ 332	$ 464
Total tax expenditures from Conrad budget	$ 2,380	$2,380
Substract estimates from raising marginal rates	380	19.50%
Subtract other revenue changes and loophole closers	262	
Amount needed from tax expenditures	$ 1,738	

Mr. HATCH. To President Obama's credit, he put his money where his rhetoric is. Most of the loophole closures and offshore measures were contained in his budget.

If we subtract the two categories of tax increases, there remains $1.73 trillion in tax increases the Senate Democratic budget must find by cutting back tax expenditures.

Here we go again. This is a very important chart. I will remind everyone of something I mentioned in my first discussion of tax expenditures. The Joint Committee on Taxation warns us that tax expenditure figures are not the same as revenue estimates for policy changes.

In March 2011, the CBO released a set of budget options for deficit reduction. On the revenue options, CBO and Joint Committee on Taxation estimated the proposals. There are a number of them that deal with cutbacks on tax expenditures.

If we start with the Senate Democratic budget's target of $1.73 trillion, we can see an illustration of some policy options that tax writers would have to consider. I have a chart that lists the revenue raised from some of these options.

Let's look at this chart. It may be difficult to read on a television monitor, so I will go through these. These are tax expenditure policy options from the Congressional Budget Office to raise revenue. In other words, we have a tax to take away these tax expenditures.

No. 1 would be eliminate the deduction for State and local taxes. I don't think many people are going to want that to happen.

No. 2, they will tax Social Security benefits similar to the defined-benefit distributions. That is $438 billion right there in increased taxes.

No. 3 is tax investment income from life insurance and annuities. That is $260 billion.

No. 4, curtail the deductions for charitable giving. Can you believe that? That is $219 billion.

No. 5, gradually eliminate the mortgage interest deduction. Take that away from people who buy homes?

That is $215 billion.

No. 6, eliminate the child tax credit. That is $117 billion.

No. 7, raise tax rates on capital gains. That is $49 billion.

No. 8, eliminate education tax benefits, which is $48 billion.

No. 9, reduce 401(k) contribution limits, which is $46 billion.

And No. 10, tax carried interest as ordinary income, which is $21 billion.

Well, the first one should cause some concern to my friends on the other side. It would eliminate the State and local income and sales tax deduction. The so-called blue States generally have very high local and State tax burdens. Eliminating that deduction would mean the constituents of my friends representing those States will find themselves with an effective tax increase of up to 35 percent. That is what they are doing to themselves. Eliminating this deduction would yield revenue of $862 billion over 10 years.

The second one would reduce the aftertax value of Social Security benefits received by seniors. This CBO option would tax Social Security benefits like we do employer-provided defined benefit retirement plans. Funny how much fur has flown over Social Security reform. Yet this cutback on Social Security benefits has flown under the radar. It appears not all tax expenditures are about corporate jets and yachts. That proposal would raise $438 billion over 10 years. I mean, come on, hit Social Security for something like that?

Well, let's look at the third tax expenditure cutback option. That would tax the inside buildup in life insurance. Here is an example. Under current law, if a father and mother buy a $100,000 life insurance policy and make the surviving spouse or children beneficiaries, death will trigger a tax-free benefit of $100,000. Under this option, this tax expenditure—if they get rid of that—the difference between the face amount of the policy and premium payments would be taxable. According to the CBO option book, that new tax would raise $260 billion over 10 years. Who wants to do that?

The fourth on the list is a tax benefit near and dear to many of my fellow Utah families. It is the itemized deduction for charitable donations. Under this option, only those deductions that exceed 2 percent of adjusted gross income would be deductible. For many Utahns who tithe—and I am one of them—10 percent of our gross income, this would mean an automatic cut of 20 percent of our deduction. This would affect not just Utahns but charitable givers all over the country. This proposal would reduce the tax benefit of charitable giving by $219 billion over 10 years.

Now, the fifth one is well-known to tens of millions of our constituents. It is the home mortgage interest deduction. If a taxpayer saves up a down payment and borrows for a home, they can take the interest paid on the mortgage as an itemized deduction. This proposal would gradually eliminate the home mortgage interest deduction. In 10 years, the deduction would be gone. This proposal would raise $215 billion over 10 years.

The sixth tax expenditure cutback option involves the current $1,000-per-child tax credit. That credit drops to $500 per child in 18 months if the 2001–2003 tax relief plans are not extended. It is, by definition, limited to low- and middle-income taxpaying families. CBO tells us if we were to eliminate it, there would be $117 billion raised over 10 years.

The seventh tax expenditure cutback would partially eliminate the tax expenditure for the lower rate on capital gains and dividends. It would, in effect, eliminate 25 percent of that tax expenditure and significantly drive up capital gains and dividends rates. As I indicated earlier, the top marginal rate on capital gains and dividends is set to rise by 59 percent in less than 18 months if the President and my friends on the other side get their way. This option—though described as a cutback on a tax expenditure—would drive that rate up higher.

The marginal rate on two-thirds of capital gains income would be driven up 72 percent. It would raise $49 billion, though, over 10 years, for our tax-seeking friends.

The eighth tax expenditure cutback option would sharply curtail tax benefits for families who send their kids to college. It would eliminate the Hope Scholarship and lifetime learning credits and phase out the student loan interest deduction. For that half of the population that pays the freight in society, the 49 percent who pay income tax, our friends on the other side are telling them their load is just going to get much heavier. That would be their message to middle-income American families who want to send their kids to college. This option would raise $48 billion over 10 years.

The ninth tax expenditure cutback option would reduce limits on contributions to retirement plans. About 50 percent of American workers participate in retirement plans. They save for their own retirement. They do not look to rely only on Social Security. There is bipartisan consensus that for America to remain prosperous, families and individuals must save more during their working lives. Yet this option would go in the other direction. It would mean less in retirement savings. CBO says it would raise $46 billion over 10 years if we take that one away.

Now, the tenth tax expenditure cutback option is one we have heard much about from my friends on the other side. It would tax partnership interests—known as carried interest—like ordinary income rather than capital gain. Interestingly enough, with a solidly Democratic Senate last year, this revenue raiser did not pass. There is a lot of speculation about that. I will not join it, but it is curious that when constituencies that favor Democrats decisively raised legitimate concerns about the possible negative effects on private equity and enterprise value, this proposal didn't quite make it past the finish line. That proposal would raise $21 billion over 10 years.

If you assume no interactive effects, the list of options I walked through adds up to $2.27 trillion in tax hikes. That is a lot more than called for by the Senate Democratic budget outline. Recall that outline produced by Senate Democrats boiled down to $1.73 trillion in cutbacks on tax expenditures. But look at how broad these tax hikes are. They hit big chunks of the 49 percent of American households who pay income taxes.

Take a look at the chart again. This is a chart that confirms what many of us have suspected. Although they might not come clean about it, when you look at the code and you look at our deficits, there is only one place for Democrats to go if they are going to close the deficit their way, with no meaningful spending reductions. They are going to have to hit tax expenditures, and specifically those that benefit middle-class itemizers.

They hit residents of blue States. They hit seniors. They hit everyone who owns a life insurance policy. They hit everyone who takes an itemized deduction for giving to their church, local food kitchen, or other charities. They hit everyone with a mortgage, everyone who receives a child tax credit, and anyone with capital gains. They hit middle-income families and students who benefit from education tax benefits. They hit those who save for retirement. They hit those folks who start up businesses and take a future profits interest in the form of a capital gain. But to hear the President talk, you would think we could get there by taxing corporate jets and yachts.

I am accustomed to the media carrying the water of liberal politicians, but there has been a real dereliction of duty in allowing President Obama to get away with this. Even at this late date, he is still getting away with it. He has no plan. Tell me. He has no plan. Show it to me. He talks about his plan, but we have yet to see it in writing. In fact, there is no plan.

The press ridiculed Richard Nixon for his secret plan to end the war in Vietnam. But here we are in a catastrophic crisis, and President Obama gets a pass when it comes to his secret plan to balance the budget.

To suggest that a debt crisis triggered by $14.3 trillion in debt can be fixed by taxing the luxuries of evil rich people is so childish and lacking in seriousness that the President should have been called out on it immediately. But he wasn't. He was allowed to get away with it.

President Obama's balanced approach—he talks about a balanced approach all the time—one that includes meaningful reductions to his historic levels of spending, is a plan for economic stagnation and national ruin, and it is a plan to bankrupt seniors.

He wants shared sacrifice. From whom? We were shown that the middle class is going to get hit the hardest. I want shared prosperity by cutting back on spending and getting the Federal Government out of most of our lives in ways that are intrusive and costly, to being able to get jobs and raise jobs and do what has to be done in this country.

It is a plan to bankrupt our seniors. The President knows this, as do his colleagues in Congress. He knows his supposed plan does nothing to fix the long-term trajectory of his deficit spending. So the question folks need to ask is, what is he hiding? How does the left plan on closing the gap and balancing the budget their way? The answer is the elimination or reduction of tax expenditures. And that means middle-class tax increases. To hear my friends on the other side, you would think the only folks hit by Democratic tax increases will be corporate jet owners, yachtsmen, and millionaires. But when you peek behind the rhetorical curtain, you find that does not pan out. Most of the tax base is in the middle and upper middle income families who make up that 49 percent of Americans who are the only ones who shoulder the burden of the income tax.

We know that the recent numbers are the bottom 51 percent of all households do not pay income taxes. No, it is the 49 percent of Americans who shoulder the burden of the income tax; that is where the money is. As I have shown with the CBO and Joint Committee on Taxation options, that is where you have to go. Without a counterbalancing rate cut, this version of tax reform means fewer resources for home ownership, retirement savings, and charitable giving.

But don't say I did not warn you. Those who want to treat tax expenditures as some abstract budgetary honey pot risk having the folks who make the honey, the taxpaying bees, to rightfully sting you. As one who hails from the Beehive State, I can tell you, you will feel the sting.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. MERKLEY). The Senator from Rhode Island.

Mr. WHITEHOUSE. Mr. President, I am here this afternoon to discuss our work toward addressing the national debt and staving off a collision with our debt ceiling or a default on our financial obligations.

First, I wish to commend Majority Leader REID for putting forward a proposal which would make a very serious $2.4 trillion downpayment on deficit reduction and, most importantly, end the impasse over the debt ceiling. I encourage my Republican colleagues to support it or offer some reasonable changes that would allow them to support it.

But let me also address some developments on the other side of the Capitol, where an extremist group of House Republicans is continuing their ''my way or the highway,'' what President Lincoln called ''rule or ruin,'' approach to these negotiations.

Amazingly, news reports indicate that Pell grants—Pell grants—may be put on the chopping block in Speaker BOEHNER's latest effort to appease the most extreme members of his party. This is getting ridiculous. Rhode Island's great Senator Claiborne Pell first proposed the grants that now bear his name. He envisioned a grant that would enable low-income students to attend our country's wonderful colleges and universities so they too could share in the American dream. Why do these far-right extremists in the House want to snuff that out?

In 1976, the first year Pell grants were fully funded, a full Pell grant paid 72 percent of the cost of attendance at a typical 4-year public college. Today, a full Pell grant covers 34 percent of those costs, and even that they are willing to attack. This vital assistance from Pell grants can often mean the difference between being able to attend college or not. With many families in Rhode Island and across America still struggling in this struggling economy, we should be looking for ways to strengthen Pell grants, not weaken them. America needs more college graduates, not fewer.

During my time in the Senate, we have taken steps to improve the Pell grant program. After 4 years of level funding under President Bush, we began to increase the maximum grant from $4,050 in academic year 2006–2007 to $5,050 for this coming academic year. We also increased the minimum family income that automatically qualifies a student for the maximum Pell grant, a change which better reflects today's economic realities.

Despite the clear need for continued investment in our future through Pell grants, a need that has long had bipartisan support and backing, a group of House Republicans this year began an outright assault on Pell grant funding. These grants are needed more than ever, as the economic downturn has led more people to seek higher education in an effort to find a job. But not to this band of extremists. The House Republican budget would have slashed Pell grants, reducing the average award by $1,775, and cutting off more than 1.3 million Americans, including nearly 5,800 students in Rhode Island.

I understand the need to find savings in the Federal budget and to make difficult choices, and Leader REID's proposal offers up $2.4 trillion worth. But we could also make bad choices in going about this, and of all the bad choices we could make, cutting Pell grants is among the worst. America needs a highly trained workforce, and Pell grants help make the promise of a college education a reality.

After America spoke out and the Senate defeated the extreme House Republican budget, I hoped the assault on the Pell grant was behind us, at least for a while. Yesterday, however, The Hill, a newspaper here in Washington, reported that some Republican House Members are opposing Speaker BOEHNER's debt ceiling increase bill over funding if it provides for Pell grants. In this article, someone called Pell grants welfare. Some welfare, helping kids afford college and pursue their dreams. Today there is talk that cuts to Pell grants are being discussed as the pound of flesh required by the most far-right Members of the Speaker's caucus as the price of supporting his bill. Remember that these House Republicans continue to protect every tax giveaway to special interests, every one, while they want to cut off access to college for regular kids.

The simple fact is Pell grants help lower income people achieve dreams of college and improve those young people's prospects for careers and employment. It is good for them and it is good for America. The Pell grant program doesn't give a free ride, but it does give a boost and is a wise investment in the future of our country, a future where the fates of nations will depend on the education of their people.

Earlier this week, student and education advocacy organizations, including the Education Trust, Campus Progress, the National Council of LaRaza, and the United States Student Association, joined together to ''Save Pell.'' I applaud their advocacy and commitment in fighting for Pell grants, and I am proud to join their effort. I strongly urge the far-right extremists who are pulling their party and the House of Representatives and this country over the cliff to end their reckless attack on the American middle class, take the victory you have been offered, and stop the damage.

Ronald Reagan in 8 years I believe raised the debt ceiling 18 times. The Tea Party has been here 6 months and has put the country on the brink of default days away. Instead, I ask my colleagues to work with Democrats on a bipartisan solution that does not attack the fundamental underpinnings of a successful middle class, such as Medicare, Social Security, Pell grants. Avert the looming debt ceiling collision and reduce our deficits.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

Mr. THUNE. I object.

The PRESIDING OFFICER (Mr. BENNET). Objection is heard.

The clerk will continue with the call of the roll.

The legislative clerk continued with the call of the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 4]

Begich	Conrad	Murray
Bennet	Coons	Pryor
Blumenthal	Durbin	Reid (NV)
Brown (OH)	Johanns	Sanders
Cantwell	Lautenberg	Schumer
Cardin	McConnell	Thune
Casey	Merkley	Whitehouse

The PRESIDING OFFICER. A quorum is not present.

Mr. REID. Thank you, Mr. President. I move to instruct the Sergeant at Arms to request the attendance of absent Senators, and 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 motion.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. KYL. The following Senator is necessarily absent: the Senator from Mississippi (Mr. WICKER).

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 76, nays 23, as follows:

[Rollcall Vote No. 119 Leg.]

YEAS—76

Akaka	Gillibrand	Murkowski
Baucus	Hagan	Murray
Begich	Harkin	Nelson (NE)
Bennet	Hatch	Nelson (FL)
Bingaman	Hutchison	Portman
Blumenthal	Inouye	Pryor
Blunt	Isakson	Reed
Boozman	Johanns	Reid
Boxer	Johnson (SD)	Rockefeller
Brown (MA)	Kerry	Rubio
Brown (OH)	Kirk	Sanders
Burr	Klobuchar	Schumer
Cantwell	Kohl	Shaheen
Cardin	Kyl	Shelby
Carper	Landrieu	Snowe
Casey	Lautenberg	Stabenow
Chambliss	Leahy	Tester
Coats	Levin	Thune
Cochran	Lieberman	Udall (CO)
Collins	Lugar	Udall (NM)
Conrad	Manchin	Warner
Coons	McCaskill	Webb
Corker	Menendez	Whitehouse
Durbin	Merkley	Wyden
Feinstein	Mikulski	
Franken	Moran	

NAYS—23

Alexander	Graham	McConnell
Ayotte	Grassley	Paul
Barrasso	Heller	Risch
Coburn	Hoeven	Roberts
Cornyn	Inhofe	Sessions
Crapo	Johnson (WI)	Toomey
DeMint	Lee	Vitter
Enzi	McCain	

NOT VOTING—1

Wicker

The motion was agreed to.

The PRESIDING OFFICER. A quorum is present.

The majority leader is recognized.

Mr. REID. Mr. President, may we have order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. REID. I thank the Chair.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

ESTABLISHING THE COMMISSION ON FREEDOM OF INFORMATION ACT PROCESSING DELAYS

Mr. REID. Mr. President, I ask the Chair to lay before the Senate a message from the House with respect to S. 627.

The PRESIDING OFFICER. The Chair lays before the Senate a message from the House which, the clerk will report.

The legislative clerk read as follows:

Resolved, that the bill from the Senate (S. 627) entitled ''An Act to establish the Commission on Freedom of Information Act Processing Delays'' do pass with an amendment.

Mr. REID. Mr. President, I move to concur in the House amendment to that legislative matter, and I move to table the motion to concur and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MCCONNELL. Will the majority leader yield for a question?

Mr. REID. Yes, without losing my right to the floor.

Mr. MCCONNELL. Is it the majority leader's intention, after we have the vote on tabling the proposal that came over from the House, to file cloture on the Reid budget?

Mr. REID. Yes.

Mr. MCCONNELL. I say to my friend, we would be happy to have that vote tonight. And I will also mention to my friend that the House of Representatives intends to vote on the Reid amendment tomorrow afternoon at 1 o'clock. In order to accommodate the schedules of Senators, we would be more than happy to accommodate the majority and have the vote on the Reid budget tonight.

Mr. REID. Mr. President, through the Chair, I say to my friend, the distinguished Republican leader, let's hope they are more timely on their 1 o'clock vote than they have been in the last few days.

I would say this very directly: We would be happy to have a vote on the Reid amendment just like the House did today, a majority vote. We have gotten into a situation that is untoward. Everything that moves is a supermajority. That isn't the way it should be. So we are happy to have a vote anytime. But it should be a majority vote just like the House had. They had a majority vote today, and they had an overwhelming extra vote of none. So we would be happy to have a simple majority vote on the Democratic proposal that we are putting forward.

Mr. MCCONNELL. Is that a consent?

Mr. REID. That is a consent that we will be happy to have a vote if it is a simple majority vote.

Mr. MCCONNELL. Mr. President, reserving the right to object, let me say that this is almost an out-of-body experience to have someone suggest a 50-vote threshold on a matter of this magnitude in the Senate. I am perplexed, Mr. President—genuinely perplexed—that my friend, the majority leader doesn't want to vote on his proposal as soon as possible. I object.

Mr. REID. Let's have order. Let the Republican leader be heard.

Mr. MCCONNELL. I object.

Mr. REID. So it is obvious to the world that in the Senate this is now another filibuster. That is what this is; it is a filibuster to stop us from moving forward on legislation. This is a filibuster in any name that you want.

I am disappointed. I asked for a rollcall vote on the tabling motion. I ask that we move forward.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the motion to concur.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER (Mr. BLUMENTHAL). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 59, nays 41, as follows:

[Rollcall Vote No. 120 Leg.]

YEAS—59

Akaka	Hagan	Nelson (NE)
Baucus	Harkin	Nelson (FL)
Begich	Hatch	Paul
Bennet	Inouye	Pryor
Bingaman	Johnson (SD)	Reed
Blumenthal	Kerry	Reid
Boxer	Klobuchar	Rockefeller
Brown (OH)	Kohl	Sanders
Cantwell	Landrieu	Schumer
Cardin	Lautenberg	Shaheen
Carper	Leahy	Stabenow
Casey	Lee	Tester
Conrad	Levin	Udall (CO)
Coons	Lieberman	Udall (NM)
DeMint	Manchin	Vitter
Durbin	McCaskill	Warner
Feinstein	Menendez	Webb
Franken	Merkley	Whitehouse
Gillibrand	Mikulski	Wyden
Graham	Murray	

NAYS—41

Alexander	Barrasso	Boozman
Ayotte	Blunt	Brown (MA)

Burr	Hoeven	Murkowski
Chambliss	Hutchison	Portman
Coats	Inhofe	Risch
Coburn	Isakson	Roberts
Cochran	Johanns	Rubio
Collins	Johnson (WI)	Sessions
Corker	Kirk	Shelby
Cornyn	Kyl	Snowe
Crapo	Lugar	Thune
Enzi	McCain	Toomey
Grassley	McConnell	Wicker
Heller	Moran	

The motion was agreed to.

Mr. RUBIO. Mr. President, I oppose the motion to table the motion to concur in the House amendment to S. 627, the Budget Control Act of 2011. Although I do not support the bill as written, I believe that the Senate should proceed to it in an effort to amend the bill to include greater spending cuts, caps, and provisions which will boost our economy like progrowth tax and regulatory reform.

I strongly oppose the proposal put forth by Senate Majority Leader REID. The bill is filled with accounting gimmicks and does nothing to encourage enactment of a constitutional balanced budget amendment—an essential step towards ending our unsustainable deficits and debt that enjoys bipartisan support in both Chambers of Congress. Amazingly, as our economy continues to struggle, the Reid proposal appears to assume a tax hike upwards of $3 trillion, which would kill jobs and impede efforts to grow the economy and reduce our staggering debt in the process.

The PRESIDING OFFICER. The majority leader.

MOTION TO CONCUR WITH AMENDMENT NO. 589

(Purpose: To cut spending, maintain existing commitments, and for other purposes)

Mr. REID. Mr. President, I move to concur in the House amendment to S. 627 with an amendment.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID] proposes an amendment numbered 589 to the House amendment to S. 627.

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

Mr. REID. I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

CLOTURE MOTION

Mr. REID. Mr. President, I have a cloture motion which is at the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the Reid motion to concur in the House amendment to S. 627, with amendment No. 589.

Harry Reid, Max Baucus, Barbara Boxer, Carl Levin, Tom Harkin, Benjamin L.