DURBIN, Senator KYL, and the House leaders, said to all of us: No President in history has spent as much time as I have on a compliant basis—meaning with leaders—trying to come up with some effort on this budget problem we are having today. The President has spent hours, days, and weeks of his time working on this. As we know, he believed he had—as I understand it—two tentative agreements with the Speaker. The Speaker backed out of both of those.

The President—and I have not spoken to him this morning, but I did several times yesterday—is willing to work with anybody who can give him a proposal. That is my point today. As I said earlier—a letter is coming, terrific—I have not received it yet, but I am sure it is coming. The Republicans say they will not vote for my legislation. What will they vote for? Do they have any ideas? Let me know. I will be happy to work it in. We have gone so far as to even accept the Republican bill we got from the House as a shell. Nobody has to worry about it being my bill. If we work something out, it will be the Boehner bill, if that makes everyone happy.

Mr. MCCONNELL. If my friend will yield, I think the answer is a bill the President agrees to sign. That is what we were trying to achieve last weekend. We don't have time to ping-pong stuff across the Hill anymore.

I think the majority leader and I are probably in basic agreement that, with 2 days left, the only legislation Congress has time to deal with, and should deal with, is something the President says he is willing to sign. I am certainly not critical of the President for not spending time on this. He has spent enormous time on it. But we have not gotten a result yet.

Mr. REID. Mr. President, we are here dealing with reality, not a world of fantasy. We are dealing with reality. The reality is, the debt ceiling is fast approaching, and we have to raise it or default on our debt. We have a matter before this body that would increase the debt ceiling until March of 2013. It would reduce the debt by $2.4 trillion on basically issues that the Republicans voted on. They talk about, I don't think we need to do the overseas contingency fund because the wars that were started—and still going on—by President Bush cost a lot of money, trillions of dollars. The Congressional Budget Office and the Office of Management and Budget have said those wars are winding down. As a result of that, we will save $1 trillion. They have scored it. That is a reduction in our debt.

I also think that if the Republicans have some way they want to improve my legislation, please let somebody know. If they don't want to call me, call the President of the United States. But we have to work forward. Mine is the only proposal we have. If mine passes, we will continue to push this because it should pass because it is the only proposal we have left.

My friend says let us vote. We say the same thing. Let us vote. We want to vote. Why in the world, on something as important as this, can't we have an up-or-down vote as they had in the House? To underline my point, my friend, the assistant Democratic leader, the whip, served in the House longer than I did. They are taking up over there today, as I understand it, what we call a consent calendar, which are issues that are of minor importance, no controversy whatsoever. They are taking up extending the debt ceiling on that calendar. I think that is unheard of.

We are willing to vote right now, but 60 votes we are not willing to take because this should not be filibustered. We are not going to agree to the 6-month proposal because, as I indicated in my prepared remarks, that would mean we would be back in this mess in a matter of weeks. We want to be fully engaged.

I repeat to the people who are supposedly sending me this letter, what do you want? What do I say to my caucus because my Republican colleagues haven't come up with any alternative. It is easy to do. We can amend my legislation. In the meantime, that will not happen, and we are going to proceed forward and do the best we can to overcome this filibuster.

The ACTING PRESIDENT pro tempore. The Republican leader.

Mr. MCCONNELL. Mr. President, I will wrap up my comments by pointing out again the comments from my good friend, the majority leader, about the nature of the Senate. He said it has always been the case that we need 60 votes. We all know that. It is widely known in the country as well. Most people believe a filibuster means we are trying to delay something.

I wish to make clear to the American people Senate Republicans are ready to vote on cloture on the Reid proposal in 30 minutes, in an hour, as soon as we can get our colleagues over to the floor. We are ready to vote. By requiring 60 votes, particularly on a matter of this enormous importance, is not at all unusual. It is the way the Senate operates.

I will not belabor it any further. We are happy to vote at any time the majority leader thinks it would be appropriate to vote on his proposal.

I yield the floor.

Mr. REID. Mr. President, a filibuster is known all over America as a way to stall, prevent votes. That is all this is about. If my Republican colleagues are so anxious to vote, let us have a vote. We would move this matter down the field very quickly.

Finally, the matter that is now known as the Reid amendment, is that the President's first choice? No. He wanted to do what he called the grand deal. He thought he had that worked out with the Speaker. But the President knows what I have put forward is good for the country. It extends the debt ceiling and reduces the debt.

I say to my friend the Republican leader the President will sign my legislation. My friend says he wants something the President will sign. He will sign this. We can pass it tonight and get it through the House and he would sign it tomorrow.

So, Mr. President, I would hope the world understands, our country understands—because all Senators understand—this is another filibuster being conducted in an effort to prevent our moving forward to handle the debt situation we have in our country.

RESERVATION OF LEADER TIME

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

ESTABLISHING THE COMMISSION ON FREEDOM OF INFORMATION ACT PROCESSING DELAYS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of the motion to refer the House message to accompany S. 627, which the clerk will report.

The assistant legislative clerk read as follows:

Motion to concur in the House amendment to S. 627, an act to establish the Commission on Freedom of Information Act Processing Delays with an amendment.

Pending:

Reid motion to concur in the amendment of the House of Representatives to the bill, with Reid amendment No. 589, to cut spending, maintain existing commitments, and for other purposes.

Reid amendment No. 590 (to amendment No. 589), to change the enactment date.

Reid motion to refer the message of the House on the bill to the Committee on the Budget, with instructions, Reid amendment No. 591, to change the enactment date.

Reid amendment No. 592 (to the instructions (amendment No. 591) on the motion to refer), of a perfecting nature.

Reid amendment No. 593 (to amendment No. 592), of a perfecting nature.

The ACTING PRESIDENT pro tempore. Under the previous order, the time from 1:30 to 7:30 is equally divided and controlled between the two leaders or their designees in alternating 30-minute blocks, with the majority controlling the first block of time.

The Senator from Illinois.

Mr. DURBIN. Mr. President, those who are following this debate—and I think many across America are—should understand what just happened. There was a discussion about the filibuster. A filibuster is a Senate rule that does two things: It says you cannot move an item to a vote, and you have to wait a period of time to have what is called a cloture vote. In order to pass a cloture vote, you need 60 votes, not a majority. So I would just correct, if I can, the record. A filibuster does more than delay the vote; it establishes a higher vote requirement—60 votes, not a majority.

Yesterday, the Speaker of the House brought before his body of 435 Members

the proposal to end this deadline. He received 218 votes—one more than half of the membership. He had a majority vote—not one more but a majority vote. We are asking for the same opportunity. Let us bring our proposal forward for a majority vote. The Republicans have refused. They have put us into a filibuster. They have said: No, we will require 60 votes, and we will delay the vote until possibly 1 a.m. Sunday morning. That is where we are.

Let me say a word about the underlying issue. This morning, as many Members of the Senate, I wanted to get away from this place and spend a few minutes reflecting on something other than the give-and-take of the political debate. I got up early, walked over to Eastern Market, bought a cup of coffee, and sat on a bench for about 3 hours just watching people walk by and trying to clear my mind. While sitting there, I got an e-mail from a buddy of mine from high school. Now, that goes back a few years. His name is Eddie Renollet, and he lives in Florida. I would like to read into the RECORD what my buddy from high school wrote to me this morning. He said:

> I sent this e-mail to our Republican Senator from Florida, too. I have rode out the storms of many high seas in the last 20 or so years, but this one has me worried. Let's get the ship on the right course and get this fixed. You all need to get past being Democrats and Republicans. Many mistakes have been made over the past years. Compromise and get this squared away. I am in the later years of my life, and I will be damned, if I want to see it go down the drain because you all can't agree on the debt issue. I am neither a Democrat, Republican, or Tea Party person. I'm an American. And I believe that you both have my best interest at heart.

Eddie Renollet from Florida. I would just say, under these circumstances, he expresses the views of many people across America. This is not a crisis which we couldn't control. This isn't an earthquake or a tornado or a hurricane. It isn't a war. It is a created political crisis.

The extension of the debt ceiling has been done routinely 89 times since 1939—55 times by Republican Presidents, 34 times by Democratic Presidents, and President Ronald Reagan holds the record having extended the debt ceiling 18 times in 8 years, without confrontation, without the American economy threatening a collapse. This is a manufactured political crisis, and it is time for both parties to rise and come up with a solution.

What the majority leader has put on the table—half of it—was a proposal by Senator MCCONNELL, the Republican leader. Some people didn't like it. Majority Leader REID said it will be bipartisan; I am putting MCCONNELL's proposal on the table. I will put a proposal, as well, on the table from our side, make it bipartisan, and move it forward. Now 43 Republican Senators have said they are not voting for it, so we are at a standoff.

A word about the President's role in this: President Obama—and I know this because I attended the meetings as a member of the leadership—spent more time on this issue than any President I can recall. He met at least six or seven times for 2 and 3 hours at a time with the leadership of the House and Senate—Democrats and Republicans—and tried to work out differences. He proposed the creation, under Vice President BIDEN's leadership, of the group that would negotiate. It sat and met for months, and then, finally, the Republican leader in the House, ERIC CANTOR, walked out. He made quite a noise as he left the room, and said: I don't want to be part of this anymore.

Then the President started working with Speaker BOEHNER directly to get something worked out, and twice Speaker BOEHNER walked away from that.

So to fault the President in this is not fair. He has engaged all the leaders time and time again. Last Saturday, Senator MCCONNELL said: We no longer need the President in this picture. We are going to do it ourselves.

Well, we spent a week at it, and we have not achieved that. I am sure the President is ready and willing to do everything in his power to get this back on track.

What is at stake in this debate is the fate of the American economy at a point when we are recovering from a recession with millions of Americans out of work. Those who are showing great bravado and giving great political speeches are calling bluffs with other people's chips. What will happen at the end of the day, regardless of what the politicians say back and forth, is that ordinary people are going to be affected—their lives, their businesses, their savings are going to be affected by what we decide to do in the next few days.

I think what we need to do is clear, and Senator REID's proposal addresses it: No. 1, reduce spending. Let's get this deficit under control. Senator REID's proposal does just that—$2.4 trillion in spending reductions—all of which have been voted for by Republicans already. So there is no controversy there. It is bipartisan.

Secondly, we cannot lurch into another round of this debate every few months. The President is right, and this bill reflects it, that we need to move this debate until after next year so our economy is strong again, and the next debt ceiling vote will be in 2013. Let's not face this again and again. America doesn't want to see this movie over and over.

I would also say the provision in Senator REID's bill, proposed by Senator MCCONNELL, that would, in fact, say the President has to personally ask to extend the debt ceiling, is a responsibility the President will accept, and he should accept it.

I think what Senator REID last offered is a balanced approach, a bipartisan approach, and it should be the basis for a compromise. But I certainly hope one thing comes out of this exchange on the floor this morning. I hope Senator MCCONNELL will finally agree to sit down with Senator REID, on a bipartisan basis, work with the House leaders and the President, and get this done. The American people are running out of patience, if they haven't already run out of it, and we are running out of excuses.

We have a limited amount of time left to avert a crisis that will affect a lot of innocent people across America. It is time for us to roll up our sleeves, on a bipartisan basis, and get this job done.

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

Mr. DURBIN. I will be happy to yield for a question.

Mr. LEVIN. The Republican leader, a few moments ago, said this happens around here from time to time—that 60 votes are required. Is it not true the reason 60 votes are required from time to time is because there is the threat of a filibuster unless the opponents succeed in getting an agreement that there be 60 votes?

It is the short way to find out whether the debate will be had. Is it not true, though, that it is the threat of a filibuster the opponents make which produces an agreement to get 60 votes?

Mr. DURBIN. The Senator from Michigan has been here longer than I have. He knows this better than I do. But he is right. This threat of a filibuster has raised the vote requirement from a majority to 60, and that is the issue that was being discussed on the Senate floor.

Mr. LEVIN. Is it not true—if I may ask my friend—whether the threat is carried out, we will know tonight at 1 a.m.? Because at 1 a.m. tomorrow morning, we will vote not on the Reid measure but on a motion which 18 Senators signed which reads as follows: That we, the undersigned Senators, in accordance with rule XXII, hereby move to bring to a close the debate on the Reid motion. Is that not true?

Mr. DURBIN. That is what the vote will be at 1 in the morning.

Mr. LEVIN. So what we will be voting on is not, as the Republican leader characterized it—which he says he is willing to vote on right away—the Reid motion but a vote on whether we will end debate on the Reid motion?

And is it not further true that people who vote no tonight are voting to filibuster the Reid motion?

Mr. DURBIN. The Senator from Michigan is correct. Those who say they want to bring this to a vote will have an opportunity to join us in doing so by producing at least 60 votes when we vote at 1 in the morning.

Mr. LEVIN. Finally, would the Senator from Illinois agree, if tonight Republicans refuse to bring this debate to a halt and to allow a vote on the Reid motion, would the Senator from Illinois not agree there will be a strong negative public reaction to a filibuster on a measure in the face of an economic calamity which would avoid that calamity?

Mr. DURBIN. I would agree with the Senator from Michigan. Time is of the essence. Any delay at this point jeopardizes any possibility of a compromise to avert this economic crisis.

Mr. LEVIN. I thank my friend.

Mr. DURBIN. I yield the floor.

The PRESIDING OFFICER (Mr. BENNETT). The Senator from Vermont.

Mr. LEAHY. Mr. President, I would just add to what Senator REID, Senator DURBIN, and Senator LEVIN have said: that a 60-vote requirement is a filibuster. It is to block this.

Now, speaking of how long people have been here, I came here when President Ford was President. I have served under President Ford, President Carter, President Reagan, President George H.W. Bush, President William Jefferson Clinton, President George W. Bush, and now President Obama. I cannot remember, with any of those Presidents prior to President Obama, of this insistence for a 60-Member vote to raise the debt limit ceiling.

Certainly, with the number of times we raised the debt limit under President Ronald Reagan, I do not remember one single Republican suggesting that we needed 60 votes. The same was true I believe under President George H.W. Bush, and under President George W. Bush. The numerous times the debt ceiling was raised, not a single Republican said it is so important we must have a 60-vote margin.

Yet all of a sudden, with President Obama, the whole criteria changes. Suddenly the rules that were good enough for Republicans with a Republican President are something to be changed with this President.

The American public, Republican or Democratic, can see through that. This is a different standard. We are saying this President must follow different rules from every President before him—Republican or Democrat. There is no way that can be considered fair; no way that can be considered anything but a gimmick.

It is unfortunate that a partisan faction first manufactured this debt limit crisis and now continues to prevent a bipartisan solution. An unwillingness to compromise and find a bipartisan solution has led us to the brink. The United States of America is now just 3 days away from defaulting on its obligations for the first time in the history of this country. And Senators are demanding we have to have a supermajority vote to stop this from happening.

That is not responsible. We are needlessly risking financial turmoil throughout this great country, and it will send ripple effects worldwide. A temporary solution is no solution at all. It would undermine the stability that our economy needs to grow.

Now is the time to set aside partisan bickering, pass a bill. It is the time for the grownups in the room to take over and reach a bipartisan solution on the debt ceiling, as has been done every time in the 37 years I have been here.

A my-way-or-no-way faction in the other body has had no qualms about playing Russian roulette with our entire economy and with every American family in it. Regrettably, as we all saw so clearly again yesterday, the House leadership's response to win this faction's votes has simply been to shift their bill even further away from helpfulness or reality. Everybody knows the House debt bill, written under this duress, was a sham, with no chance of passing and with no chance of averting a debt catastrophe.

On Friday, at the finish line, shortly prior to a vote on their debt bill, House leaders added to their package the idea of amending the U.S. Constitution with a balanced budget amendment. This was done as a desperate attempt to win a few more votes. This is not the time for bumper sticker politics. It is a time for real leadership and real bipartisanship.

Many in this body recall, as I do, the period just two short decades ago when we were able to not only balance the Federal budget but to create budget surpluses that were on their way to paying off the national debt. On the one hand, we had people who said let's pass a constitutional amendment for some time a decade or two decades in the future. We actually voted to balance a budget. Not a single Republican voted to balance the budget. They talked about it, but not a single Republican voted to balance the budget. We had to actually have Vice President Gore vote to break a tie vote. But we balanced the budget. It created enormous surpluses, it started paying down the national debt, over 20 million new jobs were created, and President Clinton was able to give a huge surplus to President George W. Bush. Unfortunately, decisions made by that administration and ratified by the new Congress squandered the surplus and started, once again, piling up debt.

So this good and great Nation does not need the straitjacket of one-size-fits-all change to our Constitution to do what needs to be done. We have done it. What the American people want and need and deserve is a return to wise and disciplined leadership. We need the return of willingness by those of us chosen to serve within the Halls of government, to cooperate and to forge bipartisan solutions.

At this point, Majority Leader REID's debt reduction package of $2.2 trillion in spending cuts is Congress's best chance to avoid default and prevent a disastrous credit-rating downgrade. Unlike the House plan, the Reid solution is an invitation to consensus. The Senate solution incorporates spending reductions reached in bipartisan negotiations, yielding greater overall budget savings sooner than the House proposal. But it would also save the country the ordeal of going through this torment again just a few months from now. We have seen how this current debate has taken much longer to do what we need to do.

As this calamity has unfolded in slow motion, it has been smothering the chance for action on nearly all other national priorities, from jobs to national security, to air traffic control. The congressional deadlock has prevented passage of a routine renewal of the Federal Aviation Administration's charter to operate. Today, the Senate could be considering the America Invents Act that is a bipartisan, bicameral bill ready to move across the finish line that creates hundreds of thousands of jobs and unleashes American innovation and does not add a penny to the deficit. But instead of acting on constructive and necessary priorities such as these, we are stuck playing a dangerous game with our economy. The deadline for default would not change. I commend Leader REID for his willingness and desire to work in the spirit of compromise with the Republican leader and others to find a bipartisan solution to halt this perilous march to the edge of the financial cliff.

All American people want this solved now, with a fair solution and through the give-and-take of our representative government, not by some extra special vote but just vote it up or vote it down. I am confident that if we can work together, Congress will avert this looming, man-made economic calamity. It is late but it is not yet too late for Republicans and Democrats to come together, for the sake of our country, in fashioning a bipartisan solution to raise the debt limit, reduce our long-term debt, and give our economy the long-term foundation to prosper.

I have had the privilege to represent Vermont in the Senate for 37 years. I have been blessed enough to witness many times when the Senate has shown its remarkable ability to rise to reflect the conscience of the Nation. I believe now is such a time for Democrats and Republicans in the Senate, for the good of the country, to once again rise to the occasion and to have us be the conscience of the Nation.

I yield the floor.

The PRESIDING OFFICER. The Senator from Florida.

Mr. NELSON of Florida. Mr. President, while the distinguished Senator from Michigan is on the floor, who is one of the best legal minds in the Senate, I wanted to engage him to further to take us through the delay tactics that are presently now underway.

Given the fact that we have a solution right underneath our noses, a solution that is so close between the two opposite sides that all we would have to do is to have a majority vote or all we would have to do is to have a few Republican Senators but we are engaged in this stalling tactic that is literally going to take us all night, I would like to ask the distinguished Senator from Michigan, given the rules, given the fact that a filibuster is now underway, what can the minority in the Senate hope to achieve, since we are so close to agreement?

Mr. LEVIN. The reason people filibuster is to try to defeat a measure and stalling and delaying a vote is much worse than just defeating a measure. It is defeating the American economy. It will be putting the economy in a ditch if we do not resolve this issue.

So we have to be very clear on what the vote is tonight. It is not a vote on the Reid measure. It is a vote on this motion to bring the debate—and these are the words of the motion: We, 18 Senators, move to bring to a close the debate on the Reid motion.

That is what we are voting on and the Republican leader tries to coat that or characterize that as a vote on the Reid motion. It is not. We want to vote on the Reid motion. We want to vote. But we will not be allowed to vote on the Reid motion, on the proposal which the majority leader has offered which has a majority support in this Senate; we will not be allowed to vote on that if debate is not ended, if the filibuster continues because 60 Senators are not willing to end it. We will have at least 50-plus to end debate.

But let it be clear, let the public understand that if we are not allowed to vote on the Reid measure tonight, the Republicans presumably will continue their filibuster, and we are not going to just simply allow them to defeat it. We are not going to just simply sit down and say: Well, we couldn't end the debate and the filibuster; we didn't get 60 votes—if we don't—tonight. We are not going to do that. That is not going to happen tonight. This is too important to simply let a minority defeat the will of the majority by a filibuster.

The Republican leader wants to characterize this again, and mischaracterize this, saying he is willing to have a vote right now on the Reid motion. No, he is not. If we were allowed a vote on the Reid motion, that would be fine. That is a regular majority vote. But what the Republican leader wants is to require 60 votes on the Reid motion in order for it to pass. That is not the way things happen under our rules. Under our rules, 60 votes are required to end a debate if the minority threatens a filibuster and insists it will filibuster unless a measure gets 60 votes.

So we know what is happening. We saw it last night. We saw it here today. It is clearly the threat of a filibuster, in the hope we will say that Reid will be pulled down and defeated if we don't get 60 votes. That is what this is all about. This time, we simply cannot allow this measure to be talked to death and a vote denied. We cannot be thwarted because the American economy is at stake.

So tonight, if we don't get 60 votes—and let me repeat this so everyone understands it. Tonight, if 60 votes are not there to end debate, if the Republicans intend to filibuster, then tonight that is what is going to happen. The public will see very clearly it is a filibuster, if they haven't seen it already.

Mr. NELSON of Florida. I will make comments later. I see the Senator from New Hampshire is here.

The ACTING PRESIDENT pro tempore. The Senator from New Hampshire is recognized.

Mrs. SHAHEEN. Mr. President, I ask unanimous consent to speak for up to 10 minutes.

The ACTING PRESIDENT pro tempore. Is there objection?

The Senator from Georgia.

Mr. ISAKSON. Mr. President, as I understand it, we are allocated 30 minutes each. But I have no objection to the Senator having 5 additional minutes as long as 5 additional minutes are added to the Republican side.

The ACTING PRESIDENT pro tempore. Without objection, the Senator from New Hampshire will have 10 minutes and the Republican side will have an extra 5 minutes.

Mrs. SHAHEEN. I appreciate the consideration of my colleague from Georgia.

Mr. President, I come to the floor because I wish to share with people what I am hearing from my constituents in New Hampshire about the situation we are in in Washington.

I have heard from small business owners, from retirees, from working people all across the State, and one of the things that struck me about the majority of people whom I have heard from is they are willing to make sacrifices to help this country address our debt and our deficits. But they want to see us in Congress act and they want to see us compromise. Let me just take a few minutes and share some of the comments I have received from the people of New Hampshire.

First is from Diane, who is from Manchester, our largest city. Diane says:

> Please get off the party line and work together. My welfare and the welfare of my small business is at risk. I only employ 5 people, but it's 5 people that don't need to collect unemployment or take another job. Don't take away what's left of my retirement by crashing the market. Work as a ''we,'' not as an ''I,'' and get it done. This is not the first time the debt cap needs to be raised and it won't be the last. Please do what will have to be done anyway so we can continue to bring this country back. I don't want to lose my business. Who is going to win the next election is not what any of you should be thinking about. I believe if you don't act, all of you will lose.

David from Meredith says:

> At the age of 25, I am already the owner of a small software company in the lakes region. We currently have five employees with plans to grow. We are expecting our profits for next year to exceed $1 million. As an employer, small business owner, and at my age, I feel as though I will be greatly affected by budget decisions we make during the next week and into the future. I want to make sure that America stays as one of the best Nations in the world. I have never written a letter to any Member of Congress before tonight.

Then we have Janine from Auburn who says:

> Settle the budget now. The dysfunction in Congress is embarrassing this country. As a small business owner, I can't afford the uncertainty of a political fiasco. If interest rates rise, I can't keep my business afloat. I would rather pay increased taxes.

Eric from Hollis says:

> As a small business owner, I am unable to plan and hire employees due to the uncertainty the current standstill in Washington has created. Please get the USA back to work and making progress and stop the bickering.

Then Brenda from Enfield says:

> My 77-year-old husband retired last year. I am planning on retiring this year collecting Social Security at full retirement age of 65. We have been good citizens, running our own small business for 40-plus years, and we have been diligent in taking responsibility for our own retirement savings. As you know, over the past 2 years, due to economic pressures, we have faced substantial reductions of our retirement portfolio and, again, now face irreparable damage just as we retire. My husband and I urge you to do whatever it takes to build a cooperative bridge in Congress to protect the economy from further trauma.

Cynthia from Exeter says:

> I am receiving Social Security due to a disability, but I would gladly give up $5 a month if everyone shared in the idea of balancing our Nation's budget issues and deficit. I would like to see revenue raised at the same time I would be willing to sacrifice some of my Social Security.

Finally, Sue from Campton says:

> My husband and I would be willing to pay higher income taxes—and we would be in that higher tax bracket—to come up with a compromise to save this great Nation. I hope that when you read this message you will understand that there is a majority of Americans who are willing to sacrifice for our country. Please find compromise. Our great State of New Hampshire and our country depends on it.

I want to tell Diane and David and Sue and all the others who have called and e-mailed and written to me that I agree with them. We must act and we must compromise. That is what I am trying to do. That is why I have supported a comprehensive approach to dealing with this country's debt and deficits. It is an approach that has been bipartisan, offered by the so-called Gang of 6. It addresses all aspects of our budget: domestic discretionary spending, defense spending, mandatory programs, and revenues. But I understand we are not going to be able to get that done between now and Tuesday, so that is why I am willing to support an approach that only makes cuts to the budget, because I know we have to compromise. But compromise means that everyone, all sides—the House and the Senate, Republicans and Democrats—all sides have to give up something. I believe we have good people in the Senate on both sides of the aisle, the majority of whom want to see a resolution to this impasse. The time is now for all of us to compromise and to do what is in the best interests of this country.

I yield the floor.

The PRESIDING OFFICER (Mr. PRYOR). The Senator from Georgia.

Mr. ISAKSON. Mr. President, today when the Chaplain opened the Senate, he prayed for divine guidance to end

the paralysis of analysis in Congress. I thought it was an excellent point. When I heard the two leaders speak today I realized where that paralysis was. We were paralyzed by analyzing our differences and failing to look at what we have reached common ground on already.

I have been worried about a default on our debt for some time, but right now I am worried about Congress defaulting on our country. Failure should not be an option for us in this case and it is time we started finding common ground. So for the purpose of discussion, I want to put forward some thoughts about where we agree, some identification of where we do not but where we could be.

We have already agreed, in one form or another—whether it was the Vice President's group or the Speaker's group or whoever—that we ought to have a $1 trillion downpayment in initial cuts to bring about deficit reduction.

There is common agreement between both sides in the Senate and I think in the House as well that we need a short-term committee, equally divided in a partisan way, to come up with at least another $1.8 trillion that results in reductions in debt and in deficit. We have agreed on those two things.

Third, we have agreed we do not want to default on our debt. There may be a handful of people around here who think that is a good idea, but with all due respect it is not a good idea and the ramifications of default are already showing themselves in small measures in the market but will show themselves a lot greater next Wednesday if we fail.

Where do we differ? We do not differ on raising the debt ceiling, we just differ on when we raise it, how we raise it, and how long we raise it. The President favors raising it past the election in November 2012. There are others who want to have votes every 6 months or 10 months. Frankly, there is something to be said for waiting until after the November election of 2012 so we have 18 months of stability and predictability in the United States of America; there is not the uncertainty of us coming back.

There are a lot of differences on the other side about whether we have a constitutional amendment on the balanced budget vote. Frankly, I cannot understand why in the end anybody would reject both bodies being able to have a vote in regular order on a constitutional amendment to balance the budget. We are supposed to vote. We are supposed to confront those decisions. I think an agreement could be reached between those two differences that would ensure us moving closer to an agreement on the entire package.

Third, and probably toughest, we do not disagree on the committee that is appointed to find the $1.8 trillion or better in savings or cuts, but we disagree on the mechanism with which that is enforced. I want to talk about that for a minute. There is a fear—and a lot of it is justified because of the way we are acting right now—that if you had a committee of 12, 6 Democrats and 6 Republicans, charged with finding $1.8 trillion or more in reductions, they would never agree; therefore, they would be gridlocked; therefore, those reductions would not take place. I understand that fear and agree with the concern for that fear. So we need a mechanism where there is a risk for them to do that.

One of the discussions that has been floating around—last night it was in a discussion I had with the officer presiding right now—is you should allow the Congress itself to create a committee with an equal number of Democrats and Republicans of some accountable number, such as 10 or 20, to come together. If the committee fails to make its recommendations and make alternative recommendations, that must by requirement of the law be voted on on the floor of the House and Senate. If for some unbelievable circumstance that did not happen, there has to be an absolute fail-safe to ensure that failure is not an option. I have suggested automatic sequestration. I know that causes heartburn with some. But somewhere there is a silver bullet. The Lone Ranger had it. Tonto had it. Wyatt Earp had it. Why can't the Congress find it? Why can't we find the majority bullet that is the enforcement mechanism that ensures we come together on the $1.8 trillion or more? If we do those things, we have an agreement. We have already agreed in principle on most of them and we understand our differences on the ones we have not agreed on. We ought to be spending the next 24 hours finding out where our differences are and coming to find common ground because we are not that far apart.

I want to go back to the prayer of Barry C. Black this morning. I listen to his prayer just about every morning because it is very insightful. In fact, there is a clear message in it and he is usually talking to all of us because he watches all of us and he is concerned and I am concerned.

I have three children and nine grandchildren. I said in my campaigns the rest of my life is about leaving them a country as prosperous, free, and great as the country my parents left me. If we blink on this issue before us, that is not going to be the case. There is irreparable harm that can come from a failure to act. It doesn't harm me as a politician, it harms my kids and my grandkids. It harms those people I know on Social Security and Medicare and Medicaid, and it harms those standing right now on a firing line somewhere in Afghanistan, realizing today could be their last day on this Earth so America could live to see another day. That is how serious the consequences are.

I suggest instead of being paralyzed by our analysis of where we differ, let's come to an analysis of where we find common ground. We do on raising the debt ceiling; we know we should raise it. We know we could find $2.8 trillion and hopefully more in cuts in the deficit and spending over time. We know we have to extend the debt ceiling to some point in time, and if it is past the Presidential election of 2012, let's ensure that each body in regular order can vote on a constitutional amendment to balance the budget, which leaves us with one difference, and that difference is what is the enforcement mechanism on the $1.8 trillion cut that the joint committee, equally divided, is supposed to come up with.

I submit we can find the common ground to find the silver bullet that causes that to happen and I encourage all of us to forget now where we differ and recognize where we agree and then work on building a bridge on those differences so the United States of America does not default on its debt and the Congress of the United States does not default on its obligation to the people of the greatest country on the face of this Earth, the United States of America.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SESSIONS. I would ask unanimous consent that the quorum call be rescinded.

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

Mr. SESSIONS. Mr. President, the discussion has boiled down to a desire by the President to have the largest debt increase in the history of America at a time when our spending is out of control, and this debt ceiling limit that we have now reached is at a point where it does need to be raised.

I thought we had a national consensus that as part of raising the debt ceiling we would begin to change our habits around here; we would do things better; we would not be running up so much debt because every witness who has testified before our Budget Committee has said we are on an unsustainable path. They mean that. We cannot sustain the debt path we are on. We have never been in a deeper fix.

The President wants this huge debt increase, but he only wants to have a very modest decrease in spending. The bill that is before us would decrease spending about $927 billion. It might sound like a lot, but over the next 10 years, according to the Congressional Budget Office, we will increase the debt of America by $10 trillion—$10,000 billion, not $927 billion. That will not change the debt trajectory. We have to have more than $927 billion in spending reductions.

It appears we are not going to be able to get that. The Democratic majority in the Senate will not allow it and say they are prepared to let the country default if we try to cut any more. So we have to continue the dialogue and the debate about the course we are on.

Why is it so important to get a bigger debt ceiling increase? I thought and believed we had an agreement that the debt ceiling should not be increased more than spending is decreased, that spending is decreased over 10 years. We cut it $1 trillion, we raise the debt ceiling $1 trillion. We give 10 years of spending cuts, but immediately we get a $1 trillion increase in the debt ceiling.

Why are we in this fix? I hate to say it, but this is why, there is no doubt about it: The President said last week:

> The only bottom line that I have is that we extend this debt ceiling through the next election, until 2013.

Through the next election. It is all about him. It is about politics. It is about his desires, what he wants. That is not correct. This is about America, what is good for our country.

The House of Representatives submitted a fabulous budget earlier this year. It reduced spending by as much as $6 trillion over 10 years. This bill would only reduce it $1 trillion. Why would the House of Representatives, after much debate, pleading, hard work, why would they agree to send a bill over here that only does $1 trillion in spending cuts over 10 years? The reason is they love our country. They know this is a dangerous time. They know at this point in history we don't need to create more uncertainty on top of the tremendously dangerous debt path we are on.

By not raising the debt limit we don't know for sure what will happen. Bad things could happen, so they have made a tremendous compromise in what they proposed and sent it over here. It seems the only thing the President cares about is not having to talk about this again until after he gets reelected.

I think we need to understand something. This is not enough reduction in spending. It will not change the debt trajectory we are on now, which is on a path to do $9 trillion to $13 trillion more in debt added to our Nation's books in 10 years. It is just not enough.

We raise the debt ceiling, and we get out of this immediate crisis, and in doing so we send a message to the world, the American people and the financial markets that we are still working on it. We are still going to bring down the numbers. We know we cannot continue on this rate of spending. We know that so we are going to work to get the numbers down, and we are not going to wait 2 years after some convenient or inconvenient election. We are going to start early next year or late this year, and we will stay on it until we make the kind of changes that put us on a path to growth and prosperity. I feel strongly about that.

I know people don't want to hear us talking about this bill or that bill or who is for this and how many votes it has. They are tired of hearing that. They want us to make changes. I do not think the American people just want a deal. That is how the media spins it and politicians spin it: Is there a deal? Is there not a deal? The American people want us to change our debt course. They want us to get off the path that is taking us to financial destruction. It really is. I don't know when it will happen, but everybody says we cannot continue, and in a period of years we will be in a situation like Greece, and the numbers are pretty clear in that regard. There is no doubt about it. It doesn't have to happen, so we can do something about it.

Republicans have passed a good budget that would reduce the debt and put us on a path to prosperity. That was rejected by our Democratic leaders. Indeed, they brought it up and mocked it. President Obama called for a conference at the White House. He put Congressman RYAN, the brilliant young budget chairman in the House right in front of him, and then he mocked and attacked the budget that the House did that would actually do something for America and make us better. I don't appreciate that. We have to do something. I am prepared to compromise. I feel deeply that we need to cut more spending than this, but we are at a point in history where we need to pass a debt ceiling increase. We just have to. We don't need to quit talking about the problem. We need to continue the dialogue, continue the debate, and continue to look for and find ways to reduce spending.

The House passed a cap-and-balance bill that would have capped spending and created a permanent constitutional amendment to balance the budget, and then they passed the Boehner legislation that was voted down last night. That legislation would have cut all spending at just about the amount that Senator REID wants, the $900-or-so billion. Speaker BOEHNER didn't exaggerate how much it was. He agreed to that amount and agreed to raise the debt ceiling immediately by an amount equal to the amount of spending we reduced over 10 years. It was a very generous, significant compromise from the position they believed was correct and that they took openly and publicly through the normal legislative process when they passed their budget.

Now our Democrats in the Senate have not passed anything. They didn't even bring up a budget. Now it has been 822 days since Congress has passed a budget. A budget was not passed here when my Democratic colleagues had 60 Democratic Senators.

Senator REID said it would be foolish to pass a budget. Why is that? Well, he meant it would be foolish to have his Members actually have to vote.

When you move a budget, it has priority. It cannot be filibustered. It can be passed with a 50-vote margin, but people get to offer amendments and people would have to vote on amendments. The people who produced the budget would have to say how much taxes they were increasing, how much spending they were cutting, and how much debt was still going to be out there, and they did not want to expose themselves. They did not want to come before the American people and show where they stood. They preferred to bring up the House budget and vote it down and mock it while the leadership didn't have the courage or the responsibility to pass a budget themselves. They would show where they wanted to go with the future of America. It is just that simple.

We need to go back to the regular order in the Senate, and that means presenting a budget, bringing up bills, having votes, having amendments, having people be accountable to their constituents. If you were sitting back home, you would want to see government reduce some of this reckless spending. Wouldn't you want to know how your elected officials, the people representing you, voted? Well, we have had no votes, and that has been the plan—to shield the Members from votes so their constituents could not hold them accountable.

For heaven's sake, we don't want to have a vote in January or February when we have an election in November. Why, that is too close. People would see what we did. They might remember it when election day came up. They might not like it that they don't have a plan to do a better job of changing the unconscionable debt course this country is on.

That is the way they think in Washington, and it is not acceptable. We are borrowing 40 cents of everything we spend.

Mr. President, do we have a time agreement at this point?

The PRESIDING OFFICER. The Senator has 5 minutes 20 seconds remaining.

Mr. SESSIONS. I thank the Chair.

Well, it is a big deal, and we need to get this done. There are just not enough votes to pass the Reid bill, and there are not enough votes to pass the Boehner bill. That is just obvious, even though Speaker BOEHNER drew down dramatically the amount of spending cuts the House believes should be achieved.

We have to get our folks busy while we are continuing to debate into the night instead of actually recognizing that the Reid bill doesn't have the votes to pass the Senate, and it absolutely doesn't have the votes to pass the House. It just doesn't. At this last desperate moment, hopefully, our leaders will get busy, quit worrying about those things, and actually begin to suggest something we can work on. We really should not be in this position.

As I have explained at some length—and I will not repeat it—but I don't like it. I do not like it. I don't think it is right that we have a couple of Senators and a couple of House Members, our leaders, go off and somehow plop down on the Senate their solution to our problem, and if we don't pass it, the government is damaged and the economy is damaged because they have waited until the absolute eleventh hour-plus to produce it.

It should have never happened that way. It is irresponsible, and it undermines the integrity of the entire congressional process. We have seen this coming all year long. We should not have allowed it to happen in this way.

Well, let me talk a bit more technically about the Reid bill. It purports to reduce spending and savings by $2.4 trillion. That is not correct. Actually, it reduces the debt that would be increasing by only $927 billion, and we have done our best with the Budget Committee staff to be honest and fair about it.

That is about the same number Speaker BOEHNER has in his, but Majority Leader REID insists his saves $2.4 trillion. Why? Because if it is $2.4 trillion, he can justify that the next time we address this, which will be after the next election, will be 2 years away.

He doesn't cut that much. What he claims is not accurate. Why? Well, they are working into the night to see how they can make the accounting look better. They didn't like the 927 figure, so what do they do? They look at the budget projections where it was projected war costs would be coming down. Actually, we will have a $40 billion reduction this year in the cost of Iraq and Afghanistan. Those costs are coming down. The President had projected they would come down to $50 billion soon and would stay at that for the rest of the year, which would mean $1 trillion less spending. Remember, we are going to increase the debt by $9 to $13 trillion, but $1 trillion would have been—by reducing the war cost, we save $1 trillion. But that was already in the books. That is already accounted for.

So how did they do it? Well, they came in and they put in a bill that mandated the come-down because, oddly enough, the Congressional Budget Office doesn't assume war costs will come down. The Congressional Budget Office assumes that it will stay up and we will spend this $1 trillion more on the war when there is no intent to do that. Therefore, they put it in the legislation and require it to come down, these numbers, and all of a sudden CBO scores $1 trillion in extra savings without any change in spending projections or reality at all.

Speaker BOEHNER didn't count his bill as reducing spending by that $1 trillion when he took the same numbers, same assumptions that spending on the war would come down. But they did that to try to make it look as though they were reducing spending more; therefore, they could extend the debt limit more, they would make it past the election, and they could get the political result they want. That is really what it is.

Another way they get another $300 billion gimmick is that if we assume a $1 trillion reduction in the war, then we are not paying interest on that money because we would have to borrow it because we are already in debt, and every amount we can reduce means we borrow less money. Every less-spending provision saves money, and it also saves interest on that money. Well, it would be $300 billion in interest saved under the theory—the gimmick—that is being used here. So that really amounts to $1.3 trillion in overestimating right there on the amount of savings in the Reid plan.

I thank the Chair. I hope we will reject the Reid proposal, and I hope our leaders can achieve in short order a change in our plans for managing our money, raise the debt ceiling, and begin to put this country on a sound path.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Thank you, Mr. President. I am happy to come to the floor with two of my colleagues—my colleague from Minnesota and my colleague from Alaska—to speak about the damage created by the Republicans' insistence on looking at just one side of the equation and failing to understand what businesses need to move forward during the next 28 minutes or so.

As my good friend from Alabama leaves the floor, I wish to say that I have enjoyed working with him on many issues. We have been shoulder to shoulder advocating for gulf coast restoration and many other issues. However, I have to strongly disagree with some of the points he has just made, and I will go into those in just a moment.

Part of the problem with the Senator from Alabama and other Senators on that side is that when they speak to the American people on this issue, they only talk about one side of the equation; that is, spending. They never, ever talk about revenues. Anybody—any family, any individual, any business, any high school student, any college student—understands—like the commercial running on television now that talks about equations—equations have two sides, not one. There is a spending side and there is a revenue side.

If a family's budget is out of whack—they are spending too much, and they are not taking in enough money—they could get a third job and fix that problem by bringing in more money to the budget or a second job or a part-time job and bring in more revenue, and that problem is solved or they could choose to not get another job and cut back spending all the way down to their income and solve the problem.

The problem with the other side is they are disingenuous. They do not want to be truthful with the American people and say that not only do we have a spending problem, which all Democrats agree with, but we also have a revenue problem, and that is why we are on this floor fighting today.

I wish to show beyond a shadow of a doubt the truth about what I am speaking. This is data from the Senate Appropriations Committee. This shows discretionary defense spending, all other spending, and mandatory programs for 10 years.

In 10 years, from 2001 until today, 10 years later, defense spending has increased $364 billion—73 percent—and that is because we have had two wars and any number of defense and security issues. We can debate whether that is right, but we have spent 73 percent more money, adjusted for inflation.

For mandatory programs, the increase has gone up 310 percent in 10 years. That is Social Security, Medicare, and Medicaid. This is the driver. This is the budget-buster. There are all sorts of solutions to that problem. Unfortunately, we are not talking about any of them today. But the push on the spending is coming from mandatory programs.

Mr. President, I ask unanimous consent to have printed in the RECORD the charts I have been referring to.

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

TABLE 1.2—SUMMARY OF RECEIPTS, OUTLAYS, AND SURPLUSES OR DEFICITS ( ) AS PERCENTAGES OF GDP: 1930–2016

Year	GDP (in billions of dollars)	Total			On-Budget			Off-Budget		
		Receipts	Outlays	Surplus or Deficit ( )	Receipts	Outlays	Surplus or Deficit ( )	Receipts	Outlays	Surplus or Deficit ( )
1930	97.4	4.2	3.4	0.8	4.2	3.4	0.8			
1931	83.9	3.7	4.3	−0.6	3.7	4.3	−0.6			
1932	67.6	2.8	6.9	−4.0	2.8	6.9	−4.0			
1933	57.6	3.5	8.0	−4.5	3.5	8.0	−4.5			
1934	61.2	4.8	10.7	−5.9	4.8	10.7	−5.9			
1935	69.6	5.2	9.2	−4.0	5.2	9.2	−4.0			
1936	78.5	5.0	10.5	−5.5	5.0	10.5	−5.5			
1937	87.8	6.1	8.6	−2.5	5.8	8.6	−2.8	0.3	−*	0.3
1938	89.0	7.6	7.7	−0.1	7.2	7.7	−0.5	0.4	−*	0.4
1939	89.1	7.1	10.3	−3.2	6.5	10.3	−3.8	0.6	−*	0.6
1940	96.8	6.8	9.8	−3.0	6.2	9.8	−3.6	0.6	−*	0.6
1941	114.1	7.6	12.0	−4.3	7.0	11.9	−4.9	0.6	*	0.6
1942	144.3	10.1	24.3	−14.2	9.5	24.3	−14.8	0.6	*	0.6

TABLE 1.2—SUMMARY OF RECEIPTS, OUTLAYS, AND SURPLUSES OR DEFICITS ( ) AS PERCENTAGES OF GDP: 1930–2016—Continued

Year	GDP (in billions of dollars)	Total			On-Budget			Off-Budget		
		Receipts	Outlays	Surplus or Deficit ( )	Receipts	Outlays	Surplus or Deficit ( )	Receipts	Outlays	Surplus or Deficit ( )
1943	180.3	13.3	43.6	−30.3	12.7	43.5	−30.8	0.6	*	0.6
1944	209.2	20.9	43.6	−22.7	20.3	43.6	−23.3	0.6	0.1	0.6
1945	221.4	20.4	41.9	−21.5	19.8	41.8	−22.0	0.6	0.1	0.5
1946	222.6	17.7	24.8	−7.2	17.1	24.7	−7.6	0.6	0.1	0.5
1947	233.2	16.5	14.8	1.7	15.9	14.7	1.2	0.6	0.1	0.5
1948	256.6	16.2	11.6	4.6	15.6	11.5	4.1	0.6	0.1	0.5
1949	271.3	14.5	14.3	0.2	13.9	14.2	−0.3	0.6	0.2	0.5
1950	273.1	14.4	15.6	−1.1	13.7	15.4	−1.7	0.8	0.2	0.6
1951	320.2	16.1	14.2	1.9	15.1	13.8	1.3	1.0	0.4	0.6
1952	348.7	19.0	19.4	−0.4	17.9	18.9	−1.0	1.0	0.5	0.5
1953	372.5	18.7	20.4	−1.7	17.6	19.8	−2.2	1.1	0.6	0.5
1954	377.0	18.5	18.8	−0.3	17.3	18.0	−0.8	1.2	0.8	0.4
1955	395.9	16.5	17.3	−0.8	15.2	16.3	−1.0	1.3	1.0	0.3
1956	427.0	17.5	16.5	0.9	16.0	15.4	0.6	1.5	1.2	0.3
1957	450.9	17.7	17.0	0.8	16.2	15.6	0.6	1.5	1.3	0.2
1958	460.0	17.3	17.9	−0.6	15.6	16.3	−0.7	1.7	1.6	0.1
1959	490.2	16.2	18.8	−2.6	14.5	17.0	−2.5	1.7	1.8	−0.1
1960	518.9	17.8	17.8	0.1	15.8	15.7	0.1	2.1	2.1	−*
1961	529.9	17.8	18.4	−0.6	15.5	16.2	−0.7	2.3	2.2	0.1
1962	567.8	17.6	18.8	−1.3	15.4	16.4	−1.0	2.2	2.4	−0.2
1963	599.2	17.8	18.6	−0.8	15.4	16.1	−0.7	2.4	2.5	−0.1
1964	641.5	17.6	18.5	−0.9	15.0	16.0	−1.0	2.6	2.5	0.1
1965	687.5	17.0	17.2	−0.2	14.6	14.8	−0.2	2.4	2.4	*
1966	755.8	17.3	17.8	−0.5	14.8	15.2	−0.4	2.5	2.6	−0.1
1967	810.0	18.4	19.4	−1.1	15.4	16.9	−1.6	3.0	2.5	0.5
1968	868.4	17.6	20.5	−2.9	14.7	17.9	−3.2	2.9	2.6	0.3
1969	948.1	19.7	19.4	0.3	16.7	16.7	−0.1	3.1	2.7	0.4
1970	1,012.7	19.0	19.3	−0.3	15.7	16.6	−0.9	3.3	2.7	0.6
1971	1,080.0	17.3	19.5	−2.1	14.0	16.4	−2.4	3.3	3.0	0.3
1972	1,176.5	17.6	19.6	−2.0	14.2	16.4	−2.2	3.4	3.2	0.2
1973	1,310.6	17.6	18.7	−1.1	14.1	15.3	−1.2	3.5	3.5	*
1974	1,438.5	18.3	18.7	−0.4	14.5	15.1	−0.5	3.7	3.7	0.1
1975	1,560.2	17.9	21.3	−3.4	13.9	17.4	−3.5	4.0	3.9	0.1
1976	1,738.1	17.1	21.4	−4.2	13.3	17.3	−4.0	3.8	4.1	−0.2
TQ	459.4	17.7	20.9	−3.2	13.8	16.8	−3.1	3.9	4.1	−0.1
1977	1,973.5	18.0	20.7	−2.7	14.1	16.7	−2.5	3.9	4.1	−0.2
1978	2,217.5	18.0	20.7	−2.7	14.2	16.7	−2.5	3.9	4.0	−0.2
1979	2,501.4	18.5	20.1	−1.6	14.6	16.2	−1.6	3.9	4.0	−*
1980	2,724.2	19.0	21.7	−2.7	14.8	17.5	−2.7	4.2	4.2	−*
1981	3,057.0	19.6	22.2	−2.6	15.3	17.8	−2.4	4.3	4.4	−0.2
1982	3,223.7	19.2	23.1	−4.0	14.7	18.5	−3.7	4.5	4.7	−0.2
1983	3,440.7	17.5	23.5	−6.0	13.2	19.2	−6.0	4.3	4.3	−*
1984	3,844.4	17.3	22.2	−4.8	13.0	17.8	−4.8	4.3	4.3	−*
1985	4,146.3	17.7	22.8	−5.1	13.2	18.6	−5.3	4.5	4.3	0.2
1986	4,403.9	17.5	22.5	−5.0	12.9	18.3	−5.4	4.5	4.2	0.4
1987	4,651.4	18.4	21.6	−3.2	13.8	17.4	−3.6	4.6	4.2	0.4
1988	5,008.5	18.2	21.3	−3.1	13.3	17.2	−3.8	4.8	4.1	0.7
1989	5,399.5	18.4	21.2	−2.8	13.5	17.3	−3.8	4.9	3.9	1.0
1990	5,734.5	18.0	21.9	−3.9	13.1	17.9	−4.8	4.9	3.9	1.0
1991	5,930.5	17.8	22.3	−4.5	12.8	18.3	−5.4	5.0	4.1	0.9
1992	6,242.0	17.5	22.1	−4.7	12.6	18.1	−5.5	4.8	4.0	0.8
1993	6,587.3	17.5	21.4	−3.9	12.8	17.3	−4.6	4.7	4.0	0.7
1994	6,976.6	18.0	21.0	−2.9	13.2	16.9	−3.7	4.8	4.0	0.8
1995	7,341.1	18.4	20.6	−2.2	13.6	16.7	−3.1	4.8	3.9	0.9
1996	7,718.3	18.8	20.2	−1.4	14.1	16.3	−2.3	4.8	3.9	0.9
1997	8,211.7	19.2	19.5	−0.3	14.5	15.7	−1.3	4.8	3.8	1.0
1998	8,663.0	19.9	19.1	0.8	15.1	15.4	−0.3	4.8	3.7	1.1
1999	9,208.4	19.8	18.5	1.4	15.0	15.0	*	4.8	3.5	1.3
2000	9,821.0	20.6	18.2	2.4	15.7	14.8	0.9	4.9	3.4	1.5
2001	10,225.3	19.5	18.2	1.3	14.5	14.8	−0.3	5.0	3.4	1.6
2002	10,543.9	17.6	19.1	−1.5	12.7	15.7	−3.0	4.9	3.4	1.5
2003	10,979.8	16.2	19.7	−3.4	11.5	16.4	−4.9	4.8	3.3	1.5
2004	11,685.6	16.1	19.6	−3.5	11.5	16.4	−4.9	4.6	3.2	1.3
2005	12,445.7	17.3	19.9	−2.6	12.7	16.6	−4.0	4.6	3.2	1.4
2006	13,224.9	18.2	20.1	−1.9	13.6	16.9	−3.3	4.6	3.2	1.4
2007	13,891.8	18.5	19.6	−1.2	13.9	16.4	−2.5	4.6	3.3	1.3
2008	14,394.1	17.5	20.7	−3.2	13.0	17.4	−4.5	4.6	3.3	1.3
2009	14,097.5	14.9	25.0	−10.0	10.3	21.3	−11.0	4.6	3.7	1.0
2010	14,508.2	14.9	23.8	−8.9	10.6	20.0	−9.4	4.4	3.8	0.5
2011 estimate	15,079.6	14.4	25.3	−10.9	10.7	22.0	−11.3	3.7	3.3	0.4
2012 estimate	15,812.5	16.6	23.6	−7.0	12.5	19.9	−7.4	4.2	3.7	0.5
2013 estimate	16,752.4	17.9	22.5	−4.6	13.6	18.6	−5.1	4.4	3.9	0.5
2014 estimate	17,782.2	18.7	22.4	−3.6	14.4	18.5	−4.1	4.3	3.9	0.5
2015 estimate	18,804.1	19.1	22.3	−3.2	14.7	18.4	−3.7	4.3	3.9	0.5
2016 estimate	19,790.5	19.3	22.6	−3.3	14.9	18.7	−3.8	4.4	3.9	0.5

*0.05 percent or less.
Note: Budget figures prior to 1933 are based on the ''Administrative Budget'' concepts rather than the ''Unified Budget'' concepts.

Ms. LANDRIEU. Mr. President, what the Republicans fail to tell people, which makes me so angry and should make everyone angry, is that all other spending in the Federal Government has remained flat. There has been a zero-percent increase in 10 years, if we adjust for inflation—zero, not a 2-percent increase, not a 3-percent increase. These are the facts.

It is also true that we are spending more money—25 percent of GDP—than at any time since World War II, but that spending is being driven by defense and mandatory. But what do they want to cut? What are they demanding to be cut today? They are demanding cuts from this line item, including agriculture, health, education, and respite care for the elderly. This is what they want to cut. This is why Democrats are saying: Wait a minute, take a couple of steps back. That is what this fight is really about.

In addition to waging this fight—and one would think this is a big fight to have—we would have it in the safest place possible. Some would think we would be having it in the safest place possible. My colleagues know that in the old western movies, when two guys

want to shoot it out, they say: Meet me on the edge of town. Do these guys meet you on the edge of town? No. Do you know where they meet us? Right on Main Street, where small business and big business and self-employed have been struggling for years, coming out of the greatest recession that in large measure they helped to create. Where do they want to stage this fight? On Main Street. That is what this fight is about. They could have chosen anyplace for this battle, but where do they choose it? They choose it over raising the debt ceiling, which, if we don't fix it in the next 72 hours, it is going to raise interest on every business.

I am already getting piles of letters from Louisiana that I will include in the RECORD from small business owners pleading with us to come to a deal because they are holding the economy hostage.

Mr. President, I ask unanimous consent that the letters I just referred to be printed in the RECORD.

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

JULY 27, 2011.

Mrs. MONIQUE JONES,
Raceland, LA.

SENATOR LANDRIEU, I am writing with my concern regarding the debt ceiling issue. I am appalled at the current GOP tactics, their inability to compromise and their absolute refusal to put the good of the nation, the economy and the average middle class American before some rigid political ideology. Louisiana may be a red state, but the Tea party does not speak for all of us! Increasingly, I am frustrated and dismayed that there is no ability to grasp even common sense ideas—debt reduction works by increasing revenue and cutting spending, for example—or their apparent amnesia and the fact that it was previous administrations that put wars on the credit card! Why weren't they shouting over fiscal responsibility back then?

I have contacted my Congressman expressing my lack of support for Cap, Cut and Balance. I am equally not impressed with the Reid plan. I SUPPORT tax increases, closing corporate tax loopholes and . . . please . . . please . . . can Hedge Fund Managers pay their fair share? I'll be frank, my husband and I are small business owners, registered Independents and completely middle class. Our income was decimated by the oil spill, and last year we paid a lot more taxes than GE did. Not fair!

Please Senator, do what is right for the middle class. Get some revenues. Protect Medicare. I understand that we need to cut spending, but not on the backs of the middle class. How about letting the Bush tax cuts expire for starters? The President and the democrats have compromised, but the GOP reminds me of playground bully. Shaking down the other kids for their lunch money. I am appalled that they would rather run the country into the ground than compromise! This moderate Independent is angry.

The President asked that we give you guys a shout out to let you know what we think. I support the Democrats. I will do so in upcoming elections as well. The GOP has proved themselves incapable of actual governance.

Sincerely,

MONIQUE M. JONES.

JULY 27, 2011.

Mr. MATTHEW COPE,
Baton Rouge, LA.

DEAR SENATOR LANDRIEU, What is wrong with revenues?? Or why not close a few tax loopholes (or does that constitute tax increases—bilge water!!).

Look at what people were paying in taxes under Eisenhower—we are supremely undertaxed. Why do people think we can fund multiple wars with tax cuts and no revenues??? No one has an inkling of what sacrifice is. Go see Captain America: it's all about the war effort and doing your part. No one does that (or even thinks about it) anymore. Stop enriching those who need it the least. I am a 40-year-old small business owner—all this default talk is doing nothing but making it harder for me to grow my business. And I vote!!!

Sincerely,

MATTHEW COPE.

JULY 27, 2011.

DAVID BERISS,
New Orleans, LA.

DEAR SENATOR LANDRIEU, please stop the idiotic debt ceiling debate. It is time to raise the debt ceiling and move on to legislation that creates jobs.

Cutting government spending and reducing government jobs is a ridiculous and irresponsible policy when we are trying to recover from a recession. Please stop letting the Republican ideologues drive the political debate in Washington. There is only one issue that matters: jobs. The debt ceiling debate is an artificial crisis and a distraction from what matters.

Get this done and move on!

It is all about jobs, not about stupid ideological smokescreens like ''big government,'' or a ''balanced budget amendment'' (which is a truly stupid idea, by the way).

Can we count on you to work forcefully to get the Senate (and all of Congress) to focus on issues that really matter, like creating jobs?

Sincerely,

DAVID BERISS.

JULY 27, 2011.

Mr. DANIEL THRELKELD,
Fort Polk, LA.

SENATOR LANDRIEU, first of all, I want to thank you for your support of our military. I am a Captain in the Army and have humbly served our great country for nearly 13 years. I am writing to you today to let you know how disheartened and down-right disgusted I am with how our government is dealing with today's economic problems—in particular the debt ceiling issue. I have dealt firsthand with the enormous emotional trauma caused by the last budget problem which almost caused our young fighting men and women to temporarily stop getting paid. At the time, I was a Battery Commander stationed at Fort Lewis. I had combat veterans who served multiple tours in Iraq and Afghanistan wearing the weight of this country on their shoulders only to have that same country almost turn its back on their pay and benefits. I had numerous Soldiers who lived paycheck to paycheck, and even a temporary stop in pay would have been devastating to that Soldier and his family. Fortunately, you all reached an agreement several months ago at the last minute in which you passed the 2011 Budget so we could get paid.

Now we are at another impasse, and now the military once again faces the possibility of not getting paid. Not only that, but all of the arguing and bickering amongst our Congressmen & Women are bringing our entire economy down. Bottom line: You (all of Congress and the President) need to reach a deal. Throw out all of the politics, Democrat versus Republican tricks, and unite as Americans and make a deal that will bring our country out of this mess. Don't turn your backs on the very people who elected you. Please, from one humble American to another, make a deal and secure our future. I have faith that you will help make this happen.

Respectfully,

CPT(P) DANIEL S. THRELKELD.

Ms. LANDRIEU. Has anybody read the newspapers this morning? It is full of cartoons: Republicans holding the economy hostage. They are not holding Barack Obama hostage. They are not holding Democrats hostage. They are not holding the Federal Government hostage. They have decided to fight the battle on Main Street, holding economic growth hostage, and they think that is a compromise or a fair fight. This hostage isn't strong enough to survive this siege.

Do we ever hear any one of them say that perhaps we need to raise a penny or two or three? Absolutely not. Now, there are Senators who have agreed to do so, but they haven't been as vocal as they possibly could be. I am honored to serve with many good Republicans who understand this equation has two sides: both taking spending down in the right ways and raising revenue.

Let me get one more fact out there, and I will turn it over to my colleague.

I understand corporate tax rates are higher than some other countries in the world, and our corporations are having some tough times, as well as some businesses. But I am going to submit data for the RECORD which shows that the top 400 companies in this country are not paying a 35-percent rate, they are not paying a 34-percent rate, their practical rate is 17 percent. Why would that be the case? Because this Tax Code is full of loopholes for special interests that many of them on the other side think are justified.

So we are not going to be able to solve all of these problems today, but I wanted to come to the floor on behalf of businesses—small businesses and large—and say that when the Republicans start talking about both sides of the equation, these Democrats, including myself, will walk up and negotiate. In the meantime, we are going to work hard to find a deal that works for the American people, and one solution that will work for the American people is not to have to repeat this 4 months from now.

I am going to conclude with this. Just a few months ago, we were getting letters from the other side saying business needs certainty, business needs to know what taxes they are going to pay. They need to have certainty. And then, all of a sudden, today this side is arguing that we have to go through this debate 4 months from now.

I am telling my colleagues that this hostage will not survive their siege. We have to fix this for the long term now.

I am going to turn it over to my colleague from Minnesota, who is going to talk about the businesses in her State and what she is hearing from businesses in her State and why this is so

grossly unfair from Republicans who want to bring this economy to its knees, and they are doing a really good job of it.

I yield to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota.

Ms. KLOBUCHAR. Mr. President, I thank very much the Senator from Louisiana for her passionate remarks. There is a reason she has that passion, and it is because we are in the ninth inning. This is it. The time for political posturing is over. There is no more time to say we are not going to talk to each other. There is no more time to pretend we can have one plan and then another plan. It is time to get an agreement.

Look at what has happened in just the past week. The markets have gone down more than they have in over a year. We have seen realtors—and this is a study that just came out a few days ago—people backed away from one out of six deals this past month. If you look at the month before, it was only 1 out of 25. People are feeling the uncertainty in this economy, and it is time to come to a bipartisan agreement.

Last week, I held a call with business leaders from across my State to update them on the status of negotiations, to hear their thoughts and their concerns, and to answer their questions. Their message back to me was clear and unified: If we fail to act, the consequences for our economy are real and serious. I will be honest. They don't care what combination of votes—Democratic, Republican—it takes to get us across the finish line. Many of them may prefer Republican plans, and some would prefer a Democratic plan. What they want is consistency. They want us to get this done. They want us to not default on our debt. They want a deal to be passed by August 2 that prevents the United States from defaulting on its financial obligations and provides some long-term certainty.

Now, make no mistake, they see our debt crisis as real and serious and something that must be addressed. But while failure to bring the national debt under control is threatening America's future, the danger of default is already harming our economy. We must address both. The U.S. Chamber of Commerce has called the possibility of default unthinkable and unacceptable, arguing it will have real, immediate, and potentially catastrophic consequences.

As economists and experts from across the ideological spectrum have said, if this continues, interest rates will rise for everyone. That is what they say. This will mean higher rates for American consumers and the small businesses that drive our economies. Car loans, mortgages, businesses, and student loans will all be more expensive. Higher borrowing costs and a falling dollar means slower economic growth and slower job creation. That is the last thing we need right now.

Just an hour ago I received in my office an e-mail from a major employer in my State saying the commercial paper market nearly seized up yesterday, and by the afternoon only overnight rollovers were possible. That is what they were seeing, and that is identical to what happened to capital markets in September of 2008, according to this major company. They said this in the e-mail:

> The sooner the debt limit issue can be resolved, the sooner this market can begin functioning as it should and the sooner lenders will begin lending for longer than overnight.

Here are some things I heard from business leaders in my State. This is from Hubert Joly, the president and CEO of Carlson Companies, headquartered in Minneapolis. It owns and manages over 2,000 hotels and restaurants across this country and across the globe. He writes this:

> As one of the largest private family owned companies in the United States, Carlson would like to highlight how critical it is for Congress to reach a constructive compromise before August 2 to ensure that the U.S. does not default on its debt obligations. The ongoing uncertainty—

Note that word—

> and lack of resolution of the debt ceiling debate is not healthy for the global financial markets or for consumer confidence. It is highly detrimental to the overall economy and to the travel and hospitality industry which millions of families in the U.S. depend upon for their livelihood. We therefore urge congressional leadership to act in the best interests of the nation and deliver a compromise agreement that avoids default and demonstrates the nation has a credible plan to reduce the federal deficit. A short-term fix is not sufficient, as we must not allow or accept prolonged uncertainty, which will only create volatility and instability for the globe and the U.S. economy.

I have multiple other letters—from snow mobile manufacturers, etc., which I will later put in the RECORD. Since we are having dozens come in every hour, I want to get them all gathered for tomorrow. But one gentleman said this:

> In regard to the current debt ceiling situation, default is not an option and reasonable compromise is what we need to add certainty that will lead to growth for American manufacturers.

Certainty and growth. Another one:

> The current debate over the debt ceiling has serious implications for American business. For example, the impact to my company will be felt not only by 3,300 U.S. employees, but by suppliers, customers, and, consequently, shareholders.

Just in case you do not draw the connection, these are major businesses that are in small towns throughout my State—sometimes the only major employer in those towns. That is what they are saying. Let me tell you, these are not Democrats who are writing those letters. They are not siding on one particular plan or the other. They are just saying: We need a compromise, and we need it by August 2.

Ken Powell, chairman and CEO of General Mills, a major Fortune 500 company, writes:

> We think it is critically important for the entire country—both at the business and individual level—that Congress come to an agreement on this issue and move forward.

An individual from a major financial institution that manages the savings and retirements of over 2 million individual business and institutional clients writes this:

> I urge the U.S. Congress to reach a bipartisan agreement to raise the debt ceiling and return the country's focus to economic growth and job creation.

None of us in this Chamber wants to see our economy damaged. Democrats do not want it. Republicans do not want it. As these letters show, the business community in this country knows we cannot have this happen. What they want is for us to work together to show the American people and the world that Washington is not broken; that instead we are willing to put aside our politics to do what we have been elected to do and get this done. That is what is right for America.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, the Senator from Alaska is here to finish out this segment, which is focusing on the difficulties that businesses are going to have. I thank the Senator from Minnesota for joining us for this segment.

I just want to get something in the RECORD before yielding to the Senator from Alaska.

I said the spending is high, 25 percent of GDP. Everyone acknowledges that. We are working hard to get it down. But I want to put in the RECORD that revenues coming into the Treasury are the lowest since World War II, at 14 percent. We do not have revenues in this solution because Democrats have compromised and conceded on this point, which is a very difficult compromise for us to make when faced with the truth of the situation. But in trying to compromise, we have done that. We have not been met halfway. I hope the minority leader will reengage with the majority leader—having said last night he did not believe he wanted to engage with the majority leader to try to come to a compromise—because businesses are depending on it.

Finally, I ask unanimous consent to have printed in the RECORD an excellent column in the Washington Post today to capstone my remarks.

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

[From the Washington Post]

(By Colbert I. King)

LIMBAUGH'S SINGULAR FOCUS

Rush Limbaugh was responding to my observation during Gordon Peterson's ''Inside Washington'' show on ABC–7 last weekend that an anti-Obama mood was fueling some of the opposition to getting anything done in Washington. Referring to Limbaugh's commentary earlier in the week, I said that he made ''no reference to saving the country, no such reference to averting disaster with the debt ceiling. It was a question of helping or hurting Obama.''

I wasn't wrong. Limbaugh continued his anti-Obama rant during last Monday's show: ''Mr. King is, in a way, exactly right. . . . The point is you can't save the country if you don't defeat Obama.''

Which helps explain the virtual knee-jerk opposition of right-wing Republicans to anything that comes out of the Obama administration. It also explains their willingness to put the country on the path to economic suicide if the downgrading of U.S. debt will help bring down President Obama. For wingers, there is no price too high to pay to break Obama. Sabotaging the president of the United States is, in their view, good for the country.

It seems to have been ever thus. Limbaugh was pulling for the Obama administration's downfall even before the president took the oath of office. Four days prior to Obama's inauguration as the nation's 44th chief executive, Limbaugh famously declared, ''I hope he fails.''

Barack Obama, contends Limbaugh, is the danger from which America must be saved.

As the Limbaugh camp sees it, Obama is a threat to the American way of life. They hold that he is the cause of 9 percent unemployment and the reason homeowners are underwater. Three years of Barack Obama—not eight years of George W. Bush—are why prosperity is beyond the reach of many Americans. And it is the prospect of, in Limbaugh's words, ''Obama having control over all the money and choosing to whom to send it, to distribute it, or redistribute it,'' that threatens America.

That Obama hasn't collapsed keeps conservatives like Limbaugh up nights. They won't acknowledge it, but under Obama's leadership—and within three years after inheriting one of America's worst enemies—a bleeding al-Qaeda is on the run, and Osama bin Laden is swimming with the fishes.

Troops are finally coming home from a costly, Bush-inspired Iraq war that is leaving our arch regional foe, Iran, strategically better off than it was before the U.S. invasion.

The automobile and financial services industries—on the ropes when Bush left office—are back on their feet. For the first time, 30 million uninsured Americans will face the future with health insurance.

Not to mention the mess Bush left behind: a projected $1.2 trillion deficit, two wars and huge tax cuts for the wealthy—all financed by borrowing.

Obama, to be sure, has spent trillions, in part because he was trying to extend healthcare coverage and stave off another depression. But prior presidents incurred most of the nation's $14.3 trillion debt.

The country is going downhill, Limbaugh asserts, ''because of policies implemented by [Obama] who, I don't care, is either clueless or is himself a saboteur.'' Note the allusions to stupidity and subversion—staple slurs in the conservative book of slime.

Make no mistake that is the mindset that stands in the way of saving the country.

Produce a package that staves off default, lifts the debt ceiling high enough to cover federal obligations into 2013, reins in the budget by cutting $4.5 trillion over the next decade through spending reductions and the elimination of tax loopholes and tax breaks benefiting the rich, and guess what? A solid phalanx of congressional right-wingers, egged on by Limbaugh, says no. And, hell no, if it means Barack Obama might share the credit.

Getting Obama isn't just an important conservative Republican goal; it seems to be their only goal.

And Limbaugh has the unmitigated gall to go on and on about how much he cares about saving the country, telling his listeners: ''Every waking moment . . . even when I am on the golf course, I care.''

Now that's what you call sacrifice.

Ms. LANDRIEU. I thank the Senator from Alaska, who has been an absolutely outstanding champion for small business not only in Alaska but around the Nation, who will talk with us about this short-term, repeat, 6-month uncertainty and how damaging that would be to businesses in Alaska. I thank the Senator for joining us.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. BEGICH. Mr. President, I thank the Senator from Louisiana very much. I am happy to join my friend from Louisiana and my friend from Minnesota. I am a small business owner. I have been from my teenage years. My wife is a small business owner. I understand the plight they go through—how to raise capital, how to start a small business, how to take a dream to reality. Sometimes those dreams do not work out so well, and what happens next?

As we sit here and talk about the short term versus the long term, in business you lay out a business plan. It is a long-term plan. Businesses that set a short-term plan are the ones that have those big banners that say: ''Going out of business.'' Those are the short-term planners in the business world.

We debate today—and I think we are a lot closer than maybe the media likes to portray—but it is a difference between in the next 6 months do we deal with this issue and have another debt limit vote in 6 months from now, and another 6 months later, and 6 months, or do we plan for the long term, get our economy more stable, more certain, so businesses can invest and do the right thing?

As I said at the beginning, any business that you see that has a short-term plan usually has a sign that says: ''Going out of business'' or ''Quitting.''

We are not going to quit. We are going to have a long-term plan.

I heard earlier today my colleague and friend from Georgia, from the other side, who practiced in real estate, Senator ISAKSON. Both of us have been in the real estate business for many years. As he said, also, we are closer than people think we are. But we have some slight differences, ones we need to make sure we resolve and move to a long-term plan.

Earlier this week, I challenged businesses that want to have a short-term plan to call my office; I would be happy to mention them on the floor of the Senate. I waited and I waited and I waited. No one—not one business—called my office and said: Give me a short-term plan. But I will tell you, several Alaskan businesses did call my office and say: Compromise. Get a long-term plan.

Let me read to you from just a couple.

JoeMarie Thomson from Anchorage owns Crucible Designs, a Web site design firm. She writes:

I'm very concerned about the posturing surrounding the debt ceiling negotiations. As a small business owner I'm already seeing the effects of this uncertainty. My clients are also small business owners and so I am right in the line of fire on this one.

I've heard from more than a few clients that if the U.S. defaults on the debt that the resulting interest rates will put them out of business. With this fear increasing the closer we get to August 2, it's really hurting my bottom line.

Another one, Rita Fleckenstein from Anchorage, owns Rita's Family Daycare, a small daycare center for children. Her husband is retired Air Force.

It is my sincere hope that you will try to influence your other Alaskan partners to take a balanced approach to solve the current budget crisis. I am a small business owner and loyal Alaskan voter and I am tired of all this posturing among the House members.

She is referring to the debate that occurred last night.

A man from Anchorage:

I am a long time Alaskan, father of two, Iraq war veteran, small business owner, and my small business provides engineers and managers to the oil and gas industry in Alaska. I am a registered independent but am conservative in regards to budgetary issues. . . . As a small business owner, I would never jeopardize the well being of my family, my employees, or my clients in regards to a business agreement or transaction. There is always room to compromise and allow all parties engaged in the deal to walk away with the feeling they got a fair deal. . . . I fully expect increases in my taxes and am ok with that in order to continue to support our country.

Another one, actually from someone I know well, who owns Arctic Wire and Rope, Eric McCallum. He won Alaskan manufacturer of the year in 1986 and employs 14 people. He is important to our oil and gas industry. Fortunately, Eric has no debt, but he is terribly concerned about the debt crisis. He says small businesses like his are the ''canary in the mineshaft'' and will be negatively impacted more than big businesses. Eric states:

There will be far more impact on Main Street than Wall Street from this debt crisis.

Eric adds that he is more than willing to pay his fair share to help balance the Federal budget.

These have come in and in and in, and it is amazing to see what people are talking about in my State. There are 68,000 small businesses in Alaska. My wife is one of those. Almost 16,000 employ many employees. The fastest growing segment of our business community in Alaska is small business, growing by almost 31 percent over the last 6 years.

Mr. President, I say to my colleagues, to the Senator from Louisiana, as a small businessperson, all they want to see is certainty. They want the bickering, the partisan bickering to end. They want certainty so they can continue to invest and see their future.

There are just some simple differences that I think the folks from both sides can sit down and work through. One is, clearly, how long

should this debt limit increase go for? As I said earlier, if you do a short term, that is the business that is saying: I quit. I am out of business. If you do a long term, it gives certainty and opportunity to plan and build for the future.

Should we have a vote up or down separate from the debt limit issue on a balanced budget amendment? It is a great debate. More than likely, we will probably have that debate. I have supported a balanced budget amendment before. But it is time we raise the debt limit to create the long-term certainty we need for our small business community not only in Alaska but throughout this country, where they are the backbone that will drive this economy in the right direction.

It is an honor, again, to be down here with the chairwoman of the Small Business Committee. She has worked tirelessly on bill after bill. We were unsuccessful this year on a couple that were critical to small businesses because we could not get past the logjam. Maybe this will break the pathway, if we can get past this debt limit in a bipartisan way, where we can then bring many more other small business bills back to the floor because what I hear most often from Alaskans, beside the frustration of what is going on here, is they want us to focus on building this economy, to get regulation out of the way, to help invest in the needed things to ensure that businesses can create the jobs we desperately need not only for the people who are unemployed today, but for future generations. That is what we need.

So, again, Mr. President, I thank you for the opportunity to speak. Again, I thank my friend from Louisiana for the opportunity to say a few words but also for her leadership and her continued tenacity to fight for the small businessperson every single day.

I yield the floor.

The PRESIDING OFFICER (Mr. TESTER). The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, I thank the Senator from Alaska.

Mr. President, how much time do we have in this segment?

The PRESIDING OFFICER. Three minutes.

Ms. LANDRIEU. Mr. President, I thank the Senators, again, from Minnesota and Alaska for coming and making the point and underlying and scoring the point that this filibuster the Republican caucus is holding today—not allowing us to have a simple majority vote on the Reid plan—is hurting business.

As the Senator said, this is a pattern, unfortunately, it seems like coming from the other side. We had to overcome their filibuster just last year to pass the small business bill that is now having a terrific effect throughout the country in some pockets. We still are not where we would like to be, of course, in job creation, and the recovery is slow. I am starting to think that maybe that is what they want—for the recovery to be slow.

Then they filibustered the SBIR bill, which is the largest single research investment program for small businesses in America. We still cannot get that passed. They are filibustered.

Then they filibustered the EDA bill, which is one of the most important programs to Chambers of Commerce, which is not a liberal stronghold in America. Now they are filibustering this bill and demanding a two-step solution, and no businessperson has written to Congress saying they think that is a good way to go.

The opposite. They are saying: Get this over with now. The uncertainty is killing us.

I will yield to the Senator from Alaska.

Mr. BEGICH. Just for a question. The way I understand this is, for people who may be watching or listening, a filibuster requires 60 votes. All we are asking for is the same thing the House of Representatives did last night on their bill.

Ms. LANDRIEU. A simple majority.

Mr. BEGICH. A simple majority, allow an up-or-down vote so we can determine what plan or what action we take. That is all we are asking for.

Ms. LANDRIEU. It would be clear if we could get 51 votes that the Reid plan would pass, just like the Boehner plan passed. Neither one can get the other side to agree. But at least then we would have the basis for a compromise.

But, no, the Republicans have decided we cannot have that vote. So this is getting strung out, and with every hour, with every day, businesses are hurting. Maybe that is what they want because, then, the President can be blamed for businesses not doing well, when they are the ones who are stepping in the way.

The details from the budget summary that I stated: 14 percent of the revenues coming in—this is on the Web site for anybody who wants to know. I have letters from Louisiana that I printed in the RECORD from businesses that have written to me saying: Not a two-step process, a one-step process. Get a good solution and move on.

I yield the floor and 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. KYL. 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. KYL. Mr. President, I would like to begin by speaking for just a moment about some comments the distinguished majority leader gave this afternoon in his opening comments and then talk a little bit about the general issue we are faced with—frankly, in an effort to see if we can come to common ground.

Let me start with a couple comments the majority leader made this afternoon. He has talked more than once about the fact that in his view, the Republican leaders have wasted time by pursuing a proposal they knew the Senate would not pass. I think there are two things to say about that.

One could say the same about the majority leader's proposal. He hopes the Senate will not pass that either. So we have two proposals, one by Speaker BOEHNER that passed the House of Representatives but Senator REID declared dead on arrival, and indeed it was tabled last night; the other, the Reid proposal, which is also dead on arrival in the Senate. As Leader MCCONNELL noted this morning, there is a letter that has sufficient signatures on it to defeat it, and, in addition to that, I can tell you I have talked to my colleagues—all my Republican colleagues—and it will be defeated. I think the majority leader knows that.

So the only question with regard to the Senate majority leader's proposal is, Why would we waste additional time debating a proposal we know is going to fail? Why have that vote at 1 a.m. tomorrow morning? Let's get it done, get it over with, and move forward. I think that is the best way to try to reach a conclusion.

I would also note the reason the majority leader declared the Boehner proposal dead was for two reasons; one, because it had a balanced budgeted amendment attached to it. I just wish to make the point that I know most of my Democratic colleagues do not support a balanced budget amendment. But I do think it is worth noting that depending upon which poll, 70, 80, more than 80 percent of the American people support a balanced budget amendment.

I do not think we can blame Speaker BOEHNER for including a balanced budget amendment in the Boehner legislation that was sent over here. It is pretty logical that if the American people say they support something with that degree of support, that we would include it in legislation to try to balance the budget.

But the majority leader here said no. That means it is dead on arrival in the Senate. That should tell us something about the Senate Democrats. President Obama talks about the need for a balanced approach. Speaker BOEHNER says: How about a balanced budget? Leader REID says no. That is the first point.

It seems to me the second point is there is a difference of opinion about how long this debt ceiling extension should last. Speaker BOEHNER has always said there should be at least a dollar-for-dollar reduction in spending for every $1 the debt ceiling is increased. I think that makes sense. If we are going to increase the debt ceiling $2.4 trillion, then we ought to have $2.4 trillion in savings; otherwise, we are going to have to keep on raising the debt ceiling over and over. I would note the savings are savings that occur over a 10-year period of time. So it is not as though we are cutting that immediately, although the debt ceiling

extension would be $2.4 trillion for just the next 16 months. That is how much debt we are going to accumulate, just to the end of President Obama's term in office.

There is not enough savings to do that, that has been agreed to. Republicans have all kinds of ideas about savings that could get to $2.5 trillion. Democrats have said no. The only thing we can agree on is about $1.2 trillion. So the Republican leader said: Fine, let's do a debt extension equal to $1.2 trillion. That takes us at least through the end of the year, and then we will have a committee—both sides agree we need to have a select committee that will make recommendations for how to get the remainder of the savings and potentially more. That is a good idea.

But the President has said he does not want to rely on that process because maybe it will not result in actual savings he can count on. He might have to veto it. For whatever reason, he is not confident it would occur, and he does not want to have to face this issue again at the time he is campaigning for election. I do not blame him for that. He might well view it as a distraction. It certainly is unsettling to the markets.

But I would argue that as much it is a result that we would like to avoid, by the same token, it does focus the public's attention on what we need to do around here, which is reduce spending. We did not get into this mess for any other reason other than the fact that we have spent too much money.

We have had annual spending of about $1.2 trillion since President Obama became President. We have had annual deficits of about $1.4 trillion. Do we see any connection there? Obviously, our problem is spending. So we need to get a handle on that. That is why I think the Boehner proposal made sense, but the leader says it was dead on arrival. He was right. The Reid proposal is also dead on arrival. Let's get it over with and move on to a solution we can agree with.

The second thing I wanted to mention, the majority leader has been very critical of what he calls tea party extremists, people who do not want to vote to increase the debt ceiling under any circumstances. It kind of reminds me of Senator Barack Obama, who voted against extending the debt ceiling, and the language is eerily similar. It is ''failed leadership'' he pronounced. Tea party folks say this represents failed leadership, so we are not going to vote for a debt extension.

The President did not vote for the debt ceiling extension when he was a Member of this body. I do not say that to criticize the President but rather just to suggest to my colleagues that we ought to have the same standard applied to all. If they think it is wrong for the tea party people to stand on principle and say we are not going to raise the debt ceiling, then they can say the same about President Obama when he was a Senator. But if they are going to criticize the tea party folks for standing on principle, criticizing leadership, saying they do not want to raise the debt ceiling, they might want to think about what their colleague, then-Senator Obama, did.

The fact is, name calling does not help. Let's stop talking about extremist tea party folks. I would not call the President an extremist when he voted against the debt ceiling extension. He has already admitted he made a mistake. Republicans in the leadership in both the House and Senate have made it clear we believe the debt ceiling should be extended. We want to be able to do that, for a variety of reasons we have discussed.

We do not want to put the American economy in jeopardy. We do not want to jeopardize the savings of people who could see those savings dissipate if the stock market continues to go down, and so we do need to get this issue behind us.

The majority leader complained this morning that Republicans need to come talk to him. The minority leader needs to come and talk to him. He said I would have hoped someone would come to us, come to the table, and he specifically referred to Senator MCCONNELL.

My response is, Why do the Republicans always have to come up with the ideas? Three times the House of Representatives has passed a proposal only to be criticized each time by the Democrats who invite them to come up with proposals. Remember, the first was the Ryan budget—savaged by my Democratic colleagues and by the President.

House Republicans said yes; Senate Democrats said no. Then, they came up with cut, cap, and balance, something that is pretty popular around the country. It would cut spending, would cap it, and would ultimately have a balanced budget amendment that would keep it capped. Democrats roundly criticized that. In the Senate, they voted it down.

Finally, JOHN BOEHNER came up with his last proposal, and it also included a balanced budget amendment—declared dead on arrival. The third time Democrats said no. I think Republican leaders are getting a little tired of being invited by our Democratic friends to come up with ideas, only to have them voted down and criticized. Where is the Democratic proposal? Where is the proposal by the President? I think it is time for Democrats to come up with an idea and maybe Republicans can take a look at it to see whether we like it.

Finally, the majority leader said we have another filibuster in our path. ''They,'' meaning Republicans stall and delay. Last night, Leader MCCONNELL said: Let's have the vote tonight, right now. We do not need to stall or delay another minute.

The majority leader said: No, I do not want to vote on my proposal yet. I want to vote on it at 1 a.m. on Sunday morning. Leader MCCONNELL said today: We are ready to vote on it today without delay—now, at 3 o'clock, at 6 o'clock, whatever. Let's vote on it. We do not need to continue to waste time. The majority leader said: No, we will vote on it at 1 a.m, Sunday morning. OK. I will be here. But I wonder what the American people think of such a dysfunctional body that we cannot even, by unanimous consent, bring a matter to the Senate floor, vote on this motion to invoke cloture to proceed to the leader's bill.

Those are some things I just wanted to comment on that the leader had to say. Finally, what I would like to do is ask unanimous consent to have printed in the RECORD, at the close of my remarks, a Wall Street Journal editorial entitled ''The Road to a Downgrade,'' dated July 28.

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

(See exhibit 1.)

Mr. KYL. Mr. President, let me quote from a piece of this. The editorial starts by noting that the President:

> . . . inherited a recession and responded by blowing up the U.S. balance sheet. Spending as a share of GDP in the last three years is higher than at any time since 1946. In three years the debt has increased by more than $4 trillion thanks to stimulus, cash for clunkers, mortgage modification programs, 99 weeks of jobless benefits, record expansions in Medicaid, and more.
>
> The forecast is for $8 trillion to $10 trillion more in red ink through 2021. Mr. Obama hinted in the press conference earlier this month that if it weren't for Republicans, he'd want another stimulus.

Wall Street Journal says:

> Scary thought: None of this includes the ObamaCare entitlement that will place 30 million more Americans on government health rolls.

Then they conclude:

> This is the road to fiscal perdition. The looming debt downgrade only confirms what everyone knows: Congress has made so many promises to so many Americans that there is no conceivable way those promises can be kept. Tax rates might have to rise to 60 percent, 70 percent, even 80 percent to raise the revenues to finance these promises, but that would be economically ruinous.

It concludes:

> This insistence on no reform reinforces the notion that our entitlement state is too big to afford but also too big to change politically. This is how a AAA country becomes AA, the first step on the march to Greece.

Charles Krauthammer, a terrific observer of the political scene, in his column Friday in the Washington Post, concluded with the following words:

> Obama faces two massive problems—jobs and debt. They're both the result of his spectacularly failed Keynesian gamble: massive spending that left us a stagnant economy with high and chronic unemployment—and a staggering debt burden.

That is the problem, a staggering debt burden that requires us to increase our debt ceiling, and Republicans are saying: In order to stop this cycle of more promises and more spending, we have to apply some accountability, some common sense, some good judgment. And that means,

first and foremost, stop the spending. I note, as I said before, that under President Obama annual spending has gone up $1.2 trillion in each of the years and the deficit by $1.4 trillion. I ask again, do you notice any correlation there? That is the problem.

I know my Democratic colleagues love to complain about President Bush. I note that in the year 2007—a year before the recession—the deficit under President Bush was just $161 billion—a 10th of what the deficit is today.

Mr. President, my colleagues and I all need to focus on the issue before us, which is to begin to reduce spending, to insert some accountability into the process, and to include some system changes so that we can't continue this unwieldy government spending we never seem to be able to stop. The evidence of how difficult it is is the fact that for the last 4 weeks now we have been arguing with each other about how we are going to effect $2.4 trillion in savings in order to extend the debt ceiling by $2.4 trillion. We can't figure out a way to do it. That should show you what is wrong with our system and why we need to put in some accountability.

I am confident that over the next 48 hours or so, the White House and legislative leaders are going to find a way to both extend the debt ceiling and come up with savings that begin to create a downpayment on this incredible debt as well as system reforms that will give not just the markets but American businesses and families some sense of assurance that we will be able, in the future, to avoid the problem some European countries are going through right now. But that will mean we have to forget about this business of tax increases—which is the worst medicine possible in a time of recession, as the President himself noted—find ways to reduce spending we can agree upon, provide accountability in our government in the future, and in that way assure everyone that we can continue to grow, that growth will produce prosperity and, ironically, more revenues to the Federal Treasury but, more importantly, the standard of living Americans have become accustomed to and have every right to expect.

I yield the floor.

EXHIBIT 1

[From the Wall Street Journal, July 28, 2011]

THE ROAD TO A DOWNGRADE

Even without a debt default, it looks increasingly possible that the world's credit rating agencies will soon downgrade U.S. debt from the AAA standing it has enjoyed for decades.

A downgrade isn't catastrophic because global financial markets decide the creditworthiness of U.S. securities, not Moody's and Standard & Poor's. The good news is that investors still regard Treasury bonds, which carry the full faith and credit of the U.S. government, as a near zero-risk investment. But a downgrade will raise the cost of credit, especially for states and institutions whose debt is pegged to Treasurys. Above all a downgrade is a symbol of fiscal mismanagement and an omen of worse to come if we continue the same habits.

President Obama will deserve much of the blame for the spending blowout of his first two years (see the nearby chart). But the origins of this downgrade go back decades, and so this is a good time to review the policies that brought us to this sad chapter and $14.3 trillion of debt.

FDR began the entitlement era with the New Deal and Social Security, but for decades it remained relatively limited. Spending fell dramatically after the end of World War II and the U.S. debt burden fell rapidly from 100% of GDP. That changed in the mid–1960s with LBJ's Great Society and the dawn of the health-care state. Medicare and Medicaid were launched in 1965 with fairy tale estimates of future costs.

Medicare, the program for the elderly, was supposed to cost $12 billion by 1990 but instead spent $110 billion. The costs of Medicaid, the program for the poor, have exploded as politicians like California Democrat Henry Waxman expanded eligibility and coverage. In inflation-adjusted dollars, Medicaid cost $4 billion in 1966, $41 billion in 1986 and $243 billion last year.

Rather than bending the cost curve down, the government as third-party payer led to a medical price spiral.

LBJ launched other welfare programs—public housing, food stamps and many more—that have also grown over time. Last year, the panoply of welfare programs spent about $20,000 for every man, woman and child in poverty, according to Robert Rector of the Heritage Foundation.

Social Security's fiscal trouble began in earnest in 1972 with bills that increased benefits immediately by 20%, added an annual cost of living adjustment, and created a benefit escalator requiring payments to rise with wages, not inflation. This and other tweaks by Democrat Wilbur Mills added trillions of dollars to the program's unfunded liabilities. Believe it or not, these 1972 amendments were added to a debt-ceiling bill.

None of these benefit expansions were subject to annual budget review and thus they grew by automatic pilot. They are sometimes called ''mandatory spending'' because Congress is required by law to make payments to those who meet eligibility standards, regardless of other spending needs or tax revenues.

According to the most recent government data, today some 50.5 million Americans are on Medicaid, 46.5 million are on Medicare, 52 million on Social Security, five million on SSI, 7.5 million on unemployment insurance, and 44.6 million on food stamps and other nutrition programs. Some 24 million get the earned-income tax credit, a cash income supplement.

By 2010 such payments to individuals were 66% of the federal budget, up from 28% in 1965. (See the second chart.) We now spend $2.1 trillion a year on these redistribution programs, and the 75 million baby boomers are only starting to retire.

We suspect that in the 1960s as now—with ObamaCare—liberals knew they had created fiscal time-bombs. They simply assumed that taxes would keep rising to pay for it all, as they have in Europe.

On Monday night Mr. Obama blamed President George W. Bush's ''two wars'' for the debt buildup. But national defense spending was 7.4% of GDP and 42.8% of outlays in 1965, and only 4.8% of GDP and 20.1% of federal outlays in 2010. Defense has not caused the debt crisis.

Many on the left still blame Ronald Reagan, but the debt increase in the 1980s financed a robust economic expansion and victory in the Cold War. Debt held by the public at the end of the Reagan years was much lower as a share of GDP (41% in 1988 and still only 40.3% in 2008) compared to the estimated 72% in fiscal 2011. That Cold War victory made possible the peace dividend that allowed Bill Clinton to balance the budget in the 1990s by cutting defense spending to 3% of GDP from nearly 6% in 1988.

Mr. Bush and Republicans did prove after 9/11 that the Washington urge to spend and borrow is bipartisan. Republicans launched a Medicare drug benefit, record outlays on education, the most expensive transportation bill in history, and home ownership aid that contributed to the housing bubble. The GOP's blunder was refusing to cut domestic spending to finance the war on terrorism. Guns and butter blowouts never last.

Then came Mr. Obama, arguably the most spendthrift president in history. He inherited a recession and responded by blowing up the U.S. balance sheet. Spending as a share of GDP in the last three years is higher than at any time since 1946. In three years the debt has increased by more than $4 trillion thanks to stimulus, cash for clunkers, mortgage modification programs, 99 weeks of jobless benefits, record expansions in Medicaid, and more.

The forecast is for $8 trillion to $10 trillion more in red ink through 2021. Mr. Obama hinted in a press conference earlier this month that if it weren't for Republicans, he'd want another stimulus. Scary thought: None of this includes the ObamaCare entitlement that will place 30 million more Americans on government health rolls.

This is the road to fiscal perdition. The looming debt downgrade only confirms what everyone knows: Congress has made so many promises to so many Americans that there is no conceivable way those promises can be kept. Tax rates might have to rise to 60%, 70%, even 80% to raise the revenues to finance these promises, but that would be economically ruinous.

Yet Mr. Obama and most Democrats still oppose any serious reform of Medicare, Medicaid and Social Security. This insistence on no reform reinforces the notion that our entitlement state is too big to afford but also too big to change politically. This is how a AAA country becomes AA, the first step on the march to Greece.

The PRESIDING OFFICER. The Senator from Florida.

Mr. RUBIO. Mr. President, I ask unanimous consent to speak for up to 15 minutes.

The PRESIDING OFFICER. There is 12½ minutes remaining.

Mr. RUBIO. Then 12½ minutes.

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

Mr. RUBIO. Mr. President, I rise on the floor today to speak on the tremendous issue that has captivated the attention of our country.

I do not enjoy or relish the partisan role of attack dog. I never found any fun in that. I don't think it is constructive, and I don't intend to become that in the Senate.

I have only been here for 7 months, which means I haven't been here long enough to think any of the stuff that is going on is normal. I certainly don't think anything that goes on around here too often is normal. So I think the fact that I have only been here for 7 months has served me well in that regard.

One of the things I have noticed this week is that Washington is full of—and rightfully so—people from all over the world and our country who have traveled here this week to come and watch

their government at work and to see the monuments of the city, and they have found themselves in the middle of this debate.

I think it is important to remind people about what we are debating. It is not a complicated issue. It is straightforward, and here is the way I describe it. The United States—and these are rough numbers but accurate—spends about $300 billion a month. It has $180 billion a month that comes to the Federal Government through taxes and other sources of revenue. That means that in order to meet its bills at the end of every month, it needs to borrow $120 billion.

For much of the history of this country, there have been increases in the debt limit and the ability to borrow money. But what has happened over the last few years is that it is no longer a routine vote because the people who give us our credit rating are saying: Too much of the money you spend every month is borrowed, and we want you to show us how over the next 10 years you are going to borrow less as a percentage of what you spend. So that is why, for years, where the debt limit was routine, it can no longer be routine.

This wasn't just made up in a conservative think tank. The reality is that we cannot continue to borrow 40 to 41 percent of every dollar the government spends, which is what brought us to this point. You would think that, seeing that, our government and leaders in both parties would react to that immediately and work on it.

I have heard a lot of talk today about delaying tactics and delaying votes. I argue to you that this issue has been delayed at least for the last 2½ years. In the 2 years before I even came here, neither this Chamber nor the other proposed or passed a budget. It is a startling figure that for the last 2 years this government has operated without a budget. Think about that. Two years have gone by without a budget.

The first 2 years President Obama was in office, no budget. Some people would stay: Well, that is because of the partisanship in Washington. That is not true. In the 2 years before I got here, the House and Senate were controlled by members of the Democratic Party, the President's party. In this Chamber, in at least 1 of those 2 years, they had 60 votes; 60 out of the 100 Members here caucused with the Democrats. On Christmas Eve of 2009, they were able to pass a health care bill that was very controversial because they had the 60 votes in the President's party.

Do you know how long it has been since this Chamber proposed a budget? It has been 822 days. That is a long time. A lot of things have happened in the last 822 days, but proposing a budget is not one of them. We got here in January. Seven months have passed, and there is still no budget. Again, there has not been a budget passed, proposed, or offered, and there is still no budget—822 days and every single day I have been here.

In the last 7 days on this debt debate, we have finally seen a proposal from the Senator from Nevada, the majority leader. You would think he would have brought it to the floor. Not until last night. Again, he offered a proposal over the weekend, and still for 6 days we sat around and we did nothing around here. It was never brought to a vote.

You would think these issues would have been worked on in January, February, and March—nothing. This Chamber has done nothing. Talk about delay tactics—they have been delaying for 2½ years.

The President doesn't have the luxury of some of these things. By law, he has to propose a budget. And he did. I will tell you how ridiculous that budget was. Not a single Member of the Senate voted for it, including Democrats. It increased the debt. That is how absurd the budget was.

Where is the President's plan? We have not seen it. Here is the President's plan: a blank sheet of paper. He hasn't offered a plan. Again, if this were a Republican President, I would say the same thing. I do not understand how, on an issue of this magnitude, of this generational importance, the President of the United States has not offered a plan. If somebody has seen the President's plan, please send it to me because nobody else has seen it. It doesn't exist.

This has been their plan all along, by the way. The plan all along was not to take a position, let the days count down until we got to this point, with 72 hours to go, and force a vote on something they wanted. I believe that has been the plan the entire time. You can see it carrying itself out.

Do you want to know why people across America get grossed out by politics? It is by watching this kind of stuff happening. First of all, today and for much of this time, I have heard attacks and name-calling. If we had $1 billion for every time I hear the words ''tea party extremists,'' we could solve the debt problem.

Let me read some quotes about the debt limit. I found some pretty extreme quotes, and here is one:

> The fact that we are here today to debate raising America's debt limit is a sign of leadership failure. America has a debt problem and a failure of leadership. Americans deserve better. I therefore intend to oppose the effort to increase America's debt limit.

That is from a tea party extremist, right? No. This is a quote from March 16, 2006, from then-Senator Barack Obama of Illinois.

I found another extremist quote:

> Because this massive accumulation of debt was predicted, because it was foreseeable, because it was unnecessary, because it was the result of willful and reckless disregard for the warnings that were given and for the fundamentals of economic management, I am voting against the debt limit increase.

That must be a tea party extremist Member of the House, right? No. This is from March 16, 2006, from Senator JOE BIDEN of Delaware.

Last but not least is a quote from September 27, 2007:

> I find it distasteful and disturbing to increase the debt limit yet again. Clearly, we need to change course. And this debt limit bill is just another reminder of that.

That is Majority Leader REID from Nevada on that date in 2007.

Yet now these same quotes in this context, where we are talking about raising the debt limit more than it has ever been raised in one vote, is extremism? This name-calling is absurd, and it sets this process back.

The other thing I hear: Oh, it is not reasonable. It is a waste of time. This bill cannot pass the Senate—talking about the House bill. Does that disqualify a bill? Well, the Senate bill cannot even pass in the Senate.

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

Mr. RUBIO. Yes.

Mr. KERRY. I thank the Senator, and I appreciate it.

I ask the Senator this: As ironic as it may be that on occasion people in the past have indeed voted against the debt limit—both Republicans and Democrats alike—is it not true that in those situations, those votes did not hold the Nation hostage, did not come at a moment of enormous economic fragility, as we are in today, and did not run the risk of default because it was going to pass overwhelmingly every time? Is that not true?

Mr. RUBIO. I will say two things. First, if the Senator from Illinois, Barack Obama, had gotten his way, we would have been in the same position we are in right now. He voted against it. The President has now said he made a mistake and would not have said that were he here today. My point is that the rhetoric 2 years ago was not considered extremist language.

Now, I think it is a myth. There may be a handful of people in the House and Senate, perhaps, who believe the Nation doesn't have to raise the debt limit, but by and large everybody recognizes that something must be done about it. I speak for myself, not for any other Member of the Chamber.

What I have also said is that it would be a terrible mistake to lose this opportunity to do something meaningful about the debt and that the debt limit gives us an opportunity to do something meaningful about the debt because the crisis America faces is not one I have defined but one defined by the ratings houses and agencies that have said: If you do not get spending in order, we don't care whether you raise the debt limit or not, we will downgrade you. What that means is an increase in interest payments for every American.

Mr. KERRY. If the Senator will yield, I appreciate what the Senator is saying. First of all, everybody understands the danger of the rating agencies right now. The problem is, we have to reach across the aisle and negotiate.

We have to come to an agreement. Right now, there is not a lot of negotiating going on.

I ask the Senator if he doesn't agree that there is an enormous difference between the—a moment ago, the Senator said ''if he had gotten his way.'' The whole point is that everybody knew he wasn't about to get his way. That was a truly symbolic vote. Today, however, is it not true that we are on the brink of a default, and the absence of negotiation or of a settlement presents us with a far more serious consequence to the unwillingness to raise the debt ceiling today?

Mr. RUBIO. I just ask, is it possible to negotiate with someone who does not have a plan or will not offer a plan or put a plan on the table? The finger-pointing is relevant, but it is not an essential issue here.

Also, in March of this year—March 30, to be exact—I wrote an op-ed piece that ran in the Wall Street Journal which outlined the things I was looking for to be a part of this debate. I was told in March of this year that we didn't have enough time to do all those things, although later we found that perhaps we did—this grand bargain.

I am prepared, as I stand here today, if there is a meeting going on after this, I am prepared to discuss the things I believe we need to do, not just to raise the debt limit—raising the debt limit is the easiest thing this country has to do right now. That is one vote away. It is hard to show the world we are serious about putting our spending in order so that we can pay our bills down the road.

That is a combination of things I have outlined very clearly not just in March of this year in the Wall Street Journal but in repeated speeches on this floor.

We need to do two things. We need to grow our economy. While the debt is the biggest issue in Washington, jobs are the biggest issue facing America. If we can get more people back to work, we will have more people paying taxes. If we had more people paying taxes, we would have more revenue for our government. So that is the first thing we need to do, figure out how we can create jobs in America, and I think there is bipartisan agreement on what we can do to do that.

The President himself mentioned regulatory reform as a necessity in his State of the Union. Let's do it. We have all talked about tax reform—flattening and simplifying our Tax Code. If there are things in that Tax Code that do not belong there because they are the process of good lobbying instead of good policy, then let's go after those things. Let's talk about that.

I think we all agree there have to be some changes in discretionary spending. But we also agree that doesn't solve the problem. That is a small piece of our overall budget. We have to save Medicare, because it goes bankrupt if we leave it the way it is. We have to save Medicaid, because it goes bankrupt if we leave it the way it is.

I can tell that you history will back me up on what I am about to say. There is no government—run by conservatives, Republicans, Democrats, put whoever you want there—if given the opportunity, that will not spend more money than it has. It will do it. It will do it every time. That is why I believe there are at least 20 Members of the Senate in the other party who have voted for some version of the balanced budget amendment. Yet it is something we cannot get a vote on, much less discuss here in the Senate.

I believe there can be compromise on those outlines. But since I believe my time is about to expire, let me close with this. Compromise is fantastic. I would love nothing more than to leave this building tomorrow night having said the Republic still works; I was able to stand shoulder to shoulder with people from States far from mine, with views different from mine, but who love their country so much we were able to come together and save it when it faced this catastrophe. I would love nothing more than compromise. But I would say to you that compromise that is not a solution is a waste of time. If my house is on fire, I can't compromise about which part of the house I am going to save. You save the whole house or it will all burn down. We either save this country or we do not. To save it, we must seek solutions.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent to speak for up to 15 minutes in morning business.

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

Mr. LAUTENBERG. Mr. President, we have arrived at a moment of truth: The American economy and our standing in the world hang in the balance as a result of the Republican plan to derail the functioning of our country and bring about the precarious prospect of a major default in our financial condition.

Democrats have bent over backward to compromise. Yet the Republicans continue to put our country in jeopardy. The American people and the American economy are determined for a reprieve from this disaster. We just heard comments by our colleague from across the aisle about getting our tax structure in order. It reminds me of a condition where there is a fire in a house and people start arguing about the color of the fire engine.

What we have in front of us is an imminent disaster that could upset the balance of our functioning as a society and put America, for the first time, in a position of having less support from around the world; preventing people who are hard at work from being able to make ends meet. So we ask: Isn't this a time for our Republican friends to stop playing ''gotcha,'' stop putting politics ahead of the needs of our middle-class families and, instead, start putting the people before politics?

Make no mistake, the people we serve are nervous and concerned. Purchasing power has declined while wage increases have been insufficient for family needs. Many in America are working their fingers to the bone to get out of this economic squeeze and keep their families intact, while all this time the richest among us see monumental gains in their incomes and their wealth.

The people who have the burdens of maintaining our infrastructure, running our military, and defending the very foundation of our democratic country are struggling daily to stay in their homes, hold on to their health care, and get their kids to college. The American people are the ones—the ordinary people, the middle-income people—who will suffer the most if the Republicans force the U.S. Government to default next week. Fourteen million Americans are already out of work, but more than half a million may join the unemployment line if we don't raise the debt limit.

That is only the beginning. The default crisis will send interest rates skyrocketing, which will be adding even more expense on the American middle class, making it harder for them to meet basic family needs. They will be forced to pay higher interest rates for mortgages, student loans, car loans, and credit cards. That money won't help create jobs or rebuild our economy. It will be going to the banks and to China and to investors who are going to demand higher yields for U.S. bond purchases because they will be seen as less reliable in their likelihood of being paid back.

We are also likely to see another calamity on Wall Street if the United States doesn't pay its bills. The stock markets have already been seeing daily declines in anticipation of a reckless attempt to put politics in the middle of a financial Armageddon. One analysis found that shareholders in U.S. stocks lost more than $400 billion during the past week, while House Republicans were fiddling with a scheme they knew would never become law. But they do not want to write law, they want to destroy the Obama Presidency. That is what the mission is.

The Dow has just had its worst week in a year, and consumers do not have spare dollars for investments because their incomes are consumed by spending money on basic necessities, and because they are aware of losses that will occur from the prospect of default.

Imagine what it will mean to the 401(k) savings of middle-class Americans—much of it accumulated over years—if faith in our country and its value decline sharply as default looms ahead. Their values can go down precipitously.

Other retirement savings can also be wiped out—all because of these punitive actions by Republican representatives. The pain will be excruciating for the neediest Americans. Seniors living on a fixed income can be forced to go

without their Social Security checks and the critical health care they receive through Medicare. We might not be able to deliver promised benefits to veterans or paychecks for the men and women wearing our country's uniform in Afghanistan and Iraq.

I want to be clear: A default will injure America's reputation throughout the world. It will weaken faith in the world's most respected financial power, leaving our country's credibility, stability, and financial leadership in doubt. Simply put, defaulting on the debt could trigger an economic collapse of historic proportion.

That is why I plead with our Republican colleagues to join us without delay in adopting Majority Leader REID's plan. Senator REID's plan will provide certainty for middle-class Americans and to the markets because it will provide stability through 2013, and stability is what we need right now.

This plan isn't perfect. Many of us, including me, believe it should include revenues. It doesn't. But that is why it is called a compromise. After we adopt this plan and step back from the brink, we need to work on a balanced approach to get our country back on sound economic footing. That means asking the wealthiest among us to pay their fair share.

I am one of those who was very fortunate in my business experience. I started a company with two other fellows and we have 45,000 employees today. Why? Because our country was there for me after I served in uniform in World War II. I was able to get an education at Columbia University, and we started a company called ADP. Now 45,000 people have their jobs because of ADP.

Our Republican colleagues have to abandon their obsession to protect the wealthiest among us at an unaffordable cost to the poor and the middle class, and recognize the value of our country's human infrastructure. No economy can grow if it doesn't invest in physical infrastructure, such as roads, bridges, railways, and no society can prosper if it doesn't invest in education. We need to prop up our human infrastructure to fill the future jobs in technology and science and research.

Let's face it, building houses and other physical facilities are never built from the top down. The work requires a strong foundation to guarantee reliability, endurance, and safety, now and for the future. Middle-class families form America's foundation—the pillars of strength, faith in the future, a belief that Americans can survive challenges and catastrophes, and the further belief that no place on Earth exists with more freedom and liberty than our blessed country. But all that could evaporate if default is permitted to occur.

Over the past half century, the debt ceiling has been raised 75 times—almost two-thirds of them under Republican Presidents. In fact, the debt ceiling was increased 18 times under President Reagan and 7 times under President George W. Bush. Our country has never defaulted on its obligations, and default must be prevented if we love our country.

It is time for the Republicans to abandon their ''my way or the highway'' approach. It is time for the Republicans to stop playing politics with our country's economy. The time for politics is election day 2012—not now.

Let's do our work, keep our precious ship steady and afloat. Majority Leader REID's plan is our last best hope to avoid a disaster, and we need to act on it without further delay.

With that, Mr. President, I yield the floor, and the remainder of any time I may have.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, if there is one thing in this long, difficult debate there is no question about, one thing all of us have long known, one simple truth we must get past if we are going to avoid default, it is that any bill to get us out of this crisis will need Democratic and Republican votes. There is no partisan solution—no other path, no magic trick at the eleventh hour. There is just compromise. After all the bluster, all the back and forth, and all the posturing, there is just the bill we have before us today. It is a bill that doesn't have everything that all of us want. It is not the bill that any one of us would have crafted, if we had our way. But it is a bill that can and should be passed to avoid an economic catastrophe that would leave families in every single one of our States reeling.

I understand that compromise has been hard to come by in these negotiations, no matter how hard we try. But with Senator REID's bill, we have taken the Republicans at their word. We have come to the negotiating table and have put forward a plan that goes to great pains to meet every one of the criteria they have called for.

They said they wanted cuts that exceed the debt limit raise. This bill delivers that. They said they wanted no new tax revenues. This bill delivers that. They said they wanted to put in place a process to make even more cuts later. This bill delivers that. They have said they too want to avoid default. This bill is our way out.

I know my Republican colleagues don't want to see us default. I know while we don't see eye to eye on all issues, we all fight for the people of our States. So I know my Republican friends are hearing the same things from families in their home States that I am hearing from mine. I know their offices have been flooded with calls and e-mails from families trying to figure out what they would do if the support they depend on to stay in their homes or put food on their table is suddenly cut off. I know they are hearing from the same seniors and veterans and college students with the same message: Put America first. Get it done. Compromise.

I got a letter just like that from Anne Phillips, from Tacoma, WA, who, after 18 years working, was laid off during the recession. Anne told me about how she felt she was doing the responsible thing by getting up and dusting herself off and going back to college. But now, she said, she is worried sick because of the fact that the interest rates on her student loans, which she relies on to pay for her school, would shoot up if we defaulted. In her letter, Anne made clear who the real victims of this default would be. She said:

> Ultimately people like me, my husband, my family, and all the people I know, who are doing their best every day to make a contribution to society will pay the expense.

I also heard from a woman named Brenda Starkey and her husband, retired Navy veterans from Republic, WA. They told me if we don't meet this challenge, they may not be able to afford Medicare payments or VA medical copayments, not to mention basic necessities such as food or electricity or water. Brenda wrote:

> I was taught in school about Henry Clay and his great compromise. I still believe this is the way our government is supposed to work, with both sides giving some ground until a common position is met. We deserve more from our government.

I also heard from Social Security recipients such as Alisa Terry from Bellingham, WA, who told me how important that monthly check is to her and just what it would mean if it didn't go out next month. She said, simply:

> Social Security is my lifeline. It stands between me and homelessness.

This isn't just about politics; it is about these people and millions more who may not even realize their well-being is on the line today. It is about average American families whose credit card interest rates would skyrocket. It is about homeowners whose mortgage payments will increase by over $1,000 a year. It is about rising food and utility and gas prices and what that would mean for our already cash-strapped families, and it is about retirement plans that would plummet.

These Americans are looking for real leadership and a real solution to this problem. They don't want more games or gimmicks or short-term patches. For anyone who believes a short-term extension is a good idea, I want everyone to envision what that would mean.

Imagine we are right back here on the brink doing the same thing in 5 short months, only now we are 5 or 6 months closer to an election and the battle lines are drawn deeper than they are today, and we are also smack in the middle of one of the most important economic times of the whole year for retailers and consumers, the holiday season. Imagine what the effect of this crisis and this standstill would feel like then. Imagine holiday shoppers worried that their credit card interest rates are going to shoot up or that next month's mortgage payment is going to

break the bank or retailers reluctant to stock their shelves or hire because they are worried about a major disruption in the economy or seniors on Social Security worried their check will not be mailed and their heating bill will go up, not to mention veterans or college students or our troops who would, once again, be put in the spiral of anxiety and insecurity at the holiday times.

They don't want to relive this. America doesn't want to go through this again, and they shouldn't have to—nobody should. That is exactly why we need to come together now.

As I said before, the bill in front of us this evening is not ideal. But it gets us to where we need to get to today to protect our families and small businesses across America from market uncertainty and the threat of default. This legislation does make deep and serious cuts to government spending. It does protect Medicare and Social Security benefits that we promised to our seniors and it puts the country on a more sustainable fiscal track and allows us to continue working to reduce the debt and deficit without the threat of economic calamity hanging over our heads again.

Democrats have compromised and compromised again and again, and this bill that is before us now is the fruit of those compromises. It is also the last and best hope of preventing us from defaulting in a few short days on the full faith and credit of our Nation for the first time in our history. There is no other choice. The markets are waiting and watching. Credit rating agencies are waiting and watching. Countries around the world are waiting and watching. But, most important, the American people are waiting and watching. I hope we pass this bill.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. MERKLEY. Mr. President, I rise to address this issue of the debt limit and how we are going to go forward. I think it is important, given the conversation I have been hearing this morning, to understand some of the key features that are under discussion.

The first is that the plan that came from the House last night, the Boehner plan, requires the second half of the debt ceiling to be lifted only if a balanced budget amendment is passed and sent out to the States. In other words, it puts a two-thirds vote of each Chamber basically on the process 6 months from now.

What that does is it says to our Nation that we are going to be in continuous debate over this issue the next 6 months, facing a two-thirds vote that is very unlikely to happen. So this crisis is not going to end, not on August 2, not on August 3, not on August 4 but not for 6 months into the future. Then it is not going to end because we are not going to have a two-thirds vote.

It sends exactly the wrong message to our business community which is waiting for a sense of stability that we are through this moment. It sends the wrong message to the international world that is looking at the question of whether they are going to buy Treasury bills. It sends the wrong message in regard to our reputation in the world.

This plan of continuing the crisis for 6 months in order to bring this Nation to its knees just so folks campaign on the fact that they will do better, if you will, does not represent the best of the American spirit. We should be coming together to solve problems, not to extend problems, not to amplify problems, not to hurt families across the United States of America and hurt small businesses across this land.

The second thing the proposal did that we faced last night is it took defense spending off the table for 2 years. Why is this important? It is important because defense spending has grown by over 300 percent in the last decade. It is important because the recent Secretary of Defense, Robert Gates, said there are over $100 billion of defense programs that do not contribute to our national security. We must be looking at programs that do not contribute for their intended purpose if we are going to take and address our fiscal situation with the best possible path for America.

Then the Speaker said: Do you know what. There is going to be a supercommittee, but I, the Speaker, am only going to allow it to consider cuts to direct spending, and I will not appoint anyone who would look at the full range of options that is to include programs tucked into the Tax Code.

Just a few minutes ago, my colleague from Florida said if there are tax programs which are there not because of good policy but because of good lobbying, those need to be on the table. He is absolutely right. It is a situation where every citizen understands that whether we spend $10,000 on a grant or spend $10,000 on a tax credit, it is the same $10,000.

There is a reason the Boehner plan has put tax loopholes and tax earmarks and tax programs off the table; that is because inserted into the Tax Code are programs for the wealthy and the well-connected. Why do they want their programs in the Tax Code? Very simply, they avoid the annual authorization process. They avoid the annual appropriations process. In a way, we can think of them as superprograms because they don't get reviewed regularly. That is where the well-connected and the wealthy want to have their programs placed, and they have been very successful. It has been over a quarter century since we have had a systematic review of these programs. But here we are in a fiscal crisis. It makes sense to examine the tax loopholes, many of which have outlived their use, and many others which may still be very valid—and those are the ones we should keep—but we need to examine all of them.

I had a colleague come to the floor the other day, a colleague across the aisle, and he made this argument. He said: There are some tax programs that benefit the middle class, and he proceeded to put up all these charts and all these numbers about programs that benefit the middle class. He concluded that because some of the tax programs benefit the middle class, no tax programs should be discussed as part of this issue.

Well, let's apply the same logic to our appropriations programs. Can't anyone say there are some direct spending programs that benefit the middle class? But then do we turn around and say all these programs should be left unexamined as a result? Of course not. Nor was my colleague across the aisle willing to make that argument. But why did he make such an absurd argument that because some programs are useful, we shouldn't look at any of the programs in the Tax Code? Because he wanted to protect the programs for the wealthy and well-connected. I will tell you, today, there is something terribly wrong with coming to this floor to protect the programs for the best off in our society and doing so under the false claim that they are here to fight for working families. That is wrong, and that is why we must look at every single program.

There is another problem in the bill that we have; that is, if you take Boehner at his word and he is going to take the $1.5 trillion in the Tax Code under tax expenditures and not allow them to be examined, then the only place we end up going to reach the numbers involved is Medicaid and Medicare: Medicaid, health care for the poor; Medicare, health care for our seniors.

It seems there are Members of this Chamber who want to think of health care as a special privilege for only those who are wealthy in our society. Maybe they should come and live in my community, where we understand that the quality of life is deeply dependent upon one's health.

There was indeed a very interesting experiment in Oregon over the last few years. We did not have enough funds for everyone to participate in Medicaid, called the Oregon Health Plan, and so there was a lottery. So for the first time anywhere in the Nation, there was the ability to study those who got to sign up against a control group of those who didn't. We found out Medicaid made a profound difference in people's lives. It shouldn't come as any surprise that health care makes a profound difference, but many people on this floor have questioned whether health care matters. It is always interesting to hear people who have access to health care, who have it because they are wealthy, who have it because they have a job right here that gives them health care, wondering why we should bother to care about health care for others. These issues are issues we must address as we go forward.

Let me note then that if we proceed with a plan that is guaranteed to paralyze this Chamber over the next 6

months, with an impossible hurdle at the end of that period, we will destroy this economy. We are flat right now. We are not gaining ground. We had a bill, small business innovation bill, research bill on the floor, debated it for 6 weeks, a routine bill. My colleagues across the aisle voted not to end debate so there couldn't be a vote on taking this bill forward.

They were deeply determined to prevent bills creating jobs from getting to the President's desk. Indeed, because we have not been able to take those key pieces of legislation and go forward, here we are with a flat economy.

Now they want to take it to its knees. If we create this uncertainty over the next 6 months, the interest rate goes up on the Treasury bills, the interest rate goes up on home mortgages, the interest rate goes up on car loans, the interest rate goes up on small businesses, and we get greater unemployment. Is that the outcome we want? Interest is an empty tax, a tax on every family. The estimate is it would be about $2,000 a year and it buys us nothing, nothing but destruction of the economy. That must not happen.

The PRESIDING OFFICER (Mr. WARNER). The Senator from Wyoming.

Mr. ENZI. Mr. President, I appreciate the comments of the Senator who preceded me. We are heading into a territory where we have never been before.

In Washington you get to get your Sunday funnies on Saturday, so I took a little peek at ''Dilbert'' today. I hope everybody will look at that because it emphasizes the problem.

''Dilbert'' says:

> I am preparing for the complete meltdown of our financial system. I've got six months of food and water. I have batteries and flashlights and gold coins.

The lady with the triangular hair says:

> I'm prepared too. I have your home address and I noticed that your preparations are light on defensive weaponry.

And she says:

> Could you add some protein bars to the shopping list?

I want to share with you a letter from a 10-year-old in Wyoming that made our statewide newspaper. He wrote:

> What does the Government think of me?
>
> . . . They think I'm not so smart because I'm too young to know what they're doing, like raising the national debt. Don't they know that I owe the country about $45,000. I'm only 10 years old. I could buy a lot with $45,000.
>
> . . . That's more than my dad earns. But it wouldn't buy everything.
>
> Government shouldn't try to buy everything.
>
> It is my job, and the people's job to buy things we need. I don't want the Government to think for me. They don't know I'm a little brother who doesn't like it when my big brothers tell me what to do, because they aren't always responsible for their own things. I don't tell my brothers what to do with their money.
>
> I'm smarter than they think I am. They should follow the rules.

I thank Eric Mitchell, Crowheart, WY, for his sage advice.

Mr. President, it is disappointing to be here today addressing the U.S. Senate on a topic that we should have dealt with months ago. Our country is in a financial crisis. Erskine Bowles, the cochairman of the Deficit Commission, coined the situation we face as, ''the most predictable economic crisis in history,'' and yet there is no clear path forward to deal with both the short-term need to raise the debt limit and the long-term need to get spending under control. I am disappointed we have made this discussion about the debt ceiling instead of our ever increasing spending. When you spend beyond your means, you have to cut back.

The plans we are considering at this stage in the debate are plans for the next year to 2 years. While there is merit in making the spending cuts these bills make, they are not the ultimate solution.

We need more significant action. We need to move forward with something bold. My Republican colleagues and I have proposed such plans. I have proposed a solution that would cut just 1 penny from every dollar we spend for 6 years and then cap spending at the historical amount of revenue we take in during the 7th year. In the 8th year, we would have a balanced budget.

Unfortunately, my colleagues on the other side of the aisle refuse to even debate measures like my penny plan or the Cut, Cap, and Balance Act or even the plan put forward by Speaker BOEHNER. At the same time they refuse to debate these measures, they refuse to put forward their own plan for long-term structural changes. They are only willing to debate plans that make changes in the short term, and so we are stuck here debating a plan that is deeply flawed.

I think it is important to look at where the debate is today versus where it was when President Obama was sworn in. It is clear that we have come a long way from where we were when President Obama took office.

In 2009, Democrats in Congress passed a so-called economic stimulus bill that cost $1 trillion. To pay for it, we borrowed that money, and as the unemployment numbers prove, all that borrowing didn't solve our economic problems. Apparently, we spend over $275,000 per job—and none of those employees got paid that well. In 2010, President Obama's second year in office, Democrats in Congress forced through an unpopular health care bill which was wrought with budget gimmicks and will ultimately cost our country trillions of dollars. The President's attempt at health care reform was so unsuccessful that the largest problem facing our debt and deficit situation is what we will do to contain health care costs. Another trillion dollars borrowed. Another trillion dollars wasted.

The American people were fed up with congressional Democrats' reckless spending spree and, in November 2010, they voted for real change. Those votes ushered in a new attitude, and 7 months into a Republican-controlled House of Representatives, the debate is entirely different. Instead of looking at where we can spend more money, we are looking at what we can cut. Instead of looking at how to borrow more money, we are looking at how we can change our spending habits so that we have a spending plan that will work in the future. Republicans have heard the people's call for smaller government and less spending, and are committed to taking action.

Earlier this year, Republicans led efforts to cut spending in appropriations bills for the first time in years. Now, we need to find a solution to cut trillions of dollars of spending at the same time we allow the President to have some additional borrowing authority to pay for the purchases we have already made. The cuts Republicans have proposed are the largest cuts ever seen, but it still isn't enough to fix the problem long term.

Why aren't we looking at a long-term solution to this problem? Why are we forced to look at short-term, piddly spending cuts at the same time we give the President the ability to borrow lots more money? This isn't one person or one party's fault.

The President does have us in a box. During his State of the Union Message, the President could have explained to the American people the dire situation we are facing. The Deficit Commission had already painted the picture. The President needed to premiere that picture. He could have explained that we are borrowing more than 40 cents of every dollar we spend—much of it from China. He could have explained that we are on a spending spree that must be stopped. That was and is the true state of the Union.

After the State of the Union, he could have sent us a serious budget proposal modeled after his own Deficit Commission. Instead, he used the State of the Union to talk about more spending and his budget was such a ridiculous proposal it didn't receive a single vote—Republican or Democratic—when it was put before the Senate.

While the President has failed to lead and deserves a substantial portion of the blame, we in Congress have also put ourselves in this box. During the last administration, we should have worked to contain spending. While we missed that opportunity, when it was clear that we needed to make a major change this year, Democrats in the Senate should have ignored the President's lack of leadership and put forward a budget proposal in the Senate. The House passed a budget, but rather than taking their proposal seriously, my Democratic colleagues demonized the plan as the end of Medicare. They preferred finding a campaign issue as opposed to actually solving the financial problems we face.

Unfortunately, we are quickly running out of options. We are at a catch 22. The country can't afford more debt,

but has to have it. If we don't raise the debt ceiling, we won't be able to pay all of our bills and interest rates will go up. On the other hand, if we pass a plan that doesn't fundamentally change the way we do business in Washington, we increase the debt limit with no end in sight and interest rates go up.

The majority in the Senate that brought you banking reform has run up a huge debt and we have all maxed out the Nation's credit cards. Now they want to increase the amount of the mortgage. Imagine trying to get a loan when nothing has been paid on the principle of the previous loan. Now imagine the lender's reaction when he is told that the mortgagee will be back shortly for another loan.

Let me put this in concrete terms because it might be easier to understand. I am trying to keep these numbers proportional to the $14 trillion debt. Imagine that you have a loan on a very large house with a mortgage of $1.4 million. Since buying the house, you have made interest payments, but not a single payment on the principal. You determine you need more money to spend, so you go to the lender and request an additional loan of $230,000. At the same time you do that, you are honest and you warn the lender that you will be back each year for the next 9 years asking for $100,000 more each year. You also let the lender know that you don't want to have to pay off any of the principal on the loan, just make interest payments each year.

I don't think any lender would take you seriously, but if he or she did, they would explain that you would have to obtain a variable rate loan. A variable rate loan means that changes in the risk or the economy could drive interest rates much higher and there would be no protection from those higher interest rates. In other words, your loan with an excellent interest rate of 2.5 percent could go to an interest rate of 5 percent or 10 percent, or like under President Carter, over 18 percent a year. A 1 percent increase in interest rates for the U.S. debt would cost another $1.3 trillion over 10 years. That is just a 1 percent raise.

The lender would point out that the raise in debt plus the rise in interest rates could result in your entire paycheck going to interest—and the interest payments would have to come ahead of food, clothing, and any social needs—for you, or for your children or your parents or your grandparents. That is what we are talking about here as the future for the United States—interest payments on the debt being the only thing we could pay for.

If the banker were foolish enough to consider such a loan, he would want to know what spending changes you were going to make. He would expect changes immediately, not piddly changes this year for a promise of a big change in the 9th year. He would want some proof that you are serious.

If we act now and agree to cut 1 percent—the 1 percent solution, just 1 penny of each dollar—from all our spending and reduce the cap to the new spending by that level for each of the next 7 years, the lender ''might'' consider your loan. There is a good chance he would expect 2 percent or 3 percent in cuts for the first year to demonstrate that you are serious about kicking your spending habit.

We are in that situation today in Congress. The President is asking for a $2.4 trillion loan increase—the largest loan increase in our Nation's history. Our lenders will explain to us, if we are worried about the low income, the downtrodden, and the less fortunate today, we should see what will happen to those individuals if we don't cut spending. If we reach a situation where all of our revenues are going to interest payments on the debt, the future prioritization to pay for our debt will be unbearable. We can't go out 18 months. The American people don't trust us. We need to be accountable to the people. We need an enforceable, accountable plan with quicker results.

Some might argue that the lender would just expect you to bring in more money. My Democratic colleagues suggest just that when they say we must raise taxes. But everyone knows that if you ask your boss for a raise because you can't control your spending, you could be fired or demoted and, as a result, you would be bringing in less revenue. I don't need to tell you that our bosses—the American people—don't think much of how we have been working for them, and they don't expect a tax increase each time Washington gets addicted to giving away money.

The plan the majority leader has offered uses budget gimmicks to avoid real spending cuts and gives the President a debt limit increase that, while politically expedient, fails to put our country on a workable path. It doesn't provide a way to assure any substantial cuts will be made. While it maybe makes some necessary spending cuts today, it does not provide us with relief from our long term challenges and does not put us in a situation where we would be forced to make the tough choices.

We know that the majority leader's proposal won't pass. Every Republican has made clear that they will oppose the proposal and so it doesn't have the chance to move forward. We have made clear that we will not give the President the single largest debt ceiling increase in history for double the average time generally allowed since 1940 through the proposal the majority leader has offered. We have offered to vote on his proposal time and time again, and for reasons beyond comprehension, he refuses to allow a vote. He did a vote within 30 minutes of the time that the House bill came over here, but he wants to drag out the vote on his bill. I know delay will bring the pressure until the last minute, but that is not how a reasonable government works. I wish we had taken action earlier to avoid the situation we find ourselves in today. I wish the proposal before us was a serious effort to make structural change to how we spend money.

Instead we all know the plan put forward by the majority leader will be voted down later tonight or tomorrow, and we will be in the same place we are right now—in the box where we need to raise the debt limit, but we also need to make structural changes to get our fiscal house in order to keep the markets from melting down.

We do recognize that we are about to enter territory where our country has never been. The stock markets are already reacting. Because we are debating short-term solutions, this debate will continue on even after we act on the debt ceiling.

I hope we can come together on a debt ceiling increase and a plan for real spending cuts. That is where the emphasis needs to be, and it has to have enforcement. I hope the debt ceiling is limited to the amount of guaranteed cuts. I hope we can put our country on a sustainable, fiscal path.

I yield the floor.

Mr. PAUL. I ask unanimous consent to engage in a colloquy with my Republican colleague.

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

Mr. PAUL. Mr. President, we are in the midst of a debt crisis, I think some of it created by the President because he has refused to take off the table the fact we would default on our debt. I think that is irresponsible, and without a doubt the President should come forward and say he will pay the interest on the debt.

On our side we have been willing to compromise all along. We have been offering plans. We passed two plans in the House. Now we have a plan before us, a Democratic plan, to raise the debt ceiling, and there are some of us who would vote for this Democratic plan who might require some amendments or some compromise. There would have to be some input from our side. Yet even though this bill was introduced yesterday and Republicans said they would vote for it, the Democrats are now filibustering their own bill. What is funny is, they filibuster their own bill and then point fingers and say we are trying to stop things. We are here today to try to move things forward.

In the spirit of trying to reach a compromise before the deadline comes, I would ask unanimous consent that the vote on the pending cloture motion occur immediately or as soon as possible, 5 p.m. today.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, reserving the right to object, under the filibuster rules of the Senate, there is a requirement of 60 votes for cloture. We have said we are prepared to move to a timely vote on this pending amendment, a majority vote, the same as Speaker BOEHNER had in the House. I would object unless the Senator from

Kentucky wants to amend his unanimous consent request to make it clear that this will be a unanimous consent which I have spelled out in detail, if he would like me to present it.

Mr. PAUL. Mr. President, reserving the right to object, I would remind the Senator that there is a difference between the Senate and the House. Our Founding Fathers gave great power and leeway to the Senate. We were meant to be a check and a balance against unbridled enthusiasm sometimes from one party or another. So I would object to that motion.

The PRESIDING OFFICER. Is there objection to the original request?

Mr. DURBIN. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. PAUL. Mr. President, I would ask unanimous consent that I be allowed to present an amendment. This amendment would be an amendment to the Reid bill. Under this amendment what would happen is, I have at least 10 Republicans who will vote for the Harry Reid bill which would allow a compromise, which allows the debt ceiling to rise.

I know the President is worried about having campaign time. He is worried about getting back out and doing some fundraisers. He does not want to consider the debt ceiling again before his reelection campaign. So this amendment I would offer would allow us to move forward in a bipartisan way.

All Republicans are asking for is that we balance our budget gradually over a 7- to 8-year period. What this amendment would do that I am asking unanimous consent to present is an amendment that says we will raise the debt ceiling contingent upon passing a balanced budget amendment.

I would ask unanimous consent I be allowed to present this amendment to the Reid bill.

The PRESIDING OFFICER. Is there objection?

Mr. DURBIN. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. PAUL. What I think this illustrates is compromise—the pundits say compromise is the mark of an enlightened person. We are trying to compromise. I just offered to pass the leader's bill. I have offered to work with them. I am from the tea party. They say we will not compromise. I am willing to raise the debt ceiling. In fact, we worked on a motion that has gotten more votes than any other motion that has been set forward, and that was cut, cap, and balance that would have required a balanced budget amendment to be passed but would have raised the debt ceiling.

What do we hear from the other side? Intransigence. Who is refusing compromise? It sounds to me like the other side is refusing compromise.

I have with me my distinguished colleague from Utah and would like to hear his thoughts on where the fault lies and where we could come to if we were to compromise to try to find an agreement.

Mr. LEE. Mr. President, a number of us, myself included, have been arguing since January—ever since we arrived here and were sworn in this very room—that the national debt is a permanent problem. The almost $15 trillion that we now owe as a nation is permanent. It is going to take a long time to pay off. There are people who are not yet old enough to vote. There are people who will be born in a few years who are not even here who will one day have to assist in paying off that debt.

The fact that this is a long-term problem means it requires a long-term solution. That is why we have been saying all along that we ought not raise the debt limit yet again—extending our national debt by another $2.5 trillion, more or less, without a permanent solution in place.

Herein lies the problem. It is difficult or impossible for one Congress to come up with a set of budget numbers that would necessarily bind future Congresses. We can come up with a plan to cut $2 trillion or $3 trillion over a 10-year or 15-year period, but if future Congresses don't want to go along with that, they can find their way out of it. This has happened again and again as we have seen with Gramm-Rudman-Hollings, as we have seen with the pay-go rules. Congress becomes a walking, breathing waiver unto itself. We need a permanent solution. This is why we have settled on the need for a balanced budget amendment.

As my distinguished colleague—the junior Senator from Kentucky—has just pointed out, there is no intransigence in our position. Those of us who identify with the Republican Party, those of us who identify with the tea party are people who want a solution. We were sent here with a mandate by voters, a mandate that says the Federal Government is too big and too expensive.

Now, resistance to this message from the other side of the aisle, as vehement as that resistance may be, is not genuine if what it says is, in this instance the insistence for a balanced budget amendment is itself reflective of an unwillingness to compromise. There are myriad opportunities to compromise within that general framework. We have offered that. We have extended that.

Republicans have now submitted no fewer than two bills that have passed the House of Representatives to address the debt limit issue, both of which have been stopped dead in their tracks over here without further opportunity, most importantly, without a response by the Democratic Party in the Senate or otherwise.

If there is either party in this discussion that is refusing to compromise, it is not ours. If there is any group that has failed to offer solutions, it cannot be described as the tea party movement.

I ask my colleague—the junior Senator from Kentucky—do you see any element within the tea party movement, any element within the Republican Party that is unwilling to compromise or that is wanting to block just for the sake of blocking?

Mr. PAUL. No. From going to hundreds of tea party rallies and grassroots rallies with voters across America, what I see is they want what is best for America. I don't think they particularly care whether it is a Republican plan or Democratic plan. They want what is best for America. They want a solution.

The problem with the debate in Washington is all of the proposals seem to want to add more debt. We have $14 trillion worth of debt, and both the Republican and the Democratic proposal will add $7 trillion to $8 trillion more in debt.

What I think the folks in the tea party want—and those who are concerned about passing on the debt to their kids and grandkids want—is to spend less. I think a great contrast and what illustrates the problem is spending is going up 7 percent a year. Nobody is talking about cutting that spending. They are talking about cutting the rate of growth of that spending.

There is a new plan out called the one penny plan. It would have real cuts of one penny on every dollar spent. The other side pulls their hair and says: Oh, you are so radical.

We say: We want to cut one penny out of every dollar of government spending. Is that radical?

The President has said it is a dysfunctional place. He is right in that sense. I think some of the dysfunction comes from the hypocrisy or from the other side not really listening.

For example, the balanced budget amendment. They say polls show routinely 75 percent of Americans are for it. Routinely, about 14 percent of Americans seem to be approving of this body. The question I would have is—maybe it is we are not listening well enough. Maybe we are not doing what the people want.

Mr. LEE. That certainly appears to be the case. It is a reminder to us of the fact that no matter how much we might be tempted at times to demagogue this issue, no matter how tempting it might be for certain Members of this body to cast blame elsewhere, they cannot escape one simple fact, which is the American people are demanding more. They are demanding that we spend less. They are demanding that we stop this barbaric practice of perpetual massive-scale deficit spending. Why? Because it erodes individual liberty. It takes money people have not yet made and spends it and obligates them to repay it—in some cases before they are old enough to vote, in other cases before they are even born. We need a permanent solution.

When we put something in the Constitution, it serves as a permanent reminder of the fact that we, as a people,

have made a decision, and we are going to move forward. Not everybody will necessarily agree as to how best we should move forward having made that decision. The American people overwhelmingly, to the tune of 75 percent, support the idea that we should amend the Constitution to restrict Congress's deficit spending power.

Mr. PAUL. When people talk about Washington being dysfunctional, and they are upset with what is going on in Washington, I think one of the things that upsets people is hypocrisy—people who say one thing and do another. That is a sad state of affairs. People run on one idea and then they completely change their ideas.

The President was a Senator, and he spoke on the Senate floor. Here are his words in 2006.

The fact that we are here today debating raising America's debt limit is a sign of leadership failure.

He was sort of pointing fingers. Everybody's pointing fingers. It is someone else's fault. I call that sort of the empty partisanship. His conclusion, then, is voting to raise the debt limit would send a bad signal. It would send a signal to our leaders that they are doing the right thing.

I have often said there is no objective evidence that Washington or Congress is spending our money wisely.

The Pentagon says they are too big to be audited. They cannot balance their books. There was $100 billion unaccounted for in the budget last year. There are $5 billion worth of duplicate programs the GAO found. There are, I believe, 82 different programs to train workers. Could we not deal with one Federal program training workers instead of 82 different ones doing the same thing? But this is it. The President said raising the debt ceiling would be a mistake. Now that he is President, he has changed his mind. I think the hypocrisy of that is what makes Americans unhappy.

The President said the same thing on war. He said no President should unilaterally go to war without congressional authority, and here we are at war in Libya with no vote in Congress. He said he has a piece of paper from the United Nations. We didn't elect the United Nations. We have a Constitution, and it requires those issues be debated in Congress.

People are unhappy because we are not doing the people's business. We haven't had a budget in 800 days. Do you know what. It is against the law. It is against the law not to have a budget. We haven't had a budget in 800 days, but the budget law says we should have a budget every year. We are supposed to match our appropriations bills with the budget. We are not doing it.

The American people are unhappy we are dysfunctional and that we are not doing the people's business. We have also become profligate spenders—spending money we don't have. I think we risk great dangers.

I ask the question to this Senator from Utah: What is the answer? How do we get out of this when we seem to be so far apart, and even on both sides we don't seem to be tackling the issues in a way that would allow for significant cuts in spending?

Mr. LEE. Mr. President, I have a friend by the name of Ron McMillan, who lives in my hometown of Alpine, UT. He is the author of a number of books dealing with business negotiations, dealing with trying to figure out how compromise can be reached.

The PRESIDING OFFICER. The time of the Senators has expired.

Mr. PAUL. Mr. President, I ask unanimous consent for an extension of 2 minutes to finish our thoughts.

The PRESIDING OFFICER. Is there objection?

Mr. DURBIN. I don't object, as long as this side is given an additional 2 minutes.

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

Mr. LEE. In that series of books, the crucial conversation line of the books, one of the things he encourages people to do is to find whatever common ground they can reach.

I think there is common ground among the American people generally that we should balance our budget. Not everyone agrees about how we balance the budget, what should be cut, but they do agree we should balance it. That being the case, that is where we ought to focus our efforts. We should focus our efforts on amending that law of laws, that 224-year-old document that fostered the development of the greatest civilization the world has ever known. We should change it, again, to improve it, to restrict Congress's borrowing power.

The plan proposed by the Democrats that is now about to come before us puts our budgeting process on autopilot. It doesn't require another budget for 2 years, preserving the ability of ObamaCare to fund itself without a single additional debate in Congress. This is wrong. This is not the right approach. I object to it. For that reason, I, along with some of my other Republican colleagues, am prepared to vote on this and vote no on it right now. We are not the ones delaying this vote.

Mr. PAUL. Mr. President, I would say that what Americans don't like is empty partisanship. That is what is going on today. Democrats are standing and beating their chests saying: Republicans will not let us have a vote. It is untrue. I have offered to have the vote. We have seen the objection before our own eyes. They would not vote on this.

Let's dispense with the empty partisanship. Let's move forward and have a vote. If they would let us have one amendment—an amendment that would gradually balance the budget over 7 to 8 years—I will vote for their proposal and I will ensure enough votes that it will pass.

Thank you.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, before I yield to the Senator from North Carolina, I wish to note that last night, the two Senators who just finished their colloquy had an opportunity to vote for the Boehner plan which required a constitutional balanced budget amendment. Both Senators Lee and Paul are registered as having voted to table the Boehner approach, which includes that requirement for a balanced budget amendment.

I yield to the Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina.

Mrs. HAGAN. Mr. President, we are here debating the government's fiscal deficit. It is an important topic, one worthy of serious debate. Of course, I wish I could characterize the mindless partisanship of the last several months as serious debate, but I fear this do-nothing debate is distracting us from another deficit that is front and center in the hearts and minds of the American people; that is, the jobs deficit.

Just yesterday, the Department of Commerce reported that the economic recovery has been far slower than previously thought. Our economy grew at a rate of less than 1 percent in the first half of 2011. That is not news to the hard-working families of North Carolina where unemployment statewide is almost 10 percent and nearly one-half million people are looking for work. They have been struggling since the housing boom went bust 4 years ago. Those people with jobs haven't seen the size of their paycheck increase, but their monthly bills have certainly been increased, along with the cost of gasoline. Just getting to your job in the morning, if you are fortunate to still have one, is more expensive. Yet we spend all our time in Washington bickering, posturing, and name-calling. Our constituents must be watching from home scratching their heads and wondering why Washington is debating whether we should avoid a default that would make this economy even worse.

Let me tell my colleagues what is happening in North Carolina. Since the start of the recession in 2007, we have lost over 300,000 jobs in my State. More than two-thirds of the counties—68 out of 100—have unemployment rates above 10 percent. In my hometown of Greensboro, the unemployment rate is stuck at 10.8 percent—the same level as last year. That is right, no change in 12 months. People are working harder without getting ahead or looking for work longer without being able to find a job. Yet we continue to spend all our time in Washington bickering and posturing and name-calling.

The people of North Carolina and the people of this great country are fed up with political games. They are telling me enough is enough. What they want is for Members of Congress to come to the table—Democrats, Republicans, and Independents—and find bipartisan solutions that can get our economy growing and put people back to work;

for example, commonsense legislation such as the America Works Act that I introduced to create a nationwide and industry-recognized portable credential system so employers with job openings can find those workers with the right skills, and workers with the right skills can find the jobs they are qualified for.

There is also the bipartisan Hire a Hero Act that my colleague from Massachusetts and I introduced to combat the unacceptable trend of higher unemployment among our veterans.

Let us not forget we have a program that has been expired since February that helps workers who have had their jobs shipped overseas find new work. There is action we could take, but these commonsense ideas aren't getting their due time because of the partisan shenanigans going on now.

This past month, I went on a budget-listening tour across North Carolina, and the messages I kept hearing were that we need to address our mounting debt and get our long-term fiscal house in order. We borrow 40 cents of every $1 we spend, and it is hurting our ability to invest wisely in the things we need to, such as education, infrastructure and research and development that will ensure a prosperous American future.

Yesterday, with my office receiving a barrage of calls from concerned constituents, I answered the phones all afternoon. The message I heard was loud and clear: Please stop the partisan posturing and get something done.

Unfortunately, the plan from the House falls far short of those goals of bipartisanship and consensus. Instead of aiming for compromise and certainty, it represents just another partisan, short-term patch that ensures the debate will drag on for another 6 months. After what Washington has put our country and the market through, I don't know anybody who thinks it is a good idea to do this for the next 6 months.

We all need to remember what we were put in office to do. We were not sent to fight for the sake of fighting. We were not sent to see who could win the most political points, and we certainly were not sent to throw this country into a default crisis because of our own inability to compromise.

But we were sent to get the work done. We were sent to work together on solutions to the most pressing challenges of our time. Most important, we were sent to rev up the great American economic engine to allow businesses to hire and to get the American people back to work.

The clock is ticking. The challenges of reducing our debt and our deficit are undoubtedly difficult, but they are not impossible—not if Washington takes to heart the message of principled compromise and leadership I receive every day from North Carolinians. We must commit to a balanced, bipartisan plan that reduces our debt while protecting our seniors, students and veterans and makes the critical investments in education, infrastructure, and research and development we need for a prosperous American future. We need to focus on the most important goal of all; that is, jobs, jobs, jobs.

I urge all my colleagues to support the Reid amendment and to put this crisis behind us.

I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. CASEY. Mr. President, we are faced with a difficult challenge, and we know the American people watching us over so many days now understand the basic challenge we face. It is a challenge of reducing deficit and debt and cutting spending but also making sure we have a bipartisan agreement to pay our bills and to meet our obligations.

I think if I had to boil it down to four words, it is these, in terms of what people in Pennsylvania have told me we must do. It is very simple, but I think it encapsulates everything we have to do in the next couple hours—the next couple days—and that is compromise for our country. That is what people are looking for, people all across the country.

I hear from families in Pennsylvania all the time. These are families who have led lives of struggle and sacrifice, families who have lived through so much already. Many remember and have lived through the Great Depression and World War II and wars after that, economic downturns, personal tragedies, job loss—all kinds of misery and all kinds of difficulty. But throughout our State, and I think throughout the country, people have figured out a way to work together, to compromise in their own lives, even when they don't want to make a compromise, and they have figured out a way to work together, whether it is at a work site or at home.

I hear these same messages from people all the time. Let me give a sample of some of the feedback I have gotten from Pennsylvanians just in the last couple days. We purposefully chose three excerpts from three letters from three parts of our State: southwestern Pennsylvania, the middle of the State, and the eastern side of our State.

From Fayette County, way out in western Pennsylvania, here is an excerpt from a letter I just received:

> In order that we do not dip back into recession, it is imperative that responsible people start acting in a responsible manner. Get this issue resolved in a manner that is best for the American people and not what is best for ''political parties.''

That is part of one letter from southwestern Pennsylvania.

Then, I move to the middle of our State, literally called Centre County:

> Please stop the bickering and work together to get the job done. . . . Do your jobs. Come to a compromise.

That is what people in the middle of Pennsylvania wrote to me just recently.

Then, thirdly, an excerpt from a letter in the eastern part of our State, Bucks County, a suburban Philadelphia community. I will read two sentences from this letter:

> We must immediately raise the debt ceiling so that we do not default on our debt payments that would negatively impact our Nation. Next we must tighten our belts and develop plans to reduce expenditures and raise revenue which would pay off all debt just like my family's household did.

There we have it, three parts of the Commonwealth of Pennsylvania, three different letters from three different constituents, all expressing some fundamental, basic sentiments they have and I think some very fundamental messages.

What are they? I think I can boil them down to four. The first is work together and compromise. That is in almost every letter we see: work together and compromise.

The second is they want us to cut spending. They know that in their own lives they have had to cut spending. They have had to change their spending habits to deal with this economic trauma they have been living through. Even if they haven't lost a job, even if they haven't lost their house or their hopes or their dreams, they have had to cut spending.

The third is to focus on jobs. One of the casualties of week after week of focusing on this question of raising the debt ceiling meant we weren't taking action to incentivize the creation of jobs by use of the Tax Code or other strategies.

Fourthly, I think the message they are telling us, obviously, is to reduce deficit and debt. They know we may not be able to put in place a plan right now to be able to do that, but they expect us to put in place the foundation for that or strategy or a pathway to get to substantial deficit and debt reduction. So whether it is cutting spending or reducing deficit and debt or whether it is telling us to compromise and work together or focus on jobs, I think the message the people of Pennsylvania are giving me—and by extension all of us—is very clear.

That is why, when I look at what is in front of us tonight when we are debating—we are going to be debating the proposal set forth by the majority leader—some basic elements in here that aren't just sound policy, but they are, in fact, incorporating compromise, already significant compromise; for example, making sure that if one side said we have to have a dollar-for-dollar reduction in spending to meet the challenge of raising the debt ceiling, the majority leader's plan does that.

One side says we should not have any revenue, we should not have any additional revenue as part of this agreement. The majority leader said: OK. I will accept that. I will compromise. So there are two significant and substantial compromises he has already made in this proposal, and he is open to more, as he has said all day long, and for many days now, he has been open to more compromise.

The legislation cuts spending significantly. There is almost $2 trillion alone in spending reductions for so-called discretionary spending. There are lots of savings in other ways throughout the legislation. It creates a bipartisan committee that will recommend additional deficit reduction to be voted on by the end of this year. Then, an important part of what the majority leader has put forward today—or yesterday, I guess—in his proposal was part of what Senator MCCONNELL put forth, the Republican leader.

So by my count, there are three or four major compromises already in what the majority leader put forth. And he is open to more compromise. I think that is what the people of Pennsylvania expect me to do, and I think that is what the people of the United States expect all of us to do.

Finally, one of the best parts of this proposal is that it gives us certainty. I hear from businesspeople all the time—big firms, medium-sized firms, and small businesses. They tell us over and over that in addition to the pressure they feel—the difficulty they have in keeping their employment levels up, the difficulty they have in making ends meet in the aftermath of a recession—they tell us over and over: We are business leaders, and we need certainty or I am running a small business in Pennsylvania, and I need certainty. I need to know what my tax rates will be. I need to know what the business climate will be like. Please give me certainty.

One of the best features of what the majority leader put forth is there is certainty. We are not going to have to debate this and fight about it every 6 months. It provides some certainty into calendar year 2013. That is why I think a 6-month extension makes no sense at all. But you do not have to take our word for it. The rating agencies have made it very clear—if you do a 6-month extension, you are taking a very dangerous step that could lead to a downgrade in our credit rating.

So I think the Reid plan already has substantial compromise, and, of course, we can compromise more. So I think it is very clear what the people of the Commonwealth of Pennsylvania are telling me. In the midst of all the suffering—in our case, 479,000 people still out of work. We have an unemployment rate of 7.6, which some States wish they had. But it does not really matter what a percentage is; when you have 479,000 people out of work, even though the number has been going down for the last year, people are hurting. They are still struggling. They are still worried. They are anxious. They are worried about their children's future. The least they ask of us in this debate, the least we must do for them, is to come together, work together, surrender some political points of view, surrender some personal disagreements we have, come together, and reach a compromise. I believe what they are telling us over and over is that we need a compromise for our country.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. FRANKEN. Mr. President, I rise today to give a voice to Minnesotans to relay their thoughts on how Congress should resolve this impasse and raise the debt ceiling to avoid a default.

On Wednesday, I received an e-mail from a constituent in St. Louis Park, my hometown. His e-mail reads:

> Dear Senator. I am a Republican. I am a Minnesotan. I am a small business owner. I am considered to have a high income relative to the average American. . . . Here's my request: Please work together to get this debt limit impasse settled.

On Thursday, I received this e-mail from a man in Bloomington. He writes:

> I'm a small businessman in the middle of a fund raising effort. The concern over the debt ceiling has caused all the angel investors to put off any discussion of investment until they know what is going to happen. This has stopped my ability to raise funds which will lead to new high quality jobs in Minnesota. I support a simple bill that increases the debt limit to get us through the 2012 elections as has been done hundreds of times before.

Yesterday, I received an e-mail from a couple in Bemidji:

> We are retired small business owners who are watching our very very conservative retirement account drop and plunge due to the inability of Congress to come up with a plan for the debt ceiling. We trust your judgment as a Senator, but plead with the Congress and the Senate to come up with a solution. We absolutely cannot afford to see our retirement savings sink again like it did in 2008. . . .

And it is not just individual citizens. I received a letter from Dakota County's administrator. The letter reads, in part:

> If the federal government does not resolve its fiscal issues in a timely and responsible manner, it will drive up costs to taxpayers here in Dakota County. . . . Being able to borrow at the lowest possible rates has meant that our County's taxpayers have gotten more and better public facilities—from libraries to senior housing to highway interchanges—and saved hundreds of thousands of dollars for both property taxpayers and senior housing residents in the past several years alone.

The city of Chaska reached out to my office, explaining that they are planning to sell debt in August to fund a street reconstruction program and refund their water treatment plant. If Congress fails to act, these projects will come at a much higher cost to residents of Chaska.

I received a particularly compelling e-mail yesterday from a woman from Falcon Heights. She wrote:

> I am writing again to say I support the President and realize a need to compromise. It is scary for a 66 year [old] retired schoolteacher who has Medicare and social security. Scarier is a default and what it would do to the economy.

That is advice from Sue. Sue gets it. She gets that Congress's failure to act may have a direct impact on her but the impact is really for the whole economy. And Sue is asking for us to compromise.

And compromise we have. Let me make one thing clear: Leader REID's plan is a compromise. Let me make another thing clear: House Speaker BOEHNER's plan is a tea party plan.

HARRY REID's plan is a true compromise. It contains all spending cuts and zero revenues. During these debates, there have been lots of ratios floating around. Senator CONRAD, the budget chairman, proposed a balanced and sensible plan that had a 1-to-1 spending cut to revenue ratio. Personally, I liked that approach. President Obama was negotiating a 4-to-1 or even 5-to-1 spending cut to revenue ratio. In the Reid plan, there is no ratio. It is 100 percent cuts and zero revenue.

Secondly, it contains dollar-for-dollar spending cuts to match the debt ceiling increase. This is exactly what the Republicans had been asking for. Yet, this morning, I learned that 43 of my Republican colleagues have signed a letter to Leader REID signaling their opposition to his proposal. Why? Well, they say the savings from winding down the wars in Iraq and Afghanistan do not count. Specifically, they say these savings are ''a widely ridiculed accounting gimmick that breeds cynicism.'' Yet all but 3 of the 43 Senators who signed this letter voted for the Ryan budget on May 25 of this year. That budget counted the same drawdowns as almost identical in savings. So those savings were legitimate enough to secure their support for the Ryan budget but not legitimate enough to secure their support for Leader REID's debt ceiling compromise. Here we are on the precipice, and suddenly they have done a 180-degree turn. Either these savings count or they do not. You cannot have it both ways.

So we are proposing exactly what Republicans have been saying they want. Yet, instead of accepting this deal, they are using what precious time we have to push forward with their agenda. And it is not even their agenda, it is the tea party agenda. Their radical agenda is a wolf in sheep's clothing.

Last night, we voted down Speaker BOEHNER's plan, which requires the passage of a balanced budget constitutional amendment. A balanced budget amendment sounds, on its face, sensible, but in reality, all of the current House proposals for a balanced budget amendment would have disastrous consequences for our Nation.

A balanced budget constitutional amendment would do permanent damage to our social safety net by slashing spending to 18 percent of GDP. That is what they all propose. We have not had a spending ratio that low since 1966, and today's America is very different than in 1966. We have a much older population. Today, we have a higher percentage of people drawing on Social Security and Medicare benefits—more than ever before. Health care costs are 50 percent higher. Even during President Reagan's tenure, spending averaged 21 percent of GDP.

What would an 18-percent cap really mean? Well, let's use the Republican Study Committee's budget, proposed in April, as an example. A budget such as theirs is roughly what we would expect if we capped spending at 18 percent of GDP. Their budget cut nondefense discretionary funding by 70 percent by 2021. Like the Ryan plan, the Republican Study Committee's budget ended Medicare as we know it, changed it into a voucher program, and raised eligibility to 67, but it did it more quickly. Their budget raised the Social Security retirement age to 70. It resulted in important programs such as food stamps and Medicaid getting cut by 50 percent.

The Republican Study Committee's budget was the Ryan budget on steroids. I would like to remind you of what happened to it on the House floor—this is an interesting story—because this story shows you just how extreme this budget was.

Most House Republicans did not actually want such a harmful, Draconian budget to be the official House budget, but many of them wanted to go on record to brag to their tea party supporters that they voted to slash $9 trillion in Federal spending. So they scheduled a vote and just assumed Democrats would vote it down for them. Then they could just blame the Democrats.

Well, the minority whip, STENY HOYER, caught wind of their plan and had an idea. Moments before the vote, he asked Democrats to vote ''present.'' This would leave the onus squarely on the Republicans to vote it up or down. Chaos erupted in the House, as Republican leadership realized what was happening. Too many votes had been cast in favor of the radical budget, and it was on the verge of actually passing. Frantically, Republican leadership got a number of their Members to switch from ''yes'' to ''no.'' In the end, 119 Republicans voted in favor and 120 against. Crisis averted. That is how bad this plan was. And a balanced budget amendment that caps spending at 18 percent would essentially do exactly the same thing. This is a perfect example of political posturing.

We voted down Speaker BOEHNER's plan last night for that very reason. His plan was not about finding a real solution; it was all about political posturing. If it became law, it would subject Americans to a very scary Republican Study Committee reality. House Republicans have shown they do not really want that. The American people definitely do not want that. The American people have clearly said they want compromise, they want an honest effort to meet in the middle. Sue from Falcon Heights is one of them.

Leader REID has responded to the pleas of the American people by offering us a sensible compromise. I urge my colleagues to be statesmen for the sake of the country. Please come to the table. We are trying to work with you for the sake of the country. The clock is ticking.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, how much time is remaining in the period allotted to Democrats?

The PRESIDING OFFICER. There is 4 minutes 20 seconds remaining.

Mr. DURBIN. Thank you. I see Senator COBURN is on the floor. I assume he is the first speaker on the Republican side.

I wish to thank the Senator from Minnesota for his comments on our budget situation. For the many who have gathered here and are watching this at home and listening to this debate, this is a historic weekend where we have an opportunity—in fact, a challenge—to come forward and craft a bipartisan solution which is good for this country and avoids—avoids—the disaster that would happen Tuesday night if we fail to extend our debt ceiling.

The United States of America has never failed to extend its debt, not once. In the last 72 years, since we enacted this law, we have had requests from Presidents on both sides of the aisle to extend the debt ceiling 89 times—55 times by Republicans, 34 times by Democrats. The President who holds the record for extending a debt ceiling—is President Ronald Reagan, 18 times in 8 years, tripling the national debt.

Not once, not one time, did he face what we are facing here, a threat from the other side of the aisle that if we do not give in to their requests, we will default on our national debt. That would be a catastrophe. It is one thing to call a bluff. It is another to call a bluff with someone else's chips, because the victims—if we default on this debt—will not be Members of Congress. The victims will be families and businesses all across the United States.

If we watch interest rates go up as we are in the midst of an economic recovery, people will be laid off. More people will be unemployed. That is exactly the wrong thing to do. We need to come to an agreement. We need to come to our senses. What the American people have told us across the board is we need to reduce spending, we need to reduce our deficit, we need to do it in a sensible way, as the Senator from Minnesota said, to carefully choose these areas of waste and inefficiency and unnecessary spending but not to cut the essential benefits that people need.

You will hear those come to the floor and say, oh, we are just spending more money. Well, the obvious answer is, in some respects we are. But keep in mind this one statistic. On January 1 of this year, 10,000 Americans reached the age of 65. On January 2, another 10,000. On January 3, again. Every day since January 1 and every day for the next 19½ years, the baby boomers are now reaching retirement age. Having paid into Social Security and Medicare for a lifetime, they fully expect and deserve the legal benefits they have been promised. That is a new obligation of government, but one that we accepted when we enrolled them in the system. Now we can find ways to make sure those benefits are going to be guaranteed into the future with sensible changes in entitlement programs and with sensible changes in our spending.

I find it hard to believe that many on the other side are arguing they cannot find 1 penny—1 penny—that can be saved in the Pentagon. I think we can save money there without endangering our security.

I find it also difficult to understand the argument that we cannot raise 1 penny in taxes on the wealthiest people in America if we are asking everyone else across the board to sacrifice. We have got to have a balanced approach. The Presiding Officer from Virginia was part of a group of six Senators, three Democrats and three Republicans—we have been joined in our effort by the Senator from Colorado, Mr. BENNET—trying to find a bipartisan way to deal with this deficit situation.

I am heartened to say that some 36 Senators have come forward, on both sides of the aisle, saying we can deal with this as adults. We can deal with it in a comprehensive and balanced way. We can keep our promise to people when it comes to the basic programs such as Social Security and Medicare, and we can do it in a fashion that reduces our deficit and avoids the crisis which we are facing.

So I hope that—I see the Senator from Oklahoma here. He was part of that gang. It seems as though we have all gathered here on the floor at this moment—many of us have. I would hope in that spirit we can come to a bipartisan agreement to resolve the current crisis.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. COBURN. Mr. President, I have been listening in my office for the last several hours to the debate. I think there is one thing that has not been brought out in the debate. When Washington says it is going to cut spending, it is untruthful with the American public, because both the Boehner bill and the Reid bill increase discretionary spending over the next 10 years by—one of them $830 billion, and the other $832 billion.

How is it that we can, with a straight face in this body, talk about a cut when, in fact, CBO says we are going to actually increase the spending in the discretionary accounts over the next 10 years nearly $1 trillion.

You have heard the debate in the House, in the Senate, of a spending cut. And, of course, that goes to what the heart of the problem is in our country; words get twisted around to the advantage of the politicians but to the disadvantage of the American citizens. We are in trouble financially. Most people will agree with that. We have programs that are in difficult straits.

As a matter of fact, they are broke, they are not just in difficult straits.

Here are the ones that are broke. Medicare Part A trust fund. Worst-case scenario this year to 2016. That is the fund that solves and pays for hospitalizations for our seniors.

We have heard a lot of statements said about Medicare. The average Medicare recipient paid $130,000 into Medicare. The average Medicare recipient takes $350,000 out. How long do we think that can continue? How long can we continue to tell seniors that we can continue a program based on its utilization rates, based on its reimbursement rates, based on the tax rates, that has a $220,000 difference between what goes out in benefits versus what comes in? It is broke.

Medicaid is broke. The reason it is broke is because the States are broke trying to take care of it. We mandate what they must do, and yet the States are choking on Medicaid, and we are choking on matching the amount of dollars. Under the Affordable Care Act, it is now estimated 25 million more people will go into Medicaid. So it is broke.

The Census. It was broke before it started. It cost twice what it did 10 years ago, $8 billion more than what was estimated.

Fannie and Freddie. We know they are broke. They are $190 billion—that you have now committed for, to pay to get them out of hock—Congress created that $190 billion. That is where we are today. It is going to be $300 or $400 billion that we have to pay—we will be required to pay, citizens of this country.

Social Security. People say it is not broke. We have $2.5 trillion worth of IOUs. Well, the fact is, that money is gone. Congress stole it, spent it on other things. Now we lack the ability to go into international financial markets to borrow that money to put that trust fund whole.

So why do we need to reform Social Security? So we can make sure it is there in the future. What we do know is in 2032 now, according to the trustees, everybody on Social Security will only get 77 percent of what they are promised, and every year after that it will decline, so that when my kids are on Social Security, they will get about 40 percent of what the average Social Security recipient gets now. We know we can fix it. We know we can fix it and make it sustainable forever. But we will not do that because that is politically difficult.

The U.S. Post Office is bleeding every day. Yet we have not fixed it. We are going to do a gimmick to buy some time. But the fact is, we have set it up under a system when they negotiate labor contracts under the arbitration system. They cannot consider the financial health of the Post Office. That would be like paying somebody to mow your grass and saying, they will set the price on it and you cannot negotiate what the price is. Yet they are going to lose $8 to $10 billion this year and more every year going forward, and we have not fixed it, not done anything.

Cash for Clunkers. Absolute—when you look at the dollars—and the home buyer program, the new home buyer program—they actually had a negative effect on the economy. That is what the studies show now. So we blew through all of that money.

The highway trust fund—what is used to build highways and roads and bridges in our country—is broke. We are looking for $13 billion to try to make it whole, and all we did was transfer the last 3 years to that. Rather than reform it, we did not do anything about it.

The new government-run health care program. Here is what we know. The new studies show that over half of the employers in this country will drop their insurance for the people who presently have insurance at work. Hundreds of billions of dollars of additional taxpayer money is going to be required to subsidize the exchanges those people are going to go into, because the penalty for dropping somebody's insurance is economically too low to keep employers from doing that.

We have all of these programs that are broke, and we have a discussion about the debt ceiling, but we are not talking about what is the real problem. This government is twice the size it was 10 years ago. Twice as big. It would be great if all of it were constitutional, it would be great if it were all effective, it would be great if it were all efficient, and it would be great if we could afford it. But the fact is, we are where we are today, with a $1.6 trillion deficit, because we cannot afford the government we have.

So we have not concentrated on the very areas where we can find mutual agreement. We have had three bipartisan bills in here where we have cut money, significant money, billion here, $5 billion here, $7 billion here, $3 billion here, go through the Senate with vast majority votes, only to go nowhere, because the allowance for the debate on the underlying bills was stopped. The bills were pulled.

So what do we do? Well, the first thing we do is we look at what the problems are. What are the problems? We have 100 different programs with 100 sets of bureaucracies for surface transportation alone. Why do we do that? Why have we not fixed it? That is a question the American people ought to be asking.

We have 82 programs to improve the quality of our teachers, run by the Federal Government across 7 different agencies. Only one of them is at the Department of Education. Why are we doing that? Where is the assessment of how well they work? Where are the metrics to say we should be spending this money in this way because we are getting a return? Not one of them has a metric on it. Not one of them has ever been measured on whether it is effective.

We have 88 economic development programs in 4 agencies, for which we spend $6.8 billion, and we have another 100 economic development programs in 6 other agencies, for which we spend another $4 billion, and not one of them has ever been measured to see if it improves economic activity. And if, in fact, it does, why do we have 188 separate agencies to stimulate economic development? I mean, this is not complicated stuff. It is common sense. Every American, other than the Congress, would fix that.

We have 56 programs to teach financial literacy to the American people. First of all, I question whether we ought to be teaching anybody financial literacy as a government when we run it so poorly. But if, in fact, we do, why do we have 56? And, oh, by the way, not one of them has ever been measured to see if it effectively teaches somebody financial literacy.

We have 47 job training programs which cost $18 billion a year, 9 different agencies, 9 different sets of bureaucracies, and all of them but three overlap with the other. That is according to the Government Accountability Office. Why? Why would we do that?

We have 18 programs for food for the hungry. That is something we all want to be involved in. Eighteen? Why 18 sets of bureaucracies? How well are they working? Are they effective? Could we do them better? The question has not even been asked by Congress.

We have homeless programs for both prevention and assistance—20, 6 different agencies. So you have 20 different sets of bureaucracies that are designed to do the same thing.

Disaster response and preparedness, inside FEMA alone. Inside FEMA alone, we have 17 different programs, inside that one agency, which is part of the Department of Homeland Security.

I ask the question: Why? Why hasn't it been a priority for us to work on this?

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

Mr. COBURN. Yes.

Mr. KERRY. Mr. President, it may surprise the Senator—I hope not, and I don't think so—but it might surprise people listening to us to hear from this side of the aisle that a lot of us have enormous respect for what the Senator has been talking about and fighting for and what he has achieved. I might add he is one of those courageous Senators who has come together in the last months working as part of the so-called Gang of 6 to try to bridge the gap and see if we cannot find a way forward.

As I listen to him, there is an enormous amount of common sense in the questions he is asking. These are questions all of us need to join in. We need to join into them in a process that allows us to be able to work in a balanced way on the grand bargain, as you call it, the big fix. I ask the Senator, because I think a lot of Americans listening to the debate—and I have been listening on the floor and listening some back in the office—people have to be saying these guys have been talking

past each other because we hear things over there that sound reasonable and we hear things on this side that sound reasonable. But people are asking: What is hanging up this process? Why is the entire country being held hostage?

I ask my colleague if he would help us kind of bear down on what we need to do. I ask him if it is not fair and accurate to say that the so-called Gang of 6—a terrible name—maybe we can call them G6 or something—but they came together with an understanding that we needed balance in the approach to satisfy both sides and build a critical mass. That balance requires cuts. We have to put the big items—big ticket items on the table, and that means fixing Social Security, reforming it for the long-term; Medicare and Medicaid, which are unsustainable on their current paths; defense, where we have to find a handle on some of the procurement and expenditures. The Senator has joined in this. We have to close some tax loopholes and have tax reform and find some level of revenue at an appropriate ratio that allows us to fix this. That is where the problem has been. There is a group of folks in the House who have insisted no revenue at all.

I ask the Senator, isn't it fair to say the Gang of 6 came up with a more balanced approach in which, I believe, the Senate could find a ground of compromise—what Senator REID has proposed, I believe, has cuts that the Republicans have supported—maybe not quite enough yet and maybe we can negotiate that.

(Mr. DURBIN assumed the Chair.)

Mr. COBURN. Mr. President, Let me reclaim my time. There are absolutely no cuts in what either Senator REID or Speaker BOEHNER proposed in discretionary spending. The spending will rise $832 billion over the next 10 years in the discretionary accounts.

Only in Washington is that a cut. Quite frankly, I am willing to work with my colleagues. I have been out there. I said we have to move and eliminate some of these loopholes; we have to reform the Tax Code. I am willing to take heat from my side on that.

What I am not willing to take anymore is a Senate that will not work on the details of the specific problems. What I am trying to do is outline where the problems are. Where is the leadership? We didn't do it when we were in charge either, I say to Senator KERRY. There has been a failure of leadership in this country, in this body, to attack these very problems. When we have 47 job training programs and none of them are working well—because that is what we do know, because the very few times they have been looked at, they don't work—and we are spending $18 billion a year and we are not fixing them, the American people have to say: What is wrong with you all?

What we have to do is evaluate the effectiveness of every program in the Federal Government. We have to limit the overhead cost to Federal programs. We have put ideas out there—and this is $9 trillion worth of cuts—not Washington cuts but American cuts—money we are not going to spend that is less than what we are spending today, not money we are not going to spend that we would have spent more the next year. These are real cuts. Each one of these is in here, backed by the facts, not biased. We could disagree with where we make cuts but not with the facts in here.

All the facts come from the Congressional Research Service, the General Accounting Office, the OMB, the President's budget, in terms of his recommendations and why, and the CBO. We will not go there.

My problem with the Senate is that we will not do our work. We are as guilty—and this is not partisan to me. Our country's future is at stake. When we have two bills—one last night and one today—that are literally lying to the American people when they say cuts, I think it is unconscionable.

Mr. KERRY. Will the Senator further yield?

Mr. COBURN. Let me finish, if I may. I will yield to the Senator in a moment. The fact is, we will not tell the truth to the American people.

The first truth is, if we will be honest with them, they will understand the necessities that will have to be brought forward to be able to solve the problem. But denying what the problem is, we will never get consensus in this country and the embrace of the American people to do what everybody in this body knows is eventually going to have to be done.

In 5 years, we will not have a Medicare system that is similar to the Medicare system we have today. It is absolutely unsustainable. We will never be able to borrow the money to do it. We are going to get a debt downgrade no matter what we do. So rather than continue to be dishonest with the American people about the status of where we are, we ought to embrace them and call for the very things that made this country great—the sacrifice of the citizens to rebuild the potential for our future, recreate a renewal in our country that embraces the things that made us great—a true free enterprise system, with a limited government that will actually allow people to be rewarded for their hard work and their blood, sweat, and toil—get that back and have the government take a fair share of that. On the upside, it should be more; on the downside, it should be less. I agree.

The question is, Will we do it or will we continue a charade to the American people, continuing to tell them we are going to cut $900 billion out of the discretionary budget when, in fact, we are going to increase it 832?

There is only a $2 billion difference between Senator REID's plan and Speaker BOEHNER's plan on discretionary spending. Both are untruthful to the American people. Both of them take the American people as a lap and say we can wink and nod at them and tell them something that is not true and walk out of here saying we spent less money. We are only going to spend less than we planned to spend, which was too much in the first place, which was unsustainable.

Our deal is that we don't have the courage to actually make the cuts listed in here. We don't have the courage to eliminate the waste, and we don't have the courage to eliminate the duplication. Why? Because every one of these programs has a political backing. We are politicians. Unfortunately, too often, we are that instead of statesmen. It is time for us—both sides—to lead this country, to lead the country in a vision of here is the real truth of our problem.

Now let's have a debate about what should be the No. 1 priority. How much should we spend on defense? Should we continue to allow contracts to go way overrun? Should we continue to allow requirement creep in contracts—not just in defense but in homeland security, HHS. The same problems we have in defense we have in all the other big agencies. We buy $64 billion worth of IT every year in this country, and $37 billion of it is wasted, totally blown. Why? What have we done about it? Not one thing. We don't look at the high risk for the GAO on IT. Every year that happens. The Census Bureau spent $600 million on a device that never worked. There was no penalty for the company that did it. We paid it anyway. It was a cost-plus contract, and the reason it never worked is because we had requirement creep all the way through.

We don't have any grownups making the purchases for this country—nobody with experience. So we are doing the wrong thing at the wrong time. We need to be doing the right things at the right time for the right reasons, considering that we make sure we take care of those who need it and demand participation from everybody else.

We need to cap the total number of Federal employees—not because we want to but because we don't have any other choice. We don't have to let anybody go; just through attrition we can downsize the Federal Government.

We waste $15 billion every 5 years on managing properties in this country that we own that are vacant. Yet we are spending that money on them. We cannot get a real property bill through. How valuable to us is $15 billion? We have to start paying attention to the pennies, nickels, and dimes. We will not do it.

Unnecessary government printing—including us. I have been trying to get the elimination of this for 3 years. There are millions of dollars we can save by not printing the copies of this every day, which nobody looks at—except I did see my good friend from Illinois looking at a vote last night. But he could have gotten it online out of

his BlackBerry. We are tearing down trees to print paper we don't need.

Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator has 8½ minutes remaining on the Republican side.

Mr. KERRY. Will the Senator yield for a moment?

Mr. COBURN. Yes.

Mr. KERRY. Mr. President, I ask the Senator, again—I am trying to help us get out of this predicament where we have a couple days before the United States defaults. Everything the Senator has said is worthy of inquiry. Isn't it true that if we could get—part of the Reid proposal and the Boehner proposal proposes a joint committee that will be structured somewhat like a Base Closing Commission, which will require the Senate and the House to vote in an expeditious fashion on these kinds of proposals, whatever the joint committee proposes, and if the joint committee doesn't succeed in proposing something, hopefully, either the Gang of 6 or the Simpson-Bowles commission will.

Isn't the key to resolving this crisis and not defaulting our ability to be able to come together on a sufficient trigger or some sufficient mechanism that guarantees we are actually going to deal with this in a similar fashion to what the Senator is raising?

Mr. COBURN. I don't disagree that those negotiations are going on as we speak. I am not a party to them. I don't know if the Senator from Massachusetts is. I suspect the Presiding Officer is. We are not going to decide that. That will come to us for a decision. Look, I worked for a long number of months with my colleagues from the other side of the aisle. I put my name on a bill that doesn't fix it, but it was something to get us moving. It is better than where we are today. I agree with the Senator. But that is not good enough. We are not good enough yet to be where we need to be if we are actually going to solve the problem.

Let me finish going through this. We need to end no-bid contracts in this country. To give a specific example, before he left, Senator LeMieux got through on the business bill prescreening of payments on Medicare payments, so we don't just pay them and then go chase the fraud. We got through a bill that required the Centers for Medicaid Services to put in a program to look to see if they ought to pay the bill.

What they did is signed a cost-plus contract for $77 million with a firm that has never done that before and didn't take a fixed-price contract from firms that have already done it before. Tell me how we let that happen. Yet it happened. When we had testimony in the committee, they said it was a fixed-price contract, only to write back and say it was not a fixed-price contract. We need some common sense in our government.

We need to disclose the text and cost of legislation prior to passage. We need to identify duplicative government programs. We have done that in here. There are hundreds of thousands of them throughout the Federal Government. We need to eliminate them. We need to mandate congressional oversight. That is where our leaders have failed on both sides. They have not mandated the committee chairmen to do the oversight required to solve this problem. We need to freeze the size of this government. We cannot afford the government we have. The debate is about what will happen in the future. What will be the revenue increases and the spending increases?

Nobody is talking about decreasing the size of the Federal Government. We can't afford this government. We can't afford to continue to spend the money we are spending.

I will close with this. If we continue to be less than straightforward with the American people about what we are doing, about the Reid bill—and the reason I wanted to debate the Boehner bill is I wanted to make this point on the Boehner bill—when we call something a cut of $900 billion, just because the CBO says we are going to spend $900 billion less than what we were planning to spend, but it's still $832 billion more than what we are spending now, that is not a cut anywhere except in Washington. We ought to admit it. If that is the best we can do, the American people need to know that is the best we can do. But we can't play the games anymore.

I have another colleague, I think, who would like to speak, and with the remaining time, I would yield to her.

Is the Senator from Alaska interested in speaking?

Ms. MURKOWSKI. I thank the Senator from Oklahoma. It is my understanding we were bumping up against the vote at 5:30. Is that correct, Mr. President?

The PRESIDING OFFICER. The Republicans have 3 minutes 15 seconds remaining.

Ms. MURKOWSKI. Mr. President, I had hoped to be able to speak at greater length than 3 minutes this afternoon, but the message that Senator COBURN has been delivering is so incredibly important. I want to join Senator KERRY's remarks in thanking him for being one who has been working to find not a deal but to find a solution to the issues we face today.

As we have deliberated all day long, there has been a lot of finger-pointing, a lot of blame. As the Senator from Massachusetts has noted, a lot of times it seems as if the comments are just going past one another rather than directed in a purposeful way that would actually make a difference to this debate.

We started out this morning with messages from the leader arguing over who was filibustering. We have all talked about the need to see compromise, and then we go on to say why we can't compromise. What we need to be working toward is a solution to the problem as opposed to attempting to cobble together a deal at the last moment that will gain those necessary votes.

The one thing I would hope we are all working toward is to avoid the default we all fear. We have all been listening to our constituents calling us this weekend. As we read our e-mails, as we talk to friends and neighbors, the concern is very real. One thing we have managed to do on a bipartisan basis in this Congress over the past few days is to incite fear in the American public, to make our constituents angry, frustrated, and mad. Well, misery loves company. We are angry, frustrated, and mad here. But I would like to suggest, as the hours wind down, we come together as a body in the Senate and the House to find that compromise.

Senator ISAKSON stood on the floor earlier this afternoon and spoke of the contours of a proposal that worked to integrate the good ideas of several different Members—of Senator REID, of Speaker BOEHNER, and of the minority leader, Senator MCCONNELL. We should be working to find those areas where we agree because those areas are, in fact, in place.

I am hopeful, Mr. President, as the majority leader comes back in from his meetings he will have some encouraging news for us as we work through these last hours.

I would like to gain some additional time later on this evening to speak more in detail, but I see the majority leader before us waiting to speak.

The PRESIDING OFFICER (Mr. PRYOR). The Senator's time has expired.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll and the following Senators entered the Chamber and answered to their names.

[Quorum No. 5]

Brown (MA)	Johanns	Murray
Cantwell	Kerry	Pryor
Carper	Landrieu	Reid (NV)
Coburn	McCain	Schumer
Durbin	Merkley	
Feinstein	Murkowski	

The PRESIDING OFFICER. A quorum is not present.

The majority leader.

Mr. REID. Mr. President, I move to instruct the Sergeant at Arms to request the presence 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 assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Connecticut (Mr. LIEBERMAN) and the Senator from Hawaii (Mr. INOUYE) are necessarily absent.

Mr. KYL. The following Senators are necessarily absent: the Senator from

South Carolina (Mr. DEMINT), the Senator from Texas (Mrs. HUTCHISON), and the Senator from Oklahoma (Mr. INHOFE).

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

The result was announced—yeas 75, nays 20, as follows:

[Rollcall Vote No. 121 Leg.]

YEAS—75

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

NAYS—20

Alexander	Enzi	McConnell
Ayotte	Grassley	Paul
Barrasso	Hoeven	Risch
Coburn	Isakson	Roberts
Cochran	Johnson (WI)	Sessions
Cornyn	Lee	Vitter
Crapo	McCain	

NOT VOTING—5

DeMint	Inhofe	Lieberman
Hutchison	Inouye	

The motion was agreed to.

The PRESIDING OFFICER. A quorum is present.

The majority leader.

Mr. REID. Mr. President, today the Speaker and Republican leader held a press conference to announce they are in talks with the President and that a bargain to raise the debt ceiling is in the works and is close.

Mr. President, Members of the Senate, that is not true. I just spent 2 hours with the President and Vice President and Leader PELOSI. It is fair for me to say that the engagement there is not in any meaningful way. The Republican leader still refused to negotiate in good faith. Revenue is off the calendar—no way we can talk about revenues. Entitlements—oh, they are after entitlements: Medicare, Social Security.

The Speaker and Republican leader should know that merely saying we have an agreement in front of television cameras doesn't make it so. The Republican leader at the press event says he is engaged. Fortunately, Members of his caucus, at least as far as I am concerned, and my Members, are more engaged than he is. There are meaningful talks going on with some of his Members with some of my Senators. While the Republican leader is holding meaningless press conferences, his Members are reaching out to me, and other Members, as I have just indicated. They are coming forward with thoughtful ideas to try to move the process forward. I welcome their ideas and ask all Members to continue these discussions. America is watching us, and they are demanding a result that is balanced.

I say to my friend—and he is my friend—the Republican leader, I will come to his office, I will go to the White House with him, I will do anything I can do to try to move this process forward, but I say as respectfully as I can to my friend the senior Senator from Kentucky that the process has not been moved forward during this day.

The PRESIDING OFFICER. The minority leader—the Republican leader.

Mr. MCCONNELL. Mr. President, the fact is that the only way we are going to get an agreement before Tuesday is to have an agreement with the President of the United States—the only person in America of the 307 million of us who can sign something into law. I am more optimistic than my friend the majority leader. We have both talked to the President today, talked to the Vice President several times. I think we have a chance of getting there.

What I think is not helpful is the process we are going through here on the Senate floor: having show votes over live quorums, having reluctance on the part of the majority to have a vote on a measure they favor, which we have been prepared to vote on since last night.

Look, we need to be in a position where all of us in the leadership can come back here and say that we think we have reached a framework of an agreement we can recommend to our Members and be briefing our Members. The sooner we can do that, the sooner we can reassure the American people we are going to get a result on a bipartisan basis. So that is what I am working on, and I am not interested in scoring any political points. I am interested in getting an outcome for the American people, and the only way that can be done is with the President of the United States, and we are going to continue to work on that, get this problem solved, and let everybody in the country know we are not going to default for the first time in our history. That is how I am going to spend my time until we get that outcome and I can come up here and recommend it to my colleagues.

The PRESIDING OFFICER. The majority leader.

Mr. REID. Mr. President, we are here today right now for this reason. It is spelled f-i-l-i-b-u-s-t-e-r—filibuster. There are delaying tactics proceeding right now. They will not allow us to have a vote, an up-or-down vote on our amendment, and this is a filibuster. By any other term, it is a filibuster. That is why we are here. I hope the negotiations go on. We are willing to be as fair as we can, but there has to be something that the President and Vice President BIDEN and the rest of us think is a step in the right direction. I guess talking is a step in the right direction, but that is about it.

Mr. President, I ask unanimous consent that the matter we have before us, which is amendment No. 589—that we have an up-or-down vote on that, as we have all the time, of course. There would be no points of order, as we do it here all the time. Have a vote on it right now.

Mr. MCCONNELL. Mr. President, reserving the right to object, these are direct quotes from my friend the majority leader. He says: ''In the Senate it has always been the case you need 60 votes.'' ''Always been the case you need 60 votes.'' This is the majority leader of the Senate. For him to suggest that a matter of this magnitude, in a body that requires 60 votes for almost everything, is going to be done with 51 votes makes no sense at all. I object.

The PRESIDING OFFICER. Objection is heard.

The majority leader.

Mr. REID. Mr. President, first of all, it is unconscionable that the Republicans would filibuster legislation to prevent a default on national obligations. Frankly, it is unprecedented. Since 1962, Congress has raised the debt limit 74 times, including 18 times under President Reagan, and there was never a threat of a filibuster, and it was always by majority vote.

The PRESIDING OFFICER. The Republican leader.

Mr. MCCONNELL. Mr. President, I might say I actually cut short a conversation with the Vice President to come out here for this important vote on a live quorum. I would like to get back to work so we can hopefully solve this problem.

It seems to me it would be a good idea for the majority to decide to allow the vote on the proposal they say they are in favor of; therefore, I ask unanimous consent that the vote on the pending cloture motion occur at 6:30.

Mr. REID. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. REID. A filibuster in any other words——

The PRESIDING OFFICER. The majority leader.

Mr. REID. Mr. President, you can put lipstick on it, a nice suit, even a skirt sometimes, it is still a filibuster.

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

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

The Senator from Utah.

Mr. HATCH. Mr. President, I ask for order in the Chamber.

The PRESIDING OFFICER. Will the Senator withhold for a moment?

The Senator from Utah.

Mr. HATCH. I ask unanimous consent that I may be able to complete my remarks.

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

Mr. HATCH. Mr. President, later tonight we will vote on the majority leader's bill to reduce the deficit and increase the Nation's statutory debt limit. Earlier today the House of Representatives decisively rejected the majority leader's proposal. If I got it right, the vote was 246 to 173. Thirteen did not vote, but there were 11 Democrats who voted against the proposal as well. It will be defeated here in the Senate later this evening or whenever the majority leader allows it to be voted on. It is fine with me, whatever he decides to do.

As a substantive matter, I deeply oppose the efforts of the majority leader. His plan does not tackle the task at hand. 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, budgetary gimmicks. They assume savings from more spending that the President has not requested and that will be unlikely to materialize. It does not include a balanced budget amendment. Most important 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 the middle-class taxpayers, and allowing for increases in estate taxes.

Most important, from my perspective, the majority leader's approach assumes a massive tax increase in 2013 by allowing the 2001 and 2003 tax relief to expire, allowing the alternative minimum tax to hit middle-class taxpayers, something we have not allowed, and allowing for increases in estate taxes that are a business and job killer.

We are scheduled to vote on this bill late this evening, actually early on Sunday morning. Americans might ask why in the world are we doing this? Republicans were ready to take this vote yesterday evening. This delay in voting does not match with the asserted urgency of raising the debt ceiling. Yesterday, the Senate majority leader stated on the floor that the country defaults on its debt at 12 midnight on Tuesday.

Tuesday is August 2; is this true? What are these claims based on that the majority leader is making? Amazingly, we do not know for a fact whether the United States does run short of cash to pay all its obligations on August 2. We were told by the Treasury Secretary way back in May that August 2 might be a date when Treasury runs out of money to pay our bills. We have seen estimates of the Treasury's cash position on the floor that came either from a local think tank or from Wall Street financial firms.

The Treasury will not give us updated information. It is outrageous. The last time Treasury informed Congress of its estimates of its cash position was in May when it backed off of a prior guess and extended their estimate of running dry of cash by 3 weeks. Since that last update, I made a simple request of members of the Financial Stability Oversight Council, commonly called FSOC, which is chaired by the Treasury Secretary. I asked for an update on Treasury's cash and liquid assets to be delivered by close of business on Thursday, and I asked for that as ranking on the Senate Finance Committee.

I also asked for contingency plans of Treasury and our financial regulators outlining what they will do if the debt limit is not raised or if we face a ratings downgrade on our U.S. debt. Treasury has not responded to this request. It is outrageous. They know what they are going to do.

We were told the Nation will fall off a financial cliff on August 2 at midnight. That is a lot of precision, down to the hour. Is it true? I don't know. The American people don't know. Social Security recipients in Utah don't know and Treasury won't tell us. I might add the rating agencies don't know either. We are being asked to give the President the largest increase in debt limit in our Nation's history. Get that. We are being asked to give the President the largest increase in our debt limit in our Nation's history. His last one was the largest at that time. We were asked to consider policies that involved trillions of dollars, with no effects that will occur over decades, with no current information about how much money the government has and expects to have over the next few days and weeks.

Treasury told me yesterday that they are working on getting me some information. Yet I still don't know how much money Treasury now has to pay its bills and neither does anybody else on the floor. We don't know how much it expects to have over the next few days and weeks or whether Treasury still believes that midnight August 2 has any particular significance. The politicians all insist August 2 is the date. I am beginning to have my doubts. If that was the case, wouldn't it make sense for the majority leader to schedule votes commensurate with this urgency? Why waste more than 24 hours, which is what the majority leader did by refusing our offer to vote last night on his bill. It is not going to change the vote.

It is not unreasonable to conclude that maybe that August 2 date is not all it is cracked up to be. We can't say for sure because the administration, despite my request more than 48 hours ago, has refused to provide Congress with information regarding its cash position. But others seem to think so.

Yesterday, Moody's Investors Service stated, clearly:

> It remains our expectation that the government will continue with timely debt service. . . . If the debt limit is not raised before August 2, we believe that the Treasury would give priority to debt service payments and could thus postpone a potential debt default for a number of days.

Does Moody's know more than our Treasury Secretary and FSOC that has been set up to help us to understand these things? They have been working on it for months. Why can't they give us the information?

This analysis is consistent with everything my colleague and friend from Pennsylvania, Senator TOOMEY, has been saying for months.

He understood early on that regardless of the rhetoric there would be no default on August 2. The administration is fully capable of prioritizing payments. There is a much more pressing issue than imminent default—a credit downgrade due to the failure of Congress to use this opportunity to take significant deficit reduction measures. That is the real takeaway from Moody's report:

> Reductions of the magnitude now being proposed, if adopted, would likely lead Moody's to adopt a negative outlook on the AAA rating. . . . The chances of a significant improvement in the long-term credit profile of the government coming from deficit reductions of the magnitude proposed in either plan are not high.

That is Moody's. Our debt has become so unmanageable that we face a credit downgrade with consequent higher interest rates if we do not enact a big-time deficit reduction package.

This year is our third straight trillion-dollar deficit. Our national debt is $14.5 trillion. The President's budget would add $13 trillion in additional debt if he gets his way. I don't know about you, but I cannot tolerate that. That is added to already almost a $15 trillion debt today.

I have spoken previously about the debt bubble the Nation finds itself in, but I wish to reemphasize that point in light of the warnings from ratings agencies that our credit faces a downgrade absent real deficit reduction. Currently, Federal debt held by the public equals a modern record of about 69 percent of GDP and it is headed to 100 percent and we all know it.

The Congressional Budget Office reports that current tax and spending law takes that figure to 76 percent of GDP over the next 10 years, and we all know it is going to hit 100 percent if we keep going with what the President is doing and, unfortunately, with what my friends on the other side are doing.

To put that number in perspective, at the end of fiscal year 2008, the debt held by the public reached about 41 percent. That is less than 2½ years ago. That was under the Bush administration. That is 41 percent compared to 70 percent today. As bad as the 76-percent figure is that we will reach—according to the Budget Office—President Obama's budget would raise debt held by the public to 87 percent of GDP by his own actuaries. I have to tell you they very seldom have been accurate or right. They are always low.

According to the Congressional Budget Office, if we continue current tax

policy and don't raise rates, fix the alternative minimum tax, provide estate tax relief, provide for a fix to the physician payment system—that is the SGR—policies supported by clear majorities of Americans by 2021, debt held by the public will reach no less than 97 percent, which is precisely what I have been talking about.

Here is the sticky wicket. CBO projects the cost of simply paying the interest on all this debt will rise to $792 billion—that is if CBO is right and generally they are on the low side—in other words, 3.3 percent of GDP in 2021. What happens if interest rates go up? They are likely to up. Currently, interest rates are very low. The 10-year Treasury rates are currently around 3.5 percent.

During the past 2 years, this administration has spent recklessly, raising the total debt from $10.6 trillion to almost $14.5 trillion today. Because debt was cheap, the President was able to take on a lot of it. The true cost of this debt was hidden by low interest rates.

What will happen when interest rates rise? What happens if interest rates rise to levels seen during the 1980s or 1990s? Think of my suggestion that these rating agencies of government are always low. Interest rates are going to rise and the costs are going to rise too.

During the 1980s, rates on 3-month Treasury bills and 10-year notes rose to over 8 percent and 10 percent, respectively. During the 1990s, rates on 3-month and 10-year notes rose to 5 percent and 6.6 percent, respectively. That cost as laid out by CBO could be astronomical. Under President Obama's 2012 current budget, the CBO projects deficit rates over the next 10 years resulting in an estimated $10 trillion being added to this $14.5 trillion public debt—a 100-percent increase.

Under the scenario where interest rates rise to the historical average of the 1990s, the public debt is projected to grow an additional $8 trillion or a 77-percent increase. Under the scenario where interest rates rise to the historical average of the 1980s, the public debt would grow $14.5 trillion, doubling in size. This is the real impact of Moody's warning.

It is bad enough that President Obama has taken on so much debt that it may result in a downgrade of our credit, but it is even worse that faced with that downgrade he and his Democratic allies refused to deleverage. Should we get downgraded for failure to enact a serious deficit reduction package, our debt will only grow larger because increased interest rates will increase the cost of borrowing. We all know about budgetary gimmickry around here, and this place is filled with it. This economic debt is filled with it. The arguments about the future are filled with it.

Americans should be less concerned about the August 2 deadline than the fact that over the long term our debt bubble runs the risk of becoming a debt spiral that turns into a death spiral for our economy.

Let me close by making two points. First, given the treacherous fiscal waters we are in, Congress and the American people need to know where the U.S. Treasury stands. It is unacceptable that they are being asked to make decisions based on a proclaimed August 2 deadline with no facts to back it up.

I urge all Americans, all Utahans, and all Social Security recipients to get in touch with the Treasury right now and ask them to show us the money. Call Treasury, send them an e-mail, send out a tweet. Show us the money. We have a right to know cash in the Treasury comes from the taxes that hard-working Americans pay. Government is charged with stewardship over use of that cash. Withholding information is a shirking of that responsibility, and I do not think anybody on this floor believes that Treasury does not know what they are going to do. I don't believe any Senator believes they should be stopping the information from coming to us, especially at this time.

We should not run Treasury and manage taxpayer resources the way Bernie Madoff ran his hedge funds, by taking cash and when asked for information refusing to give it and just saying: Trust me.

I have a simple question: Does Treasury expect to run out of cash on Tuesday, August 2? The President and his Treasury Department must answer this question—which brings me to my second point. It is much more critical that we get a deficit reduction package right than that we adhere to this arbitrary August 2 deadline. There is one bill that gets that right from my perspective, and that, of course, is cut, cap, and balance. So far, the only bipartisan votes taken by the Congress in this debt ceiling debate are the vote for cut, cap, and balance in the House and the House vote to defeat the majority leader's bill. Those are the only two that are bipartisan.

This debate is not over yet. I expect Senator REID's bill to fail tonight, but then it is back to the drawing board. My hope is that the President will then do what he has so far refused to do; that is, to take a leadership role in this debate, to stand up to his base and encourage his party to take real steps to reduce the deficit. I am not going to hold my breath.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. BARRASSO. 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. BARRASSO. Mr. President, might I inquire how much time is left on the Republican side?

The PRESIDING OFFICER. There is 13 minutes remaining.

Mr. BARRASSO. Thank you, Mr. President.

Following my colleague from Utah who talked about getting the President engaged in these discussions, I noticed a large story in Thursday's New York Times: ''President on Sidelines in Critical Battle over Debt Ceiling.'' President on the sidelines.

We are at a time where we are facing the largest threat to our national security, and we cannot have the President on the sidelines.

When I talk about the single largest threat to our national security, I am not talking about a terrorist organization. I am not talking about wars in Iraq and Afghanistan. I am not talking about natural disasters, disease, epidemics, and not famine. I am talking about our national debt. Our national debt is the threat. It is the greatest threat to our national security.

I will tell my colleagues this isn't a problem for one party, the other party; it is a problem for all of us as Americans. I am not the only one who is saying that. Actually, the Chairman of the Joint Chiefs of Staff, ADM Mike Mullen, has said the most significant threat to our Nation's security is our debt. Let me repeat: The most significant threat to our national security is our debt. My colleagues may notice that Admiral Mullen makes no mention at all of the debt ceiling. He is speaking specifically about the debt. He is doing that because the debt ceiling isn't the problem; our national debt is the threat.

We have $14 trillion of debt, and it continues to grow. We are borrowing every day over $4 billion. That is over $2 million every minute.

We say: Where does the money come from? Well, of the money we spent last year in this country, over 41 cents of every dollar we spent—over 41 cents of every dollar—is borrowed money, a lot of it from foreign countries, and specifically from China. How do we stay a strong and independent leader of the world if we owe that kind of debt to anyone, especially to another country who may not have our best interests at heart?

The Chairman of the Joint Chiefs of Staff clearly understands this. But it is not just our military leaders who understand this, families and business owners all across Wyoming understand it, and the American people understand it. We all know what the American people want. They want cuts to spending now, they want to control spending in the future, and they want accountability. They sure don't believe they are getting it out of Washington.

I received an e-mail this week from a gentleman from my hometown of Casper. He looked at this whole thing and he said:

The fact that the debt ceiling needs to be raised is where the problem lies. This is a systemic problem that will either be fixed or it will eventually destroy this Nation. I urge you to stand strong and oppose any spending that exceeds revenue. Using the debt ceiling, we understand, this could be a painful path. It could lead to economic problems. My forefathers put their lives at risk to prevent this kind of idiocy that the Federal Government has become.

He is talking about a debt of $14 trillion.

He said:

Every one of my family members and neighbors is prepared to weather the storm now to prevent future catastrophe.

My friends on the other side of the aisle are focused on the debt ceiling. It seems to me they have lost sight of the real problem, and that problem is the debt. Instead of working toward a higher debt ceiling, we need to be discussing ways to get our fiscal feet back on the floor, to get our fiscal house in order, and to provide the accountability the American people want.

I listened to the President's address to the Nation last Monday night. It seemed to be more of a campaign speech than an address about the issues facing this country. There was blaming going on, it seemed to me. Scare tactics, class warfare. He used the word ''balanced'' about seven times. He kept talking about a balanced approach.

Americans don't want a balanced approach; they want a balanced budget. They want a balanced budget amendment to the Constitution. That is the way we do it in Wyoming. That is the way many States do it. They want us to live within our means and balance the budget year after year after year.

There is a lesson we could learn from so many States around the country: Live within your means every year.

The American people want us to seek a real solution. They want a real solution that provides them with the peace of mind to know they will not be subjected to this sort of activity on a repeated basis. They want the peace of mind as well as the economic security that they believe as Americans—they believe as Americans—is a basis for this great country. They are looking for a solution that recognizes the current system in Washington is broken, and they are looking for a solution that says we realize we need to take immediate action to fix it.

Why is it broken? Why do we need immediate action? It is broken because we have failed to live within our means for so very long. It is also broken because this body, the Senate, has not had a budget for over 800 days. For over 800 days there has not been a budget in the Senate. One brought forth by the President failed; it got no votes. Ninety-seven people voted against it. Not one Democrat voted for the President's budget—not one.

It seems to be broken because Washington is more focused on short-term political gain instead of the long-term consequences of our actions. We saw that a little earlier with the discussions on the Senate floor. I am ready to vote on the proposal on the Senate floor. The minority leader recommended a vote immediately. Yet it was objected to by the majority leader.

Since the beginning of this entire debate, I have had a very clear bottom line. We need to avoid defaulting and implement the spending controls to get our finances back in order. What is the President's bottom line? The President said it:

The only bottom line I have is that we have to extend this debt ceiling through the next election into 2013.

The President's only bottom line: Ignore and avoid the biggest threat to our national security until after the next election.

Contrary to what the President wants, we cannot ignore, we cannot avoid this issue until after the next election. People all across the country are worried about their jobs. They are worried about the economy. They are worried about the debt, and they are worried about the spending. The American people want us to take action. They want us to cut costs. They want us to control spending. They want us to enforce accountability across every branch of the Federal Government. They would like us to put progress ahead of partisanship. They want us to put people before politics. The decisions that must be made aren't easy for either party. This isn't about Democrats, Republicans, Independents; it is about America. It is about this country.

People all across the country—and I have been in my office since early this morning, and we have been answering the phones. What I am hearing is what all of my colleagues should be hearing if they are answering their phones: Enough is enough. That is what the American people are saying.

We are now at the eleventh hour, and we must not lose sight of our goal. It is more important to find a real solution than it is to settle for a quick compromise.

So I look at some of these letters and calls and e-mails that have been coming in, and one is from Pinedale, WY. It says:

It is better to bite a small bullet now than a cannon shell later on.

That is a Wyoming way of talking. That was from Pinedale, WY.

A couple from Casper, a different e-mail:

This country is in dire financial straits. Since I work for the Federal Government, I have more to lose than most Americans, but I don't want to give this administration a blank check.

This is someone who works for the Federal Government: I don't want to give the administration a blank check.

We have to get this country back on track to fiscal responsibility and this is the open debate. I realize my job could be cut just to get there, but the national debt is too large to ignore.

This is a Wyoming person talking, putting the country in front of politics and putting the country in front of himself.

He goes on to say:

We must get it under control or there is more to lose than just our jobs. The economic consequences of not getting this under control will devastate this country years down the road. We have to start now before it is too late.

Then another from a woman in Casper who said:

It is time to cut up the Federal Government's credit card. The current debt situation is an insult to all of us who live within our means. People in the country live within their means; States that balance their budget every year live within their means. It is time for Washington to live within its means.

People are tired of the budget tricks. They are tired of the accounting gimmicks. They are tired of the empty promises. That is what is affecting the people of this country. They want accountability, and it is our responsibility to provide it to them.

People are looking for peace of mind, for good judgment, and they want people to listen to them. Yet what I see are people focused on politics on the other side of the aisle at a time when the greatest threat to our Nation—to this great country, to America—is a national debt that is out of control and that is increasing at the rate of over $4 billion every year.

I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, I ask unanimous consent to be recognized to complete my comments.

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

Mr. KERRY. Is there a time limit?

The PRESIDING OFFICER. Ten minutes. The Democrats have the next 30 minutes.

Mr. KERRY. I ask to be informed when I have 5 minutes remaining.

Mr. President, when Harry Truman served in the seat Senator MCCASKILL of Missouri holds today, he used to sit back over there, in back of the row where a lot of the newer Senators sit. He, from that vantage point, would often watch the great debates on the New Deal. He listened long into the night. He used to frequently write home to his wife Bess.

One late night after a long debate, he wrote about his experience of sitting in the Senate—this was early on—and of the awe he felt sitting in this institution and looking across at his colleagues, I assume imagining the ghosts of Calhoun and Clay and other great Senators.

He wrote to his wife, and he said: I sit here in the Senate looking at this institution and at my colleagues and I pinch myself and I say, ''How the hell did I get here?''

A number of months later, it was very late at night, and he was again sitting there, and he wrote to his wife, again watching the debate and looking across at his colleagues, and he wrote to her and said, ''I ask myself, how the hell did they get here?''

Anyway, I suspect at this moment in America a lot of Americans are looking at the Senate, at the Congress, and they are asking a similar question, wondering whether we get it.

I have enormous respect for this institution. I still believe in the phrase ''the world's greatest deliberative body,'' which has, unfortunately, become a punch line in these days, but when we are bipartisan and serious is still a true description, still possible when we rise to the moment. I have seen the Senate over the course of 26 years in those moments, as have other colleagues here. I have seen it with Ted Kennedy and Bob Dole and so many others. I have seen what can be accomplished here.

Regrettably, today, our allies and our enemies abroad and our friends here at home—the American citizen—are watching with either alarm or, in the case of our enemies, delight as they question America's leadership. Some abroad have even suggested this is a sign, a moment of American decline. So even without default, believe me, just the absence of decision and the presence of partisan chaos—they are running up a huge cost for this country.

The other day, I received a letter from 20 mayors from Massachusetts. The letter states:

> The time to compromise and resolve this issue is now.

They complained that their communities were under the microscope from Moody's because we had not gotten our acts together here in Washington. Their letter was honest and eloquent. And, frankly, it should not be so difficult for their warnings and their example to be heeded in the Congress.

The mayors' call for compromise, frankly, should not be so difficult. The call for compromise by the American people ought to be listened to and acted on and in very short order.

I have served in the majority and I have served in the minority since I have been here. I have served with Republican Presidents, Democratic Presidents, in both situations, when we are in the minority and in the majority. I have cast tough votes in times of divided government, under Republican and Democratic Presidents, from Reagan to Obama, and I have never seen the governing process so broken because one faction of one side has made compromise—the essence of democracy and the bedrock of our governing system—not just a dirty word but, in their view, a form of treason.

The warnings of mayors were echoed yesterday by the leaders of our financial industry. Yesterday, CEOs of major financial institutions wrote:

> Our economic recovery remains very fragile. A default on our Nation's obligations, or a downgrade—

Just a downgrade—

> of America's credit rating, would have an enormous impact on Americans and on investor confidence—raising interest rates for everyone who borrows, undermining the value of the Dollar, and affecting stock and bond markets—and, therefore, dramatically worsening our Nation's already difficult economic circumstances.

Those are their words. Notwithstanding that, we continue to see our own well-being at risk.

This is one of those times where it is not cliche and it is not hyperbole to say that the whole world is watching, because the whole world has something at stake in what we do or do not do. For the world, there are serious consequences in that. As chairman of the Senate Foreign Relations Committee, I have heard from officials all over the world and global business leaders, and the message is always the same. They are watching in amazement, in puzzlement, and horror at what is going on in Washington. Our friends and allies, whose economic fortunes and economies are linked to our own, doubt us, and they are worrying about the impact of our dysfunction on their economies. Our economic rivals—believe me, our economic rivals—are laughing all the way to the bank. At a time of global economic uncertainty, we should absolutely not be adding to that uncertainty by failing to resolve our debt crisis. The International Monetary Fund is warning that actions still need to be taken to stave off contagion from Europe's sovereign debt crisis.

It is not insignificant that while HARRY REID has been busy trying to find Republicans to join Democrats in a bipartisan solution, Speaker BOEHNER was exclusively negotiating to end the civil war between the responsible and the unreasonable within the Republican Party. The Speaker negotiated with Republicans to make a bad bill worse.

I think the distinction between what has happened in the House and the Senate is a very important one in terms of where Americans are going to find a resolution to this challenge. Here in the Senate, we have been working day and night, talking with Democratic and Republican colleagues across the aisle in order to find a way forward. And for most of us—or at least many of us; certainly, a sufficient number to be able to pass a solution—for them, there are not any preconditions. Everything is on the table. But we are still facing the obstinate, ideological rigidity from House Republicans—House Republicans—who have threatened to take our Nation into default and downgrade the Nation's credit rating and do even more harm to a fragile economy simply to get their way.

So what is it that divides us right now? I think a lot of Americans listening to the debate probably have a serious question about: What is the difference between these folks? What is it that divides them?

Well, the Boehner plan, which was sent over here, had three fundamental problems in it that Democrats were unwilling to support.

First, it would force huge cuts in Social Security, Medicare, and Medicaid because of the structure and manner of the cuts they were demanding.

Second, it included a constitutional amendment provision which required that the constitutional amendment actually be passed within 6 months before the next debt limit could be raised. Because there is no certainty that would happen or could happen, it set up an automatic default. So the Boehner plan was setting up the U.S. Government to go right through this exercise again and have an automatic default.

Third, there was a timeframe in the Boehner amendment that required us to go back and visit this in February of next year, which would have meant the minute we come back in September, the entire Congress would have been consumed with the very same thing we have been doing now, which would not give certainty to the marketplace.

So it was not politics that prevented us from proceeding forward on the Boehner plan. It was the substance of that plan.

The Reid plan, which we are debating right now, which is on the floor, is a plan that because of the Republican insistence on no revenues has no revenues. Many people on our side of the aisle object to that. But we have accepted that is the price we need to pay as a matter of our compromise in order to get out of this crisis. So we have compromised on revenues.

It has cuts. All the cuts are cuts the Republicans have already voted for that, again, many of our folks do not like. But they have compromised, our folks, and they have provided the cuts that the Republicans asked for. Because it has a timeframe that goes until after next year, that means we will provide certainty to the marketplace and avoid a downgrade of our credit. The Boehner plan would guarantee a downgrade of our credit. So these are enormous differences.

Finally, the Reid plan provides a tight process, a plan that we know is familiar around here. Like the way we deal with military bases, we require votes. The votes have to take place, and we would be required within a very short number of months to deal with America's long-term debt and budget crisis, and people would have an ability to put their cuts on the table.

But we would also, we hope, have an opportunity to have revenues. That is the big sticking point here in the Senate. We need to know that if there is a trigger that is used in an automatic way in which money is going to be held back, that money has to be held back in a fair and balanced way. You do not just cut, you also have to have the possibility of revenue. Because if you do not have the possibility of revenue, then the side that only wants to cut can wait for nothing to happen and the cuts take place automatically. There is no threat to them. There is no leverage for them to come to agreement on the other things.

That is reasonableness, I believe. I think what we are looking for here is

reasonable. It is fair, and it is balanced. The House strategy has been essentially not to negotiate, not to negotiate.

We also know there are a lot of misstatements out here. Senator REID corrected one a moment ago about a deal. In addition to that, we keep hearing people say that there is no plan, that the President does not have a plan, that nothing has been reduced to writing.

Well, as Senator Moynihan used to say here: Anybody is entitled to their own opinion, but they are not entitled to their own facts. The fact is, the President put a detailed plan for $4.7 trillion of cuts over 10 years with reductions in defense, and Medicare, Medicaid, Social Security, all on the table to find savings in those programs.

It is incredible to me to keep hearing people say there is no plan when there has been plan after plan. Chairman of the Budget Committee CONRAD has been warning us for years about this. He sought to get a bipartisan deficit commission created by the Senate. It could not happen because the Republicans blocked it. So what happened? President Obama appointed one of his own. It reported back. We still have not dealt with that.

Because the votes aren't there to support a simple increase in the debt limit, we've bent over backwards to find a compromise that links the debt limit to commitments on significant deficit reductions.

Back in February, the President offered a budget that included more than $1 trillion in deficit reduction. When Republicans said his budget didn't contain enough cuts, he came out with a new proposal two months later which provided a comprehensive, balanced deficit reduction framework to cut spending, bring down our debt and increase confidence in our nation's fiscal strength. This framework would have reduced the deficit by $4 trillion in 12 years or less and reductions would have been phased in over time to protect and strengthen our economic recovery and the recovering labor market. It contained a balanced approach to bringing down our deficit, with three dollars of spending cuts and interest savings for every one dollar from tax reform that contributes to deficit reduction. It called for $770 billion in non-security discretionary spending cuts, $400 billion security spending cuts, $489 billion in Medicare and Medicaid savings, $360 billion in other mandatory savings, and $1 trillion from tax reform. How could I repeat this proposal if it hadn't been written down?

After that was rejected, in his negotiations with the Speaker, the President put an unprecedented $ 4.7 trillion dollars of deficit reduction on the table, including painful cuts to programs millions of working Americans depend on, even cuts we Democrats hate as a matter of principle—and the President offered them along with closing wasteful corporate tax loopholes in order to achieve ''shared sacrifice.'' I believe it would have had significant support in the Senate—instead, House Republicans rejected it and walked away from the process.

The so-called ''Gang of Six'' in the Senate worked for months to strike a compromise that was balanced as well—it too could have won significant backing here in the Senate and was applauded by Senators as ideologically and philosophically different as me and the conservative senator from Oklahoma, TOM COBURN. For House Republicans, this too was unacceptable, because they believe there is not a single new revenue or tax savings that can be supported in the entire 72,000 page U.S. Tax Code.

Recognizing both the stakes for our country, the danger to the economy, and House Republican intransigence, Majority Leader HARRY REID has now offered approximately $2.2 trillion in deficit reduction without additional revenue, composed of cuts Republicans had previously supported. That too was rejected. The leader's proposal would give our economy the certainty it needs to create jobs today, not 6 months from now and it provides a certain process for Congress to do its work for the next 4 months.

Time and time again, I hear those absolutists criticizing the President and majority leader's handling of the situation. They ask what our plan is? Well, take your pick—we have offered compromise after compromise and every time they have said no.

No, the House Republicans would rather spend their time negotiating with themselves and criticizing other proposals than negotiating with Democrats or trying to show that they are willing to compromise.

Here in the Senate, Senator MCCONNELL offered a reasonable compromise that would get us past this hurdle. He proposed a path forward in good faith as way to provide stability for our economy and not have this saga continue. What did House Republicans do? They walked away from even a Republican proposal to ensure our nation didn't default and our economy wasn't hurt.

So what do House Republicans want? They want legislation called the Cut, Cap and Balance Act. It is so extreme that even PAUL RYAN's draconian budget wouldn't fit into its limits.

A week ago today, the Senate defeated the bad version—cut, cap and balance. This vote made it extremely clear that cut, cap and balance did not have a path forward, but repeatedly House Republicans push for it even though it has already failed in the Senate and the President threatened to veto it.

So when the talk of the ''grand bargain'' failed, what did the House Republicans do? They further entrench themselves in an extremist position and turn to a new way of passing cut, cap and balance. Have they tried to find a way forward to reaching a real compromise? No, they continue to negotiate among themselves.

And their current refusal to negotiate across party lines flies in the face of the very Republican principles they have espoused.

Why do we oppose the Boehner plan? Because the experts have said that Boehner's plan could trigger many of the consequences as default itself—including a surge in interest rates that will hurt every American with a mortgage, a student loan, a car loan, or a credit card—because it would make passage of a balanced budget amendment a condition for increasing the debt ceiling in 6 months. In other words—automatic default if they don't get their way. Since there is not two-thirds support in the House and Senate for this amendment, it guarantees default.

Bruce Bartlett, a former economic adviser to President Reagan said:

> This is quite possibly the stupidest Constitutional amendment that I think I have ever seen. It looks like it was drafted by a couple of interns on the back of a napkin.

Mr. President, that is President Reagan's adviser.

Just the other day, my friend and colleague Senator MCCAIN stated that thinking a balanced budget amendment can pass—''is worse than foolish.'' He went to say:

> That is not fair to the American people to hold out and say we will not agree to raising the debt limit until we pass a balanced budget amendment to the Constitution. It is unfair. It is bizarrro.

We can't do this. We can't keep going down this road. This stalemate cannot stand. It is time to for us reach across the aisle. Senator REID's plan tries to do that. It doesn't touch the Republican holy grail of revenues. Not a dime. And 100 percent of the spending cuts in Senator REID's deficit reduction plan were supported by Republicans. They were included in proposals from Speaker BOEHNER's plan, House Majority Leader CANTOR, and House Budget Committee Chairman RYAN. Just last night, Senator REID amended his plan to include Senator MCCONNELL's provision to give the President the authority to increase the debt limit in steps. This gives Members of Congress the chance to register disapproval for increases in the debt limit. This is yet another compromise by the Democrats.

So I think there has been a great effort by Democrats to make changes to deal with the Republican objections. I would ask, what is the single Republican concession? What is it they have given as a matter of compromise? Nobody can tell you that because there has not been one. In fairness, in the Gang of 6, a great group of Republicans joined with Democrats, and they did make a concession, and they took political risks. They went out and said: Yes, there have to be cuts, but there also have to be revenues. I applaud those Republicans who joined in that effort. That is what we need to find here now. That is the way we are going to make the difference here.

It is the place to start a compromise but it takes two sides to compromise. And it takes both Houses of Congress to pass a bill. It shouldn't be this difficult for Congress to do its most fundamental job under the Constitution and preserve the credit rating and reputation of the most powerful nation on Earth.

And it doesn't take an amendment to the Constitution for us to balance the budget either. It takes the courage of our convictions. We have been here before. In the 1990s, our economy was faltering because deficits and debt were freezing capital. We had to send a signal to the market that we were capable of being fiscally responsible. We did just that and as result we saw the longest economic expansion in history, created over 22 million jobs, and generated unprecedented wealth in America, with every income bracket rising. But we did it by making tough choices. We cast tough votes and some Senators even lost their seats but they committed the country to a path of discipline that helped unleash the productive potential of the American people. Working with Republicans, we came up with a budget framework that put our Nation on track to be debt free by 2012 for the first time since Andrew Jackson's administration. It didn't take a constitutional amendment—it took courage.

Mr. President, we can do that again—if we get real. If we get serious. There is a bipartisan consensus just waiting to lift our country and our future if Senators are willing to sit down and forge it and make it real. If we are willing to stop talking past each other, to stop substituting sound bites for substance. If we are willing finally to pull ourselves out of ideological cement that has been mixed over in the House.

I believe we can compromise. I think the only place to resolve this crisis is in compromise.

I believe I have additional time, but I wanted to know where I am with time. I will wrap up very shortly.

As we know, it takes both Houses to pass a bill. It should not be this difficult for Congress to do its most fundamental job under the Constitution. It does not take an amendment to the Constitution to balance the budget. How could I say that? Because in the 1990s, we balanced the budget. We created 23 million new jobs. We raised the income of everybody in America. And the fact is we did what was necessary to put us on a track to pay down the debt of our country by 2012. We sent a signal to the marketplace.

We can do this again if we get real, if we get serious. I believe there is a bipartisan consensus here in the Senate waiting to lift our country and our future, if Senators are willing to sit down and forge it and make it real, if we stop talking past each other. The world's most deliberative body could become that again. But the reason it is not viewed as that today is not that the institution itself has failed; it is not that it cannot be deliberative. It is because the people in it have not yet decided to live in the tradition of those predecessors who earned the reputation for this institution. It is because, unlike the years when I first came here in the 1980s, some have decided to use this institution for a 24/7 365-days-a-year campaign, to make everything that happens here the prisoner of ideology and politics rather than the instrument of debate and decision.

I think it would do us good to remember that until recent history, this institution has been the birthplace of compromise and delivered some of the great legislative achievements that have reshaped our Nation out of compromise, bipartisan compromises here in the Senate—the passage of the Social Security Act of 1935, the Civil Rights Act of 1964, the Voting Rights Act of 1969, the creation of Medicare in 1965, Social Security reforms of 1983.

We all know that during the Constitutional Convention, Roger Sherman and Oliver Ellsworth of Connecticut developed a bicameral legislative structure that broke a deadlock, and it created—it is in the Constitution. It is why we have a Senate and a House today: compromise.

Everyone who remembers the history books remembers the Compromise of 1850 drafted by Henry Clay that diffused a 4-year confrontation between the slave States of the South and the free States of the North. Even in our most difficult moments, we have been able to find a way to compromise.

In the end, it is people who define this place. It is we Senators. And in my conversations with colleagues on the other side of the aisle, I am convinced there are plenty of people here who are prepared to reach across the aisle and prove that the United States and the U.S. Senate can live up to this moment. I believe that in the next 48 hours the Senate will prove our ability to live up to our constitutional and our personal responsibility.

The PRESIDING OFFICER (Mrs. HAGAN.) The Senator from Iowa.

Mr. HARKIN. Madam President, how much time is remaining?

The PRESIDING OFFICER. There is 11 minutes remaining.

Mr. HARKIN. Madam President, I will take 11 minutes. I ask unanimous consent that when the time comes back on the Democratic side, I be granted an additional 5 minutes.

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

Mr. HARKIN. Madam President, I would like to remind the American people why we are in the midst of the present crisis, days away from when the United States of America, the wealthiest Nation in the world, will not be able to pay its bills. Let me be clear. The Senator from Oklahoma earlier had a chart up saying we are broke, broke, broke. We are the wealthiest Nation in the history of the world. We have the highest per capita income of any major nation in the world. If we are so rich, why are we so broke?

The issue here, despite what some may suggest, is not about new borrowing or new spending; it is about paying the bills for what we have already incurred. Yet the Republicans, after running up a huge credit card bill under George Bush, do not want to pay the bills. As every American knows, if you use your credit card, you run up debt, and you have to pay the bills. And throughout American history, whether a Democratic or Republican Congress or a Democratic or Republican President, that is what we as a nation have done.

On this point, it could not be more clear than this letter to Senator Howard Baker from President Ronald Reagan:

> The full consequences of a default or even the serious prospect of default by the United States are impossible and awesome to contemplate. Denigration of the full faith and credit of the United States would have substantial effects on the domestic financial markets and on the value of the dollar in exchange markets. The Nation can ill afford to allow such a result.

President Ronald Reagan, 1983. It can't get much clearer than that. However, today Ronald Reagan would find himself losing in a Republican Party primary because he would not be pure enough for the tea party.

Because Republicans in the House are unwilling to do what even Ronald Reagan said needs to be done, we find ourselves in the midst of a manufactured crisis—a manufactured crisis—one without precedent: one House of Congress willing to jeopardize the economy of the United States unless the country capitulates and accepts policies that otherwise do not enjoy majority support, policies that could not pass the Congress, policies that would be vetoed by the President. This is simply unprecedented.

I believe this unprecedented action requires an unprecedented response. As at other critical junctures in our history, the President must act boldly to protect our Constitution and, more important, our country. The Constitution never envisioned that one House of Congress would willingly destroy the economy of the United States in order to obtain policy objectives it could not achieve through the normal legislative process. Yet that is the situation in which our Nation finds itself.

The legislative process is hard. It is frustrating. Trust me, there are many ideas and proposals I have fought my entire career on to become law, and they are never the way I envisioned starting out because you make compromises along the way. Yet rather than engaging in the hard work of persuading the American people, persuading a majority of the House, persuading a majority of the Senate, persuading the President—a task which often takes years and multiple elections—the House Republicans want to short-circuit the legislative process by holding the economy hostage.

For example, if the Republicans in the House put forward a bill to eliminate Medicare, it would not get anywhere. Yet, with their cut, cap, and balance budget amendment, it would shrink the government to the size it was prior to Medicare even taking hold, and that would mean we would have to do away with Medicare. However, that could never pass here on its own.

Likewise, I read that Speaker BOEHNER recently suggested to the President that the House would vote to allow the United States to pay its bills if the President would agree to repeal health care reform—in other words, take health insurance away from 30 million Americans and allow health insurance companies to deny coverage based on preexisting conditions.

The House could never achieve these policy objectives through the normal process, so they hold the economy hostage. Think about that. This is not just the attitude of the Republican Party with respect to the debt limit. The Republican Party has adopted an entirely new approach to democracy that is wholly undemocratic. If they cannot win elections or win the court of public opinion, they insist on holding the country hostage.

The minority leader has been frank about this approach to governing. In a recent speech about a balanced budget amendment, the minority leader of the Senate, the Republican leader, said the following:

> The time has come for a balanced budget amendment that forces Washington to balance its books. . . . The Constitution must be amended to keep the government in check. We've tried persuasion. We've tried negotiations. We've tried elections. Nothing has worked.

Say again? Say again? We have tried elections, and nothing has worked? What is he implying?

Furthermore, I would say to the Republican leader, we had surpluses in 1998 and 1999 and 2000 and 2001. We had 4 years of surpluses. Yet, somehow, ''We've tried elections. Nothing has worked.'' Is he implying that somehow we need to have another course of action outside of elections, outside of persuasion, outside of negotiation?

President Bush's former speech writer, David Frum, recently commented on increasingly absurd and unrealistic demands put forth by House Republicans before they will agree not to destroy the American economy. He noted:

> Why doesn't the new Boehner bill just require Obama to resign in favor of a Republican before the second debt ceiling increase? Tidier.

Sadly, that is not too far from the truth. In the face of this radical—radical and cynical—approach to governing, we are faced with a manufactured crisis. Indeed, the ramifications for our economy, for our middle class, indeed for America's ability to trust and believe in their government—the stakes could not be higher.

In response, in the absence of a balanced approach that could be agreed upon broadly in the Senate and the House, I believe the President must act boldly. He must carry out his constitutional duty to honor the commitments the U.S. Government has made. I believe the President, under the 14th amendment of the Constitution, must honor the obligations of the U.S. Government.

As the Supreme Court noted in Perry v. United States, Chief Justice Hughes' opinion:

> The fourteenth amendment, in its fourth section, explicitly declares: The validity of the public debt of the United States, authorized by law, . . . shall not be questioned. While this provision was undoubtedly inspired by the desire to put beyond question the obligations of the government issued during the Civil War, this language indicates a broader connotation.

Chief Justice Hughes goes on to say:

> The Constitution gives to the Congress the power to borrow money on the credit of the United States, an unqualified power, a power vital to the government, upon which in an extremity its very life may depend. The binding quality of the promise of the United States is of the essence of the credit which is so pledged. Having this power to authorize the issue of definite obligations for the payment of money borrowed—

Listen to this—

> the Congress has not been vested with authority to alter or destroy those obligations.

One more time. Congress has unlimited power to borrow, but ''the Congress has not been vested with authority to alter or destroy those obligations.'' I do not think it could be more clear. It could not be more clear. Congress has not been vested with the authority to alter or destroy the Nation's credit obligations. Of course, that means the Congress cannot through its actions repudiate the Nation's debt, but it also means, through its inaction—failing to raise the debt ceiling—it cannot repudiate our country's obligations. Thus, rather than somehow prohibiting the President from taking action to protect the full faith and credit of the United States, as some have suggested, I believe the clear reading of the 14th amendment, as supported by Perry v. United States, I believe the President is obligated—obligated—to ensure that, in the words of the 14th amendment, the public debt not be questioned.

I know legal scholars have spent some time in recent weeks debating the meaning of the 14th amendment with respect to the debt ceiling. But where there is debate on the meaning of the Constitution, where there is no precedent, where the courts have not weighed in, where under our system of government we cannot just walk across the street to the Supreme Court and ask them for an advisory opinion, I want to remind the President that the Constitution does not belong to law professors, it does not belong to political pundits, it does not belong to columnists; rather, it belongs to the American people. And you, Mr. President—you, Mr. President—have been entrusted by the American people, in a very clear election, as it says right here in the Constitution, ''to faithfully execute the office of the President of the United States and to the best of your ability, preserve, protect and defend the Constitution of the United States.''

So the 14th amendment makes clear the full faith and credit of the United States cannot be destroyed. The only case on point ever decided by the Supreme Court said the Congress cannot alter or destroy those obligations—cannot. So if the Congress, through inaction—through inaction or action tries to destroy or alter those obligations, I believe it is incumbent upon the Chief Executive to exercise his authority—to exercise his authority—to make sure the full faith and credit of the United States is not jeopardized—is not jeopardized.

The President should use his authority to do so.

I will give you three examples where there is no precedent, where there is no clear authority in the Constitution, but where the President exercised that kind of authority.

Thomas Jefferson purchasing the Louisiana Purchase.

In Thomas Jefferson's letter to Senator Breckenridge, he agonized over whether he, as President, had the authority under the Constitution to consummate the treaty for the purchase of the Louisiana Territory. But in the end—he even said in his letter that perhaps we need a constitutional amendment to go to the Congress and the States and be ratified before I can do this. But in the end, he realized that would take a long time, it might fall through, and all kinds of bad things would happen. So even one of the Framers of our Constitution, Thomas Jefferson, took action even though there was no clear authority in the Constitution for him to do so. In fact, Members of the House went after him for it. But he decided it was better, as he said, to ensure the future benefits of the United States rather than some minor violation of the Constitution.

A second example: President Lincoln signed the Emancipation Proclamation. There was no authority whatsoever for him to do that, but he did it, even though some people, at that time, went after him because he didn't have the clear authority in the Constitution to do so.

A third example: Franklin Roosevelt and the lend-lease program in Great Britain to make sure they could fight off the Nazi invasion of Great Britain, a clear success. Franklin Roosevelt wrote that he didn't think that was probably constitutional, but he instructed his Attorney General—he gave his own Attorney General a legal opinion, from the President, saying that the country needed to have this done. He went ahead and did it. Again, some people took after him on it, but we all realized it was the right thing to do for the survival of our own country.

Those were just three instances—three big ones—where, again, there was no clear authority by the Constitution but no prohibition in the Constitution for the President to do so, and where the vital security of the United States was at stake.

I will close on this: I believe this is just like those times. The security and the future improvement of the United States and future generations depends upon the President taking this action boldly and forthrightly to preserve the integrity and to make sure the obligations and the full faith and credit of the United States is not questioned.

I yield the floor.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Madam President, I wonder if I may ask how much time is allocated. We are a little out of kilter with the allocation of time. How much time do I have to speak? I want to make sure my colleagues have sufficient time to speak also.

The PRESIDING OFFICER. Under the previous order, the Republicans control the next 24 minutes.

Mr. COATS. I will not begin to use that amount of time. I think I can use 10 minutes or less, and I will leave some time for my colleagues.

I can't count how many times I have been here speaking about the same subject, but this subject occupies all of us and it has done so for this entire session of the Congress.

Three days are left until we reach that date on which the White House and the Treasury has said we will default. Right now, we are debating on a Saturday night over a bill that has already been defeated in the House of Representatives by a substantial vote, including with Democratic support. We are debating a bill tonight that we know will not pass here. The irony of being charged with filibustering the majority leader's bill, the Reid bill, is somewhat bizarre given the fact that Republicans are willing to give Senator REID and the Democrats a vote on this bill as soon as they want it. It has been going on now for many hours. I think everything that can be said for or against this bill has probably been said. Nevertheless, the majority leader himself objected to our offer to stop talking on both sides and get to the vote. That is where we are.

I have been talking for some time now about the fact that the current fiscal crisis the United States faces demands Congress to recognize seriously the enormity of the problem and come forward with a bold plan. We need a bold plan to begin to address, over a period of time, what is necessary to assure the financial markets and the American people that we understand the plight we are in; that we have taken not only rational steps but significant steps to address the problem we are in; and that we are willing to put comprehensive plans in place to get us on the path to fiscal health.

Yet here we are, and after months of debate, we are now debating over just a small step forward, which, in my opinion, will not begin to satisfy the serious problems we have. A small step will not begin to satisfy all of those who are concerned about whether we truly grasp what is necessary to be done; whether we truly understand that we need to send a signal to the financial world, to the world itself, and to the American people, that we have taken the necessary steps to put our country on the right fiscal path.

Now, it is clear, and it has been said so many times, that our spending addiction has become much worse in the last 2½ years. We have seen a 24-percent increase in non-defense discretionary spending under the Obama administration. We have seen a staggering increase in the debt from $10.6 trillion on Inauguration Day to $14.3 trillion today—a $3.7 trillion increase in just a 2½-year period of time. Clearly, these attempts by the President to address our economy have not succeeded. The President's stimulus plan cost an additional $862 billion, and we haven't seen an economic stimulus. The latest reports are staggering to all of us as we find out that our growth in the first quarter of this year was far under what had been projected and had been calculated initially, and unemployment is not going down. People are out of work.

Clearly, we need to make significant strides forward. I will not go into all of the details of the flaws of the Reid plan. It has been talked about, and it was soundly rejected by the House. We know it will not achieve the necessary number of votes to go forward, but we are debating it.

I want to talk about the larger question, which is, are we going to take significant steps to put us on the right track, or are we going to compromise to the point where the rating agencies, the financial world, and even the American people look at it and say: Is that it? Is that all you can do?

What is interesting is that my colleagues on the other side have talked about a compromise. They say we should move to the middle. But it is like taking a scale of 10 and reducing it down to 4, and instead of a compromise being 5, they have lowered the top line to 4 and said we need to get down to 2 or 1½. And if we are not willing to go that far, then they say we are not willing to compromise. That is distorted logic.

More important, it is logic, or illogic, that is driving us to an incomplete solution to a very real problem. It doesn't take much to understand how this is being viewed. Just in the last couple of days, the New York Times ran a headline basically saying "Recovery Still Slow and New Data Show Little Growth Ahead."

The Washington Post has a headline, "A Stranglehold on our Domestic Policy," by Michael Gerson, who used to be one of my staff members.

There is another one by Robert Samuelson, "Why Are We in the Debt Fix? We Have to Address Healthcare Spending." The Wall Street Journal reports, "U.S. GDP Grows just 1.3 percent." On and on it goes.

My own view of this—which is not because I am a brilliant economist, I am not; and not because I am a financial analyst, I am not—but I have talked to dozens of people who don't have political skin in the game but simply have analyzed this in an objective way and indicated that, unless we come forward with something close to—actually something above a $4 trillion limit in spending reductions over a decade, combined with a path to entitlement programs restructuring and curbing excessive mandatory spending, combined with an overhaul of our complicated Tax Code to make American businesses more competitive and spur economic growth, we will not be addressing the problem.

So the problem is that too many people are thinking that if we just end up with this compromise, if one side or the other will move just a little, we will be able to increase or avoid default on the debt limit, and we will have addressed the problem.

For those who say this is just step 1, and we can address it in step 2—the balance we weren't able to do here—I don't think the American people have much confidence in that. I don't think the American people have much confidence when we say we will have a group of Senators and Congressmen, on a divided basis of Republicans and Democrats, sit down and then report something to us and that will solve the problem.

The difficulty there is that those are the same people here who have not been able to solve it in 7 months of debate—sometimes with Democrats and Republicans engaging in those debates. I don't think it is going to be solved because we may arrive very much at the same stalemate that has arisen after these 7 months of debate, partly because there are two visions in place here. I think what this debate is all about is this: what is the proper role of the Federal Government, and what can the Federal Government afford to do and not afford to do?

On the one hand, we have people who say government has grown too big. Republicans are saying we cannot afford big government anymore, and it is hurting the economy. That is a vision for the future that is very different from our colleagues across the aisle, who basically see government as much more engaged in the process and don't want to cut back on a number of programs and a number of initiatives and policies that have been put into place over the years.

It is not quite that clearly divided by this aisle. There are people on both sides who have shades of one way or shades of the other way. But the reality is, if we look around the world and look at models as to what makes economies flourish and what makes governments financially stable, we see

that an overgrowth of promises—overpromising Parliaments and Congresses—finally bridges us to the point where we no longer can afford what we have promised people. That is where we are now.

Without putting those practices into place, I fear that whatever we do will not be sufficient. We will get the downgrade anyway, and we may get a precipitous action that puts us in a far more difficult situation than it would have been had we come forward with something significant now, at a level in which those who are analyzing this say we have it, the U.S. government is serious about it, they have locked it in and made sure it can't be overturned, and injected certainty into the future. Even though some of that certainty is painful, it will be rewarded, I believe, with support because it is sufficient to take the necessary first steps.

Knowing we are 3 days away from default, I propose that if we can't come to agreement on something sufficient, we should provide an extension, short-term, whether it is 4 weeks, 6 weeks, or 8 weeks, guarantee that we will not default with the amount of money on the increase in the debt ceiling, in return for an equivalent amount of spending cuts. This would give us some time to come together and do what I have outlined—or something close to it—so that in the end we do not have an immediate default, and we do have a commitment to go forward and put something of substance in place and give it one last shot.

Maybe I am a starry-eyed optimist. Maybe I am just hoping that whatever we do can be built upon and brought to the point where it will become effective, rather than fearing that what we do will be relegated as a step far too short to address the problem of our time.

Madam President, I wish we had done more. I think we still can do more. But decisions have to be made in a very quick matter of time, whatever we do. Even if we end up passing something that is insufficient, I hope we will start work the very next day on addressing the real problems that we face and putting something into place that will restore confidence and ensure that America is not going to become a second-rate nation; that we are not going to see a devaluation of our dollar and a loss of confidence in the American people, investors, and the world. I hope we put something in place that ensures America will still be the place to do business, to live, to prosper, and to have a safe haven for funds.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. PORTMAN. Madam President, I appreciate the comments of my colleague from Indiana whom I heard a moment ago. I think he is absolutely right. We have deeper and more important problems we need to address, along with the important decisions we make over the next 24 hours on the debt limit. It is necessary to extend the debt limit, but it is not sufficient. We also have to deal with these underlying fiscal problems, and I think my colleague from Indiana stated that well.

I rise to talk about the debt limit proposal and how we can provide a pathway forward on a bipartisan basis—again, not just to solve this immediate problem that confronts us but also to deal with these deeper and very serious problems we have with our fiscal deficits and a weak economy. It may be good to start by asking why we are here. We are here because we have a law that says the U.S. Government can borrow only so much. The law says the U.S. Government can borrow only up to $14.3 trillion.

That is a lot of money—$14.3 trillion. It is approximately 95 percent of our economy. This is unprecedented, of course. We have never had debts at this level before. Many economists look at this and believe it is already having a very negative impact on our economy to have this huge debt out there because it affects the private sector. But we have come to this $14.3 trillion limit, and now, in order for government to continue to provide everyday government services, benefits to our troops, veterans, Social Security, and so on, the limit needs to be raised.

The Federal Government now borrows more than 40 cents of every $1 that is spent. It seems to me only common sense that when we have maxed our credit card, which is what the Federal Government has done, and when we have this deep underlying problem of these huge deficits—$1.4 trillion this year, a record level also—and mounting debt, we should deal with the underlying problem before we extend the credit card limit. So that is why we are here.

I think it is an appropriate debate. I wish it could have been resolved sooner. I think it can be resolved over the next day or so, but I think it is an important discussion we have to have. The President has made it clear he would like the debt limit increased, and he would like it increased high enough to last through the 2012 election. Interesting, because election day is not part of the economic calendar. It is not the end of a fiscal year. It is not the end of a calendar year. It is the political calendar. It is unfortunate during this time of such budgetary uncertainty, we seem focused on political deadlines.

Meeting this request the President has made—that it be extended until beyond the election—would be the largest debt increase that has ever been approved by the Congress. It would be over $2 trillion. So, again, I think it is appropriate we have this discussion before we agree to the largest debt limit increase in the history of our country. We have never raised the debt limit that much at one time before.

The President also says we need to do this because the markets want the certainty that a long-term debt limit increase will provide. I think there is something to that, in the sense of market certainty. If there could be a longer debt limit increase, I suppose it would add to market certainty. But markets don't just want a solution to this debt limit issue. In fact, I would argue what they want even more is a solution to the soaring debt itself, and this is not based on conjecture, it is based on looking at what those who are analyzing our economy say.

We have all heard about Fitch, Moody's, and Standard & Poor's. These are the credit agencies a lot of people have been talking about. They are the ones threatening to downgrade our debt. They say we should extend the debt limit, but they also say that is just the first step; that we also have to deal with the underlying fiscal problems in our country or the downgrade will occur. They want a serious commitment to reining in the spending spree that has buried us in debt in the first place. So this has to be dealt with.

A friend of mine, Keith Hennessey, sent me an e-mail tonight, and he had an interesting way to put it, for people who follow the financial markets. He said: We face both a liquidity crisis right now—which is that the Federal Government can't borrow to meet its needs—but we also face a solvency crisis—which is that the accumulation of the Federal Government deficits into the debt are at historic levels, and already harming the economy in very significant ways. So we need to deal with both.

One way to show this commitment to the solvency problem—to the debt problem—is to be sure we guarantee $1 in spending cuts for every $1 we raise the debt limit. There is a formula that was laid out several months ago by Speaker BOEHNER, and I think it has been widely agreed to. We will see it in what Majority Leader REID has proposed. As we will talk about in a minute, unfortunately, some of the budget savings he thought were there, based upon the Congressional Budget Office analysis, are not real cuts, but that was the formula he used. The President has also talked about this formula, and I think it is widely agreed we need to be sure we are only extending the debt limit to the extent that we are reducing spending. So if it is going to be over $2 trillion of debt limit extension, we need to find $2 trillion in spending reductions over time.

It is interesting. As I have analyzed how this formula would work over time, it actually makes sense for our economy. If we raise the debt limit $1 but also cut $1 in spending, it not only helps us in the short term but over a 10-year period, what the CBO tells us in terms of what the debt is likely to be, just about at the 10th year we would actually balance the Federal budget. We will not get rid of the debt—the debt will continue to grow all during that time period, unfortunately—but there would actually be, at the end of that process, an annual balanced budget by repeatedly applying that formula

every time we need to raise the debt limit.

I don't think that necessarily was the intent when the formula was derived, but it is interesting that it is a formula that makes sense to get us to, at least over 10 years, the point where we are not spending more than we are taking in. Given that the President and the majority leader would like to see a debt increase of over $2 trillion, and Republicans—and even many Democrats—want to be sure there is an equal size spending cut, it seems to me there is an obvious way forward.

We can raise the debt limit for this extended period of time, but we have to require equal spending cuts, and they have to be real. If they are not meaningful and credible spending cuts, then we will have the same negative economic consequences we have been talking about tonight: The credit agencies will downgrade our debt and we will have higher interest rates, which will affect every American family—student loans, credit card loans, certainly our mortgages. It will affect small businesses trying to get credit and that are trying to hire people. If you have a car loan, it will affect you. It affects the entire economy. So we have to deal with this issue in a real way, in a way that is credible and meaningful.

Unfortunately, the proposal that Majority Leader REID put forward, which was intended to meet this formula we have talked about—$1 spending cuts for every $1 in increases—has some spending cuts that do not meet that standard of being credible and meaningful. The biggest one is about $1 trillion in what is called the global war on terrorism spending reduction.

A little background on this. When we are writing the budget baseline, the Congressional Budget Office says we have to assume all the discretionary spending that is happening now will continue into the future. So they assume, for the next 10 years, we will spend about $150 billion a year on the wars in Iraq and Afghanistan. But nobody believes or hopes that will happen. It has not been requested by the President. No one intends to spend that money. In fact, the President's own budget assumes that instead of the $1.7 trillion that would be spent over the next decade, we will spend about $600 billion. That is what the President's budget says. That is what people assume. This means Senator REID's proposal to take credit for cutting an additional $1.1 trillion that is not going to be spent anyway is not going to be viewed as a credible proposal. Why? Because it is money that is not planning to be spent.

It is a little akin to a family saying: Let's assume we are going to take a vacation we are never going to take, and it is going to cost us $10,000 and then saying: We saved $10,000 on our budget.

I wish it weren't so. I wish the $1.1 trillion was a credible spending reduction we could rely on. But the Washington Post, the Wall Street Journal, and many other observers have looked at this and said: Frankly, it is not a meaningful reduction in spending. So there are some meaningful reductions in spending in the proposal of the majority leader, but this particular one, unfortunately, is a big part of what he has proposed. Out of his $2.7 trillion in cuts, about $1.1 trillion is this proposal on the wars in Afghanistan and Iraq. We might hear it referred to on the floor as the OCO spending—overseas contingency operations.

I think one thing we should do as a Congress is make sure these cuts are meaningful and credible, and we can do that.

Second, let's expand this initial round of spending cuts. Right now, if we take out the war spending we just talked about and then look at the Congressional Budget Office's score of the majority leader's proposal, the cuts are just under $1 trillion. It is still a substantial, and I think a credible, proposal of just under $1 trillion, but that is all that is guaranteed. However, Washington is scheduled to spend about $46 trillion over that same period—the next decade. Think about that: $46 trillion and increase spending, by the way, by about 57 percent during that time period.

I think we can do a lot better than just cutting $1 trillion over the next 10 years, and I think we can do it in a bipartisan fashion. I say that because I have identified $2.8 trillion in spending reductions that have been agreed to by some bipartisan process.

The Biden talks, the Gang of 6, the President's fiscal commission, and some of the President's own discussions specifically came up with some spending reductions in addition to this $1 trillion. So my hope is, we can take some of these spending cuts that have been agreed to through some bipartisan process and apply them to this initial package.

Finally, Majority Leader REID and Speaker BOEHNER's proposals both have this deficit reduction committee. It is an approach which makes sense, to be sure we get at the longer range problem, which is our unsustainable—very important but unsustainable—entitlement programs; tax reform, which will help stimulate more economic growth; and budget reform, which is clearly needed.

I have been here 6 months. We have done nothing on a budget. In fact, the Senate hasn't done a budget in 2 years. It sounds like we are in need of some reforms to make this place work. So this committee makes sense.

The majority leader calls for the committee to reduce the budget deficit to 3 percent of GDP. I think that is an interesting proposal. I think we need to be sure we know how long it would take to reach that level and how long we should maintain it, because there is no timeframe in his proposal.

So 3 percent of GDP, does that mean we would wait until a certain time period and, say, if it is a 10-year proposal, the ninth year or tenth year and suddenly make those reductions? If so, the reductions would not be nearly as significant.

Instead, we should put a timeframe in place, 5 years or 10 years—I would prefer 5—and say that there will be reductions starting in the first fiscal year to meet the 3-percent target. If you don't do that, then over that period of time, 5 years or 10 years, we will not see the kinds of reductions in spending that I think Majority Leader REID wishes to see and I know that many of us here on this side of the aisle believe are necessary.

Eventually, we have got to balance the budget, as we talked about earlier, and it needs to be something within the 3-percent committee that leads us to that.

Also, under the majority leader's bill, there is no requirement to actually enact any of the deficit reduction committee's reforms. I think he has a very interesting proposal in terms of having an expedited process on the floor, an up-or-down vote, no amendments. I think that is smart. But if the deficit reduction committee deadlocks or if the deficit reduction committee fails to get the votes here on the floor of the Senate, there needs to be some mechanism, a fail-safe mechanism or so-called trigger for accomplishing dollar-for-dollar cuts.

The House plan responsibly makes much of this debt limit increase contingent on the cuts being actually approved and signed into law. If the President and Majority Leader REID want the entire debt limit increase now, we would need some guarantee that this deficit reduction would actually take place. A commonsense compromise would be to add sequestration language, meaning you sequester across the board all spending, if the deficit reduction doesn't work, deadlocks, or doesn't pass on the floor even under these procedures. I would say you could limit that sequestration to the size of the debt limit increase, not even the size that Speaker BOEHNER has, which was $1.8 trillion, or Leader REID I think assumes, which is even higher than that for his debt reduction committee, but just be sure it meets this formula of $1 spending cuts for every $1 of extension for the debt limit. That seems to be the kind of proposal that, at this late hour, could be agreed to and certainly should be.

Sequestration, by the way, is not a new concept. It has enforced nearly every budget reform law of the past 20 years in the Congress. It can guarantee that, one way or another, we will receive the deficit reduction equal to the debt limit increase, which is, again, the intent by Majority Leader REID, Speaker BOEHNER, and others.

Finally, I think we need to allow the Senate to vote on a balanced budget amendment. Let's have a vote. Leader REID has talked about that, Speaker BOEHNER has talked about that. I think it is important to provide the representatives of the American people

the opportunity to have an up-or-down vote on a balanced budget, or in many forms of a balanced budget, because there are different iterations of a balanced budget.

It seems this path forward should be able to satisfy both sides. The President and the majority leader would get the larger debt increase limit they want; there would be guaranteed deficit reduction necessary to begin fixing the budget and assuring financial markets that we are up to the task.

I think when you look at the various options we have before us, there is a way forward here. There is a way forward that says, Let's ensure that we have this upfront spending; let's remove the global war on savings gimmick; let's strengthen the initial savings, provide guarantees that this deficit reduction committee will actually work; and then let's have a vote on the balanced budget amendment.

Finally, I have heard the President talk about the importance of having a debt limit increase because of the market uncertainty in the economy. I agree that we need to do everything we can to stimulate this economy right now. We had bad news this week.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PORTMAN. I ask unanimous consent for 30 additional seconds.

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

Mr. PORTMAN. However, again getting back to our earlier discussion, if we simply extend the debt limit and don't deal with the underlying issue of our fiscal problems, what we called earlier the solvency crisis, we will have these same negative economic consequences.

With low growth in this quarter and, unfortunately, high unemployment over 9 percent, we need to do everything we can to encourage pro-growth economic policies, including tax reform, as we talked about, as well as using the energy resources we have in this country, regulatory relief, and, yes, dealing with our debt and deficit.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Madam President, I rise to speak on the Reid amendment.

First of all, I am sorry we are engaged in a filibuster. We are using parliamentary procedure in a way that only delays us taking votes. We are days away from default. We are days away from our bond rating being downgraded. If we fail to raise the debt limit, the United States of America will be irrevocably fractured. We cannot fail and we cannot falter. We must act, and we must act tonight.

Last night, the Senate rejected the Boehner plan because it wasn't a solution. It would lead us over the cliff because it did not meet certain tests. If the Republicans force us into default or downgrade, it will be the biggest tax increase on Americans. When interest rates go sky high, it will be a tax on Americans.

We know that we have to agree to additional spending cuts, but it has got to be long term. We have to have a path forward for eliminating tax earmarks and entitlement reform that does not lead to a stampede to shrink Social Security benefits or to raise the Medicare age.

Mr. BOEHNER took it upon himself last week to come up with a solution. He told the President he—Mr. BOEHNER—was the guy to do it. Well, he didn't succeed. His proposal was failed leadership and failed economics because it did not meet the threat to our economy from default and downgrade. Mr. BOEHNER insisted that there be a vote in December to raise the debt ceiling; that the House and Senate must pass a balanced constitutional amendment. That is false. In America we can guarantee a vote, but we can't guarantee an outcome.

Here are the facts: We will be downgraded if we don't take action or if action is not taken seriously. So we must have serious policy, we must have a pragmatic process to reform taxes, and also the way to deal with entitlements. Those who rate our credit, such as Moody's, said a short-term extension would lead to downgrade in credit. Under the Boehner proposal we would be downgraded immediately because of his criteria.

The Republicans' refusal to say yes to the $2 trillion spending cut that is proposed in the Reid resolution is mind boggling. We are agreeing to $2 trillion worth of cuts.

As a Democrat, as a New Deal Democrat, as a Fair Deal Democrat, I have now agreed to more cuts than I would ever do under any other circumstances. I have compromised. Other Democrats of my political persuasion have compromised. Where is the compromise on the other side? We need compromise, first of all, to get a vote, and then to get it done. I am scared that if we go into a default, interest rates will skyrocket. But the President is going to have to set priorities. Benefits will be affected.

Today I have a Marine Corps pin on. Why did I wear a Marine Corps pin? First of all, because of their words ''Semper Fi,'' always faithful. How about us? Why can't we be as good as the military we send into war? Those men and women are willing to put their lives on the line to fight and defend for democracy. Why can't we be willing to put our political careers on the line to fight and defend for democracy? I am willing to make the tough choices. I have already made a tough choice to support the significant and Draconian cuts in domestic spending with very little coming out of defense, but more should come. I wanted to get rid of sacred cows such as the ethanol subsidy, such as the oil and gas subsidy, those sacred cows that slurp it up and milk the public trough. But, oh, no. We couldn't go to revenues, we just had to go to cuts.

So guess what. Democrats have compromised. We have gone 80 percent of the way. Why can't they come the other 20 percent and say yes to REID? REID gives us a deadline through 2013, which provides the certainty that the credit ratings would like. We make a significant downpayment on reducing the debt, and we have a political process—and I am willing to put more teeth in it—a political process to get rid of tax earmarks. And that is what they are; make no mistake, they are tax earmarks for the pampered and the prosperous. I am ready to reform that and then take a look at entitlement reform.

I think the Reid proposal is the path forward. But I say, as we wrap up, could we put politics aside? Could we put partisan sniping aside? Could we not come together? We on this side of the aisle have made 80 percent of a compromise. We look to the other side to give us the other 20 percent. It will not be giving the Democrats that; it will be ensuring the solvency and security of the United States of America.

Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. SANDERS. Madam President, I ask unanimous consent the alternating blocks continue until 9 p.m. in the following manner: the majority controlling the time until 8:20 p.m.; Republicans controlling the next 30 minutes; and the majority controlling the remaining time.

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

Mr. SANDERS. Madam President, the tea party Members in the House have achieved a remarkable feat. As the New York Times put today:

> The scope of their victory in reshaping the debt ceiling bill to reflect the fiscal hawkishness of the most conservative House Members cannot be overstated.

In other words, despite Democratic control over the White House, despite Democratic control over the Senate, despite overwhelming opposition from the American people, a small minority of the Members of the Republican-controlled House have successfully pushed an extreme rightwing agenda onto the American political landscape. This rightwing ideology is a set of beliefs which represents the interests of the wealthiest people in this country and the largest corporations. It is an ideology which ultimately wants to destroy Social Security, Medicare, and Medicaid, and make devastating cuts in education, Head Start, environmental protection, nutrition, infrastructure, and every other program which protects the interests of working families and the middle class.

It is an ideology which believes that despite the fact that the rich are getting richer, the middle class is shrinking, and poverty is increasing, all of the burden for deficit reduction should rest on working people, despite the fact that in the last 25 years the top 1 percent has achieved 80 percent of all new income. But this rightwing ideology says we have got to cut back on education, we have got to cut back on

health care, we have got to cut back on Social Security, Medicare, Medicaid, and every other program a middle class and a working class, hurting desperately in the midst of this recession, depend upon.

In my view, this is an ideology which is grotesquely immoral and it is also bad economic policy. It has failed time after time, most recently during the Bush administration when, during his 8 years in office, we lost 500,000 private sector jobs, the worst job performance record in modern American history. It is an ideology which, in poll after poll, has been rejected by the American people.

For example, a few days ago a Washington Post poll came out, and 72 percent of the American people—and this is similar to every other poll I have seen—said that if we are going to be effective in dealing with deficit reduction, the most preferred way is to ask those people making more than $250,000 a year to pay more in taxes—72 percent of the American people.

The Republicans, on the other hand, have fought time and time again to say that the wealthy and the largest corporations, some of which make billions in profit, pay nothing in taxes. They are not to be asked for 1 cent of sacrifice in deficit reduction; just working families, just children, just the elderly, just the sick.

It seems to me in this very late date of this debate we face four options, none of which is particularly good.

The first option is what some of the rightwing extremists have wanted all along: Let us default. It is not a problem. So what if millions of Social Security recipients don't get their check. So what if veterans don't get the check they were promised. So what, if sick people who were dependent upon Medicare and Medicaid cannot get the medical help they need? No problem, let's default. Clearly, most of us understand that scenario would be a disaster for this country, for our economy, and, in fact, for the entire global economy.

The second option we are looking at is a bill that was passed Friday in the Republican House, the so-called Boehner bill. This bill would require massive cuts right now to a wide variety of programs and, most importantly, it would bring this congressional circus back into action immediately because within 6 months we would have to go over this debate once again. That is an absurd proposal. And included in that proposal, because they want huge amounts of cuts 6 months from now, no question, massive cuts to Social Security, Medicare, Medicaid—that is what the Boehner proposal is about.

The third option is the Reid bill. This bill, while by no means as destructive as the Boehner bill, is also bad news for working families. Because of the Republican commitment to the wealthiest people in this country and the largest corporations, it also would make heavy cuts on working families and not one penny of revenue coming from the rich and large corporations.

Let me discuss the one remaining option that seems to me to make at least some sense. It is not a great option but the best available. That has already been spoken about by my good friend TOM HARKIN. It seems to me that the least onerous option available to us today is for the President of the United States to exercise his authority under the 14th amendment to the Constitution to pay the debts incurred by the United States. The Constitution is very clear in saying that the debts of the United States ''shall not be questioned.''

The President swears an oath to protect and defend the Constitution, and many constitutional scholars believe the 14th amendment gives the President the authority and responsibility to pay our debts regardless of the dysfunctionality of the U.S. Congress. I think that is just what he should do if he is left with no other way to protect the full faith and credit of the United States.

I believe former President Bill Clinton is absolutely right in saying that if he were still in the White House, that is what he would do. Clinton said, and I agree with him:

> I think the Constitution is clear and I think this idea that the Congress gets to vote twice on whether to pay for expenditures it has appropriated is crazy.

Let me be clear about what exactly this means and why it is so important that the President use this amendment now, at this particular moment in history. Let's remember that the debt ceiling was raised 18 times under Ronald Reagan and 7 times under George W. Bush, when the national debt increased by some $5 trillion. If we concede to the rightwing Republicans and if we make all of these cuts right now because they refuse to raise the debt ceiling, this sets a horrendous precedent for the future of congressional action. What this would mean is that no matter what legislation and appropriations were passed by the future Congress, the new Congress could simply say: We refuse to pay those bills. This would cause massive uncertainty in the financial market, drive interest rates up, and cloud the entire legislative process of the U.S. Congress. That is wrong and must not happen.

I understand there are those who disagree with this option, and I respect that. But I think we have an obligation to our senior citizens and our veterans to say: Yes, you are going to get the Social Security checks and the other benefits you have been promised. We have an obligation to our children and to the sick that, yes, you are going to get the Medicare and Medicaid benefits you have been promised. Incredibly, we have an obligation to the men and women in our Armed Forces who are putting their lives on the line. We have an obligation to them to make sure they get paid.

If Republican recalcitrance prevents us from reaching an agreement, then the President of the United States must do what is best for our people and for the future of this country. He must use his constitutional authority under the 14th amendment to pay our debts.

I yield the floor.

The PRESIDING OFFICER (Ms. MIKULSKI). The Senator from California.

Mrs. BOXER. Madam President, how much time do I have under the order?

The PRESIDING OFFICER. There is 13½ minutes remaining on the Democratic side.

NATIONAL VETERANS WHEELCHAIR GAMES

Mrs. BOXER. Madam President, I ask unanimous consent that the Senate proceed to consideration of S. Res. 246, which was submitted earlier today.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

> A resolution (S. Res. 246) recognizing and commending the 2011 National Veterans Wheelchair Games, to be held in Pittsburgh, Pennsylvania, August 1 through August 6, 2011.

There being no objection, the Senate proceeded to consider the resolution.

Mr. CASEY. Madam President, I rise today in favor of this resolution to recognize the importance of the National Veterans Wheelchair games which will be held in Pittsburgh, PA, starting August 1. This resolution recognizes the great contributions that this event makes towards improving the lives of disabled veterans and commends the organizers of this event.

I am proud to welcome veterans from across the country to Pittsburgh, PA, this year as they participate in the 31st annual National Veterans Wheelchair Games. The games offer veterans with disabilities an opportunity to foster improved health through competition. Veterans can participate in 17 different events which include swimming, rugby, bowling, soccer and track and field events. These games have allowed for veterans, including those who have served in Operation Enduring Freedom and Operation Iraqi Freedom a chance to meet with other wheelchair athletes and to continue to use their athletic skills in competition.

Participants come from almost every State in the United States, from Puerto Rico and from the United Kingdom. They range from world class athletes to first time competitors. A quarter of the athletes will be participating for the first time.

As a Senator representing the Commonwealth of Pennsylvania, home to over 1 million veterans, the care and treatment of veterans is one of my highest priorities. I firmly believe that this country must be grateful for the safe homecoming of every single man and woman who has served in harm's way. Our joy at their return must be reflected in our commitment to helping all those who have served, especially those who are coping with devastating physical injuries and illnesses.