

come. So the answer must be what the leader is saying; that is, they hope to jam us at the last minute with something and say: Take it or leave it, which is playing with fire.

I can assure my colleagues in the House that is not how we are going to play ball here. There has to be a fair compromise, not something they come up with at the last minute and sort of toss it over here. That could create default, and if they do it, it would be on their shoulders.

Mr. REID. I say to my friend through the Chair that they may send us something well-intentioned, but I am not sure they understand the rules of the Senate. There are a number of people who are Republicans over here who have stated publicly that they think the debt should be defaulted upon. As my friend knows, most everything we do here is by unanimous consent and, if not by unanimous consent, by the rules of the Senate, which are very strict and very difficult sometimes to comprehend, but they are there.

So I am afraid that what is happening with the House leadership is they think they can send something over here and, as the majority leader, I can figure out a way to get it done. I cannot get it done if we have to follow the rules, which we have to follow, and I cannot get consent, and I cannot get consent on most anything I do around here. So I would like my friend to comment on that.

I appreciate my friend saying that Speaker BOEHNER is a good person. I agree with that. But I am not too sure that this is not an easy way out for everybody over there, that they could say: Well, we did what we wanted to do. I am sorry the Senate could not do it, so I guess our debt is defaulted upon, and we will close down all of the functions of this government and wait for a better day.

Mr. SCHUMER. Well, again, in answering the leader, first, the rules of the Senate would allow any single Senator—and we have a whole handful—to delay things day after day after day after day. Second, there are things out of any Senator's control. For instance, any proposal on an issue such as this would have to be scored by the CBO. We learned on the health care legislation that CBO cannot just sort of push legislation into a machine and an hour later say: Here is your score. It takes days and sometimes weeks. And the fact that just about every procedural motion can be filibustered and delayed means we are getting so close to the deadline that we would be in serious trouble.

Again, I repeat, I find it terribly disconcerting. It is hard to see anything but callousness toward the danger our Nation faces if we were to default by the House not being here this weekend because even a rudimentary knowledge of the House procedures—which I know the leadership of the House has—would indicate to them that if they do not get us something very, very soon and, in

fact, they do not sit and negotiate and compromise—which they have refused to do, driven by a hundred, perhaps, Congressmen, many of them new here, who sort of say: We do not care if we default—the consequences of default would be enormous and staggering and would not just go away in a month or two but would be with us for a decade. And here they are back home this weekend when America faces one of the greatest potential economic crises that we have faced.

So I very much thank the leader for bringing this up and asking these questions.

The PRESIDING OFFICER. The senior Senator from Massachusetts is recognized.

VISIT TO THE SENATE BY THE PRIME MINISTER OF NEW ZEALAND, RIGHT HONORABLE JOHN KEY

Mr. KERRY. Mr. President, I apologize to my colleagues. I know this has been previously scheduled, and I know the importance of what the Senator from New York is talking about, and the majority leader, and I completely agree with their comments and would like to share some thoughts on that at another moment. But at this particular moment, we are privileged to welcome here a great friend of the United States, the Prime Minister of New Zealand, John Key.

New Zealand is a country that is in enormous partnership with us at this time, assisting in Afghanistan, engaged in transpacific trade deliberations with us, and in many other ways contributing to one of the strongest and best global partnerships we have.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. KERRY. Mr. President, I ask unanimous consent that the Senate stand in recess subject to the call of the chair so that colleagues might welcome the Prime Minister to the floor of the Senate.

There being no objection, the Senate, at 11:46 a.m., recessed subject to the call of the Chair and reassembled at 12:51 p.m. when called to order by the Presiding Officer.

CUT, CAP, AND BALANCE ACT OF 2011—MOTION TO PROCEED—Continued

The PRESIDING OFFICER. The Senator from Florida is recognized.

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

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

Mr. RUBIO. I was witness a few minutes ago to an interesting and informative exchange and wanted to comment on that briefly. Both the leader and the senior Senator from New York had

some comments that I think are important in the context of what is being discussed here today. But I wanted to come to the floor today because we have been getting a lot of phone calls and letters from people back home who are wondering—people—what this is all about. These are folks who are out working every day and raising a family and running their businesses. They want to understand what the debate here is about. They get the gist of it, that there is this debt limit fight, and that Congress, if it does not do anything, may not be able to pay some bills beginning August 2.

But what is behind all of this? The best way to explain it to people is to equate it to the lives of real people in the real world.

Every single one of us as adults has a credit rating. In essence, there are two or three companies out there that basically rate you as an individual. What they do is give you a credit rating that determines, No. 1, whether you are willing to pay back; and, No. 2, whether you have the money to pay people back. Based on that you get something called a credit score. People are familiar with that. Every time you try to go lease or buy a car or buy a house or anything on credit, they are going to run your credit. It is going to tell them: This is John Smith, this is so-and-so, and this is his credit rating. Based on that, people will decide whether to lend you money.

Countries have credit ratings too. It is based on two things. No. 1 is your history of paying people back; and, No. 2, on your ability to pay them back in the future.

There are three major companies in the world that give credit ratings to countries—three major companies. What those companies are saying right now is we are looking at America and we are worried. We are worried about two things. They are worried about this debt limit issue, and the fact that if the debt limit is not raised, they are going to downgrade us because we are going to miss payments on this, that, or the other. They are worried about that.

But they are a lot more worried about something else. It is not our willingness to pay back, it is our ability to pay back people who lend money to the United States.

Let me read you some of the quotes. This is from Moody's, which is one of the top ones. They write: "If the government avoids default, we will likely affirm America's AAA rating."

America has the highest credit rating in the world right now that you can possibly get. They say: If we avoid default, they will likely affirm our AAA rating, but they will still assign us on something called a negative outlook, unless there is—this is the money line—"a substantial and credible budget agreement to cut the deficit."

What they are basically saying is, if you raise the debt limit, you may temporarily avoid being downgraded, but

ultimately we are still putting you on a watchlist and we ultimately are still going to downgrade you unless we have a substantial and credible budget agreement to cut the deficit.

What does that mean? They go on to elaborate. They say: The agreement should include a deficit trajectory—basically a path of deficits—that leads to stabilization and ultimately a decline in your deficit, particularly in how much money you owe compared to how big your economy is.

That is what they want to see, a plan in place that shows how we stop growing the deficit and then how we start reducing it. That is what they are saying. Then they actually talk about specific numbers. They have said, their analysts have said we think \$1.5 trillion of cuts this year—over the next 10 years—is a plan that is too little. We think \$4 trillion might be enough. That is from Moody's.

Standard & Poor's, the other rating company, wrote very clearly that even if the parties—meaning Republicans and Democrats—agree to raise the debt limit, it may not be enough to avoid downgrade.

That is the second credit house. They are saying: Even if you raise the debt limit, we may still downgrade you. In order to avoid a downgrade, you need a plan that reduces annual budget deficits by at least \$4 trillion over the next 10 years.

We hear the \$4 trillion number again. This is the second rating company basically saying: Yes, the debt limit is a problem. What we are worried about is, do you have a plan to deal with the debt and the deficit?

Then the third major company, called Fitch, wrote that they are looking for an agreement on credible fiscal consolidation strategy in order to secure America's top credit rating, a triple A.

So the three major houses' rating which is what this is all about at the end of the day, because if our credit rating goes down, interest payments go up on everything from your mortgage, to your car, but, more importantly, on America's debt, which means we are going to have borrow more money to pay the interest on the debt we already owe.

So we cannot allow our credit rating to go down. The three major companies that give us our credit rating are all saying the same. Here is what they are saying in plain English: The debt limit is a problem, but it is the least of your problems. Your bigger problem is the debt. If all you do is pass an increase to the debt limit and it does not come with a serious, credible, substantial plan to deal with the debt, you are in big trouble.

I would submit to you that the biggest issue facing us on this issue is not the debt limit. The debt limit is actually the easiest issue. That is one vote away from being raised. Our biggest issue is the debt, and the fact is that as we speak, there is no plan in place to

begin to do anything about it. Our credit is in danger because of this. That is what we should be focused on like a laser.

What will a substantial plan look like? Let's take it from the words of these credit companies: It has to stabilize deficits and begin to show how the deficits come down. We know that \$1.5 trillion in cuts is not enough. We know that \$4 trillion might be enough.

This is what we need to do. How do you do this? How do you get there? It is not rocket science. It is a pretty simple mix of two things that have to happen. The first thing you have to do is you have to stop spending money at the rate you are spending. You cannot keep spending more money than you have. If you are in debt and you keep borrowing a lot more money than you take in especially, it is only going to get worse. So you have got to control the amount of money you spend. Also what you have got to do is generate more money for government.

So if you can do those two things, if you can control how much you spend and you can generate more money for government, and you can do both things at the same time, that is how you dig yourself out of this. The debate we should be having here is how do you accomplish that.

On the do-not-spend side, we have two choices: You can either trust that future Congresses will do what virtually no Congress in the history of this Nation has ever done; that is, control themselves. And I say this when Republicans were in charge, Democrats were in charge; they have never been able to control spending. If you let politicians spend money they do not have, they will spend it, I do not care who is in charge. That is what history teaches us. So we can either trust that somehow in the future Congress will not do that or we can put into law limits on their ability to do that.

That is why I am for things such as a spending cap and a balanced budget amendment, because I think if you do not have restrictions in place, it is not going to happen. Almost every State in the country has a balanced budget amendment. I come from a State where there is a balanced budget amendment.

I assure you, I do not care who is in charge or how conservative they claim to be. If you do not have laws in place that keep politicians from spending money they are borrowing, they will borrow the money and spend it. History will back that up.

The second is, how do you generate more money for this controlled government? That is the crux of the debate we are having today. Some of my colleagues believe the way you do it is you raise taxes, especially on rich people. To some people this may sound appealing. Here is the problem. It does not raise nearly enough money, if you could even collect it. It does not raise nearly enough money.

From the only tax plans I have seen put out there by the administration

and some of my colleagues here on the other side of the aisle, it adds up to less than 10 days' worth of deficit spending. We do know, however, that these increases in taxes could kill jobs.

The other way you can generate more revenue for government—and it is the way I think we should do it—is to grow your economy. You get more people back to work, and so now more people are paying taxes. You get people who are working to make more money because their businesses are doing better and so they are paying more taxes. The government uses that money not to grow government, it uses that money to pay down its debt and control itself. How do you create more jobs and economic growth? You do it by encouraging people, not in this building but outside this building, to start businesses or grow existing businesses.

If you ask those people—not economists, not people on Wall Street, not journalists, not professors, not politicians—if you ask people to create jobs: What would it take for you to start creating jobs again, what they are looking for is a tax system that is fair and regulations they can comply with and then get out of the way and they will do what Americans have always done. Those are our ideas.

Here is the problem. Even as we stand here today, there are few plans on the table to do it. I have watched the President give press conferences. I have watched the President give speeches. I have yet to see a plan from the President. With all due respect to my colleagues in the other party in the Senate, I have not seen a plan from them either. They are the majority party. They control this Chamber. They control the Senate. I have not seen a plan from them.

A moment ago we heard this talk about we have to compromise. It is hard to compromise when the other side does not have a plan. What do you compromise on? Where is your plan? You cannot compromise if only one person is offering plans. There is only one plan that has been voted on by any House to deal with this issue, and it is the one we are on right now—cut, cap, and balance.

I would submit if you do not like cut, cap, and balance, if you do not think we need to cut spending, cap spending, and balance our budget, then show us your alternative. Or maybe you do believe we do need to cut, cap, and balance, but you do not like the way this bill cuts spending, caps spending, and balances spending. Fine. Offer your version of cut, cap, and balance. Let's proceed to this bill. Let's get on this bill the House has passed. If you do not like it, change it. You have got the votes here to do it. If you have got a better idea, bring this bill up and amend it and put your ideas on it.

But how could you ask for compromise? How could you scold Republicans in the House for refusing to compromise if you do not have a plan of

your own? How can a person compromise if they don't have any ideas of their own? It is not a fair thing to say.

So I urge the leadership of the Senate and the President of the United States to offer their ideas on paper—put their ideas on paper and offer them so we can begin to work on this concept of compromise they have offered.

We cannot compromise and negotiate with people who will not offer a plan. Why don't we vote to proceed to cut, cap, and balance—proceed to this bill so we can debate it and they can offer their ideas on this bill. This is the perfect opportunity to do it. Stop negotiating in the media and through press conferences and start doing it on the Senate floor, which is what the people sent us to do. I hope that is what will happen.

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

The PRESIDING OFFICER (Mrs. HAGAN). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BROWN of Ohio. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

NOMINATION OF RICHARD CORDRAY

Mr. BROWN of Ohio. Madam President, as we debate the best way to get our fiscal house in order, we must avoid, first of all, defaulting on our obligations while also working to make our economy stronger.

While our debt has been rising for several decades—and there is enough blame to go around—it has been exacerbated by the economic crisis that has all too often turned workers and taxpayers into collectors of unemployment insurance, housing assistance, and health care assistance.

We must not forget that the economic crisis was brought on by a financial crisis that pulled our economy into a deep recession.

Some people in this Chamber—conservative politicians in Washington—like to forget this financial crisis ever happened. But throughout the United States—in places such as Cleveland, Dayton, Chillicothe, and Zanesville—fast-talking mortgage brokers in America steered Americans into unfair loans that helped put our economy on the brink of collapse, costing millions of Americans their homes and jobs.

While Wall Street has regained its footing, millions of Americans are still struggling to find jobs, stay in their homes, and afford health care coverage. Businesses are struggling to access credit so they can hire new workers.

Thankfully, 1 year ago, we passed Wall Street reform. The President signed the landmark legislation that was aimed at providing consumers with protection from abusive rates, fees, penalties in mortgages and credit cards.

The centerpiece of the bill—one of the centerpieces of the bill is the creation of the Consumer Financial Pro-

tection Bureau, which is aimed at giving consumers a voice as loud and powerful as Wall Street; frankly, something this city is not used to.

Richard Cordray will be that voice. He is one of Ohio's most talented public servants, who is strongly committed to protecting Ohio consumers and investors.

As Ohio's attorney general, he was a strong voice for Ohioans who struggled during these tough times to stay in their homes, consumers who faced unfair practices by big Wall Street banks who had deceived consumers.

He has targeted institutions—including Fannie Mae—that hid material information from investors, in the process undermining pension funds that provide retirement security for teachers, secretaries, police officers, and janitors.

Coming from Ohio, he has seen firsthand how unscrupulous actors steered Americans into unfair subprime loans that helped push the economy to the brink of collapse, costing millions of Americans their homes and jobs.

Rich took the unscrupulous actors, but he also worked closely with Ohio banks, which are supporting his nomination to advocate the Consumer Protection Bureau because he played it straight and fair. He worked closely with them to promote financial literacy and craft effective, targeted legislation distinguishing traditional banks—those that lend and are the lifeblood of any economy—from those banks engaged or those companies or Wall Street institutions that are engaged in predatory lending.

As he has been throughout his career, Rich will be a strong voice for consumers as the Consumer Financial Protection Bureau carries out his mission. It is a mission of bringing oversight and transparency to checking accounts, credit cards, mortgages and student loans and ensuring that our financial system continues to support job creation. The Consumer Financial Protection Bureau is already starting to make a difference. It is working to make sure credit card terms and loan contracts are written in ways that regular people can understand—in plain English. It has earned rave reviews from industry and consumer groups alike for the substance and process involved in creating a new model mortgage loan disclosure form.

The Consumer Product Financial Protection Bureau is helping our men and women in uniform, preventing them from being targeted by bad actors committing fraud and engaging in deceptive financial practices. You can see them like vultures surrounding military bases as they do it—at Wright-Patterson Air Force base in Dayton and other places.

When Rich was attorney general of Ohio, he was the first State attorney general in Ohio to take on unscrupulous bankers and sue a mortgage lender over foreclosure fraud. He recovered billions of dollars for Ohio.

I am proud to have worked with him to identify financial predators that prey on homeowners facing foreclosure. When he was Ohio treasurer, he worked across party lines to strengthen Ohio's finances.

Besides being a five-time Jeopardy winner, Rich is a great human being and a devoted family man. The challenges he will face in his new position are great, but I know he will be strengthened by the support of his wife Peggy and twins Holly and Danny.

I urge my colleagues to support Richard Cordray to be head of the new Consumer Financial Protection Bureau. It will help consumers, banks, and our economy.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BROWN of Ohio. I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. BROWN of Ohio. Madam President, I ask unanimous consent that the time during the quorum call be divided equally between the two parties.

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

Mr. BROWN of Ohio. 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. WYDEN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. WYDEN. Madam President and colleagues, I have been struck in the discussion about cut, cap, and balance that there has been virtually no mention—virtually no mention—of the No. 1 issue on the minds of the American people, and that is jobs. What we need above anything else is to create more good-paying jobs. In this discussion about cut, cap, and balance, the whole question of jobs has virtually not come up.

Now, what we know is that between the worst of this fiscal crisis and the end of 2010 we lost 8.5 million jobs, and our country has only recovered a small portion of those jobs. The fact is, many of those new jobs that have been created don't pay as much as the jobs that have been lost. We also know millions of our people can't find full-time work, and they have had to settle for part-time jobs to make ends meet. Cut, cap, and balance virtually ignores that question.

I hear, for example, from our business community that they have a very serious challenge in terms of generating sales. Sales are all about middle-class folks coming into our stores and, in a consumer-driven economy, making purchases. As we have seen a number of

times, David Leonhardt—particularly over the weekend in an excellent piece in the *New York Times*—described how in one area after another, in terms of consumer durable goods, middle-class folks have essentially walked off the economic playing field.

There is, however, one particular approach to job creation that has a proven track record—a proven track record—and bipartisan support, and it is one I hope the Congress will soon move to. I find that we have plenty of disagreement now in the Congress on a whole host of issues, but whether one is part of the Warner-Chambliss group or any other particular group, there is a sense that even though cut, cap, and balance doesn't talk about it, job creation is the most important issue. The path to that—the proven path to that, Madam President—is tax reform.

The fact is, that is the one unused tool in the economic toolshed. The Federal Reserve has thrown tremendous efforts at trying to boost the economy. The Recovery Act was a path. Various steps have been taken with respect to housing. Tax reform is the one area from the economic toolshed that has not yet been picked up and actually used. I think the country understands what needs to be done. Certainly, the Congress does. We had the report from the Bush Commission—George W. Bush—that made a number of excellent recommendations in their report. The Volcker Commission for President Obama had a number of sensible ideas.

I have had the pleasure of working with two very thoughtful colleagues on the other side of the aisle—Senator Gregg, before he retired, and now Senator COATS—and we have picked up on the model that populist Democrats and former President Ronald Reagan pursued in the early 1980s. It was all about cleaning out scores of special interest tax breaks and using that money to hold down rates for everybody and keep progressivity.

The reason I bring it up this afternoon—in the context of the fact that I sure don't see any mention of cut, cap, and balance focusing on jobs—is when Democrats and Ronald Reagan got together, the results on job creation were real, they were tangible, and we saw middle-class people get a chance to get back into the economy and get back to work.

According to the Bureau of Labor Statistics, in the 2 years after Democrats and Ronald Reagan got together on a bipartisan basis to focus on job creation, our country created 6.3 million new jobs—6.3 million new jobs. Between 2001 and 2008, when tax policy was partisan, we only created about 3 million jobs. We have lost jobs in this last fiscal crisis, looking particularly at the measure that I cited at the end of 2010. So we have to get people back to work.

I see my friend from Iowa is here, and we have talked about tax reform on a number of occasions. Let me just cite

an example of an approach on which Senator COATS, a Republican, and I have teamed up. We take away the tax breaks for shipping jobs overseas.

Right now, there are a huge array of tax breaks for, in effect, exporting jobs, when the country wants to export goods and services—goods made in the United States, where we add value to them in the United States and then we ship them somewhere. What Senator COATS and I propose is taking away those tax breaks for exporting jobs and using those dollars for what I call red, white, and blue jobs—jobs that pay a good wage in the United States so we can get full-time employment for some of the folks so hard hit now who can't find more than 15 or 20 hours of work a week that doesn't pay a good wage so they can support their families.

Cut, cap, and balance doesn't raise those kinds of issues. It doesn't raise the fact that when we put people back to work, have good-paying jobs in this country, that generates revenue Democrats and Republicans alike can support.

I know Senator HARKIN has focused particularly on this question of where the revenue is going to come from to pay for our safety net with so many people hurting and falling between the cracks; tax reform that puts middle-class people back to work as we saw when Democrats such as Dick Gephardt and former President Reagan got together that generates revenue both sides can support, private sector job growth that puts folks back to work and gets the middle-class consumer back into the economy and back into our stores.

Look, for example, at the bipartisan proposal Senator COATS and I have. The typical middle-class person can get \$3,000, \$4,000 worth of tax relief under our proposal, not by raising the deficit, not by spending more money, but by closing out some of these special interest loopholes. Where is that consumer going to go? They will have a chance in a consumer-driven economy to go back into the stores. Maybe they will buy a washing machine, maybe they will buy a computer for their kids. They will go back into the economy and help, as we have seen time and time again over our history, to get our country back on its feet by middle-class people who have good-paying jobs going back into the marketplace and helping our economy grow.

The numbers are striking. Again, after Democrats such as Dick Gephardt got together with Ronald Reagan, in the 3 years after those reforms in the middle 1980s, Federal tax receipts for individuals and corporations rose by \$137 billion. That is the kind of revenue-raising approach that Democrats and Republicans alike can support. But we don't hear a word about job growth in the private sector under cut, cap, and balance.

We hear a lot of technical terms about whether Federal spending ought to be 19.9 percent of gross domestic

product or should it be 20 or 21. Those are important issues, but to their credit, one economist after another has made it clear that we don't get to economic recovery in this country just by cutting. We are going to have to do some growing.

Colleagues, we are going to have to do some growing. And, to me, to be out on the floor talking about cut, cap, and balance and not paying any attention to a Tax Code that is a job killer rather than a job creator for what I call red, white, and blue jobs in this country just seems to be a mistaken set of priorities.

The reality is, as Senator COATS and I have made clear in offering our bill, the Tax Code is larded down with so many special interest goodies and sweetheart deals, and I just touched on one that we would actually be rewarding: the export of good American jobs. What we ought to be doing is taking away these foolish tax breaks and creating ones that get the middle class back into the economy and get our companies investing in our country.

Now, it does not take a constitutional amendment to do what Dick Gephardt, Ronald Reagan, Dan Rostenkowski, Bob Packwood, and a whole host of Democrats and Republicans got together to do in the 1980s. It requires Democrats and Republicans to work together to take on the special interests that currently benefit from the broken tax system.

Make no mistake about it. Those special interest groups are taking tax breaks that ought to instead go for real relief for hard-hit, middle-class families and American business to create jobs in this country.

I see colleagues on the floor. I want to wrap up with one last point, briefly. I would not say for a second that tax reform is the only component of economic recovery. Senator BLUNT is here, and as chairman of the Trade Subcommittee on the Finance Committee, we have worked very closely together on another important trade issue. What we have seen—and I know Senator HARKIN is interested in this—is the Chinese have essentially been involved in merchandise laundering—some companies. What they have done after they have been found guilty of violating our trade laws, instead of changing their practices and complying with the trade laws, some of these Chinese outfits essentially go to another country and export through that country, and put on, for example, “Made in Korea”—big implications with these trade agreements—and end up shipping those goods to the United States.

Senator BLUNT and his constituents have made the correct point that is again taking away jobs from middle-class folks. But we have to get back to the issue of jobs on the floor of the Senate. That is the most important question for our constituents.

Staff told me on the way over here that in a recent survey of businesses

cites, again, their No. 1 concern is that sales are going down in their stores. I think everybody in the Senate knows you can often go to a store on a weekend or an evening and you hardly see anybody there because middle-class people are very worried about what is ahead and simply because of these economic times do not have the money to go in and buy those goods and arrange for those services that, in an economy that requires they be in the marketplace, they simply don't have the resources for it.

So I hope my colleagues will oppose cut, cap, and balance. I hope they will see the No. 1 issue in the country is jobs. Tax reform has a proven track record, colleagues—a proven track record: 6.3 million new jobs in the 2 years after Ronald Reagan, a conservative President, and Dick Gephardt, a populist Democrat, got together—a conservative Republican President, a populist Democrat. That is the tool we ought to take out of the economic toolshed and use as quickly as possible.

I hope we will move on certainly to tax reform in the fall, and I hope colleagues will remember that as we have this discussion about cut, cap, and balance. I think it misses the central question of our time, which is job creation. For that reason, I oppose the bill.

Madam President, colleagues are on the floor. With that, I would yield.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BLUNT. I thank the President for recognizing me, and I will speak and then look forward to hearing the remarks of my good friend from Iowa.

I agree with the simple premise of what Mr. WYDEN had to say. I think private sector job creation should be the No. 1 target for the country today. Frankly, anytime we are not talking about that or what we can do about spending, we are talking about the wrong two domestic issues.

I would suggest, however, it is not like the option today was to bring that bill he described to the floor. I would love to see it on the floor. I would love to see a simpler, fairer, flatter more easily understood Tax Code because I do think certainty is one of the things that makes a difference in that decision to invest. But I absolutely agree the No. 1 priority for the country at this minute should be private sector job creation. And I look forward, as he does, to working on that.

My only fault I find with the premise that is not the reason to talk about this is that is not what we were going to be talking about otherwise. In fact, the week we were going to spend here that was supposed to be the workweek during the Fourth of July, the bill the majority brought to the floor was the Libya resolution, which I haven't seen since.

That was the week we were here to do something about spending, and that is why we didn't do the other things we had scheduled because we were going to

talk about spending. The bill the majority was going to bring to the floor was the Libyan resolution, which was the most important thing in the world, apparently, that day, and we haven't seen it since that day.

So while I agree job creation matters, I don't agree that it doesn't matter how much the Federal Government spends. In fact, I think there is a lot of difference in a country where the Federal Government is spending \$1 out of \$4 that the country can produce in goods and services, or \$1 out of \$5. Now we are spending \$1 out of \$4.

For 40 years, before 2008, we spent \$1 out of \$5. In 2008 we didn't spend an average of 20.6 percent; we spent 19 percent. So we have gone from 19 percent of GDP spent by the Federal Government to 25 percent of GDP spent by the Federal Government, and it matters. That is why spending is the other issue.

What we are talking about with cut, cap, and balance is, How do we get that spending under control? If there is a better plan, I would be glad to see it. But I don't see a plan on spending control coming from anywhere else.

We all know we now have a record debt of almost \$15 trillion, at \$14.3 trillion and counting. We all know we have spent approximately \$7.3 trillion and added almost \$4 trillion to that debt since the Senate and President Obama passed the last budget the country had 813 days ago. We all know unemployment has increased by 18 percent since January of 2009.

In the 29 months since then, despite the so-called stimulus package, unemployment has been over 8 percent every month for 29 months, and it was 9.2 percent in the month of June. We also all know that 40 cents out of every dollar the Federal Government spends is borrowed, and we just can't continue to do that. One option might be to raise taxes and think that 40 cents would come in. I am not for that because I don't think higher tax rates necessarily produce more tax revenue.

Until 1981, for 50 years the highest tax rates had been 70, 80, or 90 percent, and people don't pay that tax rate. People definitely don't take a chance and invest in that tax rate. But the fact that we know maybe most of all is we can't keep doing what we are doing now. The status quo is both unacceptable and unsustainable, and we have to look at what it takes, as Senator WYDEN said, to meet the No. 1 priority, which is, What do we do that creates private sector jobs? I think getting Federal spending under control is something that the moment, the moment of August 2, creates an opportunity for us to talk about and do.

Now, why was I one of the first co-sponsors of cut, cap, and balance? It is because I thought it had the potential, and I believe it has the potential, to do what needs to be done.

What was "cut"? Cut was to go back not to 1980 spending levels, but to go back with nondefense discretionary to 2006—just to go back to what we were

spending on nondefense discretionary in 2006. Rearrange that as you may want to, rearrange that in a way that better meets 2011 goals, but go back to that amount of money and then set caps.

By the way, in virtually all cases they were growing caps in various categories of government spending for the next 10 years and working within those caps, but knowing every year what they were going to spend.

Then, the third element was, let's balance the budget. While I have always been for a balanced budget and a balanced budget amendment, I believe now more than I ever have that it is the tool that ensures, not just 5 years from now, but 55 years from now that we just have to simply get the resources of government and the spending of government in place. Forty-nine States, including my State of Missouri, have a balanced budget amendment. Every family at some point or another has to deal with the reality of a balanced budget amendment. These provisions take us in the right direction.

President Obama has said he would veto this bill if it passed. It has already passed the House. If it would pass the Senate this week, I don't know that the President would veto it if he really was faced with those options, but he said he would. I guess we might have to test that. But we shouldn't not vote for this because the President said he is going to veto it. We should vote for this because it is the right thing to do to get the spending of the Federal Government under control.

Missourians deserve better. Americans deserve better. Both parties no doubt have contributed to where we are right now in our current economic situation. Frankly, both parties have to find a way out. It takes three things to pass a bill in Washington: It takes the House of Representatives, it takes the Senate, and it takes the White House. My party, the Republican Party, controls one of those. Our friends on the other side control the other two. So how do any of us think we are going to get everything we want in this environment? But we have to work toward the right result. I think cut, cap, and balance would produce that result. I think we do have to get on with the work of being focused on what do we do to create private sector jobs, what do we do to get this spending under control.

American families have to deal with this all the time. It is time their government dealt with it as well. I don't want to settle for business as usual. We have a unique opportunity here. Are we going to be like every other country, like Greece and Ireland and Portugal and Italy and so many countries in the world today? Or are we going to set out on a different path, a path that shows we are prepared to control and rein in Federal spending and do what is necessary to encourage private job sector growth? I hope we can join together and find a solution. This is the moment we need to do it.

Madam President, I am looking forward to working with you and others. I know I am yielding the floor to my good friend, Senator HARKIN from Iowa. We are working together on the Missouri River working group. We are sponsoring legislation together for Special Olympics. We can find solutions to these problems if we want to find solutions. That is what the people we work for deserve. Let's find a way forward.

For me, the way forward would be cut, cap, and balance but I do know we all have to work together or we are not going to arrive at any conclusion.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Madam President, I listened both to Senator WYDEN and to the remarks of Senator BLUNT. They are both very thoughtful individuals, thoughtful Senators. I enjoy working with both of them.

Madam President, why are Republicans refusing to agree to raise the debt ceiling, something we have done 89 times since the 1930s, including 18 times under President Reagan? I might point out, the Republicans at that time controlled the White House and the Senate and the Democrats controlled the House.

Also, in September of 1987, President Ronald Reagan used his weekly radio address to urge Congress to increase the debt ceiling. He said—and here it is. I thought it was worth printing out. Here are the exact words of Ronald Reagan spoken in September of 1987:

Unfortunately, Congress consistently brings the Government to the edge of default before facing its responsibility. This brinkmanship threatens the holders of government bonds and those who rely on Social Security and veterans benefits. Interest rates would skyrocket, instability would occur in financial markets, and the Federal deficit would soar. The United States has a special responsibility to itself and the world to meet its obligations.

I didn't put it on here, but President Reagan went on:

It means we have a well-earned reputation for reliability and credibility—two things that set us apart from the rest of the world.

Today, so many of our friends on the other side, Republicans, constantly invoke Ronald Reagan as a role model, almost as a kind of a patron saint. I wish they would heed his words and what he said in September of 1987.

I also remind my colleagues when President Reagan realized that his 1981 tax cuts were resulting in large deficits, he turned right around and supported corrective income tax increases in 1982 and 1984. That is right, President Reagan supported income tax increases in 1982 and 1984. In stark contrast to President Reagan's example, today Republicans reject any compromise that requires raising any new revenues from the wealthy.

One of the things we are talking about is eliminating tax expenditures. Those are special interest tax breaks that even Senator COBURN, on the Republican side, described as "corporate

welfare." As the distinguished chair of the Budget Committee said in his remarks earlier today, Senator CONRAD pointed out that tax expenditures now total more than \$1 trillion, more than all of our discretionary appropriations in the Federal budget.

Here is the difference. The discretionary appropriations for the most part go out for programs such as health, education, research, transportation, security, police, the judiciary—it goes out for that. What do tax expenditures go out for? They go out to support the wealthy. Here is why I say that. The wealthiest 1 percent of Americans get 26 percent of the benefits from these tax expenditures. That is what Senator CONRAD pointed out this morning.

Many of our Republican friends are perfectly willing, indeed eager, to slash Medicare, Social Security, Medicaid, education, other programs that undergird the middle class. But they have made it clear they would rather default on the debt than agree to a compromise that requires shared sacrifice from the most privileged people in this country.

The legislation before us, which is called cut, cap, and balance, and which should be more fairly described, as Senator CONRAD and others have said, as cut, cap, and kill Medicare, this bill that is before us now would enshrine in the Constitution a requirement that two-thirds supermajorities in both the House and Senate vote to raise revenues. Fifty-one percent could cut spending but it would take two-thirds to raise any revenues.

What does that mean? It means as a practical matter that it would permanently lock in the benefits of the current tax breaks for the wealthy, such as the outrageous 15-percent tax rate for hedge fund billionaires, and by building a firewall to protect tax breaks for the wealthiest Americans, this legislation would shift even more of the burden of deficit reduction onto the backs of middle-class Americans. Really, it should be cut, cap, and kill Medicare. That is what it is all about.

Let me take this a step further. In this bill before us that was passed over here from the House, it would cap Federal expenditures at 18 percent of GDP. Where did they get that number? Is that an arbitrary number? Why isn't that 18.5? Why isn't it 19? Why is it 18? I will tell you why. That number has a purpose. The last time Federal spending was at 18 percent of GDP was in 1966, right before Medicare kicked in and started expanding. So, guess what. They want to roll it back to a point in time before we had Medicare. This assault, now, on Medicare comes on the heels of another Republican assault on Medicare. You remember the Republican budget, the so-called Ryan budget. What was its centerpiece? A plan to dismantle Medicare, replace it with a voucher system that would require seniors to spend \$6,400 additional out of pocket for Medicare every year. It was

basically the dismantling of Medicare, turning it into a voucher system. That was the Republican budget.

So now we have a two-front assault on Medicare by Republicans. One is the Ryan budget, kind of a frontal assault, if you will, to dismantle it, turn it into a voucher system, and now we have the so-called balanced budget amendment that takes an indirect backdoor approach. It would simply defund Medicare. It would put the Federal Government in a fiscal straitjacket and allow it to spend no more than we did in the mid 1960s, before Medicare started. That is why it is at 18 percent.

I would say this legislation before us is also a direct assault on Social Security, the bedrock of our American retirement system. It is vitally important to the middle class of America, to ensure that seniors are able to enjoy their retirement years without falling into poverty or moving in with their kids. Social Security's modest benefit, around \$14,000 a year now, has become the biggest source of retirement income for two out of three retired Americans.

Mr. BROWN of Ohio. Will the Senator yield for a question?

Mr. HARKIN. I am glad to.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. BROWN of Ohio. Madam President, I thank the Chair. I heard what the Senator was saying about Medicare. Am I right about this? I know what some conservative politicians in this town think about Medicare. In 1965 when Medicare passed, it was a lot of conservative Republicans who opposed it. Later—I was in the House then. Senator HARKIN was in the Senate. But the first chance that Speaker Gingrich with the new Republican majority had in the mid-1990s, they tried to privatize it. Remember, Speaker Gingrich talked about it withering on the vine.

Am I right, with the Ryan budget they tried to privatize Medicare again and the public rose up against it a few months ago, so is this sort of a backdoor way of going after Medicare? They do not want to acknowledge to their constituents they do not like Medicare because 90-some percent of Americans like Medicare and benefit from it. This is this sort of backdoor approach to put these limits on spending so it will force the privatization and unraveling of Medicare and ultimately Social Security and these programs we care about?

Mr. HARKIN. I think my friend from Ohio put his finger on it. Of course it is. It is a backdoor approach. We all want to have surpluses. We don't want to have deficit spending. So it sounds good: We will balance the budget. Most people say that sounds like a good idea, let's do that, without looking behind this cap they put in of this 18 percent. Eighteen percent is a number picked by the Republicans because that would take us back to where we were in 1966, before Medicare kicked in. It would throttle it, a backdoor approach as a way of defunding Medicare and also as

a way of getting at Social Security, moving it to privatization, which the Republicans never have given up on.

They started under Gingrich. My friend is right. I remember them talking about privatizing Social Security. They have never given up on it. They cannot do it frontally but they are trying to do it through the back door.

Mr. BROWN of Ohio. If the Senator will yield again, imagine what would have happened in 2003 and 2004 with the Senator in the Senate and a lot of people all over the country—including a lot of Republicans all over the country, but not elected Republicans, when we were fighting the privatization of Social Security in 2004 and 2005—imagine what would have happened if so much of Social Security had been turned over to Wall Street. Imagine what would have happened if, in 2005, people would have put all this money in Wall Street instead of their secure lockbox, if you will, the Social Security fund, where nobody is missing Social Security payments and people know what they are going to get. It is predictable, it is always there and always will be. If we put it in these private accounts, there goes the predictability and there goes the solidness of Social Security, right?

Mr. HARKIN. Another thing we ought to think about, I say to the Senator, is this: What the Republicans are saying—there are a lot of Republicans who do not care if we default. They don't care if we default. In fact, MICHELLE BACHMANN, Congresswoman BACHMANN—who is one of their frontrunners for the Presidency—said she would never vote to increase the debt ceiling no matter the circumstances. As President Reagan said in 1987, it would mean that “those who rely on Social Security and veterans benefits” wouldn't get their Social Security checks, and that is exactly right.

People have to think about this. If we default, that means all the people who have put their money into Social Security in the past, what we are saying is you may have put your money in there and guess what. We are not going to pay you. Is that what we want to do as a country? Social Security is backed by the full faith and credit of the U.S. Government—more than anything than Wall Street has ever gotten. Wall Street can go under. The Senator is right, if we had put Social Security in the stock market it would be in the toilet now. But we put it into U.S. Government bonds because it is backed with the full faith and credit of the U.S. Government. That is why we have to support Social Security. That is why we can't support this cockamamie scheme they are trying to do here.

I thank my friend Ohio for pointing those things out. It is a backdoor assault on Medicare and on Social Security. People are saying: Well, Social Security—we have to shore up Social Security. It is sound for about the next 20-some years, but looking ahead, yes, we should shore up Social Security.

One good way to do it is to raise the cap on Social Security taxes. Well, right now the cap is \$106,800 a year. What does that mean? That means if you make up to \$106,000 a year, you pay into Social Security on every dollar you earn. If you make over that, you don't. Well, let me put it another way. If you make \$50,000 a year, you pay on every dollar you earn into Social Security. If you make \$500,000 a year, you only pay on every 20 cents of every dollar you earn into Social Security. Why is that fair? Why is that fair that someone who makes \$50,000 a year pays on every dime they earn, every dollar they earn, but someone who makes \$500,000 a year only pays 20 cents on the dollar? If you want to shore up Social Security, raise the cap on payroll taxes. Raise the cap. That is something no one is talking about. What are they talking about? Cut benefits. Cut the benefits. Well, we don't have to cut Social Security benefits in any way. We just have to make it fairer in terms of how we raise the payroll taxes.

As I said earlier, the bill before us would require a two-thirds vote before we could even change that. So if we wanted to raise the cap on payroll taxes on Social Security, it would require a two-thirds vote. That means we would never get it done. That means, yes, at some point we would probably have to start reducing Social Security benefits. Well, again, as the Senator from Ohio pointed out, this is a backdoor approach to dismantling Social Security.

Republicans are rejecting any notion of shared sacrifice. They demand we dismantle Medicare, slash Social Security, slash education, cut infrastructure—all those things that undergird the middle class. They shred the safety net for the most vulnerable people in our society, as Senator WYDEN pointed out earlier, but they insist on shielding the wealthiest people in our society from even contributing \$1 to the mess we are in.

Lastly, why are so many people here—to pick up on what Senator WYDEN said earlier—obsessed with deficit reduction to the exclusion of the single largest priority we should have in this country: putting people back to work. That is the most urgent deficit we have—the jobs deficit. Senator WYDEN spoke eloquently about that.

My friend from Missouri, Senator BLUNT, talked about that too. He talked about private sector employment. Well, something has to happen to get that moving. It is not giving more tax breaks to the wealthy. The old trickle-down theory, we tried that and it never worked. All these big tax cuts we gave to the wealthy happened under George Bush and a Republican Congress. Look at the mess it got us into. We have been losing jobs for the last several years. Our jobs have been going overseas. It put us in a huge budget deficit.

One of the things we need to do now is not to turn a chainsaw on ourselves

but to recognize that the Federal Government can be a powerful force for stimulating the private sector. Again, one of the things I think we need to do is to put more money into the infrastructure of this country. We need to rebuild our roads, our highways and bridges, and our sewer and water systems. We have hundreds of billions of dollars needed to remodel and upgrade our schools all over America. We need a new electric grid, a smart grid. We need to be putting more into green energy so we won't be importing so much oil into this country. There is only one place that has the power to focus on that in a large, comprehensive way, and that is the Federal Government. But then people say: We can't do that. We can't afford it. We don't have any money. Well, they are right.

So there are two ways we can get these wheels of our economy going again: We can either borrow the money or we can raise the revenue. I would prefer that we raised the revenue. There is plenty of it out there. The businesses in America are sitting on, I have heard, anywhere from \$1 trillion to \$2 trillion that they are not investing. Well, if they are not investing it, I know where to invest it. Let's put it out there rebuilding the infrastructure of America.

Now, that is not the government doing the work; it is simply the government providing the input so that the private sector can go to work. It is not government workers out there who would be building the roads, bridges, highways, remodeling our schools, and rebuilding the new electric grid. No, this is the private sector doing it, but we can marshal the forces from the Federal Government, marshal the power to focus the funds in that direction to rebuild America, to make it a more energy efficient, a better educated, a more innovative, technologically competent future for our kids and grandkids. Once we start doing that, then other elements of the private sector will take off because they will see we have made a commitment to the future, the growth of this country—not a dismantling, not a withdrawing, not a shrinking, but, as Senator WYDEN said, a growth. Once the private sector sees we have made a national commitment to growth, they will start investing.

How many times do we have to learn that the investment we have made in infrastructure has spun off into all kinds of private sector entrepreneurship and jobs and new businesses or research, the money we have put into research and how that stimulates the private sector?

How many times have you heard this old Republican line—I hear it all time—the government doesn't create wealth, it consumes wealth. I hear that all the time. Well, that is nonsense.

Just about a month ago, I had a hearing before my committee, the HELP Committee, which has jurisdiction over the National Institutes of Health. We

had the National Institutes of Health here, and Francis Collins, who is now the Director of it, brought us up to date on what the NIH is doing. He pointed out something very interesting. Some 20 years ago, we began to invest taxpayer money—your money, taxpayer dollars—into something called mapping and sequencing the human gene. It was called the Human Genome Project. It became the Human Genome Institute at NIH. After 12 years, they finished the process of mapping and sequencing the human genome.

The Battelle Institute—a research institute that is privately owned, not government, based in Ohio—did a study of what happened because of that. We invested \$3.8 billion in mapping and sequencing the human gene—\$3.8 billion. The Battelle Institute said: In the last 8 to 10 years, that \$3.8 billion of taxpayer money invested in research resulted in over \$790 billion of private sector investment. Let me say that again: \$3.8 billion of taxpayer money resulted in \$790 billion of private sector investment. Tell me again that the government can't create wealth. Of course, it can because it can marshal the kinds of resources that this sector or that sector can't do. No private entity could have mapped and sequenced the human genome. Well, they probably could have, but it would have taken 40 or 50 years to do it. It took the massive power of the Federal Government to get it done, and in a short period of time.

So, again, this is what we ought to be thinking about: How do we create jobs? How do we put people back to work? I say it is by making sure we have the revenue to invest. We can invest in our infrastructure. I don't mean just the physical infrastructure, I mean also the human infrastructure. That means education and job training.

I just saw a figure the other day. This year, we are spending—of the taxpayer money—\$14 billion training Iraqi and Afghanistan security forces. That is for training, \$14 billion this year. Yet here in America, for all of our job-training and retraining programs for the entire country—all job-training programs—we are spending less than \$10 billion. Do you think the American people think that is wise? Do you think they don't know this? There is \$14 billion going to Iraq and Afghanistan to train their security forces while less than \$10 billion is going to retrain our workforce for jobs of the future.

Well, I see others have come to the floor, so I will wrap this up.

Deficit reduction is important—I am not saying it isn't—but it is not the single most important thing right now. The single most important thing is to put people back to work. As Senator WYDEN said, that will start to create the demand. It will spur more private investment as the Federal Government begins to invest in the future of this country. That is where we ought to be focusing. Once we get the wheels going

again, once we get people back to work and the economy starts to grow, that is when we start to reduce the deficit. To just focus on deficit reduction right now to the exclusion of putting people back to work reminds me of when doctors used to put leeches on people who were ill. It only made them more ill because it drained more blood out of their system. And most times it proved fatal, as it did to our first President, George Washington. Our urgent, No. 1 priority must be to create jobs and put people back to work. We shouldn't just turn a chainsaw on ourselves.

I look at this Republican cut, cap, and kill Medicare proposal we have before us, and what I see is a budget predicated on fatalism—fatalism and fear of the future. We need a budget that is predicated on hope and aspiration, of putting our people back to work.

So put the ideology aside. Come together in a spirit of compromise for the good of this country to have a balanced package—balanced—spending cuts that will take place in the mid-and outer ranges of our years and revenue increases now so we can take that money and start putting people back to work rebuilding both the human infrastructure and the physical infrastructure of this country.

I ask unanimous consent that the time from 2 p.m. until 5 p.m. on the motion to proceed to H.R. 2560 be equally divided between the majority leader and the Republican leader or their designee and that Senators be permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER (Mr. COONS). Without objection, it is so ordered.

Mr. HARKIN. I yield the floor.

Mr. CORNYN. Mr. President, I would like to speak on the cut, cap, and balance legislation. I plan to vote yes on Saturday morning to proceed to this bill, and I urge my colleagues to do likewise. I would also like to explain why I think that is important.

Most of us understand what this bill does. It cuts spending next year by more than \$100 billion. These are real savings and not smoke-and-mirrors. It caps total Federal spending as a percentage of the economy, and it puts us on a path to keep spending at 19.9 percent of our gross domestic product. Right now, our Federal spending is at 25 percent of the gross domestic product. Our revenues are at roughly 15 percent, so there we have a 10-percent deficit totaling \$1.5 trillion this year alone. Of course, those cumulative annual deficits make up our debt, which is now approximately \$14.4 trillion.

This piece of legislation also links an increase in the debt ceiling to passage of a joint resolution to balance the budget, and this is an important amendment to the Constitution that is being proposed. I believe we have amended the Constitution 27 times so far. This is a process the Framers of our Constitution embodied in the origi-

nal document to allow Congress and the American people to amend the Constitution as circumstances change. Clearly, it is obvious to anyone who will look and pay attention that Congress has shown itself unable to constrain its spending and live within our means and to spend only the money we have as opposed to money we borrow from future generations. As important, this constitutional amendment—this balanced budget amendment to the Constitution—is not an extraordinary thing. It may be for the Federal Government, but 49 different States operate under a balanced budget requirement.

I support the cut, cap, and balance legislation because it meets the three primary criteria I am using to evaluate proposals related to the debt ceiling. The first of those three criteria is, No. 1, we must not default. That is not an option. Also, we must not lose the Federal Government's AAA credit rating. No. 2, we must not increase the tax burden on job creators during a fragile economic recovery. This is not just my position; this was the President's position last December when the expiring tax provisions were extended for 2 more years. No. 3, we cannot resort to smoke and mirrors in the hopes of somehow fooling either the credit rating agencies or the American people that we are serious about the spending problem Washington clearly has.

Cut, cap, and balance earned bipartisan support in the House of Representatives, and I applaud the courage of those who crossed the aisle to support this legislation in the House. I hope we see a similar demonstration of bipartisan support for this proposal in the Senate.

I know some of our colleagues on the other side are dismissive of this piece of legislation. I believe the previous speaker—I wasn't here for most of his comments, but I did see his chart—is fairly dismissive of this proposal. For those colleagues who are critical of this proposal, my question for them is this: Where is your plan? Where is your plan? To criticize what responsible Members of Congress are trying to propose as a solution to a problem when they have no plan of their own is irresponsible, in my opinion.

The House of Representatives passed a budget earlier this year but, unfortunately, it has been more than 800 days since the Senate has adopted a budget—800 days. That is approaching 3 years. When asked, the majority leader, Senator REID, said it would be foolish for the Senate to pass a budget. I think he was saying that not because he believes it is foolish to have a budget, but perhaps he thought by attacking the House plan, while having nothing to propose on his behalf, gained some marginal political advantage.

President Obama has ignored his own debt commission for months and the debt problem. We know last December his fiscal commission, the Simpson-Bowles commission, rendered a very

important report documenting in sobering detail the debt problem the Federal Government has—unfunded entitlements, as well as our tax system, which makes very little sense and makes us noncompetitive globally. It is our corporate tax system which encourages—because it makes economic sense—businesses here in the United States to create jobs overseas where it is more efficient, it is cheaper to do so, and where it affects their bottom line in a positive way. Why wouldn't we want to encourage job creators to create jobs here at home by reducing the disincentives and providing an incentive for job creation here in the United States? Until recently, the President has shown very little interest in that recommendation of his own deficit commission.

We know when the President proposed his own budget in February—this is a budget never taken up by a Democratically controlled Senate either in the Budget Committee on which I serve or here on the floor—the President's own budget proposed in February would actually make our debt problem worse, not better. That is why, when we had a vote on the President's proposed budget a few weeks ago—not because our Democratic friends proposed it and brought it up for a vote but because our side of the aisle asked for a vote on it—it failed 97 to 0. None of our Democratic colleagues saw fit to vote for the President's budget proposal because they know it makes the problem worse, not better.

The President finally got engaged a few weeks ago. But the problem we still have is we don't know what the detail of the President's proposed solution to the plan is. He will not say publicly in detail what his plan is. Unfortunately—and this is sort of the nature of the beast—all the negotiations so far that apparently are still continuing are behind closed doors. If there were a grand bargain to be, I am confident what would happen is it would be rolled out on the floor of the Senate or in the House at the last minute, without adequate time to review it or to debate it or for the American people to read it and see how it affects them and to give us feedback. We are representatives of a constituency, and the 25 million people I represent in Texas would like to have a chance to read it and then tell me what they think about it.

We know so far the American people are in the dark about the negotiations, and that is not a good way to do business. That does not help gain public confidence in what Congress is trying to do in dealing with a very serious problem.

Last week, I believe it was the Press Secretary at the White House who actually said that "leadership is not proposing a plan for the sake of having it voted up or down."

I think that is a bizarre statement. A person offers a plan because they believe it offers a solution to a problem, not because of some fear of having it

voted up or down. That is, in fact, how our system works. The majority rules. But, unfortunately, the President's leadership style is captured perfectly in that statement, and I think it sums up what is wrong with what is happening here in Washington.

I wish to remind my colleagues of the challenge before us, and it is not the debt ceiling; it is the debt. I think those who think it is not real are just whistling past our fiscal graveyard.

Here is what one of the credit agencies, Standard & Poor's, said just this morning, according to Reuters. They said:

If an agreement is reached to raise the debt ceiling but nothing meaningful is done in terms of deficit reduction, the U.S. would likely have its rating cut to the AA category.

Such a downgrade would have an immediate effect on other securities, as Standard & Poor's said:

We would downgrade the debt of Fannie Mae and Freddie Mac . . . the AAA rated Federal Home Loan Banks, and the AAA rated Federal Farm Credit System Banks, to correspond with the U.S. sovereign rating. We would also lower the ratings on AAA rated U.S. insurance groups, as per our criteria that correlates insurers' and sovereigns' ratings.

What would be the impact if these credit rating agencies—which seem to have an oversized influence on our lives but they are what they are—what would be the impact of them downgrading the quality rating of our national debt? We know it would yield higher interest rates for American families, for small businesses, and for the U.S. Government. In fact, we know interest rates are at a historic low now because of Federal Reserve policy, primarily. Those low interest rates we may think are a good thing and they have provided some glimmer of hope for our struggling economy. But if they were as a result of a downgrading of our debt by these credit rating agencies or by a default which, to me, is unthinkable—just a 1-percent increase on the cost of credit we would have to pay to people who buy our debt—just a 1-percent increase over current rates would mean \$1.3 trillion over 10 years.

So the results of cuts in the billions of dollars are chicken feed compared to what the credit rating agencies could wipe out almost immediately by downgrading our debt. This is what we are risking by not dealing with this problem. This is what we are risking by political gamesmanship rather than trying to work together in a bipartisan basis to solve this threat to our country and to our future.

As the economist Larry Lindsey wrote in the Wall Street Journal last month:

If interest rates rose to their historical average over the next 2 decades of 5.7 percent, our cost of borrowing would be \$4.9 trillion higher over the next 10 years.

So we are left with the obvious question: How can we stop this economic calamity? We can pass this cut, cap, and balance plan or the President or

our friends across the aisle could propose something they consider just as serious and just as credible, but we have to do it quickly. So this deadline of August 2 is one we should not flirt with, we should not play with, we should not ignore. We have to deal with it, and we can't just deal with it by raising the debt ceiling because as we have seen from the credit rating agencies, that doesn't solve the fundamental problem. We need to solve the fundamental problem of unsustainable debt or our economic future will not be one of hope and optimism, as the Senator from Iowa was saying earlier; it will be bleak indeed, and it will be our fault.

I see my colleague from Kansas, and I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. ROBERTS. Mr. President, it is my understanding I am recognized for 15 minutes; is that correct?

The PRESIDING OFFICER. It is the understanding of the Chair, Senators may speak up to 10 minutes each under the previous order.

Mr. ROBERTS. I see. If I hit 10 minutes, I might ask unanimous consent for an additional 5, and seeing the smile on the Presiding Officer's face, perhaps he will be conducive to that request. I also wish to associate my remarks with the distinguished Senator from Texas.

Every generation confronts challenges. The greatest generation declared victory over fascism and imperialism. The next generation faced down an enormous competition between the United States and its way of life based on free markets, private ownership, and free expression on one hand; and the Soviet Union and its way of life based on central planning, collectivization and police state control on the other. Again, victory belonged to America and the free world.

A new generation in America has now come of age since the Soviet system collapsed. It is a generation that too often, in my opinion, takes for granted the hardship and sacrifice of our forebears. It is this generation that must confront the crippling \$14.3 trillion debt—and climbing. We have met the enemy and he "is" us. The enemy today is our unsustainable debt, as has been pointed out by speaker after speaker on both sides of the aisle.

I am privileged to represent the people of Kansas and the people of Kansas are rightfully angry over the endless posturing and all the rhetoric and all the fingerpointing regarding yet another increase in the national debt. That is right, another increase in the debt limit. Here we are again trying to reach agreement. I wish the President and the House leadership well in their current talks. I wish the Senate was engaged. We certainly don't need to kick the can down the road any farther.

We are faced with one issue; that is, to rein in spending. Let me point out

that in 2 years, the debt limit was raised nearly as many times as it was in 8 years under the previous administration. It should come as no surprise that the American people in general, and those in Kansas in particular, reject these current spend-thrift policies.

I, from the first, decided it was time to stand up to spending, deficits, and debt. I am talking about the time when we were considering TARP, and we went through that very difficult time when many in the administration—the previous administration—indicated if you did not vote for TARP you were taking a very dangerous road.

I must confess, I have written a lot of speeches down through the years of public service I have been privileged to have. It is that old line of somehow or other we have to set our fiscal house in order not only for us but for our kids and grandkids. How many times do we have to say that? How many times do we have to give the speech? I decided no more during the TARP consideration. I voted no.

I remember the time when the administration folks came in to visit with me to convince me to vote yes. I said: Can you explain to me what a credit default swap is? I had not really heard that term before. They could not. They said they did not have enough time to do that. I just decided to vote no. I opposed TARP. I opposed the bailouts. I opposed the stimulus. I opposed Dodd-Frank. I opposed ObamaCare. And I oppose any increase in the debt limit without real, tangible cuts in discretionary spending and meaningful, structural reform to mandatory spending.

I do not challenge the intent of people who promoted all of these things, but the result has been an incredible increase in our national debt.

Remember the line: Did you read the bill?—that was the question people got when they went back home, faced up to the folks back home, especially with the health care bill. All of a sudden people became aware of the regulations and all the problems—now we have a hurricane of regulations pouring out of the Department of Health and Human Services.

Now the question from folks back home is: Have you read the regulations? If we add up the costs of regulations, for goodness' sakes, clear back in 2008 alone it was \$1.78 trillion in cost to the American public. Figure that in regards to the debate about the national debt. That was back in 2008. Think what it is today. It is probably twice that amount. So, consequently, we really have a problem.

Now, since last November the President has spoken to this issue. As a matter of fact, he has spoken rather continuously at the White House and campaign rallies. The problem is, there is no specific plan.

I know Republicans in the House are getting a lot of criticism for their plan. At least they have a plan. The cut, cap, and balance plan has received, as I

said, a lot of criticism, but at least it is there. On the other side of the aisle we just do not find anything. There is no specific plan at all. We call that in Dodge City: Big hat, no cattle.

The President's first opportunity to put words into action came in February when the White House submitted its budget request: \$3.73 trillion. It was estimated to add another \$1 trillion to the debt. Obviously, that did not work. That proposal was defeated 97 to 0 in the Senate. Not too many bills get defeated 97 to 0.

Then, all of a sudden, now, we got into the tax situation. Maybe if we just got involved in a little more revenue enhancement—that is what we call it here; it is called taxes back home. Taxing is not the problem; the problem is spending money we do not have.

In May, the President's budget was, as I said, defeated. And rightly so. So here we are, more than halfway through the calendar year, 2 months away from the end of the fiscal year, and still no budget from this body—over 800 days. Meanwhile, we have met the \$14.3 trillion debt ceiling, and it is climbing. Rather than make meaningful cuts and meaningful reforms—specific reforms—the White House and some in the Senate want to increase the debt ceiling again.

Again, we have met the enemy, and he is us.

Mr. President, \$14.3 trillion—it is a sum so large that it is difficult to understand. Kansans with whom I visit and who call my office express shock we have allowed it to get to this point. How did we get to this point? Then, if, in fact, we kick the can down the road, what does it mean in regards to—as the Senator from Iowa pointed out—the faith and optimism in our country? What does the future hold for a country that acts this way?

Paying down the debt should be bipartisan. What would Presidents Truman and Eisenhower say of a \$14.3 trillion debt? I think they would be pretty harsh. Both Presidents had pretty tough quotes in regards to fiscal responsibility. What we need in this Chamber, what we need in Washington is a very strong dose of common sense and a sense of purpose, as evidenced by previous Presidents when they put leadership first.

Here are the facts. They are stubborn things. They are clear. We borrow 40 cents for every dollar we spend. A lot of people hear that. That is climbing. It is going to be 41 cents pretty quickly.

There is a lot of talk about tax breaks for corporate jets. Boy, am I tired of that. I am tired of this class warfare stuff in regards to saying: If we just apply taxes to a certain, small segment of the economy, or maybe a big segment like oil and gas—the bad guys, the fat cats—boy, if we get them, we can sure solve the problem.

Let's take corporate jets, which I would emphasize represents general aviation. It is called general aviation

because the general public uses it. It is not all Hollywood stars. It is not all rich people using these so-called corporate jets. General aviation—it is the people who have to get from here to there because for 90 percent of our airports, a commercial flight does not land there.

What if you have a plant? What if you are a manufacturer? What if you are a farmer? What if you are a rancher and you have to visit several places in the country at one time, say, 5, 6, 7, 8, maybe 30? That is what general aviation is all about.

As a matter of fact, in the stimulus, the President recommended an extension of this same tax depreciation schedule. Now he is blaming the fat cats in regards to taking advantage of corporate jets. That is nuts. What the left hand giveth, the left hand taketh away in regards to this class warfare rhetoric. We make these jets in Wichita. They are great airplanes, and they service the general public for the public good.

According to Charles Krauthammer, the renowned columnist, if we collect the corporate jet tax every year for the next 5,000 years, we would cover only 1 year of the debt the President has run up—1 year.

The general aviation industry will persevere, but we have come through some tough times. We are coming in on a wing and a prayer—that old World War II song that is almost revered. So we will persevere. But can't we end this class warfare business? My Lord, the President talked about it six times in two paragraphs. As I say, again, that is the same industry he tried to help in the stimulus.

Here is another fact: Every cent of taxpayer money is used to pay for entitlement programs and interest payments on the national debt. All discretionary spending is borrowed. That is where we are headed; that is where we are at.

On average, we accumulate \$4 billion in debt each day. It would cost each citizen \$46,000 to pay the debt off. That means a family with a husband, wife, and two kids would owe \$184,000. That is rather startling to Kansas families. They do not have that kind of money. I know perhaps some would say that is apples and oranges with the function of government and the function of families, but it is a good illustration.

We have gone over 800 days—I think it is 810 now—without a budget in the Senate of the United States. During that time, this country has spent \$7.3 trillion. We have spent \$439 billion in interest on the money we have borrowed.

We do not have regular order. If Robert C. Byrd were here today and sitting in that chair, he would be appalled. He would be making a speech in louder terms than I am, with short sentences, and he would point out we are not doing our duty.

It used to be that we would have a budget. Then we would have appropriations bills. Then we would have the

committees of jurisdiction meet those budget demands, meet that number. Then we would debate it on the Senate floor. Members would have an opportunity to bring amendments. That is how we worked. We do not work that way anymore. There is no regular order anymore.

What we do is bring up huge bills such as Dodd-Frank and the health care bill, usually written in private, and then we vote on it. Then the American public says: Have you read the bill? Then they say: Have you read the regulations?

We have to restore regular order and restore the Senate back to the Senate. People are fearful. The American public is fearful today. They have a real, conscientious worry that America is not the same as it used to be. Why is that? Because I think the American dream is that every American youngster can climb on the ladder of success as fast and as high as he or she can, with nothing government made or manmade in their way. Regardless, they may stumble, hit their chin on a couple of rungs, but, by golly, they get back up and they go right up again.

Not anymore. We have, apparently, a national agenda to level everybody with everybody else. It is called social justice. Nothing wrong with social justice except if it is an agenda to affect everybody. We now have the President of the United States deciding who is rich. It does not make any difference if a person does not make anything 1 year and makes \$250,000 the next year; he is rich—despite his or her circumstances, family circumstances, or anything.

We have the national government, the Federal Government deciding everything: light bulbs, what you eat, rural fugitive dust. When a grain truck goes down a gravel road in Kansas we have the EPA worried about it. No kidding. We have navigable farm ponds now, farm ponds declared navigable waters. No self-respecting duck would even land there.

We have regulation after regulation after regulation. I cannot talk to any manufacturer, any business, anyone in Kansas where I have the privilege of speaking without somebody raising their hand and saying: Pat, what on Earth are you doing back there passing all these regulations that really don't make any sense and are about to put me out of business?

My reply to them: I am not a "you" guy; I am an "us" guy; and I am sure trying to do something about that. I do have a bill on that, by the way, and I encourage my colleagues across the aisle to look at it. I will be talking to you personally.

These are all serious issues, but the most serious matter is the national debt. At the rate we are going, in a few short years we will spend more paying interest on the debt than on all discretionary spending outside defense. Mike Mullen has said this is the biggest threat to our national security: \$14.3

trillion. He is right. His comments echo the calls I receive every day from Kansans.

There is a lot of rhetoric going on now, and I understand that. Perhaps I have added to it. If I have offended somebody, I apologize. But let's all take a deep breath, if we can. Debate and posturing is nothing new in this body. In American history, in the earliest days of our Republic, it was between Alexander Hamilton and the Federalists on one side and Thomas Jefferson and his allies on the other. The enmity between these men was so obvious through vitriolic rhetoric. Much of the mudslinging that occurred then would be considered out of bounds by today's standards of political discourse.

Well, as the debate raged on between the early parties over the drafting of the Constitution, it seemed possible that the great American experiment would be over before it even began. Edmund Randolph wrote to George Washington, who at that time had retired to private life, and begged him to "rescue America from the impending ruin."

Washington rose to the occasion the way a leader does. He did it for his country, for his fellow Americans. He showed leadership because it was the right thing to do. In the end, a compromise was reached—yes, it was a compromise—to have the Constitution as drafted by the Federalists but with the Bill of Rights included as drafted by the Jeffersonians.

Later, after being elected our Nation's first President, Washington was dismayed over the continuous bickering between Hamilton and Jefferson—not so much different than we are doing today—over a wide range of issues: how to interpret the Constitution, the powers of Congress, the relationship between the States and the Federal Government, and the public debt—even then. Sound familiar?

Well, amidst the feuding, George Washington wrote to Jefferson and said this:

How unfortunate, and how much is it to be regretted then, that whilst we are encompassed on all sides with avowed enemies and insidious friends, that internal dissension should be harrowing and tearing our vitals.

That is pretty tough. That is the bottle we ought to drink from every morning and stop to think about it.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ROBERTS. I ask unanimous consent that I may proceed for 2 additional minutes.

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

Mr. ROBERTS. Mr. President, since the founding of our Nation, people the world over have looked to us as a beacon of light because of our freedoms. Others have watched the great American experiment with a perverse hope that it falls. We can only fail if we fail ourselves, if we fail to balance the budget and bring down the debt.

America has always proven itself. We will meet any challenge and confront

any enemy. The enemy before us is our own fiscal irresponsibility. It is time to stop talking. It is time to start doing. It is time for the President to come up with a specific plan, and in meeting with Republicans and Democrats in the House and the same in the Senate, let's do our duty.

In some of the toughest early debates in our country, Americans were fortunate to have steady leadership in keeping a hand on the wheel. I hope Members of this Chamber and the current President of the United States can look to character, to leadership, to love of our country to guide us through these very trying times.

Every generation confronts a unique set of challenges. The challenge we face today is the \$14.3 trillion debt—and growing. I am so hopeful we can close ranks and confront this enemy. We owe the American people and our forebears no less than victory in this fight.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

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

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

Mr. ENZI. Mr. President, we have spent a considerable amount of time discussing the debt and the deficit crisis this country is facing during the 112th Congress. Although we have heard from the President that we must raise the debt limit, neither he nor any of his Democratic colleagues, with the exception of the three Senators in the Gang of 6, have presented us with a concrete plan to rein in spending and get our fiscal house in order.

Meanwhile, every day we are spending more money that we do not have. While my Democratic colleagues continue to talk about the need to increase the debt limit and get our fiscal house in order, the House of Representatives has taken concrete action to make that happen. On Tuesday night, 234 Members of the House of Representatives joined to pass the Cut, Cap, and Balance Act.

The bill will put the country on a sound fiscal course at the same time that it gives the President \$2.4 trillion in additional borrowing authority that he has asked us to provide. The problem we currently face is that we are spending too much money and borrowing too much money.

I agree with our colleagues in the House that it only makes sense for us to increase the borrowing authority if we put the country on a path where that borrowing will eventually end, even though it is a long way out.

The Cut, Cap, and Balance Act takes a three-tiered approach to finding the right fiscal ship. First, it provides some substantial but reasonable cuts to spending immediately. The bill requires us to cut about 3 percent in spending from the bloated Federal budget next year. That cut amounts to more than \$100 billion in spending next year.

The bill allows the House and Senate to determine where those cuts are most appropriate. Because we recognize the need to cut in appropriate areas, the Cut, Cap, and Balance Act ensures there are no immediate cuts to Social Security, Medicare, veterans benefits, or to our military colleagues.

At the same time we cut spending, the bill puts in place spending caps that prevent us from spending above a specific amount and puts our spending trajectory on a path where we can achieve a balanced budget. We all wish we could balance the budget tomorrow, but we are spending money at such an alarming rate that it just is not achievable. We are almost borrowing as much money as we take in in revenue. The bill recognizes that fact and gradually caps spending so we can achieve balance.

Finally, the bill gives the President the ability to borrow an additional \$2.4 trillion he is requesting, subject to one condition: that Congress passes a balanced budget amendment. We all agree we need to stop borrowing so much money. The only way to stop borrowing is to have a balanced budget—not spending more than we take in.

We have a pretty good idea how much is coming in and how much is going out. That is why August 2 is the day of crisis, and that is including the money we borrow. When we pay the interest, we have to borrow 40 cents on every dollar to pay the interest.

If someone has a maxed out credit card and borrows to pay the minimum balance, do you think they will ever pay that card off? Not a chance. That is the situation we are in.

A balanced budget means we will not spend money we do not have. Therefore, if the President wants to borrow \$2.4 trillion more from a country such as China, we need to know it will not force us to borrow money forever. Cut, cap, and balance does not ask for the time for States to ratify a balanced budget amendment after it passes. Their time to ratify gives us time to get where we need to go.

Like families across America, we are going to have to decide what spending is essential. Families have as many ideas for spending money as the Federal Government does. But they know it is not an option to spend what they do not have. They have to decide what is essential and what is nice to have.

I think it is important to take a look at the problem we are facing. If we grasp the size of the problem, we will share my sense of urgency that we must pass the Cut, Cap, and Balance Act.

Our national debt is around \$14.3 trillion. Our national debt is almost equal to the whole economy of the United States—everything that is produced and sold in the United States.

Our debt is almost equal to the whole economy of the United States. We call it GDP. That is so we do not really know what we are talking about. That means if we were to pay off the debt,

every man, woman, and child in this country would need to write a check for more than \$46,000. It would be one matter if that number were projected to decrease or if there were signs that we are making progress in bringing our budget back into balance. But that is not happening. Since the President took office in 2009, our national debt has increased by more than \$4.4 billion each day, for a total increase of \$3.7 trillion.

I can already hear the President counter that he had a lot to clean up. At what point when things are getting worse instead of better is the President going to take ownership and provide a solution on paper? Lots of speeches, no paper.

The stimulus did not work, so let's not repeat it. If we keep doing what we have been doing, we should not be surprised when we wind up with what we already got—the same result.

Margaret Thatcher, when she was Prime Minister, proved that putting your fiscal house in order increased the economy. They already tried some of the other things, but putting the fiscal house in order is what made the difference.

In 2011 we are expected to spend \$3.6 trillion. At the same time that we spend the \$3.6 trillion, we will have revenues of \$2.2 trillion. That is a \$1.4 trillion deficit. If we follow the President's budget, we will have a deficit the next year of \$1.2 trillion. The 10-year average, if we follow the President's budget proposal, is nearly \$1 trillion in deficits each year.

After his first term, the President's policies are expected to add almost as much debt held by the public as all the Presidents in the history of the United States. That level of deficit cannot be sustained and, contrary to the opinions of my friends on the other side of the aisle, we cannot tax our way out of this problem. Failure to live within our means does not warrant taxing the taxpayers for Washington's failures.

According to the Congressional Budget Office, the top 20 percent of income earners paid almost 86 percent of all Federal taxes in 2007. Those individuals are the job creators in this country. Many of them are small business people who reinvest their profits, even though they have to pay the taxes on them at that time. So they put the profits back into their businesses to make them grow.

Increasing taxes at a time of economic struggle will cost jobs and will lead to more unemployment and higher deficits. Businesses are already reluctant to expand because of the increasing and detrimental regulations coming out every day of this administration. Some of the regulations are not even from current law, so they will be fought in the courts and they will be overturned. But it will be at a great expense, a great delay, because it will take over a 5-year period to do that, and we will experience more pain than any cuts we might make.

Now, rather than increasing taxes, we need to cut spending and reform entitlement programs. Mandatory and entitlement programs now account for 62 percent of all Federal spending. That number continues to rise as the baby boomer generation retires. By comparison, mandatory and entitlement programs accounted for 33 percent of all Federal budget spending in 1964—33 percent up to 62 percent.

The numbers do not lie. Entitlement programs are placing a stranglehold on our budget, and yet there are still calls from my colleagues on the other side of the aisle to keep them as they are. Misinformation from campaigns and outside groups say there is not a problem and we can fix our budget simply by cutting earmarks and finding waste, fraud, and abuse. That is just not true. Even if the money from the Social Security trust fund that has been spent were returned, the length of time a person now lives makes the fund actuarially broke.

These problems are too serious for us to ignore. Erskine Bowles, the cochairman of the deficit commission, said it best when he testified that “we are facing the most predictable crisis in our nation's history.”

Everyone knows we need to take action. Everyone knows we need to make the tough choices necessary to right our fiscal ship. Yet there are some who suggest we should not act or that we should wait to act.

To those Members, I say we have kicked the can down the road long enough. It is time for us to take serious action to change the trajectory of our spending habits and get this country in a condition that we can be proud to leave to our grandchildren.

We have known that this debt limit debate was coming for months. We can all see that the government is spending money at a rate that will require us to authorize the Treasury Department to borrow more money. Although the date shifted, the fact that the government will have reached the debt limit should come as no surprise to anyone. That is why it is so perplexing the President and my Democratic colleagues have not presented any written plan to get the country back on track.

Well, I guess the President did present one. We voted on it, and it did not get a single vote in this Chamber—not one vote. He did not even talk one Democrat into voting for it. He had an outstanding opportunity to talk about the deficit crisis that the deficit commission pointed out. He could have done that in the State of the Union speech. He could have followed that up with a budget that would have mirrored what the budget commission said. That is kind of where this Gang of 6 is right now with their suggestion.

But that did not happen. Instead, we move on to the crisis and figure that just raising the debt limit will solve everything. We have known it was coming for a long time.

In the House, Republicans passed a budget that would cut the spending by

\$5.8 trillion over the next 10 years. Senator TOOMEY and Senator PAUL in this body presented their own budget that would get our country back on track. Senator CORKER has introduced legislation that would cap spending levels and head us in the right direction. I have introduced legislation that would require us to reduce spending by 1 percent for 7 years and cap spending each year to balance the budget. It will work: In 7 years, 1 percent.

Incidentally, that is probably how long it will take the States to ratify the balanced budget amendment. If we are saying we can do it without a balanced budget amendment, we should also pass my 1 percent solution bill and prove that we can. A backup plan is always a good idea.

Most businesses in the United States have to find a way to reduce spending by 1 percent to match the economy or to do the regulations we have forced on them. Most families have to find a way to spend one penny less out of every dollar or face a financial crisis.

Why can't the United States do 1 percent—1 percent each year? By making the 1 percent spending cut, we would save around \$7½ trillion over the next 10 years, balance our budget, and we would put the country on a sustainable spending path.

Republicans have offered all of these plans, and we continue to hear only silence from the other side. The only plan presented by the majority, as I mentioned, was President Obama's fiscal year 2012 budget, which was unanimously opposed.

When the President and the majority do not lead, some bill has to take the lead. Members of the House proved that on Tuesday night by passing a plan that allows the President to have his debt limit increase and get our country back on track. The Cut, Cap, and Balance Act is a responsible solution to the problems we face. We are spending too much. Too much spending leads to too much borrowing.

To rein in spending, we must make immediate cuts that prove Congress can act. We must cap future spending to ensure that our spending levels do not grow at an unsurmountable level.

To prevent future borrowing, we need to put into place a mechanism that will require us to balance the budget. Forty-nine States require a balanced budget, and it is well past time for the Federal Government to show the same fiscal restraint.

The President has asked us to give him the ability to borrow \$2.4 trillion more, which our children and grandchildren will have to pay back and, if the crisis worsens, it will move up to the current generation. It is money we will need to borrow from countries such as China, which are our competitors in the world and which don't necessarily share the same values. I don't take that responsibility lightly.

This responsibility requires immediate action to correct the problem and prevent future generations from having

to make the tough choices our out-of-control spending has forced us to make. The House took the responsibility seriously and passed the Cut, Cap, and Balance Act to right our fiscal ship at the same time we give the President the borrowing authority he so desires. The Senate should follow suit and pass the Cut, Cap, and Balance Act immediately.

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

The PRESIDING OFFICER (Mr. SANDERS). The clerk will call the roll. The bill clerk proceeded to call the roll.

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, I ask unanimous subsequent to speak as in morning business.

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

Mr. BARRASSO. Mr. President, I come to the floor today because we are discussing the cut, cap, and balance legislation, which I support. This gets back to a poster I have had at home with my kids over the years. I have a copy of it here. It is called "the two penny difference." It says that if you earn a dollar and you spend the 99 cents, you are OK. But spend \$1.01 and you are heading for trouble. This is from many years ago.

Today, spending seems more fashionable than saving. What once was called "poor money management" is now called "deficit spending." Whatever it is called, it leads to inevitable headaches for people, companies, and even for governments.

Frankly, that is the situation in which we find ourselves today, a major headache, because as a nation we have continued to spend money we don't have. As a result, we have been borrowing money, significant amounts of money. Actually, it is about \$4 billion a day. A lot of it we are borrowing from overseas, and much of it from China. You say, how does one maintain oneself as an independent, strong, and forceful nation when it owes that sort of debt to someone else?

What the American people have told me as I traveled around my State is that Americans believe—and the people of Wyoming clearly believe—they want Washington to cut spending, not increase taxes. The White House doesn't seem to hear that message. They are ignoring it, tuning it out. They have admitted they don't have a plan to cut Washington wasteful spending, and actually the President doesn't think he needs one. I will quote the White House press secretary:

Leadership is not proposing a plan.

You know, it is saddening, but it is not surprising given this White House's track record of changing positions, saying one thing and doing another, and nobody can predict what they will do. Last week, the President said he

would not support a short-term increase in the debt ceiling. He even warned the House majority leader: "Don't call my bluff." We have all seen it on television. Now we know it was a bluff.

The President is now saying he might welcome a short-term increase in the debt ceiling. Yesterday, the President announced—or it was announced by his spokesman—that they would consider the short-term increase. So it is hard to tell what they are thinking at 1600 Pennsylvania Avenue. A lot of times it depends which way the wind is blowing. White House officials aren't the only ones who think it is better to not propose a plan. The story in Roll Call yesterday said that the senior Senator from New York warned the Democrats to not release a plan. The article even said they told the budget chairman not to propose a budget because it would give others around the country something to shoot at.

We have been here for over 800 days since a budget was passed through the Senate, and a Senator tells the chairman of the Budget Committee don't let them see the budget. According to this article, it said he thought it was politically helpful to spend time "attacking corporate jet owners and defending entitlements."

Our entitlements are going to be bankrupt in just over 10 years, and some folks don't want to produce a plan to save them or to strengthen them. That is what we are hearing on the floor of the Senate.

People often try to figure out how large this debt is that we have. We spend more on interest on our debt—just interest—each and every day than it would cost to buy several hundred corporate jets, which the senior Senator from New York is railing against. And that is just the interest alone on the debt. That is what kind of money we owe.

This isn't the kind of leadership America needs right now. Even though the White House and my friends on the other side of the aisle continue to send different signals each day, Republicans remain committed to cutting spending. In fact, we put forward the only plan that has passed either House of Congress. It is called cut, cap, and balance. It will cut spending. The American people realize we continue to spend money we don't have. It will cap future spending, and it will require Washington to balance its budgets. Wyoming does that every year. Every other alternative in the Congress, on the Hill, around town, is either undefined or unfinished or only speculative.

I am pleased that the Senate will soon vote on cut, cap, and balance, which is a plan that is good for our country. It is common sense that when Washington is \$14 trillion in debt, we must cut spending. When Washington borrows \$4 billion a day, we must cap future spending. When Washington borrows \$2 million every single minute, we must learn to balance our budget.

Americans understand our country can't continue down this same track. We cannot continue to spend money we don't have. Cut, cap, and balance is the best plan for America.

I yield the floor.

The PRESIDING OFFICER. The Senator returns from Rhode Island.

Mr. REED. Mr. President, these are challenging and daunting times. While we are coming out of the worst economic crisis since the Great Depression, with continued high unemployment, our economy remains fragile.

The fragility is not simply a macroeconomic phenomenon. It affects every family in this country who is worried about their employment, about the future of their children, and about whether their parents will still enjoy adequate coverage under Medicare and will still be able to draw some sustenance from Social Security checks. All these worries are in the daily lives of all Americans. We have to respond to that.

The most salient fact that affects most Americans is the dramatic loss of employment, beginning in 2007, 2008, as the financial crisis engulfed this country.

The U.S. economy has lost about 8.8 million private sector jobs just in 2008 and 2009 alone. These were times when a Republican President continued to accumulate huge deficit spending—most of it beginning with tax cuts, which my Republican colleagues supported enthusiastically; two wars that were not paid for, which was supported overwhelmingly by my Republican colleagues; and an expansion of Part D of Medicare, which again they supported. At no time did I hear the kind of outcry about growing deficits we are hearing today.

We all understand that after the 10 years of this decade—8 of which were under the Presidency of George W. Bush—we are in a very difficult deficit position. That position is made worse because our economy has not generated enough jobs. One of the aspects of all these so-called plans—the cut, balance, whatever plan, and all the rest—should be the answer to the fundamental question: How is it going to help us grow our economy and grow jobs in Rhode Island, in Vermont, and in Wyoming? That seems to elude all the proponents of these plans at the moment.

We have seen, since President Obama has taken office, some growth in employment, with 16 consecutive months of private sector job growth—about 2.1 million jobs—in sharp contrast to what was happening during the last 2 years of President Bush's administration. But we have a long way to go. Indeed, we have a long way to go to make up for the surplus which President Bush and the Republican Congress inherited in 2001 and the deficit and economic destruction President Obama inherited when he took office.

Our most immediate and pressing business is to reach some principled compromise on raising the debt ceiling—something that was done, I must say, rather routinely under President Bush about seven times, even though Democrats had very serious disagreements with him on tax policy—a tax policy that was increasing the deficit—and disagreement on wars, which were increasing the deficit as well as distorting our strategy internationally. At no time did we try to use the debt ceiling as the ultimate apocalyptic weapon to bring the President and, perhaps in doing so, even the country down. Yet I hear too many of my colleagues on the other side talking in those terms, particularly in the other Chamber.

The bill that has been passed in the House is an attempt to shrink government, protect the wealthy and special interests in the Tax Code. It ties the debt ceiling increase to passage of a constitutional amendment that would require 38 States for ratification. Once again, we are taking what was routinely done and necessary so we don't default on our credit and making it the vehicle for altering the Constitution of the United States, of building in even additional protections in the Tax Code for our wealthier citizens. This approach they are taking will needlessly jeopardize Social Security, Medicare, and Medicaid, while it enshrines in the Constitution further protections for loopholes in our Tax Code and the tax benefits that many of the wealthy and the large corporations enjoy today.

At the heart of what they are trying to propose in the House, and what they have sent to us, is to make it easier to cut these vital programs—a range of programs that involve transportation security agents at our airports, flight controllers in the towers, and can even involve the distribution of agriculture programs, which affect large parts of our country—not so much in my State but large parts of this country. All that would be subject to the calculation of cutting, cutting, cutting, while it would be extraordinarily difficult to raise revenues.

I don't think that makes sense. I don't think that is what the American people want. From what I have seen from the polling, huge numbers of Americans are frankly saying the wealthiest in this country are enjoying huge tax benefits. I believe approximately 80 percent of the American public believes the first step we should take in balancing the budget is to raise the taxes on the wealthiest Americans. That is what they are saying. They are not saying cut benefits from people who are on the margin, who are struggling—the working poor, who may be just under or over the line to qualify for Medicaid benefits in a State and get health care for their children. I think the American people are smarter and more decent than some of the proposals that have surfaced around here.

Again, the caps on spending are all dressed up as if they will have no real effect on the important programs, but they will have an effect on every program, including Social Security, Medicare, and Medicaid. For people who are still struggling to find work, who are still struggling to find some type of traction in a difficult economy, these cuts can be devastating. Indeed, one of the challenges we have is to generate more growth in our economy again. When we pull back from spending in the economy, that will further accelerate the lack of demand and the lack of any incentive for private hiring.

We are already seeing companies cut back and cut back. What are they saying? There is no demand. People aren't buying. People are saving. They sense—not sense, they know—they have to save more because they are not quite sure whether they will get all of their Social Security check or their Medicare benefits or any other benefits. That drives demand further down and slows the economy further down.

The Republican plan includes overall spending caps that reach 19.9 percent of GDP in 2017, but we have to look at this number in historical perspective. Over the past 40 years, this rate of spending is not only lower than the average spending but, moreover, outlays as a percentage of gross domestic product have only declined to 19.9 percent or lower when unemployment has been 6 percent or below. That makes sense. When the American economy is working, people don't collect a lot of benefits. They have a job and so they do not need the kind of assistance they need today. This cap of 19.9 percent is totally out of the context when it comes to the present unemployment rate of 9.2 percent and, frankly, could perhaps cause an even larger unemployment rate if this program is enacted.

Again, I don't think this makes sense in terms of the simple mathematics or the history or the underlying policies it would inevitably produce in the country. Yet still, in this Republican proposal, we are protecting the most special interests in this country—Big Oil and corporations. Those tax breaks, those tax perks, are still there, and they will continue to be there.

We all recognize we have to make tough decisions about spending and about revenue. What I find acutely ironic is Democrats did that in 1993 and 1997 and we heard about it for years and years, with Republicans assailing us. Of course, by 1998, we had a surplus. We had an economy with an unemployment rate much closer to 5 percent than 10 percent. But all that hard work—without any assistance from the Republicans—was completely squandered beginning in January 2001. Now we are back to the same challenge we faced in 1993 and 1994. But we did it before by making tough decisions. We did it over several years. We did it by trying to balance both cutting expenditures and increasing appropriate revenue and also by recognizing that working Americans need the assistance and support of their government. So we can do it again, and I hope we do.

Our most immediate and pressing business is to reach some principled compromise on raising the debt ceiling—something that was done, I must say, rather routinely under President Bush about seven times, even though Democrats had very serious disagreements with him on tax policy—a tax policy that was increasing the deficit—and disagreement on wars, which were increasing the deficit as well as distorting our strategy internationally. At no time did we try to use the debt ceiling as the ultimate apocalyptic weapon to bring the President and, perhaps in doing so, even the country down. Yet I hear too many of my colleagues on the other side talking in those terms, particularly in the other Chamber.

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But the first challenge—the one that has to be met—is to raise the debt ceiling. Defaulting on our debt would have catastrophic consequences. As we approach this deadline, the mere fact we haven't done anything yet is prompting credit agencies to suggest they will downgrade our credit rating. One of the most salient figures I have heard in this debate is that for every increase of 1 percent in our cost of credit and the interest we pay to borrow over 10 years, we will add \$1.3 trillion to our deficit. The longer we avoid raising the debt ceiling, the closer we come to actually accelerating the deficit dramatically by increasing the rate we have to pay to borrow funds.

The final point I would make is, raising the debt ceiling is not for new spending we want to borrow money for. This is for the accumulation of the deficit that began dramatically in January of 2001. So I would urge my colleagues to move promptly and responsibly to raise the debt ceiling and then to get to the hard, difficult work of balancing our budget, as we did, as Democrats, in the 1990s, and then later, in 1996–97, with a Republican Congress, further adding to the deficit reduction under the leadership of President Clinton and not some magic plan that is produced overnight.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama.

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

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

Mr. SESSIONS. Mr. President, one of the things that frustrates the American people about Washington is how hard it is to get reliable information and straightforward answers. We in the Senate and Congress have that same difficulty. It is hard to know sometimes what numbers and statements and plans mean and what they will cost. Politicians offer a budget proposal and they say it cuts taxes even though taxes go up. They even come up with new names to disguise tax hikes, like revenue enhancements or reduced spending in the Tax Code. It doesn't mean eliminating the earned income tax credit; it usually means some deductions somebody is allowed to take, and that has been renamed as spending.

We hear people come to the floor and blame our massive deficit on anything and everything but our out-of-control spending, whether it is the war in Iraq or it is a tax cut passed a decade ago, or it is special preferences for private yachts or Lear jets. We can't have an honest budget if we can't talk honestly and factually about it, and I hope to be able to contribute in some way to clarifying the issues. I will do my best today to plainly state some of the things I think are plainly true.

First, I wish to address the myth that the President has a \$4 trillion deficit reduction plan. Some believe that the President has a plan to reduce

spending by \$4 trillion, but the only plan the President has put on paper and allowed anybody to see is his February budget, which doubles the national debt. The President has never put a single spending cut plan on paper that actually reduces spending, and he has no program that would substantially reduce the deficit. If he does, it is a closely guarded secret.

His budget, which he submitted earlier this year, increases taxes significantly but has greater increases in spending. By the Congressional Budget Office analysis, it would increase the deficit more over the next 10 years than if the budget were not passed at all. Indeed, it would increase the gross debt of the United States by \$13 trillion, doubling the entire debt of the United States again in the next 10 years.

If there is a secret plan that does exist somewhere, it should be made public this afternoon. Let's see it. I would like to. I think millions of Americans would feel the same way. Summaries don't work.

The President summarized his budget, which I just described, as calling on Americans to live within our means and will not add more to the debt. That sounds pretty good, because this year our deficit is projected to be \$1,500 billion. So we want to be living within our means again and we do not want to add more to the debt. But even by the President's own analysis, the plan didn't do this. The Congressional Budget Office, Congress's independent agency, analyzed the President's budget and found that in 10 years, the lowest single annual deficit that would occur would be \$740 billion. The highest budget deficit under President Bush was \$450 billion. But under the President's budget, the lowest deficit that would be accrued would be \$740 billion. It goes up in the outyears until it goes over \$1 trillion, over \$1,000 billion in the tenth year of his budget.

How can that be living within your means? It will not add more to the debt? Every single year would be adding to the debt. So we can't deal with summaries and spin statements about a plan until that plan has been put in legislative language and scored.

We also have received no plan from our Senate Democratic colleagues. For a time there a couple of months ago, the Democrats were on the path of producing a budget in the Budget Committee as required by statutory law. I, as ranking Republican, was very anxious to see it. We were told we would get it the morning of the hearing, not a bit sooner. I grumbled about that. I wanted to have a little more time to see it. But we never received a budget. I think the majority leader and the Democratic leadership, not our committee chairman, decided they didn't want to have a budget. One of the committee folks said it would put a target on your back. Senator REID said it would be foolish to have a budget. Why would it be foolish to have a budget?

Well, you can't say your budget calls on you to live within your means if you actually put it out there. People can score it and find out whether it is true.

We haven't had a budget this Senate in 813 days. As of now, there is only one debt limit plan on paper, only one plan available for public scrutiny and review, and that is the one we are considering today, cut, cap, and balance. It cuts spending immediately, it caps it so it won't go up, and it requires the passage of a balanced budget amendment to ensure that Washington ends deficit spending once and for all.

The American people do not support a Washington plan to pass some grand deal with tax hikes that never go away and with spending cuts that are talked about but never materialize. They are wise to the gimmicks and accounting of Washington. They are not happy with us.

At this very moment the people's Representatives in Congress preside over a country that borrows 40 percent of every dollar its government spends.

People in the Tea Party are angry. And why shouldn't they be angry when this kind of leadership has occurred in the Congress of the United States of America? It is utterly, totally indefensible. It should never, ever have happened. Yet, it has. It threatens our financial future. It threatens our economy and our economic growth. So the American people are not happy about it.

That is why I introduced a piece of legislation that would require 7 days to review any bill that would increase the debt limit, because this is going to be complex. People want to bring it up at the 11th hour under a panic mode. Some warn that if we don't pass it tomorrow, the world markets are going to be destabilized, interest could go up. I don't know, some of those things could happen. So we absolutely should do something. But we ought to not wait until the last minute and have plopped down in the Senate some big complex bill that has got to be passed before the sun rises the next day and nobody has time to analyze it or score it to find out what it means.

But our Democratic colleagues here in Washington are resisting the cut, cap, and balance bill because there is no gimmick in it. There is no accounting trick to get around if this becomes law. They know it will work. And for the big spenders, the only thing you don't want to pass is a piece of legislation that will work to contain spending. You see, they want to spend more. They think if they continue to spend more, then they can go and demand you raise taxes to pay for it.

Washington is going to have to end this spending spree. These kinds of difficult choices are the responsible choices families, cities, States, and county commissions are making every day, every year.

In Alabama, Governor Robert Bentley oversaw an across-the-board cut of 15 percent from the general fund in the

current year because of the constitutional prohibition on deficit spending. Alabama is not going to run up debt. For next year, he has taken a cautious approach. Hopefully we will have more revenue, but he is cautiously approaching next year and he has proposed cuts of up to 45 percent for some agencies that he felt would be appropriate places to reduce spending. Those are tough choices. But unlike Alabama, the Federal Government is not required to live within its means.

Another myth I wish to address is the idea that our current budget crisis is the result of two wars and a tax cut. We have heard that over and over again. The wars cost money, a good bit of money. Over the entire decade, the cost of the Afghanistan and Iraq wars is about \$1.3 trillion. That is a lot of money. Again, that is over 10 years, over a decade. This year alone, the deficit is expected to be \$1,400 billion, or \$1.4 trillion. The deficit this year will be larger than the cost of the wars in Iraq and Afghanistan over 10 years. So the driving force behind our deficit is not the wars in Iraq and Afghanistan. It is not. War costs represent only 4 percent of total outlays over the last 10 years. The total amount of money spent since President Obama took office is \$8.5 trillion. By the end of his first 3 years in office, we will have added \$5 trillion to our gross Federal debt. These are stunning numbers.

As I said, President Bush had a widely criticized—in many ways rightly criticized—\$450 billion deficit. Since President Obama has been in office, the deficits have been 1.2, 1.3, looks like this year it will be \$1.4 trillion, each year, more than double the deficit under President Bush.

We are borrowing close to half of what we are spending every single day. In 2 years, nondefense discretionary spending increased 24 percent, 12 percent a year on average. This is our discretionary spending. This isn't Social Security and Medicare, which increase more than that. The stimulus package alone added into law the largest expenditure bill in the history of the American Republic. It cost more than the entire war in Iraq has cost. In a single day in 2009 we passed it on this floor, over my objection, and every penny of it was borrowed. We were in debt, but they said: The economy needs to be stimulated so we are going to spend \$50 or so billion dollars.

The spending when President Bush took office was less than \$2 trillion. Today, it is almost \$4 trillion. It will be almost \$6 trillion by the end of the decade. There is only one honest answer to the question of why our debt is rising so fast, and that is out-of-control domestic spending.

Another myth that is circulating, which I wish to address, concerns the outline from our colleagues and friends who participated and worked hard on the Gang of 6 proposal. I give them a lot of credit and respect for the hard work they put into it. I wish it had

been produced a month ago so we could have actually had legislative language and know what it would mean today.

The authors of the summary, though, that they just produced for us, claimed the approach would reduce the deficit by \$3.7 trillion over 10 years. That is a little over one-third or so of the deficit we projected to see in the next 10 years. But my staff on the Budget Committee, taking the summary pages they produced for us, can only find \$1.2 trillion in reduced spending in that outline, along with what is a very clear \$1 trillion tax increase.

Where does the other \$1.5 trillion in deficit reduction claimed in the outline come from? Chairman CONRAD, one of the members of the Gang of 6 and our chairman on the Budget Committee, a man I respect and have enjoyed working with, even said the outline has a \$1.5 trillion tax cut. But this is compared—this is how these numbers get bandied about—it is compared against a baseline which assumes more than \$3.5 trillion in tax increases would occur. So they are only going to increase taxes, I guess, by \$2 trillion, and you can get savings by not having them go up as much. But based on the current tax rates that are in existence in America today, as we read their outline—and I think they would agree—it increases taxes by \$1 trillion over 10 years. That is a large amount.

The real cost of the tax changes, some who have looked at these numbers say, is not \$1 trillion but \$2 trillion. That remains to be seen. Hopefully we will get the legislative language that can actually be analyzed, and we would know how much our taxes would actually go up.

The last myth I would like to address is perhaps the most important of all, and this is the myth that we only need about \$2 trillion in actual spending cuts over the next 10 years. That has basically been what our colleagues are saying. They float the idea of \$4 trillion in savings. What they mean is that you save \$2 trillion by reducing spending and you increase taxes \$2 trillion and you have saved \$4 billion over 10 years. I am not sure that is what the American people are expecting of us when we say we are saving money. By taking it from them? It is not saving the American people more. It is not saving the private economy more, to take another \$2 trillion from them. There is no free lunch. Somebody pays.

Our Democratic colleagues have said, although no plan has ever been made public to this effect, that they could get behind the budget deal that reduces the deficit \$4 trillion over the next 10 years, half of it composed of spending cuts. This is not even close, frankly, to what is needed to ultimately balance our budget. We are projected to spend \$46 trillion over the next 10 years. A \$2 trillion reduction is only about a 4-percent reduction in spending, and that is set to increase by almost 60 percent.

Remember, we will say we are reducing spending. We are not reducing

spending, we are reducing the rate of growth in spending by \$2 trillion on a \$46 trillion plan. Think about it. We are not talking about reducing spending. This budget would have the expenditures go up significantly in the next 10 years to \$46 trillion. The \$2 trillion means we are just reducing the growth of spending by \$2 trillion. The \$2 trillion in tax increases would mean we would still spend the same \$46 trillion, but we just would borrow \$2 trillion less because we have extracted more from the American people.

In just a little over 2 months, our debt will reach 100 percent of our economy—100 percent of GDP. That is the gross debt. That would match the size of our economy. It costs us 1 million jobs or more a year when gross debt reaches this level.

We have the Rogoff-Reinhart study that shows that when a country's gross debt climbs as high as ours has, it starts pulling down economic growth. Secretary Geithner said it is an excellent study. He said in some ways it understates the problem we have. Secretary Geithner knows this debt is a real problem for America.

We expected 3 percent growth the first quarter. It came in at 1.8 percent. Could that be because we have crossed the 90-percent debt-to-GDP threshold, and that debt is now a burden on the economy that is reducing growth? The experts have also downgraded the projected growth for the third and fourth quarters of this calendar year. It is very serious.

Christina Romer, who used to be in President Obama's White House on economic matters, said 1 percent growth means you will add 1 million jobs. So if our economy grows at 2 percent instead of 3 percent we will fail to add 1 million jobs we could have added. And I truly believe the debt is the reason we are having surprisingly low growth rates, below projected rates. Maybe I am wrong, but we certainly have a study that seems to say that exactly, and it has been widely praised by economists all over the country.

The honest truth is that this President and his Democratic Senate are not going to agree to the level of spending cuts in a debt deal that is necessary to put our country on a sound path. I think that is a fact. We have been negotiating and talking all year. The House laid out a budget plan. The Senate has refused—813 days without a budget. They are determined not to reduce spending after increasing domestic spending, nondefense, by 24 percent. They say they will freeze spending—freeze spending at levels that have jumped 24 percent? We do not have the money. We are borrowing 40 cents out of every dollar we spend.

Unfortunately, we're in a battle over the vision for the future of America. It is a big-government vision a lot of our Members have, and they are going to work as hard as they possibly can to preserve that vision, preserve that spending. After running up this huge

debt by a 24-percent baseline increase—that does not count the stimulus package of almost \$900 billion that is thrown on top of that—now they want to go to the American people and say: We are not going to cut spending; you have to pay more in taxes. I don't think that is what the American people want, so we have a national debate here.

This is the great debate of our time. It is not going to be settled in 2 weeks. A few people are not going to meet in secret and work out some grand and glorious deal. I wish they could, but I don't think they will. I would be pleased if they do.

I am confident that the good sense and wisdom of the American people will ultimately prevail. I am confident we will eventually get our spending under control. We will restore the American principles of limited government and build a better, freer future for our children. We will raise the debt limit, but we will also put this country on a sound path. If we get our debt under control, I think our economic growth will rise quickly, and I believe we will see the progress we have always seen in this great, productive, dynamic country.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BENNET. 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. BENNET. Mr. President, we have reached a point in this country's history that I never thought I would ever see, which is that the major credit rating agencies have all said that our credit rating is in jeopardy and that the United States may face a downgrade of its debt.

You and I both have had our issues with the credit rating agencies that failed to predict the crisis we were driven into by very poor business decisions. I can't even really call them business decisions—horrible decisions that were made that drove our economy off a cliff, both here and in our financial markets, both in Washington among our politicians and among people who securitized debt, sold it off, and took no responsibility for it. Having said all of that, I don't think these agencies have any political incentive other than to shoot straight on this question of the condition of our debt.

One of the greatest assets we have always had as a country is the steadiness of our credit. Countries and investors all over the world use it to finance transactions that otherwise would be difficult to do because we have an AAA rating on our debt.

Now we are facing a downgrade because we cannot even have an adult conversation, a polite conversation about a path forward. People should be

very clear about what this means. This is not just a Washington problem. If we blow through our credit rating and if our interest rates rise by 1 percentage point—just 1 percentage point—that is going to add \$1.3 trillion to the debt over the next 10 years. If it goes up 2 percentage points, that is \$2.6 trillion added to the debt over the next 10 years. That means we will continue to pay our borrowers interest and we will continue to underinvest in the children of this country, in our infrastructure, in our research and development—in all of what will allow us to compete in the 21st century. For what? Just to pay higher interest rates to people because we could not come to an agreement here in Washington.

I have spent the last 2½ years traveling around the great State of Colorado, a State which is complicated politically, which I enjoy, because we are one-third Republican, one-third Democratic, and one-third Independent. If I had to boil down the essence of what I have heard from people in my State about what they want us to be doing, it is that they want us to approach this question the same way they would approach this question. They want us to materially address the problem we have. They want a material solution to it. They know we cannot fix this overnight, a \$1.5 trillion budget deficit and a \$15 trillion debt, but they want us to fix it. They want to know that we are all in it together, that we all have a role to play to solve a problem that is too big for any one of us to solve or any group of us to solve. They want it to be bipartisan because they have no confidence in my State in either party's go-it-alone approach.

I would add a corollary to all that: We need to satisfy the capital markets that the paper they bought is actually worth what they paid for it and that the United States of America is going to stand behind that paper and is going to be able to stand behind the paper. This is one of the reasons I have supported an approach the Gang of 6 has brought forward—because it meets that test. It may not be perfect in all respects. I know there can be disagreement about it. But that is one of the reasons I have supported it. It is bipartisan, it is a measured approach, and I cannot say the same for the bill we are considering today.

Among other things, even if you thought this was a good idea, even the proponents of the legislation say it would take 10 years before this constitutional amendment would take effect. What we need to be doing over the next 10 years is figuring out how to get our fiscal house in order. I have other issues with it as well, but I think the point I want to make today is we need to work together in a bipartisan way to create a measured approach. You know what else. We cannot declare victory then even when we are able to say to the credit markets, you know what, we have had a disaster. This did not used to be our standard as Americans.

I know I have heard the Presiding Officer on the floor many times talk about the state of the American economy, and I agree with him and his diagnosis. If I had to pick one fact over the last 10 years from our economic life—and I see the Senator from Oklahoma is here, and I will wrap up in 1 minute. What worries me the most is that median family income has fallen the last 10 years for the first time in this country's history. It stagnated for a while before that, but it has fallen for the first 10 years. The average family income went up over that period of time. Median family income has fallen and the cost of higher education has skyrocketed, the cost of health care has skyrocketed, and it is harder and harder for the middle class to get ahead. Our economic production in this country is roughly the same as it was before we went into this recession, but we have 14 million fewer people doing the work because they are unemployed. We need to have a set of tax policies, regulatory policies, that is driving innovation in this economy and a policy to drive energy independence and make sure we are fiscally responsible.

Before I leave the floor, I want to thank the Senator from Oklahoma who is here today. He and I probably don't agree on most things—we disagree about a lot of things—but I want to thank him and the other members of the Gang of 6 for the work they have done. I want to thank him and DICK DURBIN, in particular—one of the more liberal members of the Senate—for voting for the deficit and debt recommendations that were made by the bipartisan commission that was appointed to the deficit and the debt committee. It took real courage for him to do that. It took real courage for DICK DURBIN to do that. It is going to take real courage for the 100 Members of this body and for the Members of the other body to produce a plan to address this fiscal problem that no one would agree with every single aspect of but that we can come together and agree is worthy of the aspirations we have for our kids and our grandkids.

Time is very short. If we trip over this debt ceiling and if we fail to uphold the full faith and credit of the United States, no one is going to be asking any one of us what pledge we made about this or what pledge we made about that. They are simply going to observe when we were 1 of 100 Americans—out of over 300 million Americans—we let the unthinkable happen to this country.

I yield the floor.
The PRESIDING OFFICER (Mrs. MCCASKILL). The Senator from Oklahoma.

Mr. COBURN. Madam President, I wanted to spend some time talking about what is coming forth Saturday morning. As a member of the Gang of 6, I am wanting us to solve our problem. But the best way to solve that problem would be the bill that is going to be voted on Saturday morning. Why is

that? We are borrowing \$4 billion a day, and I have enough gray hair to know that regardless of all the good intention and regardless of all the statements of the Members on the floor that we will never live within our means in Washington until we are forced to live within our means, and just because a constitutional amendment would take probably 4 years to pass—given what the American people think about it—isn't a reason not to go on and do it no matter what we do about our short-term problem coming up August 2. So the very fact people would say we are not going to pass the Cut, Cap, and Balance Act because it won't happen in a period of time is exactly the same approach that got us \$14.3 trillion in debt, that has our credit rating at risk and puts us in the kind of problems we have today.

I have offered a plan I think is even better. I know not many of my colleagues will, but here is a plan to cut \$9 trillion over the next 10 years. It is the only plan that specifically states what you would cut, where you would cut it, and why you would cut it. It is backed up with the facts. Nobody else can claim it. You don't have to like all of them, but what we do know is if something doesn't come out of this body between now and August 2 that cuts at least \$4 trillion, this country is going to see significantly increased interest rates as a cost of that. What so often happens is you hear wonderful words and wonderful speeches on the Senate floor but nobody putting their name on where you would cut. Well, I put my name on \$9 trillion worth of cuts. It pinches everybody in this country. Everybody. But you know what. We are all in this. We have lived for the last 30 years on the backs of those who are going to pay the taxes for the next 30 years. It is time we start paying back. It is time we start giving back.

The Senate is a different place today than when I came to the Senate. When I came to the Senate, the idea was not to block legislation but to discuss legislation, to have the courage and the backbone to vote against something and go home and tell your constituents why you voted against it, to offer amendments you thought would improve legislation and defend those amendments, and to vote for a bill you thought was in the best interest of the country and be able to defend that. What has happened in the last 3½ years in the Senate is we don't vote because the politicians of the Senate don't want to go home and explain their positions. So if you are not voting, you are not accountable and you are not responsible.

That type of behavior is exactly the opposite behavior we need to have. So Saturday morning, when Members of the Senate vote against proceeding to cut, cap, and balance, they will display either courage or cowardice. I am not talking about simple words. There is only one plan that has passed the House of Representatives that raises

the debt limit and addresses what is said to be needed by the rating agencies, and that is cut, cap, and balance. And to not allow proceeding to that debate whether you agree with it or not—you can change it through amendments. You have the votes to change it through amendments. But to not allow it to proceed so the American people can see their elected Senators and their real positions and what they know has to be done—you know, what happens around here is we say things so we can protect our political careers. You know what that does? We are not only bankrupting financially, we are bankrupting our country's history and heritage. The heritage of this country was sacrifice, and that means even sacrifice of political careers to do the right thing right now for the country.

I believe if you were to pass something like this, we would lower our debt by at least \$2 trillion over the next 10 years, the economy would absolutely boom, and we would quit undermining self-reliance and enforcing dependency. We would hold accountable a Pentagon that is wasteful, we would eliminate duplication of hundreds of programs that all do the same thing with multiple layers of redundancy and administrative bureaucracy. If we were to do that, this proposal will never come to a vote in the Senate nor any of the aspects of it because Senators don't want to make those hard choices, and that is what the debate about cut, cap, and balance is all about. It forces Senators to go back to embrace the heritage of this country and make the hard choices. If you don't pass a balanced budget amendment and you don't force the discipline, the political expediency of this country will continue to run and the problems will not be solved.

I would also say raising the debt limit doesn't have anything to do with our real problems. That is just the symptom of the problem. The problem is not living within our means. Somehow thinking the U.S. Government is different than all the State governments, all the city and county governments, every family in this country, every business in this country, and every other organization in this country that has to live within its means, I refuse to believe the American people will not hold Members of the Senate accountable for not giving them a chance to put those fixed parameters on us and their government for the future.

We are going to hear all sorts of reasons why we can't do that, why we won't do that, or we may not hear many at all. What we will see is voting against the procedure with no comment whatsoever. My plan is if that happens, to be all over this country to make sure every citizen of every State of every Senator who does not allow them to proceed is aware of that. I want to personally make them aware of that. Because what you are doing is denying the liberty and the freedom of this country to hold you accountable

to do the right thing. So we are going to see.

I wanted to spend a few minutes saying that the only thing that is possible right now to solve the problems in front of us—even though I have endorsed a \$9 trillion plan and \$3.7 trillion plan—the only thing is this \$6 trillion plan. It has passed the House of Representatives. They voted to increase the debt limit and they put significant cuts into our budget for next year. They put significant caps as we go forward and they said we have to vote to pass a balanced budget amendment. Right now that is the only thing that will get us out of a jam. You know what. That is not hard to do. The first point, we are going to cut another \$111 billion at least next year, no matter whether that passes. We are going to cap spending in the years that go forward whether or not that bill passes. But the difference is as soon as we get our balance again, the politicians who don't want to make hard choices will be back to not making hard choices and we will get in trouble again. That is why it is absolutely critical that this country's citizens have the ability to hold us accountable within the parameters of living within our means.

We will hear all sorts of reasons why we can't do that, that it might hurt the poor. Nobody here wants to in any way intend anything other than support for those who cannot help themselves. That is their excuse, we can't do that. Well, let me tell you what is going to happen in our country. The very programs that help the poor are going to be diminished in the future through fiscal necessity when we are mandated to make cuts to be able to borrow more money. So it is a false statement because by not voting for a balanced budget amendment, what you are saying is I want to plan one thing but I know something else is going to happen.

I paraphrase a statement by Martin Luther King that I think describes this place more than anything I have ever known and it was this: Vanity asks the question: Is something popular? Cowardice asks the question: Is it expedient? Character asks the question: Is it true and right? We have tons of vanity. We have tons of cowardice. We limit ourselves on courage and character.

As we listen to the debate over the next 2 days on this motion to proceed on the only thing that will solve the problem in front of us today, I want my colleagues to listen for political expediency, I want my colleagues to listen for vanity, and then I want them to search hard for courage and character because we will see an absence of it from those who oppose this. They know this will solve the problem. They know this is one of the few things that can pass the House of Representatives. Yet we are not going to have it come to the floor for an amendment process, for a full debate, and for a vote. We are not going to allow it to have a vote because

we are political cowards. We do not want to truly address the problem because it might affect our political careers. That is a sad commentary on the heritage of this country—a sad commentary—but it is a commentary to be expected; otherwise, we would never have gotten into the position we are in today.

Let me talk about some details of what we can do. We are going to hear all sorts of reasons why we can't do things and all sorts of reasons why we couldn't come up with \$9 trillion. But when the American people truly know what is going on—if they go and read about it in "Back in Black"—when they find out about the background of all the waste, all the duplication, all the stupidity that goes on in our government, all the lack of accountability, the lack of responsibility in bureaucratic agencies, all the silly decisions that get made that spend billions of dollars and don't help anything—the Tax Code. Tax earmarks and tax credit and tax expenditures are nothing but, most of the time, corporate welfare or socialism. The greatest tax in the world comes when we allow the Federal Reserve to print money which devalues our assets through inflation and the earnings on those assets. So the greatest tax in the world that is coming in America is we are going to devalue the dollar and inflation is going to go up and what we can earn on our assets is going to be limited by the interest rates, and the differential is that which we actually lose in real value of what we own every day.

The other thing I would point out is, through the tax earmarks and tax credits in our Tax Code, anybody who doesn't get one of those is actually paying for it. So if a person doesn't have an "in" up here, if a person doesn't have a lobbyist, if a person doesn't have some special interest looking out for them and they are not getting one of those, they are paying for them through the increased taxes. It is inherently unfair.

Let's look at duplication for a minute. It is interesting to look, as we have gone through the government programs in a detailed fashion, at the GAO report. We have 100 different programs with 100 sets of bureaucracies for surface transportation. Why do we have that? Because Congress has mismanaged. That is why. Because of expediency, because of vanity, because of wanting to get reelected, we create another program, another program, another program. It looks good and sounds good, but nobody ever does the research to see where they overlap. Nobody ever requires us to ask if this program is effective, and nobody ever looks at the Constitution to see if it fits with article I, section 8 of the Constitution—the enumerated powers we are supposed to live by and which we blow by all the time doing things.

Today, the Judiciary Committee passed a bill for State prisons called

the Second Chance Act. When we passed it the first time, I finally let it go because it was supposed to be a demonstration and a limited program. It is now going to get reauthorized for 5 more years. It legitimately has zero role for the Federal Government, and we are going to spend \$600 million which we don't have. We will borrow. It is well intended, but it is not our role. It is the States' role. We have hundreds of thousands of examples such as that, where we have ignored what the Constitution says so we can look good politically.

We have teacher quality programs. Teacher quality programs—82 different programs by the Federal Government to improve the quality of our teachers. Thomas Jefferson was truly the father of education in our country. He worked for years to establish the University of Virginia. He was committed to the fact that a great education will produce great benefits, not only for the individual with the education but for their family and our country as a whole. Here is what he said: For the Federal Government to become involved in education would require a change to the U.S. Constitution, and he happened to be one of the people who wrote it.

What have we done since the beginning of the Department of Education? We have spent \$2.6 trillion on education in this country at the Federal level and every parameter measuring a metric on the progression of our kids in school is worse or the same after that \$2.6 trillion. Hey, it is not working. The reason it is not working is a person can be a teacher at home and the Federal Government looks at that person and they don't know what to do, but we can hire that person to do the work in Washington and all of a sudden that person knows what they need to do. So we have this massive bureaucracy that has ruined our education because we spend all our money filling out forms and requirements and meeting mandates and we have taken the power and control of education away from the parents and teachers, the very people who care most about the success of the kids. So \$2.6 trillion with nothing to show for it, other than for the politicians to feel good about themselves and to say we were doing something.

We have 88 different economic development programs, with \$6 billion just in four of them. Not for 1 of those 88 programs is there a metric anywhere that says it is money well spent that gets a positive result for the country. There is anecdotal evidence that says it worked here or it worked there, but we don't know what we are doing. We are throwing money we don't have at things we don't know are working and when we go to vote for them to eliminate them, the Senate votes against it because it might bother their political position. It might bother their next election. We don't do it. We don't address it and do our job.

I will never forget in one of the committees I was on last year, two sepa-

rate times bills were brought up in committee that were doing identical things that we were already doing in the agencies. The Senators and their staffs didn't know it. Had I not raised objections, we would have created more agencies.

Eighty programs for transportation assistance—80. If it is our role, why do we need 80? Oh, by the way, has anybody measured to see if any of the 80 actually work? The answer is no. We have none that have a report on whether they are effective to the goals of what they were set out to do because there is no oversight carried out by Congress. We were so busy earmarking for so many years, everybody forgot to check to see if what we intended to do is working, and we still aren't doing it.

We have 56 different programs to teach the American people to become financially literate—56. The Federal Government is teaching financial literacy when we can't balance our budget. We have multiple programs. We don't live within a confined budget. The first principle of financial literacy is living within your means. Yet we have this many programs—56—to teach American citizens to be financially literate.

Job training. Here is one of the best. This is great. We have 47 job training programs that cost \$16 billion a year. All but three overlap one another. That is what the GAO says, and there is not a metric on one of them to see if they are working. When we talk to the people who go through the program, half of them say it is a waste, it is a joke. I have actually talked to them. Yet we are spending that kind of money, in excess of \$15 billion a year, on job training programs. There is no question we need job training programs, but we need job training programs that work. Why would we need 47? So when somebody tells you we can't balance our budget, you ought to blow a hole right through them with your thought that says you obviously don't know what is going on in the Federal Government.

Homeless prevention/assistance, 20 different Federal programs. We should be helping people who need our help. I am not denying that. But how we help and the mechanisms of the way we help ought to be frugal, efficient, and effective.

I have served in Congress—I am in my 13th year, 6 years as a Congressman, 4 years out of here to get a breath of fresh air, and now my seventh year in the Senate. What I know is, we don't know what we are doing, and it is obvious looking at our budget. It is also obvious looking at the dysfunction of the Senate and the leadership in the Senate, that we—we haven't had a budget in 2 years. The one thing any financial counselor will tell you is the first thing you have to know is where you are and set up a plan. We have had no attempt to bring a budget to this body in well over 2½ years—no attempt. What does that tell us? It goes back to vanity. It goes back to cowardice. It goes back to

us not doing what we are intended to do because we care more about our position than we care about the country.

There are 18 programs to feed the hungry. We have 17 disaster response/preparedness, just in FEMA—17 different programs, of which 11 overlap. FEMA didn't set those up. The bureaucracy didn't create those; we did. Every one of these programs was created by a Member of Congress. So we can't blame administrations and we can't blame Presidents. What we have to do is blame Congress.

We have 130 overlapping programs in the Department of Agriculture; 18 overlapping programs in the Department of Commerce; 230 overlapping programs in the Department of Education; 17 in the Department of Energy; 36 in the Department of Human Services; 32 in the Department of Homeland Security; 60 in the Department of Housing and Urban Development; 40 in the Department of the Interior; 53 in the Department of Justice; 35 in the Department of Labor; 6 in the Department of State; and 180 governmentwide if we look at all economic development programs. We just listed the 88 that run through 4 of the agencies.

Is it any wonder we are going belly up? The problem is us. The problem is we have a solution now that has come to us from the House and we are not going to let that solution go forward because politically—politically—it is uncomfortable. Politically, we don't want to allow the people of this country to decide whether we ought to live within our means and put a bridle with a bit in our mouth that says, whoa, you are not going to continue to destroy the future of this country and the prospects for our children anymore.

When I came to the Senate, I came after having read a book called "Running On Empty." It was written by a man by the name of Pete Peterson. He was bipartisan in his criticism of both parties, and he was absolutely accurate. We are in trouble because parties matter more than the country, because control matters more than the country, because political careers matter more than our children or our grandchildren.

So I go back to talk about what is possible. A lot of people would disagree with what is in here; this \$9 trillion of what the House has sent us would take about 60 percent of it. But here is what I say to my colleagues who don't want to vote on a balanced budget amendment, don't want to vote on cut, cap, and balance. Where is your plan? I have listed 625 pages of specific cuts, elimination of duplication, elimination of waste, elimination of fraud, and 3,000 footnotes that looked at every program throughout the Federal programs—looked at every CRS report, looked at every OIG report, looked at every GAO report, looked at every OMB report, and looked at every other outside report we could find.

The fact is, we could solve our problems tomorrow, America. We could

solve them tomorrow, with good old-fashioned common sense that the vast majority of Americans have and is sorely lacking here.

We do not have a fiscal crisis. We have a commonsense crisis in this body and in the leadership in Congress. We lack common sense, we lack sound judgment, and we need the hard bit of a bridle put on us through a balanced budget amendment to control us. Because human nature is human nature in whatever we do today, we will be back to our bad habits tomorrow. Even if we pass cuts, even if we cap spending, if we do not have a balanced budget amendment that forces us to live within the constraints of our revenue, we will be back here again.

What does that mean? That means the future of America is suspect. It does not have to be. We do not have to go the way of every other republic. We do not have to fail over fiscal issues. We can cheat history. The American people are the greatest people in the world because they are a blend of all the people in the world and they desire freedom and opportunity and that is limited because we have limited it.

We, through our profligate spending, our inattention to detail, our failure to do oversight, have undercut the potential of our country. Let's restore it. Let's restore it Saturday morning by moving on to this bill and allowing ourselves to have a debate, offer amendments, and truly debate—have what the Senate has not had in a year and a half: a real debate about the issues of our day and the reasons behind it.

But I would caution the American people. Remember what Martin Luther King said as you hear that debate: Vanity asks the question, is it popular? Cowardice asks the question, is it expedient? But conscience and right and good asks, is it right?

I tell you, it is not right to have multiple programs doing the same thing, wasting our kids' future. It is not right for the Congress not to do oversight and eliminate programs. It is not right for us to spend money we do not have on things we do not absolutely need. It is not right for us to take the control of our children's education from the parents and teachers who have their best interests at heart and place it in a bureaucracy that has no compassion whatsoever, even though it feigns that it does. It is not right. It may be politically expedient, it may be popular to some people, but it does not make it right.

As you look at this, here is how you get \$9 trillion, and you can pick any part of that to meet this cut, cap, and balance or you can come up with your own. But the fact is, nobody wants to lay on the table what they think. I have already been roundly criticized in the press for certain aspects of this by people who disagree. That is fine. I am planning on defending everything I put in here. With the best of my knowledge and a great staff that spent thousands

upon thousands of hours on this, we came up with a way to solve America's problems, and we can do it.

America can be bright, can be growing, can be developing jobs, if we get the government out of the way and limit the role of the Federal Government.

I see my colleague from Delaware, one of my great friends. We hear that said a lot here, but he is a great friend. It is not the conventional, common greeting. I believe I am over my time. I will be back to the floor to finish this conversation.

But America needs to know we do not have any problem we cannot fix. What we lack are leaders who will fix it. That is our deficit. It is a deficit of courage. It is a deficit of will.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. CARPER. Madam President, thank you very much for this time to speak.

Before Dr. COBURN leaves the floor, I thank him for the kind things he just said. As to TOM COBURN and I—a lot of people say: Well, that is an unlikely duo who would end up working together as much as we have and actually having the sense of trust and friendship. There are things people certainly find in me not to like, and the same is true of all of us. But I would say, there is nobody in the Senate who cares more about getting our deficits under control. He and DICK DURBIN have shown terrific courage and leadership, along with others in this so-called Gang of 6, and also as members of the deficit commission, in trying to get us to a comprehensive, bipartisan solution as to how we rein in the budget deficit without destroying our economy, making sure we do not pierce the debt ceiling and have our financial world begin to crumble around us. So I very much appreciate what he said today. I heard most of it, not all of it. I have had a chance to work with him in a number of areas.

What we try to do, and Senator MCCASKILL—who is presiding at this moment—what she tries to do, along with others of us who serve on the Homeland Security and Governmental Affairs Committee, is we try to look in every nook and cranny of the Federal Government. Whether it is defense spending, entitlement spending, domestic spending, we look at the so-called tax expenditures, tax breaks, and so forth, and we look at all of them and ask this question: How can we get a better result? Whether it is health care, education, transportation, defense, how can we get a better result for less money or how can we get a better result for not much more money?

We need to do that across our government. We need to change, if you will, the culture in the Federal Government from sort of a culture of spendthrift—which a lot of people think we operate under—we have to change it to a culture of thrift and not just for a couple

weeks or a couple months or a couple years; I mean for as far as the eye can see, until these pages who are sitting in front of me—who are rising juniors in high school—until they are rising juniors in college and out of school and off into the world and well beyond that. That is what we need to do. That is part of our obligation.

One of the recommendations—I am going to go back to over 1 year ago when we voted on whether to create a deficit commission that would have a number of members who would be responsible—some elected, some not—they would have a responsibility to look across the Federal Government and to come back to us at a date certain with ways to rein in the Federal deficit to get us back on a more fiscally sustainable and responsible track.

We voted in the Senate. Our Presiding Officer will recall not all the folks who were cosponsors of the legislation that created the deficit commission actually ended up voting for it. In fact, seven of them who were cosponsors—as I recall, I do not believe any of them were on this side of the aisle; I think they were on the other side of the aisle—ended up voting against it, and we did not actually have the votes to create the deficit commission.

With that happening, a number of us encouraged the President to use his Executive powers to create one by Executive order. He did that. Last year, the deficit commission was created, and there were 18 people named to it. Madam President, 12 were elected, 6 were not, and he named 2 cochairs. One was Erskine Bowles.

Erskine Bowles, who is he? He used to be, in the second term of President Clinton's administration, Chief of Staff for President Clinton. Erskine was asked by President Clinton to negotiate the deficit reduction package with the Republican House and Senate. At that time, during those years, Republicans were in the majority in the House and Senate. President Clinton said: Erskine, go out and negotiate a deficit reduction deal, where some of the deficit reduction comes on the revenue side and some comes on the spending side, so we can follow up on, actually, an earlier deficit reduction package adopted in 1993 with only Democratic votes. But he said: Let's see if we can't actually balance our budget. We had not done that since 1968.

God bless Erskine Bowles and the folks he negotiated with too. He went to work in 1997 and came up with a deficit reduction package with 50 percent revenues, 50 percent spending that had everything on the table. A long story short, we ended up with a balanced budget—not 1, not 2, I think at least 3 years in a row at the end of the Clinton administration and handed off to a new administration balanced budget surpluses as far as the eye could see.

I remember Alan Greenspan testifying, I think, before the Banking Com-

mittee, when Alan Greenspan was the Federal Reserve Chairman. He said he was concerned at the time we were going to pay down our debt too soon, too fast. I mentioned to him later that concern was misplaced because we certainly did not pay down our deficit too fast. About starting 10 years ago, we turned black ink surpluses as far as the eye could see to red ink, to deficits as far as the eye could see.

A lot of people like to reinvent history. They say we did not do much to reduce deficits in the years from, say, 1993 to 2000. Actually, we had two big votes, one in 1993, with all Democrats—and I am not saying this in a partisan way—and one in 1997, where the Republicans in the House and the Senate actually negotiated in good faith with a Democratic President. With those two packages together, with a strong, robust economy, we balanced the budget not once, not twice, three times, created something like 21 million new jobs, and ended up for the decade ending in the year 2000 among the nations with a balanced budget and the most productive workforce on the face of the Earth. Those were halcyon days for our country. We need to get back to that.

So President Obama, naming the cochairs of the deficit commission, goes back to an earlier President and taps the same guy, Erskine Bowles, to be a coleader of the deficit commission.

On the Republican side, the President asked a guy a lot of people remember, Alan Simpson, a Republican Senator from Wyoming, here for a number of years, as maybe the funniest person who ever served in the Senate. He is also one of the most insightful, commonsense deficit hawks, and a great guy to be a partner with Erskine. They went together.

We had 12 Members of the House and Senate—6 Democrats, 6 Republicans—and some other folks from civilian life. Dave Cote, who is chairman and CEO of Honeywell, was among the private sector participants. But they worked for months and gathered input from all kinds of sources and came up with a broad-based plan that was recommended, adopted, endorsed by, if you will, 11 out of the 18 Commissioners. That was not the magic threshold of 14 before it actually would be the official recommendation of the Commission, but it was a majority, and it included 3 Republican Senators: Judd Gregg, who was then a Senator from New Hampshire, TOM COBURN, and MIKE CRAPO. I thought they were courageous, those Republican Senators.

On our side, among them included KENT CONRAD and DICK DURBIN, and I want to say MARK WARNER, but I may be mistaken. MARK has been all over this stuff. I think he has been a real leader, but I am not sure if he was the third Democrat. Yes, the third Democrat was John Spratt, Democrat from South Carolina, chairman of the House Budget Committee. But anyway, those three Democrats and three Republicans basically agreed to a package and said:

Let's reduce the deficit over the next 10 years by \$4 trillion. Let's do it mostly on the spending side—two-thirds to three-quarters on the spending side—but let's have revenues as well.

They did not propose raising the rates. What they actually proposed was to reduce the rates for business, put us more in line with other advanced countries, bring us down from about 35 percent to somewhere roughly between 25 percent and 29 percent on the corporate income side, to reduce personal income tax rates for middle- to low-income families to as low as 8 percent, and to actually reduce the upper income rate from somewhere in the mid thirties to the high twenties. But at the same time we would bring down the rates. We would eliminate not all but a lot of the so-called tax expenditures.

The tax expenditures—what are tax expenditures? They are tax breaks. Some folks call them loopholes. Actually, a lot of them are meritorious: the mortgage deduction, deductions that will encourage people to make charitable donations, stuff that a lot of us will say: We don't want to change that. We don't want to get rid of that. But if you add all those tax expenditures over the next 10 years, do you know what that adds up to? Madam President, \$15 trillion. Think about that. Add all the tax expenditures for the next 10 years, and it is \$15 trillion. If we only were able to somehow reduce that by 8 or 9 percent, we would come up with the revenues that were called for in the Bowles-Simpson deficit commission to be part of a \$4 trillion package.

In order to be able to bring the rates down, to lower the rates, broaden the base—in order to do that—we are going to have to take more than 8 or 9 percent out of tax expenditures. They may have to be reduced by as much as 50 percent.

I would argue, at the end of the day, we should preserve the deduction for interest we pay on mortgages, especially for our primary home. Also, to encourage charitable donations, I think we ought to preserve the deduction for charitable donations. There are others as well. But those are a couple of the good ones. But that was sort of the sum and substance they came up with.

Among the things the Bowles-Simpson commission also said we ought to have on the table for deficit reduction is entitlement programs.

What are entitlement programs? Things that we are entitled to by virtue of our age, our station in life. If we are 65 years of age and we have paid into Social Security and Medicare, we may be eligible—we will be eligible, in all likelihood, for Medicare. If we are disabled and totally unable to work, we will be eligible for Medicare even before age 65.

If we paid into Social Security for a number of years, we would be eligible for early retirement for Social Security at age 62. If we want to take it later, we can take it at age 67 for full

retirement benefits, which I think are roughly about \$2,000 per month max, something like that.

Medicare and Medicaid, Social Security are entitlement programs. They said they should all be on the table. They did not propose using Social Security to balance the budget. But they did say: We have a long-term problem in Social Security with an imbalance between now, the amount of money that is coming into Social Security, and the amount of money that is going out.

As the baby boomers are starting to retire—my generation—we are paying out now, for the first time in a long time, more in Social Security benefits than we are raising. The reason is, for today it is roughly, for every one person receiving Social Security benefits there are about 2½ people working. Before long it will be for every one person receiving Social Security benefits, it will be two people working and paying into Social Security. The mismatch of inflow into the Social Security trust fund versus the outflow is going to get worse not better.

Sometime, a couple of decades down the road, we are going to start running out of money to pay 100 percent of Social Security benefits. We will not have to stop them all together, but we will have to get them a pretty serious haircut. I was a freshman Congressman, sworn in on January 3, 1983. The day I was sworn in at the other end of the Capitol, they told all of my freshman class: We are going to run out of money in Social Security. That is what they said.

We said: Well, when? In a couple of decades or when?

They said: No. This year. This year.

We said: Are we going to provide a haircut, reduce Social Security payments?

They said: No, we are going to stop making them because we are running out of money in the Social Security trust fund.

That was where we were on January 3, 1983. Thanks to the good work of the commission led by Alan Greenspan and others, but the good work they did then, they handed off to us not just a problem but a solution. Their solution was a combination of new sources of revenue for Social Security and some reductions in benefits, gradually raising the full retirement age over a period of 25 years from 65 to 67; requiring what people pay into Social Security, State and local employees, among others. A balanced plan.

Ronald Reagan, then President, provided political cover to Democrats to vote for that. Tip O'Neill, then Democratic Speaker of the House, provided cover for the Republicans to vote for that. Almost everybody, House and Senate, Democrat and Republican, drank the Kool-Aid and voted to preserve Social Security. It preserved it for another 25 years. We did not have to stop paying Social Security benefits that year or the next year or the next

year after that. We had a significant surplus that has gone up in the Social Security trust fund.

But now it is beginning to be paid down. But the fund is going to be going in the wrong direction in the years to come. Over time the outflow will increase as my generation retires. The question is, Do we wait until the 2020s or 2030s to do something about it? I do not think we should. I swore, 28 years ago, I did not want to hand off to the next generation the problems we should solve today.

We have an opportunity not to use Social Security to balance the budget, but actually under the plan that has been now sort of reworked from the Bowles-Simpson deficit commission, the opportunity to secure Social Security for the next 75 years, and to do it in a way that involves a number of, I think, relatively modest changes, some new revenues, and to gradually increasing the full retirement age from 67 to 68 by 2050, and from 68 to 69 by 2075.

Remember, when Social Security was first introduced, signed into law by FDR back in the 1930s, a person had to be 65 years of age in order to receive Social Security benefits. The average life expectancy then was just over age 60. Think about that. Back then a person had to live to 65 to draw benefits. The life expectancy for most people under 65 was between 60 and 65.

We are talking today about a life expectancy closer to 80. People still get early benefits for early retirement benefits under Social Security at age 62, but to gradually increase the full retirement age and make a couple of other changes as well that on the surface do not seem to be major changes—in fact, I think they are relatively modest. But when we put them all together over many years, it is a lot of dollars and a lot of people.

We can put Social Security on a safe footing for another 75 years. The idea is to actually kind of wall that off from the rest of the problems so we are basically preserving Social Security for a lot longer, for my lifespan and the lifespan of these young pages who are about 16 years of age, throughout their lifetimes as well.

On Medicare—let me talk about Medicare, health care for people 65 and over, people who are totally disabled under the age of 65 and are unable to work. We will spend this year about \$550 billion in Medicare—about \$550 billion. The amount of fraud in Medicare—Eric Holder, our Attorney General, tells us that fraud each year from Medicare is about \$60 billion. That is roughly 10 percent of the amount of money we spend in Medicare—\$60 billion. Roughly 10 percent.

GAO keeps track of something else that is called improper payments. One of the things GAO does is tell us every year how much we are making in improper payments in our Federal Government across the board. They said last year improper payments were about \$125 billion. That is different

from fraud. That is just overpayments, accounting mistakes, that sort of thing—\$48 billion in improper payments for Medicare, and another \$60 billion, according to Eric Holder, just from fraud.

If those numbers are true, \$60 billion out of \$550 billion in Medicare payments, that is actually more than 10 percent. Well, let's just say it is only 10 percent or close to 10 percent.

How are they doing over in the private sector? How are they doing in the private sector in terms of controlling their fraud? Well, their fraud costs are not 10 percent of their costs. That is probably not a surprise. They are not 9 percent. They are not 8 percent. They are not 7 percent. On balance, they are probably closer to 5 percent, and in some cases less than 5 percent. Roughly half, their fraud cost, over Medicare. Maybe they are doing something over in the private sector to control fraud in ways that we can learn from in the Federal Government. If we can learn those lessons, maybe we can provide better rules for less money in Medicare.

Let me give you a couple of examples. Improper payments. Last year Medicare had \$48 billion in overpayments, mistakes, that kind of thing—\$48 billion—separate from fraud. The President said we are going to cut it in half by the end of next year, from roughly \$50 to \$25 billion. If we do that for 10 years, 10 years times \$25 billion, what does that add up to? \$250 billion. That is real money around here, one-quarter of a trillion dollars.

If Eric Holder, our Attorney General, is right on the fraud side, we actually have \$60 billion in fraud losses for Medicare in a year, if we could cut that in half—and we put in the health care law, the new health care law, all kinds of tools to do that kind of thing. If we can cut that in half, that would be a savings of \$30 billion a year. Over 10 years that is \$300 billion—\$300 billion in potential fraud savings, \$250 billion in potential savings by cutting in half improper payments for Medicare. That is \$550 billion. That is over ½ trillion.

For those who say we have to savage Medicare and Medicaid in order to reduce outlays in them and achieve savings in Medicare and Medicaid, that is not correct. That is not true. Let me give you a sense for where some of the money is being lost in fraud.

I have learned a new term this last week called the “death master file.” Maybe you have heard that term before but did not remember it.

But we are trying to keep track of the folks who are dying so that we—when people die who are getting Social Security, we do not continue to send out Social Security checks forever for people who are dead. The same thing with folks who are eligible for other benefits, whether they are benefits for—whether they happen to be educational benefits or health benefits. We do not want to pay benefits for folks who, frankly, are not with us anymore.

By the same token, we want to make sure that when doctors die, we do not face the possibility that someone steals their provider ID number, their Medicare provider ID number, or their Medicaid provider ID number, if they have one, and write prescriptions for, among other things, controlled substances. What we have today are crooks, criminals, stealing provider ID numbers from dead doctors and using those to write prescriptions for controlled substances, which then feed the drug trade and provide profits to criminal groups.

The inspector general tells us in the most recent report in terms of buying advanced wheelchairs, we spent almost \$200 million a few years ago. Over half of the payments did not meet the Medicare reimbursement rules for the wheelchairs.

We have to be smarter than that. Over in Japan—I have my friend from Florida sitting here waiting for me. He is cooling his jets, but he will not do it for long, so I will close with this: As he knows, we served together on the Finance Committee, and we used to serve together in the House. He is an old friend and a good one. But as we wrestled with health care reform legislation a year or two ago, one of the things we heard in our hearings was, over in Japan—we compete against Japan, friendly competition, but they are our competitor in a lot of ways: electronics, cars, any number of products, we compete against them. They spend about 8 percent of GDP for health care. We spend 16 percent. They get better results: longer life, longevity, less infant mortality. They get better results. They spend half as much, they get better results. They cover everybody. They cover everybody.

I would like to say, they cannot be that smart. As smart as they are in Japan, they cannot be that smart, and we cannot be that dumb. There are any number of ways that we can actually save money that does not reduce benefits in Medicare or Medicaid. We can learn from some of the things they are doing to uncover fraud and reduce improper payments in the private sector and just navigate some of those ideas over to the public sector, and find out what works.

I like to say—this was Alan Blinder's. Alan Blinder testified before us a couple of months ago, a month or two ago, as the Senator will remember.

Alan Blinder said: In terms of reducing the deficit, especially on health care costs, he said: I am not an expert on this thing, but here is my advice to you. Find out what works. Do more of that.

Think of that. Find out what works, do more of that. The converse of that would be, find out what does not work, do less of that. If we do that sort of thing, if we do it not just once or twice or for a couple of weeks or a couple of years, but we just make that a cultural change going forward, we will get us back on the right track. That is our challenge.

It is not just Democrats, it is not just Republicans, it is not just the Congress, we are in this with the President. We are all in this together.

In closing, that is a good thing for us to remember. We are all in this together. We do not have all of the smart ideas on this side, neither do the Republicans. It has to be a combination of spending and revenue. If we are smart about it, we will come out of this at the end of the day just fine.

I yield the floor to my friend from Florida.

The PRESIDING OFFICER. The Senator from Florida.

Mr. NELSON of Florida. Madam President, I know that the Senator from Massachusetts has time. I just want to take this time while he is coming into the Chamber to say that you can almost hear in the background very foreboding music as we are counting down the days. Here we are in a situation in which we cannot get a certain group of people over in the House of Representatives to be willing to sit down, and, as the Good Book says, to come and let us reason together.

If we are going to govern this country, we have to come and reason together, people of goodwill who will respect each other's point of view, to hammer out a final agreement in order to start bringing this country into balance. It is sad that it is taking this long and this much of a difficult torturous process.

FLORIDA'S HISTORY

On a much happier note, at a subsequent time I want to share with the Senate the wonderful heritage that we have in this country, not from the English but from the Spanish. We are about to celebrate 500 years of the discovery of what is now America, the United States, from the Spanish explorer Ponce de Leon who first came to the shores of my State. Then soon thereafter we will celebrate the 450th anniversary of the oldest continuous settlement, a settlement that is 42 years before the English came and settled Jamestown.

Those celebrations are going to be not just for Florida and not just for St. Augustine but for all of Florida and all of the country. We have a commission that has been appointed by the Secretary of the Interior. We have just kicked off that commission. I will be sharing with the Senate a lot about this historical restoration in the public's mind of all of those Spanish explorers who helped establish this country, first with Ponce de Leon in 1513, and he came back in 1539.

By the way, the Puerto Rican community is quite energized and excited about this because Ponce de Leon, when he came and found at the Feast of Flowers, Pascua Florida—and thus he named La Florida—he was the Governor of Puerto Rico.

So they are quite excited, as they should be, and they will be part of this celebration.

After him came a Spanish explorer named de Ayllon, who sailed up the coast.

Later, in 1527, came Spanish explorer Narvaez, who landed somewhere in the Tampa region and went up into the panhandle of Florida.

After him came the Spanish explorer Hernando de Soto in the late 1530s. He ended up landing also in the Tampa Bay region when, all over Florida, they celebrated the first Christmas because he had Spanish priests with him and was in what is today Tallahassee by Christmas Day. They celebrated the first Christian Christmas by Europeans in this new world of what is now the United States. That was the late 1530s. Then he ended up traveling all over the United States, what is now the Southeastern United States.

Then along came de Luna thinking he would have the first permanent settlement in 1559 in Pensacola, and in 1561, along came a hurricane, and it wiped them out. We had the King and Queen of Spain in Pensacola on that anniversary back in 2009.

Then later came the French thinking they were going to set up the first permanent settlement at Fort Carline at the mouth of what is today the St. John's River at Jacksonville in 1564. But when they heard that the Spanish explorer Menendez had come 30 miles to the south to set up this permanent settlement at St. Augustine, they sailed to wipe out the Spanish colony and instead got hit by a hurricane and were shipwrecked and thus dispatched by the Spanish explorer Menendez. From there, St. Augustine continued all the way to the present day. You ought to see that restored city. It is a sight to behold, and it is not only the history of St. Augustine, the history of Florida, it is the history of this United States.

I will share a lot more about our Spanish history, our roots in this country. I thank the Senator from Massachusetts for his kind indulgence so that I might share this with the Senate.

I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KERRY. Madam President, I congratulate the Senator from Florida. I am delighted to accommodate him and join with all Floridians in a good celebration of a great part of our history.

Madam President, obviously everybody in America is well aware that the date of August 2 is fast coming at us. They are also, unfortunately, well aware that the Senate and the Congress appear to be stuck yet again at this moment—in fact, here in the Senate we are debating a constitutional amendment to balance the budget instead of balancing the budget. I have heard a lot of sidesteps around here, but this is what they call a message amendment. It is sending a pretty mixed message to America.

What we, in effect, ought to be doing is not trying to pass a piece of paper

that tells us to do what we know we ought to do, we ought to be doing it. What we ought to be doing is stopping our country from defaulting on debt that has already been obligated.

What people are refusing to do in the House on the other side of the aisle is to live up to our obligations. This is not suggesting that we are giving permission to borrow more money to spend money on something responsible in the future; this is paying the debts of our country—money already spent, already obligated.

Here we have the so-called Cut, Cap, and Balance Act that passed the House of Representatives. Everybody understands it is nothing more than an ideological message exercise. Everybody knows it is not going to pass the Senate. We know even more that if it does pass, it is not going to be signed by the President of the United States. What it is doing is taking up time that we ought to be spending with a real solution on the floor of the Senate that addresses the needs and concerns of the American people. We ought to be reaching that compromise. What this does, unfortunately, in terms of message is it sends a message to the American people that this place may not quite get it still and that a lot of folks here are more prepared to play politics than to really engage in the real business of our Nation.

If you look at the specifics of this legislation, which is not going to pass, it is divided into three parts. Each one of them is equally problematic.

The cut part of the bill would require immediate cuts that would cut almost 1 percent of our GDP, which economists tell us would result in the immediate loss of 700,000 jobs. So they are coming to the floor with a program to actually cut 700,000 jobs at a time when most Americans believe job creation is the single most important thing we can do in the country, as well as avoid defaulting on our debt.

The cap part locks into place the unrealistic spending levels the House passed in their budget, while at the same time preserving hundreds of billions of dollars in tax cuts for the wealthiest Americans and tax loopholes for the biggest corporations.

I think every American scratches their head and says: What? They are going to put in these unrealistic caps that would strip away research and development, education funding, the ability of kids to go to college—all of the things on which we build the future job base of our country. They are going to strip that away, but preserve the tax cuts for the wealthiest people in the country, who, incidentally, may be investing the benefits of those tax cuts in China or in India or job creation in many places other than here.

The balance part of this amendment requires the passage of a balanced budget constitutional amendment that would require a supermajority to raise any new revenue or close any wasteful tax loopholes. In other words, you

don't have to have a supermajority to decide where and what you are going to wind up spending, but you have to have a supermajority in order to raise any revenue or close an egregious tax loophole—one that may have no economic purpose, may be completely outdated, or may be a sweetheart deal that got into the Tax Code over the course of the years, but you still have to get a supermajority to get rid of that.

Everybody here knows how hard it is to get 60 votes. A lot of the business in the Senate has been caught up by the eternal filibuster. Every single nomination, every single small piece of legislation that comes to the floor of the Senate—everything requires a motion to proceed, which requires 60 votes, which is effectively a filibuster each time. We have had a record number of filibusters in the Senate over the last three years compared to any other time in the entire history of the United States of America, so requiring that two-thirds supermajority would lock in gridlock, it would lock in bad policies for the future.

The constitutional amendment that is proposed would make all revenue-raising measures unconstitutional unless they secured a two-thirds supermajority in both the House and the Senate.

Again, I repeat, we do not need a piece of paper, a new one—we do not need an amendment to the Constitution, a group of words—to tell us to do our duty. Every single Member of the Senate raised their right hand and took an oath of office over there beside the Presiding Officer and said they promised to uphold the Constitution of the United States. All we need is the courage and the conviction to make compromises and do the business of the Senate. It is not going to get any easier just because you pass some words that tell you to do it.

We did this in the 1990s. What I am talking about is not pie-in-the-sky, it is not some theory; we balanced the budget in the 1990s. We did it without a constitutional amendment. We had people of good common sense who came together and voted on compromises, and we not only balanced the budget, we created a \$5.6 trillion surplus for America, and at the same time we created 23 million new jobs for Americans. Guess what. While we balanced the budget in a sensible way, without artificial caps and artificial, Draconian instructions but with common sense, while we did that, every single quintile of American income earners rose in their income. Every single American quintile saw their incomes go up. America got richer than at any time in America's history even as we balanced the budget without a balanced budget amendment.

So I will tell you, if we go down the road our friends on the other side of the aisle are proposing, we will see major reductions in Medicare, and much worse than what the Ryan budget proposed, and Social Security bene-

ficiaries would receive a \$3,000 reduction in average recipient benefits within 10 years and be forced to see deeper cuts down the road. I think it is safe to say, without exaggeration, that it would put an end to Social Security and Medicare as we know them today.

This week, Eric Maskin, Robert Solow, and Alan Blinder—each a Nobel laureate in economics—and other renowned economists sent an open letter to President Obama and Congress in strong opposition to a constitutional balanced budget amendment. These economists stated that a balanced budget requirement to the Constitution would be a “very unsound policy” that would adversely affect the economy.

They believe that adding arbitrary caps on Federal expenditures would make the balanced budget amendment even more problematic.

A balanced budget amendment would mandate perverse actions in the face of recessions. By requiring large budget cuts when the economy is weakest, the amendment would actually aggravate recessions.

Madam President, in the 27 years I have been privileged to serve here, we have already debated this several times. We have voted on it. As I have said in the past, the most compelling argument against this amendment doesn't come from me or from anybody on the floor; it actually comes from the real experts, the people who framed the Constitution of the United States. If they were here on the floor of the Senate today, they would vote against this amendment because it violates the Constitution's most basic tenet majority rule. The notion that the most fundamental document of law can be set aside for a time is ludicrous and anathema to the very reasons for having a governing document at all.

Worst of all, this bill from the House Republicans, holds hostage the increase in the debt limit needed by August 2 and it holds it hostage until a constitutional amendment to balance the budget is sent to the states. We all know that is not going to happen. August 2 is looming. We have to put aside this type of partisanship. We need to sit together and develop a bipartisan plan that works for America with no preconditions and not hide behind a constitutional amendment that makes choices for us.

We can no longer afford to delay. We are facing a default that would jeopardize Social Security payments, Medicare benefits, and troops' pay, as well as send interest rates soaring in a way that would force Americans to pay more for their mortgages, student loans, and small business loans. And the whole world is watching to see if we make the right choices because the consequences would be cataclysmic.

Madam President, let's get real. President Obama offered to cut the debt by \$4 trillion—exactly what we know we need in savings and nearly twice as much as the Republicans had

proposed—and Republicans turned it down. President Obama has gone the extra mile. He has put everything on the table, even things Democrats strongly oppose. But the House Republicans simply will not budge because for them, this isn't about the deficit; it is about ideology, an extreme ideology.

But it needs to be about priorities. And leadership. President Kennedy said "sometimes party asks too much." Well, if the cost of ideology is economic ruin, the House Republicans really are asking too much—much too much. Americans deserve better. They need the Senate not to be a slightly slower version of the House; no, they need the Senate to be the deliberative body of serious people the Framers expected us to be.

Madam President, I yield to the majority leader.

The PRESIDING OFFICER (Ms. KLOBUCHAR). The majority leader.

Mr. REID. Madam President, I appreciate my friend's courtesy.

I want everyone who has any interest in this piece of legislation on the floor today to know that now is the time to come and debate to their heart's content. If they want to debate it late tonight, we are here to do it late tonight. If they want to debate it tomorrow for a period of time, they can do that.

I think this piece of legislation is about as weak and senseless as anything that has ever come to the Senate floor, and I am not going to waste the Senate's time day after day on this piece of legislation, which I think is anathema to what our country is all about. So I want everyone to understand we are going to have a vote tomorrow. I am not going to wait until Saturday. We are going to vote tomorrow, and I feel confident this legislation will be disposed of one way or the other.

The American people should understand this is a bad piece of legislation—perhaps the worst piece of legislation in the history of this country.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Madam President, I hope we will move quickly to the real business, which is avoiding default. Let me say, I think there is one effort we ought to be engaged in, and that is the serious effort of passing the McConnell-Reid, Reid-McConnell initiative, or whatever you want to call it. Their initiative is not kicking anything down the road. Their initiative requires, just like the base closing commission, for the Senate to deal with the big deal in a very short period of time. If colleagues want to speed that period of time up, I wouldn't object. I think that would make sense.

What we need to do is to recognize that in the next few days we do not have the time to put the kind of common sense to the task that will allow us to get the budget figures from the CBO, that will allow us to know with certainty what we are doing with Medicare, Medicaid, Social Security, or all

of these other important initiatives are being done in the most deliberative and thoughtful way possible. That is what this institution is supposed to be about. That is what makes the Senate the world's most deliberative body, but it hasn't been particularly deliberative on this subject in the past months.

We have the opportunity, with the Reid-McConnell initiative to be able to put in place a process that will guarantee we have up-or-down votes on these critical issues after all the relevant committees have had the opportunity to weigh in, using perhaps the budget commission's report, together with what the so-called Gang of 6—which I don't think is a particularly appropriate name—has proposed, which I think is a very constructive and important contribution to the debate. It helps us have a starting point for this discussion, as Congress, in the next short period of time, actually fashions the kind of budget decision that benefits America and does credit to this institution as a truly deliberative body.

That is what I hope we do, and I look forward to working with my colleagues in an effort to make that happen.

Madam President, I yield the floor.

Mr. ROCKEFELLER. Madam President, I ask unanimous consent to speak as in morning business for, hopefully, no more than 15 minutes.

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

FAA REAUTHORIZATION EXTENSION

Mr. ROCKEFELLER. Madam President, yesterday, at the direction of the leadership, the House passed an FAA extension. Unlike the 20 previous FAA extensions, their extension included changes to FAA policy that had not been agreed to by both the House and the Senate—both Chambers. What is the effect? The effect is that move will begin to shut down the Federal Aviation Administration, beginning tomorrow at midnight, if we do not reach agreement on a sensible path forward to pass a clean FAA extension bill.

The consequences of an FAA shutdown will be severe. This is not about me or the content of the extraneous provisions in the House bill. This is about being responsible and doing the necessary work to ensure our aviation system continues to function at its highest level while Congress completes its business.

Over the past 4 years—which is how long we have been negotiating this bill—we have been able to work together to do the right thing each time the FAA authorities were about to expire. Congress has consistently acted to pass extensions to make certain the Nation's air transportation system continues to operate safely. Therefore, we have passed 20 extensions over 4 years waiting to do the work we need to do for an enormous Federal agency. In only one case were policy changes made during the consideration of an FAA extension, and that was last year. Airline safety measures were included because both the House and the Senate

negotiators agreed to them, and the extension passed unanimously in both Chambers. You don't pass an extension which has policy riders on it unless they have been agreed to by both Chambers.

It is very unfortunate the House is taking a rash approach to pass a bill when we have made so much progress negotiating a complete FAA reauthorization package. From the time the House passed the FAA reauthorization, we have had more than 3 months of productive negotiations, where staff engaged in more than 30 meetings and spent hundreds of hours developing this legislation.

Over this period, we have worked the entire number of items to be resolved from 281 separate issues to approximately 10 separate provisions of consequence. House and Senate negotiators have compiled more than 300 pages of text for a bill. All of the components of the legislation represent needed aviation policy changes that will improve the country's airspace system.

I remind you that our country, unlike virtually any other in the modern world, basically uses radar as a way to approach landing or takeoff. It is embarrassing. It is ridiculous.

I have been able to negotiate with the two other committees in the House—the Science Committee and the Homeland Security Committee—to develop workable agreements on all of our policy differences. The main items that need to be made final are difficult, yes, partisan provisions that fall within the jurisdiction of the House Transportation and Infrastructure Committee—T&I, as they say—and its chairman, JOHN MICA.

The House bill was developed in a partisan manner. It had a number of problematic provisions added during floor consideration. Central to these was the decision to include language that would reverse a National Mediation Board decision from the previous year. The National Mediation Board—the NMB—provision was so tainted that it passed by just seven votes in the House, which is overwhelmingly Republican. It passed by just seven votes. Consideration of the final FAA package passed in the House by a party-line vote of 223-196. Ultimately, the House FAA reauthorization bill garnered the narrowest vote margin for a House FAA reauthorization bill in almost 30 years. I am talking about the House of Representatives.

As the House well knows, the White House has threatened on numerous occasions to veto any FAA package that includes the House's National Mediation Board language. The House's addition of policy riders to the extension that are being considered as part of the FAA reauthorization discussions represent an abandonment, in my judgment, of the good-faith negotiations we have been engaged in for the last 3 months.

The House acted without consulting the Senate on this FAA extension,

without engaging the Senate on putting policy riders into their extension. From their actions and public statements, it is clear this effort is designed to force the hand of the Congress on the National Mediation Board provision that President Obama has singled out as a reason to veto the legislation. That is the legislation which basically says if you have a vote for a union, or for whatever, and if you are not present and don't vote, your vote is automatically counted as no. This is a whole new concept of democracy in America, one which is very strange and very wrong.

The House claims that negotiations on the FAA bill have been stalled over the NMB issue, but they have simply not done their work. It has been over 100 days since the House passed the FAA bill and they have never even appointed conferees. We have done that; they have not. The Senate is ready to break this deadlock, but we have not been able to engage in a formal process because there are no House conferees. The Senate includes all of its conferees in negotiations and works through each provision to reach bipartisan agreement. And as I indicated earlier, we have gone from 281 down to 10 issues. The House only had Chairman MICA, and now the House leadership, calling the shots on each negotiated item. It makes it very awkward to negotiate anything at all.

If the House wants to move forward, it is time they appointed conferees and we will be able to determine where things stand on what remains in the FAA reauthorization bill. But the Senate cannot accept the House sending over items that remain to be negotiated in a piecemeal fashion as part of this FAA extension, which is what they have done; or for that matter, any future extensions. And it may come to that.

The American people expect Congress to work together to reach agreement. That is what I have been in the Senate for, to reach agreement, and not to have 20 extensions over 4 years. What an embarrassment, chopping the FAA continuity up into tiny little chunks so they can't even let out contracts or proceed with their work. The American people expect Congress to reach agreement, and I believe we can do this, but it is going to take some more time.

If the House continues its attempt to hold the Senate hostage on the FAA extension, it will result in a partial shutdown of the Federal Aviation Administration, and people need to consider that very seriously. A majority of the Senate is more than willing to pass a clean FAA extension of any length. This week, I introduced S. 1387, with Senator KAY BAILEY HUTCHISON and Senator MAX BAUCUS, to do just that. Our bill would give the FAA the necessary funding and authority to keep the agency functioning into September—I think September 16.

I have also indicated to the House on at least four occasions that I am will-

ing to drop all of the remaining controversial items that are not included in both bills in order to get us close to a deal. That offer—seemingly reasonable—has been consistently rejected by the House.

Despite the House's lack of appointing conferees on the FAA bill, and willingness to threaten the agency with problematic extensions, I do remain committed to completing this process in a proper and responsible way.

Again, after spending 4 years trying to complete this bill, nobody wants a resolution more than I do. It is not a way to run a train, much less an airline.

I believe we can finish a comprehensive FAA reauthorization by August if the House will come back to the negotiating table in good faith. I am willing to sit down at the table anytime to move the larger FAA package forward or to develop an FAA extension that can pass the Congress. We will try to move a clean FAA extension through the Senate. Having said that, I ask that the other Members do support this effort when that happens, which will be shortly, and allow us to complete the FAA reauthorization bill.

I will say a word on the consequences of an FAA shutdown. An expiration of the FAA will shut down any activities funded out of FAA's four capital accounts, which I will not name. This includes a program to halt the airport improvement program, which provides \$3.5 billion for infrastructure projects at airports annually and is estimated to support more than 150,000 jobs a year now. Nonessential employees will be furloughed, and approximately 4,000 FAA employees will be among them.

If the FAA authorities do expire, the agency estimates it could only operate air traffic support services through about mid-August 2011. This would mean services to smaller areas such as mine, West Virginia, would need to draw down in the near term so that the FAA can focus on primary traffic. That is not something we would look forward to.

A shutdown quickly starts to have safety implications too and safety projects at airports. It also places a hold on testing and implementation of NexGen efforts, Next Generation efforts. That is the modern GPS-based system which is clear, precise, and reads where airplanes are and how fast they can land one after the other with great precision. Fewer personnel will be available to dispatch to problem areas. So these are real concerns.

Madam President, I hope my colleagues will hear what I have said. I hope my colleagues in the other body will hear what I have said. I want to proceed in good faith. I have tried. It has not worked. The American people are suffering as a result of it, particularly the aviation industry and the Federal Aviation Administration. I would hope my speech will be listened to.

I thank the Presiding Officer and I yield the floor.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. ISAKSON. While the distinguished chairman of the Commerce Committee and my dear friend from West Virginia is on the floor, I wanted to illuminate a little bit of the difficulty on the FAA reauthorization.

I share concern with the chairman, as he knows, because we talked in the well last night about our desire for a reauthorization of FAA and how important it is to our economy. But the difficulty between the House and the Senate, in part, has been over the House version as it treated the National Mediation Board versus the Senate's unwillingness to consider any change in current status with the NMB.

I have been the negotiator or the runner, or whatever you want to call it, between the two bodies, Mr. MICA and Mr. ROCKEFELLER. As the chairman knows, about 1 month ago I delivered Leader REID a comprehensive list of requests the House had asked for in the reauthorization. Senator REID and his staff, after pondering it for a few days, responded that they would not agree to any of the changes that were requested.

I then went back and said, well, let me see what I can do to try to find some common ground, and came back with a recommendation I gave to Chairman ROCKEFELLER that said give judicial review to the airlines, which the unions already have under the National Labor Relations Act, to have a balanced treatment in terms of a response in terms of NMB regulation. As it turns out, that was an unsatisfactory offer.

The House I think still insists that some provision addressing the National Mediation Board should be included in the authorization, and that—and if I am incorrect in any way, please, Mr. Chairman, correct me—I think that is the primary difficulty in getting to a final conclusion.

From my standpoint, I want everybody to understand clearly, I agree with the chairman that we need a reauthorization. But I also think we need a balanced playing field with NMB, and I continue to work to try and find some common ground to see to it that the aviation industry can have judicial review, just as the unions already have, with regard to NMB regulations and NMB rulings.

I wanted that to be documented in the RECORD. I thank the chairman for letting me have a little time.

I yield the floor.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. MCCONNELL. Madam President, it has been reported that the White House has made an internal decision not to send Congress three long-pending free trade agreements before the August recess. I wish to be able to reiterate that I, for one, remain as committed as ever to passing these job-creating agreements into law as quickly as possible, given the condition of our economy.

As I see it, every sticking point seems to have been resolved. The White House initially said it needed a deal on trade adjustment assistance on the substance. I think they have gotten that. Then they said they needed an agreement on the process. I believe we have achieved that.

I, myself, am personally committed to working with the majority leader to ensure a fair floor process for my Members so they have an opportunity to try to amend a stand-alone trade adjustment assistance bill separate from the three free-trade agreements. That way, if the administration can generate the votes it needs, TAA will pass on its merits.

I think we have a pretty clear path in front of us at this point. I recognize that the calendar is tight, that we have got a lot of other urgent business to take care of around here, so I don't expect to finish any of this before August. Still, I think the administration should submit the agreements anyway as a show of good faith with our trading allies in Korea, Colombia, and Panama. Then we can work to pass them when we return. The administration has received everything it has publicly asked for on TAA. It is time to show they are serious about creating jobs and getting those deals done.

This is an opportunity to create jobs in America for Americans. It was snarled needlessly by the suggestion that TAA be dropped inside these agreements. That now has been cleared up. We are going to have an opportunity to ratify all three of these trade agreements, which will be good for the country, and the TAA issue will be dealt with separately, and all indications are that the votes are there to pass the TAA bill.

With that, Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Madam President, I come to the Senate floor to tell my colleagues why I support the issue of cap, cut, and balance.

On August 2, our Nation will be unable to borrow money to meet our current obligations. We have known for a while this was coming. Our annual deficits have been near \$1.5 trillion for the past 2 years and are going to be that large this year as well.

With deficits of that size, no one should be surprised that we have hit the debt ceiling, which raises the question then: What has the President offered to confront this looming crisis?

I ask that question because people expect a President to lead, and we have had an executive budget and an executive budget law since I think the 1920s putting the President in the lead on these issues.

So I ask another question: What has the Senate Democratic majority done to address our deficit crisis? Because it is the responsibility of the majority to present a budget to the Congress of the United States, and we have not had a

budget resolution for more than 800 days now. So I think you can draw the conclusion, whether it is the President of the United States or the Senate majority, the answer is simple: Not much has been done.

Last year, President Obama virtually ignored his own deficit reduction commission. Remember, in February 2010 the President appointed a lot of people to a deficit reduction commission to give us a plan of what could be done about this fiscal situation that has happened so dramatically in the last 2 years, and there was no recognition in December when they reported that the President said that is the thing that should be done in this country.

This year, he did offer a budget, as he has to do under the budget law, February 14 of this year. That budget would increase spending, increase taxes, and still add trillions to our debt.

Everybody would think that a Democratic President suggesting a budget would be well-received in a body that is controlled by the same political party. But that budget he presented in February was so ill-conceived and out of touch that it was defeated here in the Senate by a vote of 97-0.

Let me emphasize that by saying not a single Senator of either party voted for President Obama's budget. Of course, it is very obvious that every member of the President's party said no to the President's budget.

For most of this year, President Obama said we should raise the debt ceiling without taking any measures to address our long-term deficits and debt. It was the position of this administration that Congress should simply rubberstamp another debt ceiling hike with no plan in place to reduce our deficits.

That plan was voted on in the House and was soundly rejected there as well. All of the Republicans and nearly half of the Democrats in the other body voted against increasing the debt ceiling without deficit reduction.

So it seems to me we have a lot of bipartisan agreement, when people say we have no bipartisan cooperation, that with the Senate's vote on the President's budget and in the other body with nearly half of the Democrats opposing a debt ceiling without deficit reduction, that there is a clear understanding in a bipartisan way in the Senate that the President's budget spends too much, taxes too much, and leaves too much debt. In the House of Representatives, there is a strong feeling that is bipartisan that if you are going to have a debt ceiling increase, there needs to be deficit reduction. So don't ever say there is not bipartisan agreement, because it has been expressed in votes in both Houses.

The President then gave a budget speech in April, and I presume he recognized the inadequacy of his budget presented to Congress in February. He outlined a budget framework that would reduce that budget that was pre-

sented in February by \$4 trillion over 12 years. So the President very quickly in about 60 days came to the conclusion that his budget was out of step with what people of even his own political party felt was necessary so he could find \$4 trillion to trim out of it.

But do you know what he hasn't done yet that a President ought to do in an environment where we have an executive budget process? He still hasn't presented the details of that budget.

The Director of the Congressional Budget Office, Dr. Elmendorf—as we all know, a person who is a devoted public servant, doing what is intellectually right all the time when he tries to help us decide how much money taxes are going to bring in or how much is going to be spent on a particular policy of Congress—was asked if he could estimate the budget impact of this new framework that came with the President's speech on April 13, in which he came to the conclusion you ought to spend \$4 trillion less than what he thought he could spend on Valentine's Day. That is not necessarily a Valentine's gift in his February budget.

This is what the CBO Director said in regard to that April 13 speech. He said:

We don't estimate speeches. We need much more specificity than was provided in that speech for us to do our analysis.

But, so far, the President has not provided those specifics. We have heard a lot from the White House about the need to come up with a plan, when the President has not presented a plan. The White House itself has never offered a single debt ceiling proposal for voters, and the Senate Democratic leadership has also seriously shirked its responsibilities because, as I said once before today, they have not put forward a budget in more than 800 days, even though the law requires that they do it.

Every family in America who works hard and sacrifices to pay their bills ought to be ashamed of the failure of the Senate to offer a budget, in violation of the law. In sharp contrast, Members of the House fulfilled their responsibility and passed a budget earlier this year. So the very same majority party in this body that has not presented a budget for 800 days has done nothing in regard to the House budget but demagog.

While they can't find time to compile their own budget, they sure found time to make speeches that are derogatory about the House budget. The House budget, then, obviously means the House of Representatives did their responsibility under the law by presenting a budget and adopting a budget.

While Members on the other side come to the floor to oppose and demagog the bill I am speaking about—the cut, cap, and balance bill—they have offered no plan of their own. While there is now a framework from the so-called Gang of 6, their plan also lacks any specificity. Perhaps that is the political strategy the other side has chosen. Voters and the American people

cannot be upset with the position you have taken if you have not taken a position. It is like a rule for political leaders: You never get in trouble for a speech you do not give. Perhaps this strategy may be politically expedient, but it is going to drive our economy and our country off the cliff.

The strategy of placing a higher priority on the next election rather than the economic and fiscal situation facing our country is how we got into this mess. Based on the lack of proposals put forth by the other side, one could assume they are perfectly content borrowing 40 cents for every dollar we spend. Are they pleased with the deficits of \$1.5 trillion annually? We could conclude they must be because they have not offered a plan to reduce the deficits.

On top of that, they have argued for tax increases. They must believe we have a revenue problem. According to their argument, the American people are not handing over enough of their money to satisfy the needs of Washington to spend. I am not sure we can ever tax high enough to satisfy the attitude in Congress to spend. In fact, if somebody would tell me how much money they really need from the American people to satisfy their appetite to spend, and I could get a limit on it and it were a hard limit, I might even vote for it because I would like to have people say they are finally satisfied, that government ought to be so big but no bigger. But I never get those sort of broad statements in the Congress. So I have come to the conclusion that we cannot raise taxes high enough to satisfy the appetite to spend.

But because we are borrowing money, the economy is not growing, and jobs are not being created because Washington is spending too much. Of course, the other side believes the economy is not growing because we are not spending enough from Congress.

Remember, just a few years ago they passed the \$800 billion so-called stimulus as a means to keep unemployment below 8 percent. That was early February 2009. That is when Speaker PELOSI said: Yes, we wrote the bill. We won the election.

So employment shot above 8 percent right away. It got up over 10 percent. It is at 9.3 percent. So the promise of a \$830 billion stimulus keeping unemployment under 8 percent just did not work. What did they do under those circumstances? They borrowed money and spent it on government programs.

Where is the U.S. economy today? I will say it again: 9.2 percent unemployment, more than 14 million Americans out of work, and now the national debt is more than \$14.3 trillion. This experiment called the stimulus proved that government spending does not stimulate private sector job growth. Do you know why? Government consumes wealth; government does not create wealth. The only jobs created by government are government jobs. They don't add value to the economy; they are a cost to the economy.

Do we have to have government? Yes. Do we have to have government employees? Of course we have to have government employees. But to think we can hire more government employees and create wealth is false. The fact is, we are the hole we are in because of our spending problems, not because we do not have enough revenue coming in.

Look at this historically. Spending has averaged about 20 percent of our gross national product. That is probably over four or five decades. Today and in recent years spending has grown to 25 percent of the gross national product. This level of spending cannot be sustained, particularly when revenue has historically been around 18 percent of GDP. This very day it is less than 18 percent because the economy is not growing, but a 50-year average is 18 percent of GDP.

For my colleagues who think we can reduce deficits by increasing taxes, they need to understand it just does not work. Professor Vedder of Ohio University has studied tax increases and spending for more than two decades. In the late 1980s he coauthored, with Lowell Galloway also of Ohio University, a research paper for a committee of Congress called the Joint Economic Committee that found that every new dollar of new taxes led to more than \$1 of new spending by the Congress.

In other words, raise taxes \$1 and you think we would go to the bottom line and reduce the deficit? But, no, \$1 coming in, we spend more than \$1, so we make the deficit worse. Professor Vedder has now updated his study. Specifically he found:

Over the entire post World War II era through 2009, each dollar of new tax revenue was associated with \$1.17 of new spending.

History proves tax increases result in spending increases. We know increasing taxes is not, then, going to reduce the deficit. Instead of going to the bottom line, tax increases are a license for Washington to spend even more.

History also shows that tax increases do not increase revenue. Everybody thinks if we raise the marginal tax rates we will bring in more revenue. But the taxpayers, workers, and investors of this country are smarter than Members of Congress are who believe that.

Regardless of the rate, over the past 40 years—I am sorry, I don't have a chart with me. I had a chart with me a week ago that demonstrated this. But if you listen closely, you will get the message of the chart.

Regardless of the rate of taxation, over the past 40 years revenue has averaged, as I said before, about 18 percent of gross domestic product. Higher tax rates just provide incentives for taxpayers to invest and earn money in ways that reduce their tax liability. We cannot tax our way out of this problem. We have a spending problem, not a revenue problem. That is why I am supporting the only plan that has been put forth to address our deficit and debt

problem: the cut, cap, and balance plan passed by the House with the bipartisan support of 234 Members.

This plan is the only plan offered to cut spending in the near term. We need to halt and reverse the trend of the last 2 years when government spending increased by 22 percent, not even counting the failed stimulus program of another \$830 billion. We cannot increase expenditures 22 percent when the growth of the economy is about 2 percent. It just does not add up. That is how we get into trouble, and that is how we have increased a 50-year average of the national debt from about 35 percent of gross national product to—after 2 years, it is now 65 percent, and it is on a path to go over 90 percent.

We know where Greece is right now when they are over 100 percent. It is going to lead to failure. We are on that path right now, and we have to preempt that.

This bill before us also will impose budget caps to get our spending down to a manageable level compared to our gross domestic product.

Finally, it would impose a balanced budget amendment to our Constitution, similar to what—I don't know whether it is 46 States or 49 States—but most States have a constitutional amendment requiring a balanced budget. You know what. It works.

We have to stop to think, if a State that is as liberal as New York, if they can elect a liberal Democratic Governor, and if he can cut, cut, cut, to live within that constitutional requirement of a balanced budget, it ought to be something we can do in Washington DC. It is a discipline that works in the States. It is a discipline that we need through our Constitution so when we take an oath to uphold the Constitution, the requirement of a balanced budget is something we swear to, and we will deliver on our promise to the American people. It only makes sense to impose a requirement that we live within our means. Washington proves again and again that it needs this kind of discipline.

I say to my colleagues: If you do not support this plan, then offer your own plan. You know the debt limit must be increased, but you also know we must take action to reduce the future levels of deficits and begin to bring our debt down. Where is your plan to do that? Where is your budget resolution that has not been presented in the last 800 or more days to the Senate, violating the budget law? How will you meet the responsibilities, then, of being elected to this office where you take an oath to uphold the laws and the Constitution of the United States?

The trajectory of our debt is alarming. It will soon undermine our economy and our economic growth. If we do nothing, our children and grandchildren will have fewer economic opportunities than we have had. So this is not just an economic issue, this is not just a fiscal issue, this is a moral issue of whether this generation, my

generation and people who are even younger than me but spending a lot of money, ought to live high on the hog and leave it to young people to pick up the bill.

Without a plan to put our fiscal situation on a better path, the next generations will have a lower quality of life than the one we have experienced. We cannot let that happen. We must take action to correct our course.

I urge my colleagues to support the cut, cap, and balance plan.

I yield the floor.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. INOUE. Madam President, I ask unanimous consent that the time from 5 p.m. to 8 p.m. on the motion to proceed to H.R. 2560 be equally divided between the majority leader and the Republican leader.

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

Mr. INOUE. Madam President, I rise today in opposition to the Cut, Cap, and Balance Act of 2011. Rather than taking a balanced approach that requires shared sacrifice, House Republicans have passed legislation that would gut essential services for average Americans while asking nothing of the wealthy and privileged. Such a misguided approach would cost countless American jobs while doing nothing to solve America's long-term deficit challenges.

In my opinion, the Cut, Cap, and Balance Act fails to measure up as a serious proposal to address the structural deficit that our Nation faces. It is misguided, and assumes that our Nation will pay no price if we fail to invest in our future. These are some of the assumptions of this bill. Highways will not buckle, pipes will not rust, bridges will not collapse, and there is no need to invest in the next generation of innovators to keep America's competitive advantage. This bill would gut the very funding we need to revitalize our economy and invest in the future.

Cut, cap and balance would render Congress essentially powerless to address revenues, thereby pushing America further down the road of economic inequality by ensuring that the wealthy do not have to share in any sacrifice. And whatever might be said about this legislation, to call it balanced is a cruel irony. In fact, all of the sacrifice is demanded of the poor and working families. This legislation forces Congress to slash programs that average Americans rely on for education, housing assistance, food safety, safer air traffic control, and clean air and water.

We have an aging population, which means that increasing costs for Social Security and Medicare are a reality that must be dealt with. The Baby Boomers are retiring, which increases the need for Social Security and Medicare. And while those programs are not subject to sequester, how will we meet the higher costs and at the same time bring down overall spending to 18 per-

cent of GDP, a level that has not been achieved since the 1960s? My colleagues should not kid themselves: mandating a balanced budget by 2020 while taking revenues off the table will require draconian cuts to Social Security and Medicare.

As the chairman of the Appropriations Committee, I take particular note of the impact cut, cap, and balance would have on nondefense discretionary spending. A 10-year freeze on domestic spending that does not adjust for inflation would have a devastating impact on the ability of all nondefense departments and agencies to carry out their missions. My colleagues should know that over 10 years, such a cap would amount to a 33-percent cut in real dollars. Such a level of cuts would make it impossible for the United States to compete on a global stage. Our infrastructure, our education system, our technology, everything we need to remain a great nation will be drastically underfunded, or simply not funded at all.

I hope we all understand that we are not talking about nice to have things, we are talking about investments that are necessary to maintain the quality of life for the middle class. Education is not optional. Roads and sewers, clean air and clean water are not options. Meeting the basic nutritional needs of our poorest children should not be optional. This great Nation was built on such investments, made in the best interests of the American people—all the people, not just the wealthiest one-tenth of 1 percent.

I would like to take a brief moment to provide a few specifics about the impact of this act. While it is not possible to predict specific impacts 10 years down the road, it is certainly possible to give examples of what the American people would experience in the near term, as a result of this deeply flawed bill.

In fiscal year 2012, Head Start funding would decrease by more than \$900 million, eliminating comprehensive early childhood services for over 130,000 low-income children and their families and resulting in the termination of 30,000 teachers, teacher assistants and related staff.

The combined cuts to mandatory programs such as Food Stamps and School Lunch programs coupled with domestic spending reductions contained in this legislation would be a double blow to the Nation's most vulnerable populations. With these cuts, there would be 13 million fewer meals served to seniors. Let me be blunt, if this bill is enacted, children and seniors in this Nation will go hungry in far larger numbers than today.

We all recognize that reducing waste, fraud, and abuse are essential components of getting our fiscal house in order. Every billion dollars we save is a billion dollars we can use to reduce the deficit or better invest in America's future. And yet this bill would reduce funding for the Internal Revenue Serv-

ice by some \$1.8 billion below the President's request for fiscal year 2012, which would cripple its efforts to find fraud and eliminate waste and abuse. The IRS could be forced to furlough between 4,100 and 5,000 employees, mostly enforcement agents. Furthermore, a cut to IRS funding would increase the deficit by approximately \$4 billion a year beginning in 2013, since every dollar invested in enforcement resources brings in \$5 in tax revenues.

Finally, I would note that a cap on the Federal budget means that we are unable to make smart choices about our future investments. As an example, the Bureau of Prisons inmate population is expected to grow to roughly 250,000 Federal inmates by 2018, an increase of more than 31,000 prisoners, or 15 percent, over the next 8 years. A growing inmate population coupled with a spending cap for Department of Justice activities will mean further severe cuts to other important functions of the Department of Justice—Federal, State, and local public safety efforts will be cut in order to pay the required costs of housing prisoners.

Yesterday 97 Senators voted in favor of the Military Construction and Veterans Affairs appropriations bill. The Senate is perfectly capable of producing and passing fiscally responsible appropriations bills that meet the Nation's needs and that have strong, bipartisan support. The real answer to our fiscal crisis has not changed since this debate began. We must cut spending in a responsible fashion. We must reform entitlement programs to ensure that they survive for future generations. And we must reform our Tax Code to allow for sufficient revenues to meet the needs of an aging population and the challenges of a global economy.

Cut, cap, and balance does none of these things, and I urge my colleagues to reject this misguided measure.

The PRESIDING OFFICER. The majority leader.

Mr. REID. While the distinguished chairman of the Appropriations Committee was talking, I had a visit with some of the pages to ask them did they realize who was speaking. They all knew who he was. They knew he was a heroic man winning the Medal of Honor. They knew he had been elected to the Senate nine different times in addition to service in the House of Representatives. So it is great that our pages are so versed on what happens around here. We depend on them very much, and I am grateful they understand what a great man the chairman of the Appropriations Committee is.

FBI DIRECTOR EXTENSION ACT,
2011

Mr. REID. Mr. President, I ask unanimous consent the Senate proceed to consideration of Calendar No. 76, S. 1103, the bill to extend the term of the incumbent Director of the FBI; that the committee substitute amendment