

Here is what the bill does not do:

It is not a government takeover of the health care system.

It does not undermine our immigration policy.

It is not expanding the program to cover high-income kids.

It is not everything that people on my side of the aisle said it is in debate on the floor of the Senate. It is, in fact, a good bill. It is a compromise. I urge my colleagues to support this bill for kids.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, a lot has been said in this debate. Much of it is not true, but much of it is true. One way to determine what is true and what is not true is, frankly, to listen to the Senator from Iowa. I know of no man or woman whom I believe speaks straighter, more honestly, and calls it like it is than the Senator from Iowa. I guess that is why he is elected by such large margins every time he is up for reelection. It has been such a pleasure to work with the Senator from Iowa because he is so straight, so modest. He tells it like it is, and he has no ulterior motives.

All Senators, especially those on this side of the aisle, should listen to him because what he says is true. When he describes what this bill contains and does not contain, he is accurate. So if a Senator is trying to figure out who is right—because we have heard all kinds of claims on both sides—it is my judgment that what you hear from the Senator from Iowa, you can take to the bank because that is the truth as to what is and is not in this bill.

As we close out this debate on the reauthorization of the Children's Health Insurance Program, I wish to take the time to remind us all what our goals are—and not just our goals but what our duty is as Senators.

Today, the health of many of our Nation's low-income children is in our hands. It is that simple. We hear lots of stuff around here, but the bottom line is, the basic point is, the health of many of our Nation's low-income children is in our hands.

We are here today not only to make sure children who currently have health insurance keep it, but also to make sure that many more low-income children get coverage. This is important because not having health insurance affects a child's life. Uninsured kids do not go to the doctor. They do not have checkups. Uninsured kids remain undiagnosed for serious childhood conditions such as asthma and diabetes. Uninsured children are not diagnosed with learning disabilities, and they struggle through their classes. Kids who do not have insurance do not see a dentist. They don't get cavities filled and risk serious illness due to poor dental health.

Adequate health care is a critical foundation for a healthy life. Insuring our children is a smart economic in-

vestment for our Nation's future. It is the only choice if we wish to imbue future generations with strong minds and healthy bodies. It is quite simple. Health insurance has a direct effect on a child's performance in school. Healthy children are more likely to go to school, they are more likely to do well in school, and they are more likely to become productive members of the workforce.

Parents of children with health insurance are less likely to miss days of work to care for their sick children. When America insures our children, we all benefit.

The bill before us reflects a lot of hard work. It represents Democrats and Republicans working together, and I mean that. That is not an idle statement. That is not a throwaway. Both sides are working together. This is one of the few times when both sides, on very important legislation, worked very well together. Why? Because it is the right thing to do.

We worked together to craft legislation that will give millions more American children the healthy start they need for a long productive life.

I hope the President finds it in his heart to reconsider and make the right choice, the only choice. I hope he will join Congress in making our children's future and America's future a brighter one. I hope he thinks, reflects about our country, the greatness of our country when he is trying to decide whether to sign the bill or to veto it.

I have faith, I have hope that when the President of the United States makes that decision, he will realize discretion is the better part of valor; that he will realize the right thing to do is to help our Nation's low-income kids. Further debate about health care reform can be pushed off into the future. That is a separate issue. That has nothing to do with this question.

This country will engage in national health reform. We have to. The President is talking about it. We in the Congress talk about it. That is an entirely separate issue. This is only maintaining a current program enacted in 1997, totally bipartisan. Senator Chafee from Rhode Island and Senator HATCH from Utah worked together to get this bill enacted because it was the right thing to do.

It has been very popular. Nobody has had any questions about children's health insurance. It has worked. Now it has expired. The question is, what do we do about it? This legislation does not change current law in any way. It just maintains the program and provides a few more dollars for more low-income kids to get health insurance, and it does not do anything more than that. That is what this is. It is a separate issue from the national health insurance reform debate, which we will get into and must get into at a later date.

I hope the President of the United States, when he is faced with that decision, will sign this bill and realize this

is the right thing to do for kids, and tomorrow is another day when this country appropriately will debate national health insurance reform. But right now, let's help some kids.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa has 11 minutes remaining.

Mr. GRASSLEY. I yield back that time, Mr. President.

#### INCREASING THE STATUTORY LIMIT ON THE PUBLIC DEBT

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of H.J. Res. 43, which the clerk will report.

The legislative clerk read as follows:

A joint resolution (H.J. Res. 43) increasing the statutory limit on the public debt.

The PRESIDING OFFICER. Under the previous order, there will now be 90 minutes of debate equally divided between the leaders or their designees.

The Senator from Montana.

Mr. BAUCUS. Mr. President, in the play "The Taming of the Shrew," Shakespeare wrote: "There is small choice in rotten apples."

I feel a little like that whenever we have to raise the debt limit. It is a small choice in rotten apples. The choices are all bad. Really, though, there is no choice.

The legislation before us would increase the limit on the debt issued by the U.S. Government by \$850 billion. The House has sent us this legislation. Essentially, we have no choice but to approve it. If we fail to raise the debt ceiling soon, the U.S. Treasury will default for the first time in its history. Plainly, especially in this credit crisis, we cannot let that happen. If we don't raise the ceiling before Monday, Treasury Secretary Paulson will be forced to take special measures to prevent the default from occurring. He feels those actions would create uncertainty in the financial markets. He thinks it would be unwise to add any uncertainty to the financial markets right now, and I agree with that. The markets already have enough uncertainty arising from the foreclosures on subprime mortgages. But there is no way around this. These are some rotten apples.

This increase in the debt ceiling will be the fifth increase during this administration. It increased by \$450 billion in 2002, it increased by \$984 billion in 2003, it increased by \$800 billion in 2004, and it increased by \$781 billion in 2006. Today's \$850 billion increase in the debt ceiling will be the third largest increase in our Nation's history. The largest increase was the \$984 billion hike in 2003. Once today's \$850 billion increase is enacted, the fourth largest rise will have been the \$800 billion in 2004. The fifth largest increase will have been the \$781 billion hike in 2006.

There is no way around it. This is a poor fiscal record. When you add today's \$850 billion increase to the previous increases since 2001, the debt ceiling will have increased by almost \$4 trillion during this administration. The debt ceiling will have increased from about \$6 trillion at the beginning of this administration to about \$10 trillion now—\$6 trillion at the beginning of this administration, the debt ceiling, will be increased now to about \$10 trillion. That is a two-thirds increase in the debt ceiling in 7 years.

Unfortunately, for us today, there is little choice at this moment right now. There are other choices we should be making in this Congress and in this country with respect to our fiscal situation, but today, at this moment, with respect to the debt ceiling, there is little choice. The Government has already borrowed the money that has caused its debt to reach the current ceiling. It has already been borrowed. To keep the Government running, the Treasury now needs to borrow more money. The Treasury cannot do that unless we raise the debt ceiling.

Why is it unfortunate the Government has gone into so much debt? The answer is it lowers the standard of living for future generations of Americans. That is hardly the legacy we should want to leave for our children and grandchildren.

If the U.S. Government borrows money, it competes for funds from the global financial markets. Unless Americans begin to save more, these funds will come from foreign lenders. As a result, we will owe foreigners interest on those funds in future years. Because Americans will have to pay that interest to foreigners, we will have less money to spend on goods and services, and the standard of living for Americans in the future will be lower than it otherwise would be.

It is happening already. It is happening because the dollar is declining. It is declining quite precipitously. Why is the dollar declining? Probably because our fiscal policy has not been very sound. We have been borrowing so many dollars from overseas. Our current account deficit is so large. We have been consuming at such rapid rates that, finally, the chickens are beginning to come home to roost. The dollar is starting to decline, and it is making it very difficult now for Americans, on the margin, to live at the same living standard.

With the dollar declining—and, again, it is declining because foreign investors are starting to think maybe it is wiser to invest their dollars, on the margin, elsewhere—when the dollar declines, that means imports are more expensive and consumers have to pay more than they currently have been paying for those same products. It means American companies are now able to raise their prices to the levels of the more expensive foreign imports. It means, frankly, that average Americans are facing more costs for the same goods.

On the other hand, the most wealthy people in America can invest in foreign currency and take advantage of the dollar. But the average American cannot do so. So what we are doing today, with our very high debt, is essentially lowering our living standards.

Further, the amount of U.S. Government debt held by foreigners is troubling. As of December, 2006, foreigners held an enormous \$2.2 trillion of debt issued by the U.S. Government. For example, Japan held \$644 billion of U.S. debt, and mainland China held \$350 billion.

I might add that a lot of these foreigners are starting to change their investment patterns. They are developing sovereign wealth funds. They are diverting some of their currency holdings. China is a good example. They are not just buying U.S. Treasury notes, bills and bonds, they are starting to do more direct investing around the world. That too is starting to have, on the margin, a slightly negative effect on the dollar.

In December, 2001, foreigners held a total of \$1 trillion in U.S. debt. Thus, foreign-held debt has increased from \$1 trillion at that time, December 2001, to about \$2.2 trillion in December, 2006. That is a 120-percent increase since 2001. Over time, the cumulative interest payments on these holdings will be very large.

The significant foreign holdings of U.S. debt create two more serious problems. The first problem relates to a falling dollar, as I have mentioned. If the dollar falls, the value to foreign holders of U.S.-issued securities falls. If the dollar continues to fall, at some point, foreigners may become scared of further drops. To protect themselves, they may sell their holdings of U.S.-issued securities. And a large sell-off could happen precipitously and cause interest rates in the United States to rise immediately. A recession would likely follow.

I am not saying that is going to happen, but I am saying the probability of that happening is getting greater and greater and greater with the passage of each day.

Today, the dollar is at another all-time low against the Euro, and the Canadian dollar has reached parity with the U.S. dollar for the first time since the 1970s. If the dollar continues to fall, we could see foreigners selling off U.S.-issued securities at some point.

The second problem concerns our national security. Currently, almost 60 percent of U.S. debt held by foreigners is in the hands of foreign central banks or other official foreign government institutions. That amounts to about \$1.3 trillion—clearly, an enormous figure.

So what happens if we get into a trade dispute with one of these countries, or a military or diplomatic dispute? The government of one of these countries could prevail upon its official institutions to threaten to sell off some or all of its holdings of U.S.-issued debt. If such an action occurred,

it would drive up interest rates in the United States and cause a recession. The threat of such action would give the foreign country significant leverage in its trade or military or diplomatic dispute with the United States, which would be very unfortunate.

Again, I am not saying it is going to happen right away, or it is going to happen at all. But I am saying, given the deterioration of our fiscal situation, it is, on the margin, slowly, inevitably, irrevocably giving these other countries more leverage over us in any policy dispute they may have with us.

The revenue and spending laws that have helped to create the need for this huge jump in the debt ceiling were enacted some time ago. We piled up huge budget deficits in recent years by not having enough revenues to pay for our spending. So the Treasury had no alternative but to borrow funds to make up the difference, because we, obviously, had been spending more than we were taking in. The Treasury, therefore, had to borrow. And that is the problem; it is the added borrowing year after year after year after year in the amounts I have already indicated.

The responsible thing to do right now is to raise the debt ceiling because we have to. This debt ceiling is similar to a credit card. The bill is due. You have to pay what is on the credit card. But the goal is to make sure there aren't future increases in that credit card bill. We have to pay what the credit card bill is. That is the legal obligation. So there is no choice, and it is the responsible thing to do to reduce the need to raise the debt ceiling again in the future.

We need to stop running annual deficits in our Federal budget. We need to stop cutting taxes when we cannot afford to do so. We need to stop increasing spending when we cannot afford to do so. It is easy around here to cut taxes, it is easy around here to raise spending. Fortunately, we have these pay-go rules now which makes it that much more difficult to do, and we have to basically heed the basic principles behind pay-go.

The beginning of the retirement of the baby boom generation next year will create needs for even more spending. Our ability to achieve balanced budgets will become more difficult. Nonetheless, we ought to balance the budget. It is the right thing to do. It would send the right signals in so many ways all across the country and around the world that we are getting our act together and living within our means. It is such a powerful force, in my judgment. We have to do it, otherwise we are going to keep piling up more and more debt and the dollar is going to potentially continue to fall, and living standards will continue to fall for Americans. So let us raise the debt ceiling now because we have no choice. But let us also work together to balance the budget in years to come. That is the only way we can keep from

having to enact more increases in the debt limit in the future. When it comes to that burden as well, there is no choice either.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, the current law is that we have a statutory limit on the amount of money the Federal Government can borrow, and that has to be reconsidered from time to time. The legal limit applies to the money borrowed from individuals, private investors—such as banks and pension funds—as well as money borrowed from other governmental programs that are in surplus—such as Social Security and Medicare, or what we call intergovernmental borrowing.

Increasing the debt limit is necessary to preserve the full faith and credit of the United States of America. Without an increase in this limit, our Government will face a choice between breaking the law by exceeding the legal limit or breaking faith with the investors by defaulting on debt. Neither of those choices is acceptable, and we have never done them.

Critics sometimes object to raising the debt limit on grounds that it will allow the Government to borrow more money, but refusing to raise the debt limit is akin to refusing to pay your individual credit card bill after you have already gone shopping and bought something. We cannot pass tax bills and spending bills and then refuse to pay our bills. The time to control the debt is when we are voting on bills that actually create that debt.

Raising the debt limit is about meeting the obligations we have already incurred, it is that simple. We must meet our obligations. So I urge my colleagues to support this increase.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, the Senate is now considering a measure to further increase the Federal debt limit. This is further confirmation of the Bush administration's failed fiscal record. It represents now the fifth time the President has come to Congress asking for more debt.

We all know we have no choice in this matter. These are debts that have already been accrued. The question before us is: Do we pay the bills of the United States or do we fail to do so? If we failed to cover our borrowing, if we failed to pay the bill, the creditworthiness of the United States would be called into question and there would be a run on the dollar. There would be economic chaos. So we have no choice, and I hope that colleagues on both sides will take up this responsibility.

We all remember that when the Bush administration came into office, the President said this:

My budget pays down a record amount of national debt. We will pay off \$2 trillion of debt over the next decade. That will be the largest debt reduction of any country, ever.

Future generations shouldn't be forced to pay back money that we have borrowed. We owe this kind of responsibility to our children and grandchildren.

That is what the President told us then.

We are now able to look at the record. What we see is quite different from what he asserted then. Instead of paying down the debt, the debt has exploded on his watch. Here are the increases in the debt that have been enacted and requested by this President.

First of all, perhaps it is instructive to go back to the period 1998 to 2001, during the previous administration, when there were no increases in the debt. In fact, we were paying down the debt. Then, in 2002, this President asked for and got a \$450 billion increase in the debt limit; followed in 2003 by the largest increase ever, \$984 billion; followed by \$800 billion in 2004, \$781 billion in 2006, and now, this year, another \$850 billion. This is the debt President. The debt limit of the United States will have been increased, under his direction, by almost \$4 trillion.

This chart shows the dramatic deterioration in the budget picture under the fiscal policies of this President. We were in surplus. In fact, we had even stopped, under the previous administration, taking Social Security funds to pay other bills. Under this administration, the deficit skyrocketed and the debt has grown geometrically.

Despite all the assertions of fiscal responsibility, this President has increased Federal spending from \$1.9 trillion to \$2.7 trillion a year, an increase of nearly 50 percent.

On the war alone—and this puts in perspective the war costs—you will recall the President told us that the war would cost \$50 billion. We are at \$567 billion and counting. Now we hear of a request for another \$42 billion on top of the \$147 billion that was allocated this year.

President Bush has indicated and his administration has told us that we should expect a "Korea-like" presence in Iraq. Here is what this would mean, according to the Congressional Budget Office. So far, the war in Iraq and Afghanistan has cost \$567 billion. CBO tells us a "Korea-like" presence would mean an additional \$1 trillion in the period 2009 to 2017, and from 2018 to 2057, another \$1 trillion, for an addition of \$2 trillion to the \$567 billion already committed. So the war that was supposed to cost \$50 billion is now headed for \$2.5 trillion, if we maintain a "Korea-like" presence, as called for by the President.

On the revenue side of the equation, where we hear so much from our colleagues about the dramatic improvement in revenue, what you will notice in all of their charts is they just look at the last couple of years. They don't look back to when this administration started. But what you see is real revenues, adjusted for inflation, were \$2.03 trillion back in 2000. This year, real revenues are \$2.13 trillion. Revenue has

been basically stagnant in this country for 6 years.

So when you dramatically increase spending and revenue is stagnant, guess what happens. The debt soars. That is precisely what has happened under this President—from \$5.8 trillion in 2001 to a now anticipated \$8.9 trillion at the end of this year. This President has run up the debt in a record way. He truly will claim the mantle and the legacy as the debt President.

Not only has he dramatically run up our debt domestically, he has also dramatically increased foreign holdings of our U.S. debt. When he came into office, there was just over \$1 trillion of U.S. debt held abroad. In other words, it took 42 Presidents 224 years to run up \$1 trillion of U.S. debt held externally. This President has more than doubled that amount in just 6 years, to almost \$2.2 trillion. The result of all of that is we now owe Japan over \$600 billion, we owe China over \$400 billion, we owe the United Kingdom over \$200 billion, we owe the "oil exporters" over \$100 billion, and on and on it goes. We are now truly in need of the kindness of foreigners because if they do not float this boat, if they don't provide the financing for this debt, the United States would be in even deeper trouble. Can you imagine if all of a sudden the Chinese, the Japanese, the British, and the rest decided not to extend us additional credit, additional loans? The interest rates in this country would jump. It would put us into a recession, and we would be in deep trouble. So we are in debt and we are beholden and we are dependent on the kindness of strangers.

Here is what the head of the Federal Reserve has warned us on the danger of growing debt. He said this before the Senate Budget Committee on January 18:

Ultimately this expansion of debt would spark a fiscal crisis which could be addressed only by very sharp spending cuts or tax increases or both . . . [T]he effects on the U.S. economy would be severe. High rates of government borrowing would drain funds away from private capital formation, and thus slow the growth of real incomes and living standards over time.

The recklessness of this administration in managing the fiscal affairs of this Nation is clear and compelling. It could not be more apparent.

Tonight is one more confirmation of the disastrous consequences of the fiscal policy of this President. He is the debt President. With the action that will be required to be taken tonight, he will have added nearly \$4 trillion to the debt position of our Nation. That is a sad legacy, and future generations are going to pay an enormous price for this profligacy—spending without a willingness to pay for it, simply putting it on the charge card, shoving the debt off to future generations, and all the time claiming to be fiscally responsible.

The actions of Congress tonight, responding to the request of the President to once again expand the debt limit by hundreds of billions of dollars—in fact, tonight, by \$850 billion in

one fell swoop—should tell us all we must have a new direction for the fiscal course of this country.

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. COBURN. 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. COBURN. Mr. President, this evening we have a choice to make that is a true reflection of whether this body has been listening to the American public. We are about to increase the amount of money we can borrow against our children's future by \$850 billion. That is almost \$1 trillion. What does that say about us? That we can't do what we ask every other American family to do, which is live within our means. It is not about parties. Both parties are guilty. But it is about priorities, and it is about choices.

Many of us know that our approval rating is at an alltime low—11 percent. We have a chance tonight to change that. We have a chance tonight to raise that. We have a chance tonight to prove to the American people that we are listening.

A new Gallup Poll put it this way:

Americans now express less trust in the Federal Government than at any time in the past decade and trust in many Federal Government institutions is now lower than it was during the Watergate era, generally recognized as the low point in American history for trust in the Federal Government.

Think about that. How is it that we got ourselves to that position? How did we slip to a level below the Watergate era?

Mr. SANDERS. Will my friend yield?

Mr. COBURN. I would like to finish my statement, and then I am be happy to yield to the Senator from Vermont.

One reason is Americans believe we are totally out of touch with the realities they live with every day in terms of budgeting and spending. What I often hear in this body, both by statement and by action, is that we really do not have to choose between two priorities because we can do both. The American people can't do both, but we can do both. How can we do both? What we do is we ignore the choices we have and lay our responsibility on generations to come. That is how we do both. We do not do what is required of us in terms of oversight, eliminating fraud, eliminating duplicative programs, eliminating programs that do not work, that have no metrics. That, by the way, comes to \$200 billion worth of fraud, waste, and abuse which has been documented, every year, that we spend, that we are not working on, we are not trying to eliminate. But what we are about to do, because we failed to do that, we are about to increase the amount which our children and grandchildren are going to have to repay.

The problem is there is nobody outside this body who thinks that way—only inside. In the real world, people have budgets they have to live within. Their choices have consequences, and

we choose to make the consequences happen to our children and grandchildren rather than accept the consequences. What has made this country great has been the heritage of sacrifice we have seen by multiple generations that have come before us. We are now denying that heritage, as we in this body refuse to accept the responsibility placed on us to make hard choices.

Tonight, we are going to have a vote and we are going to raise the debt limit and we are going to really say: Children, we don't have the courage to do what we need to do, whether it is raise taxes or cut spending or both. We don't have the courage to do that. But we are cowardly enough to shift it off onto you.

That is what it really is. We don't want to go against interest groups that are invested in something that isn't working. We don't want to eliminate the \$53 billion a year that is estimated to be fraud in Medicare and Medicaid. We don't want to do anything with the excess 41,000 properties the Federal Government owns that cost us \$18 billion a year but we won't do anything with them. We will not do what is necessary and sacrifice so that we can secure the future.

We are going to raise the debt limit because both parties, mine and the leadership party, have refused to restrain spending.

This will be the sixth time since 1997 that the debt limit has been raised. At the same time, earmark spending has skyrocketed. It is over half a trillion dollars in the last 10 years. There are no competitive bids on earmarks, no accountability, no followup, just gifts. Some are great priorities, but there is no system of economic controls.

My own party did a lot to create this mess. In 2005, 82 of my colleagues said building a bridge in Alaska was more important than repairing the bridges in Louisiana.

We said that. This body said that. Last week I asked my colleagues to make a number of choices. I offered an amendment that said until we fix our at-risk bridges and our high-risk highways that will account for 13,000 deaths a year, we ought to delay earmarks until we make that a priority. We lost that vote 82 to 14.

I offered an amendment to prohibit funding on bike paths and horse trails until we have done the same thing. We lost that amendment 80 to 18. I also attempted to strike funding for a peace garden, construction of a new baseball stadium, and a visitor's center, bipartisan amendments. We chose to say, no, we can do that rather than build and restore our highways and bridges.

What is as bad as the choices we make are the choices we ignore. And that is the very real need to do extremely heavyhanded oversight on the waste, fraud, and abuse that occurs every day within the Government that we supposedly have our hands on.

I know we could cut discretionary spending by at least 10 percent. Okay? That is \$100 billion a year if we got together and said we are going to work on these programs together. But we are not going to do that. What we are

going to do is keep pointing fingers at one another rather than at ourselves and raise the debt limit.

We are not going to do that hard work. I believe the American people are sick of it. Families across America do not have the luxury of loaning themselves new money when they have maxed out their credit. But that is what we are going to do. There is no credit limit for us. One is coming. It is coming as we have seen the price of the dollar fall recently. We will certainly see it fall further in the future. There is going to be a cost.

What this vote means is, instead of using this year's appropriations cycle to trim waste, to decrease spending, reduce the national debt, all we have done is made the problem worse.

First, we have not passed any bills through Congress. The bills that are in conference, with the exception of one, are at 5 to 6 to 7 percent above last year's spending level. So we have admitted we cannot do it. Only weeks after passing a brandnew ethics law, the Senate has now decided it is okay to add new earmarks in authorizing bills. We have also decided that instead of making sure we know the identity of earmarks, how much money it is, what is it going for, and who is going to get it, we only say: I am offering it, and I do not have any pecuniary interest in it. What we told the American people was a sham. We are not doing what we said we were going to do.

Instead of spending our time trying to figure out how to continue to raid the Federal Treasury without getting caught, I believe we ought to be doing our job. Congress should pass individual appropriations bills at a level less than last year, with the waste, the fraud, abuse, and duplication out of them. But we are not going to do that.

The vote on the debt limit gives Congress another opportunity to demonstrate to the American public that we do have the courage and the ability to fix what is wrong with this ship. By voting for this debt limit, what you are telling the American people is, you do not have the courage to fix what is wrong here. We do not have the courage to do the oversight that is necessary.

Whether it is the \$40 billion worth of waste, at least, a year in the Pentagon, or the \$43 billion a year wasted on Medicare and Medicaid through fraud, or the \$18 billion we are spending on buildings that we do not want, we do not have the courage to do that.

What we should be doing is tearing up the credit card and, through not passing an expansion or extension of the debt limit, start acting like every other American family has to do and start making the hard choices even if it offends some of our constituents, because the constituents who matter the most, as we continue the heritage of this country of creating opportunity, are our children and grandchildren.

My real hope is this debt limit expansion does not pass tonight, that we all get to reflect on that; we come together, Democrat and Republican, and say: We have not done a good job. Let's

make a pact that we are going to do the oversight, that we are going to cut the programs, that we are going to lower spending. It does not matter what President Bush wanted. We have the power of the purse. We can decrease spending.

Will we do that? Unfortunately, my belief is we will not because, quite frankly, we are interested in the next election more than we are interested in the next generation, and to that, shame on us.

I yield the floor.

THE PRESIDING OFFICER (Mr. SANDERS.) The Senator from North Dakota.

Mr. DORGAN. Mr. President, let me make a couple of comments. I will not take a long time.

I have to observe that there was a time when there was substantial courage in this Chamber. I recall we had some very large budget deficits growing over a long period of time, and we passed a new fiscal policy. I was here then some long while ago. It passed by one vote in the Senate and one vote in the House. That took some courage. Some people who cast those votes did not come back here, because they were very controversial votes.

But we turned our fiscal policy around in this country by making tough choices. We turned the Federal budget deficit into a Federal budget surplus and began paying down the Federal debt. In 2001, on this floor, in this Chamber, we had a debate about fiscal policy again. A new President came to the White House. President Bush said he was a conservative.

He said: Well, now, we have all of these surpluses. He and his friend, Alan Greenspan, were worried that the biggest problem facing America was that we were going to pay down our debt too rapidly. The President and the White House said: We have got all of these surpluses. Let's decide to give the wealthiest Americans some large tax cuts because I believe in trickledown economics. Put a lot in the top, and see if some will drain down a bit.

Some of us stood on the floor of the Senate and said, you know what, we have just finally turned this economy around, turned these huge budget deficits around. The plan under the Clinton administration worked, and we turned big deficits into big surpluses and began to pay down the Federal indebtedness.

Some of us stood on the floor of the Senate and said: Mr. President—to President Bush—maybe we ought to be a bit conservative. What if something happens? These big surpluses for the next 10 years do not yet exist. Yes, there is a surplus now, but we do not have a 10-year surplus that exists. That is the projection. What if something happens? Why do we not be a bit more conservative in how we deal with this?

The President and his supporters said: No. No. No. What we are going to do is we are going to give very large tax cuts to the wealthiest Americans.

We want to do it right now. They won. They had the votes to win, and they turned this economy around, all right. They turned budget surpluses, in a period where we were actually paying down the Federal debt, into some of the largest Federal deficits in this country's history—once again, unbelievable.

So when I hear people talking about courage, let me say we had some courage on the floor of the Senate. I am proud to have been one of them who cast a vote that passed by one vote, that turned around this country's fiscal policy. And now we leave an example of a fiscal policy that was reckless, one of the most reckless fiscal policies I can ever imagine, given to us in 2001 by a new President who said he was conservative but who was not.

In fact, my colleague just described what we are spending and not paying for. Yesterday in the Senate Appropriations Committee, President Bush sent his Defense Secretary, he sent the Assistant Secretary of State, he sent the Chairman of the Joint Chiefs of Staff, to ask us for another \$189 billion to prosecute the war in Iraq and Afghanistan. And, oh, by the way, the President said: I do not intend that we pay for any of that; put that right on top of the debt. We are going to charge it all.

That is the direction this White House is leading. That is what brings us to the floor of the Senate tonight, with a fiscal policy that has rung up an enormous amount of additional debt; the worst possible fiscal policy you can imagine.

You know what happened? Some of us said, maybe we ought to be a little bit conservative, a little bit careful. The President said: No. No. No. We are not going to do that. We are going to take these 10 years of estimated surpluses and we are going to spend them with tax cuts.

Here is what happened very quickly. We were in a recession. The President likes to say he inherited the recession. He did not. But very shortly after he took office, we experienced a recession. Then we experienced the terrorist attack of 9/11, and then a war in Afghanistan, then a war in Iraq, then an economic slowdown.

Would not it have been smarter to have a fiscal policy that was a bit more careful, one that would have given a bit more thought about how to best care for this country's finances? I know it is easy to blame. I watched today as we had people come to the floor of the Senate blaming this, that, and the other thing. It is easy to take the negative. I understand that. Mark Twain was once asked if he would engage in a debate. And he said: Oh, sure, as long as I can take the negative side. Somebody said: We have not told you the subject. He said: Doesn't matter. If I take the negative side, it will take no preparation.

So I understand those who come to the floor of the Senate and tell us what is wrong. But I can tell you about a fis-

cal policy that was right, because I supported it and am proud to have done it some years ago, that turned big deficits into budget surpluses and began paying down the Federal debt. That is the kind of fiscal policy we need. It is the kind of fiscal policy we had, and this administration and those who supported it in this Chamber turned their back on it 6 years ago. Now we have paid the price for those votes.

I hope those who describe these issues remember, remember what a good fiscal policy was and how to recapture it once again. Yes, it take a little political courage. Those of us who supported a fiscal policy that works understand how it worked when it happened.

We have a lot to be thankful for, living in this great country of ours; only one spot like it on the planet. We have responsibilities that are very significant here in this Chamber. There is plenty wrong with this country, plenty of things that need fixing. But it is a wonderful place that requires our stewardship to do the right thing. I only came to the floor as I listened this evening to point out that we have seen good fiscal policy and bad fiscal policy. I, and I think many others, recognize the difference. If all of my colleagues will recognize that difference, we can put this country back on track once again. That is what the American people deserve and expect from us.

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

THE PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. REID. Mr. President, before I discuss this legislation, I want to express my thanks to the distinguished minority leader, Senator MCCONNELL, as well as the chairman and ranking member of the Finance Committee, Senators BAUCUS and GRASSLEY, for their cooperation in facilitating consideration of this legislation. I also want to thank Treasury Secretary Paulson for his leadership.

We are taking up this legislation at the request of the Bush administration so that the Federal Government can meet its obligations and pay its bills. Secretary Paulson, in a letter to me earlier this month, indicated that it was essential that the Senate pass this legislation as soon as possible. This will be the fifth increase in the debt limit since President Bush came to office.

I find it distasteful and disturbing to increase the debt limit yet again, but the alternative is simply unthinkable. Eventually, some Social Security checks could not be sent. Government offices could close. Interest rates could rise. And the economic impact on our

country could be profound. As a practical matter, therefore, we have no choice.

Having said that, President Bush's failed policies put us in this box, and as we consider the pending bill, I hope my colleagues will focus on the importance of changing those policies. Over the past several years, the administration has completely abandoned fiscal discipline and dramatically increased our debt. Until we change the policies that led down this path, we will be back year after year, digging the hole ever deeper.

Let's review some history. When President Bush came to office, our Nation was running record budget surpluses and our debt was on the decline. In 2000, we ran a surplus of \$236 billion, and the outlook was for continued surpluses for years to come. In fact, the Chairman of the Federal Reserve at the time, Alan Greenspan, was so optimistic about our fiscal condition that he thought we might quickly eliminate our debt altogether.

Unfortunately, once President Bush took office, our fiscal situation rapidly collapsed. In 2001, our debt was \$5.8 trillion. Today, it's \$9 trillion, an increase of more than \$3 trillion. Compounding matters, all this new borrowing has come at the worst possible time, just as the baby boom generation is about to retire.

Not only has our debt exploded, but increasingly we are borrowing from foreigners. In fact, since President Bush took office, our debt to foreigners has more than doubled. Many of our creditors are in places like China and Japan. And as we borrow more and more from those abroad, we also become more dependent on them. It is a trend that cannot and must not be allowed to continue.

It's no mystery why debt has exploded. President Bush abandoned the pay-as-you-go rules that proved so effective in promoting fiscal discipline. He increased spending by 50 percent. And he approved massive tax breaks, disproportionately for multimillionaires and special interests.

Much of the spending has been for our disastrous occupation of Iraq. The war has already cost the lives of almost 4,000 Americans. But while our brave men and women in uniform bear, by far, the greatest burden, all American taxpayers are paying a price. We have already spent roughly half a trillion dollars on President Bush's failed policy. Now the President is asking for nearly \$200 billion more.

How does the President propose to pay for all this new spending in Iraq? He doesn't. He just wants to keep putting it on the national credit card.

The same is true of the President's massive tax breaks for multimillionaires. Next year, President Bush wants to spend nearly \$50 billion just to hand out tax breaks for those fortunate enough to earn more than \$1 million a year. These lucky few will get a windfall worth an average of \$130,000 each.

Most hard-working, middle-class families would be grateful for a fraction of that.

And how will we finance all these lavish tax breaks for multimillionaires? Again, by putting them on the national credit card. In other words, our children will pay.

If only the President were as willing to provide kids with health care as he is willing to load them with debt.

As you know, the administration claims to have seen the light on fiscal responsibility, and has cited the need for discipline to justify their opposition to the children's health bill. But how much would the legislation add to the debt? \$200 billion? \$20 billion? No. The answer is: zero. Nothing. It is fully paid for.

In other words, the President is willing to borrow half a trillion dollars and more for Iraq. But he is opposing a children's health bill that won't add anything to the debt.

To put it mildly, those priorities are wrong. The American people know it. And most of my colleagues do, as well.

Clearly, we need to change course. And this debt limit bill is just another reminder of that.

Fortunately, the new Congress already has made real progress in the effort to provide a new direction. Earlier this year, we passed a budget resolution that balanced the budget without raising a penny of taxes. The budget put the middle class first and focused on America's needs here at home. All in a responsible way, while reestablishing strong pay-as-you-go rules to enforce fiscal discipline.

Our new budget was an important first step. But we have a long way to go to change fiscal policy to where it needs to be. Ultimately, it is going to take bipartisan effort, and I look forward to working with colleagues on both sides of the aisle to make it happen. Meanwhile, while it is not a pleasant task, we have no choice but to pay our bills.

Mrs. FEINSTEIN. Mr. President, I rise today to express my disappointment for having to vote yet again to increase the national debt limit. The Senate has been forced to take this vote on five occasions under this administration. In the intervening 6 years, the national debt has exploded by almost \$3.4 trillion, or 61 percent.

The national debt now stands at \$9 trillion.

To put this in terms that most of us can understand, this amounts to roughly \$30,000 owed by every American.

Unfortunately, the debt forecast shows no signs of improving.

Over the next 5 years, the debt is projected to reach \$11.3 trillion. By 2017, the Congressional Budget Office projects this figure will hover around \$13 trillion. In this year alone, our national debt is slated to increase by almost \$600 billion.

Maintaining this debt is not free. The interest charged on the amount we have borrowed grows each and every

day. And, the more we borrow, the more we pay in interest.

Over the next 10 years, the interest payments on the national debt are projected to total \$2.8 trillion. This year, interest payments on the debt will reach \$235 billion.

This means less money for the programs that matter most for working Americans.

Congressional Democrats have demonstrated a commitment to fiscal responsibility by passing pay-as-you-go budget rules that require Congress to offset new spending.

This Congress has worked to find ways to pay for major priorities—such as the extension of the Children's Health Insurance Program, which I hope will pass today in the Senate with a bipartisan, veto-proof majority.

The fact that the Senate must vote, yet again, to increase the national borrowing limit begs the question: Why are we here?

Misguided tax policies are one of the reasons we are considering this measure today.

The President has presided over the greatest fiscal reversal in our Nation's history. He inherited a budget surplus of \$236 billion from President Clinton, the largest surplus in American history.

He took that surplus and sunk it into expensive tax cuts at a cost of more than \$1.3 trillion to date and \$3 trillion over the next decade.

But what I find most frustrating, is that these tax cuts have come in the midst of significant military campaigns in Iraq and Afghanistan.

Never in the history of this Nation have we enacted significant tax cuts during a time of war.

We have dipped into the pockets of our children and grandchildren and "charged" the costs of these wars to a National credit card.

When you combine the cost of the debt-financed tax cuts with spending for the military operations in Afghanistan, Iraq, and the global war on terror—currently approaching \$610 billion—the inevitable result is that our Federal budget is squeezed, while our crushing debt continues to grow.

The reality is, even under a best-case scenario, we are years and hundreds of billions of dollars away from a full redeployment of American troops from Iraq.

The President will soon request another \$190 billion in supplemental funding for operations in Iraq and Afghanistan. And it is no longer unrealistic to suggest that operations there might cost upwards of \$1 trillion before all is said and done.

Year after year, supplemental after supplemental, we continue borrowing to pay for these wars.

In real terms, the cost is over \$350 million per day. Almost \$15 million per hour; \$250,000 per minute; or \$4,000 every second.

We must recognize the mistakes of the past few years and understand that

you cannot have your cake and eat it too.

As we approach a \$10 trillion debt limit, it is essential to look forward for solutions. Where do we go from here?

We start with responsible spending. While I support targeted tax cuts to help working families, it is time to allow the tax cuts for the wealthiest Americans to expire.

It would be unfair and irresponsible to not do so.

We need solutions to shore up our strained entitlement programs, such as Social Security and Medicare, as the retirement of baby boomers looms.

We need to adequately fund children's health and education programs and invest in the future of our young people.

We need to focus on foreign diplomacy to repair our reputation as a global leader.

We need to invest in homeland security and other domestic programs that will keep America safe and increase productivity.

Most importantly, we need to start planning for the future today.

Every day that we wait, hundreds of millions of dollars are spent, the debt increases, vital programs are under funded, and the cycle continues. We must do better.

I understand the political realities of this vote.

However, it is important to recognize the consequences of this measure failing. Not increasing the debt limit could result in the government defaulting on its obligations, exacerbating already shaky credit markets across the globe.

So while I urge my colleagues to join me in supporting the measure to once again raise the debt limit, it is also my hope that my colleagues will join me in seeking real and permanent solutions to our Nation's fiscal problems.

Tax cuts, "staying the course," and not addressing the future of our most critical entitlement programs are sometimes politically appealing policies, but they are also not responsible.

Responsible policies come from making the difficult choices that put America's future first.

This Congress must exhibit leadership in breaking with the traditions of the last few years to put our Nation's fiscal house in order.

Mr. FEINGOLD. Mr. President, today we are again forced to consider legislation to raise the Nation's debt limit. It is obvious to anyone that we are here because of the grossly reckless fiscal policies that have been advanced by the administration and Congress for nearly 6 years.

Over those 6 years we have seen a dramatic deterioration in the Government's ability to perform one of its most fundamental jobs—balancing the Nation's fiscal books. In January of 2001, the Congressional Budget Office projected that in the 10 years thereafter, the Government would run a unified budget surplus of more than \$5 trillion. Nearly 6 years later, we are

staring at almost a mirror image of that 10-year, \$5 trillion surplus, except that instead of healthy surpluses, under any reasonable set of assumptions, we are now facing immense deficits and mounting debt.

We absolutely cannot afford to continue to run up these massive deficits. Doing so causes the Government to use the surpluses of the Social Security trust fund for other Government purposes rather than to pay down the debt and help our Nation prepare for the coming retirement of the baby boom generation. Every dollar we add to the Federal debt is another dollar that we are forcing our children to pay back in higher taxes or fewer Government benefits.

But inside this dark cloud of dismal fiscal news there is a silver lining; namely, the restoration of the so-called "pay-as-you-go" budget rule, known as pay-go, as part of the budget resolution we adopted this year. That rule was central to the ability of the Congress to balance the Federal budget in the 1990s, and the return of that common-sense discipline gives us a better chance to clean up the fiscal disaster the current administration created. Unlike the last time Congress had to raise the debt limit for this administration, we now have pay-go back in place.

In some ways, today's vote to raise the debt limit ratifies the actions taken by the administration and Congress to stick future generations with an immense credit card bill. Had we not restored the pay-go rule recently, I may well have decided not to support this measure.

Fortunately, pay-go has been reinstated, and we will be better able to return to the path of fiscal responsibility we abandoned a few years ago. And because of that, I will support this measure, made necessary by the profligate policies of President Bush, and egregiously aided and abetted by the last three Congresses.

Mr. BAUCUS. Mr. President, all time for debate on the debt limit has been utilized. In the interest of giving Senators some notice to get here in time for a vote, I alert all Senators that we will probably begin the vote first on the children's health insurance bill and, following that, the debt limit. That will begin sometime between 7:20 and 7:25. So within about 5 minutes we will begin voting on the children's health insurance plan.

I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

UNANIMOUS CONSENT AGREEMENT—H.R. 1585

Mr. REID. Mr. President, I ask unanimous consent that upon disposition of H.J. Res. 52, the Senate resume consid-

eration of H.R. 1585 and resume amendment No. 2999; that the amendment be modified with the changes at the desk, that there be 2 minutes of debate divided in the usual form; that upon the use of the time, the amendment be agreed to and the motion to reconsider be laid upon the table; that the Senate then resume Coburn amendment No. 2196, and there be 10 minutes of debate prior to a vote in relation to the amendment; that no amendment be in order to the amendments in this agreement; that the time be equally divided and controlled between Senators Levin and Coburn or their designee; and upon the use or yielding back of time, the Senate proceed to vote in relation to the amendment; that immediately after disposition of the Coburn amendment, the Senate proceed to Menendez amendment No. 2972, and that after the amendment is reported by number, there be 6 minutes of debate equally divided and controlled between Senators LEVIN and MENENDEZ, or their designees; that upon the use or yielding back of time, without further action, the Senate proceed to vote with respect to the amendment; that upon disposition of the amendment, that the managers' package which has been cleared by the managers, be considered and agreed to; that the Senate proceed to vote on the motion to invoke cloture on amendment No. 2011, the substitute amendment; that Members have until 8:15 p.m. tonight to file any germane second-degree amendments; that if cloture is invoked on the substitute, then all time postcloture be considered expired at 5:30 p.m. this coming Monday, October 1; that upon adoption of the substitute, the bill be read a third time, and without further action, the Senate proceed to vote on passage of the bill; that the cloture motion on the bill be withdrawn; that upon passage, the Senate insist on its amendment, request a conference with the House, and the Chair be authorized to appoint conferees.

The PRESIDING OFFICER. Is there objection?

Mr. MCCONNELL. Mr. President, reserving the right to object, and I will not be objecting, I just wanted to ask the majority leader if I am correct in that if this is entered into, there will be no votes tomorrow, and the next vote will be late Monday afternoon?

Mr. REID. Yes. The first vote will be Monday at approximately 5:30.

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

The question is on third reading of the joint resolution.

The joint resolution was read the third time.

The PRESIDING OFFICER. Under the previous order, the joint resolution is set aside.

CHILDREN'S HEALTH INSURANCE PROGRAM REAUTHORIZATION ACT OF 2007—Continued

The PRESIDING OFFICER. The Senate will now resume consideration of