

percent. Two years later, with unemployment still hovering around 9 percent, they are saying we need to keep up the stimulus-level spending, despite its obvious failure. Their commitment to spending and tax hikes is so deeply held, it seems they do not even recognize the state of our economy or the fact that the tax-and-spend policies of the past 2 years have made matters worse, and they have to change if they are ever going to get out of the fiscal mess we are in.

Democrats seem to think the solution to our tax crisis is to ask taxpayers and businesses to reward their economic stewardship with even more money to spend as they please. They don't seem to understand that the voters didn't elect dozens of additional Republicans to the House of Representatives last November because they wanted their taxes raised. They sent them to reverse policies that had failed. We have seen the consequences of giving Washington a blank check. It is the reason we are in the mess to begin with.

So my message to the President is quite simple. It is time for Washington to focus on fixing itself. It is time for Washington to take the hit, not the taxpayers.

I yield the floor.

RESERVATION OF LEADER TIME

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

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will be in morning business until 6 p.m., with Senators permitted to speak therein for up to 10 minutes each.

Mr. MCCONNELL. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

FISCAL POLICY

Mr. BOOZMAN. Mr. President, nearly every day we see scenes playing out in countries around the world where their financial security is in ruins. This is the last thing we want to experience in our great country, and that is why we need to reform our fiscal policy and the way we have done business. There is too much at stake not to take action.

The International Monetary Fund urged us to address our soaring budget deficits, and credit rating agencies Moody's and S&P may be forced to

downgrade our government's AAA rating.

So what is the majority doing to address this fiscal crisis? Absolutely nothing. It has been nearly 790 days without the majority in this Chamber proposing a budget, and it appears the majority isn't anxious to work on one. The majority-led Budget Committee has failed to meet this year to begin working on a resolution. We can't even have an open debate in this Chamber about the budget. Instead of voting to start the debate on budget measures last month, the majority squashed all proposals, including the President's own plan. This is failure to govern at the most basic level and the American people deserve better. We need a budget that puts us on the path to fiscal discipline.

Every week we hear warnings of why this must be done. Last week the Congressional Budget Office issued the starkest warning yet of the danger posed by our spending problems. Our Nation's debt will exceed the size of the U.S. economy by 2021 and will double the size of our Nation's GDP within 25 years. This is not the way I want to leave this country for my kids, my grandkids, and the people of Arkansas.

In his State of the Union Address, President Obama pushed for a conversation that will put us on the path to fiscal responsibility but, so far, he has been absent from the discussions. Only today, 36 days before the deadline given by Secretary Geithner to raise the legal limit on Federal borrowing, is he beginning to take leadership in negotiating for spending limitations.

Our debt is slowing the economic recovery. The simple truth is higher debt leads to slower economic growth. We have seen this with the failed stimulus, but in the past week the Senate-led majority is once again proposing this flawed strategy. This failed policy of borrowing, spending, and taxing is just what the CBO is warning us to avoid. It hasn't worked in the past and it won't work in the future.

What we need are debt reduction measures in the form of spending cuts. The CBO's last report shows that spending is the primary cause of our fiscal crisis and supports spending cuts rather than tax increases to reverse this trend. I urge President Obama to take tax hikes off the table. Let's get to work reining in the reckless spending and putting our Nation back on a fiscally responsible path.

If American families ran their household budgets the way Washington runs its budget, the utilities would be shut off and the collection agencies would be knocking on their doors. The American people are now knocking on the doors of the Capitol demanding the government limit its spending.

We must rein in our spending to protect programs such as Medicare, Medicaid, and Social Security for current recipients and for future generations. In order to achieve this, we must reform the manner in which we budget

and allocate Federal dollars. We need a mechanism to cap spending and force the government to spend within its means.

We must act now to move our country off the brink of financial collapse, and we must make tough decisions because that is what the American people deserve and expect of us.

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KYL. Mr. President, I ask unanimous consent that I may speak for up to a half an hour in morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE DEBT CRISIS

Mr. KYL. Mr. President, last week, three events conjoined to elevate the subject of the U.S. debt crisis in this country and should energize us in the Senate and our colleagues in the House to redouble our efforts to find a solution to this serious problem.

I wish to briefly mention those three events and then talk about the problem from my perspective, some of the potential solutions, and put an item in the CONGRESSIONAL RECORD for my colleagues' review.

The first of what occurred was a new report by the Congressional Budget Office which was a new projection about U.S. debt as a percentage of our economy. One of the things they said was that our debt could almost double by the year 2035—far larger than they thought it would be as a percent of our economy or the GDP—and they said it is going to exceed 100 percent by the year 2021. Actually, it could get to that point sooner than that. It is approaching 100 percent right now. Greece is a little bit over 100 percent. Countries that get to that 100-percent level of public debt as a percent of GDP have a very hard time ever recovering. As a result, the time is now for the U.S. Government to act on our huge and growing debt.

Secondly, we had reports by the Labor Department, the Commerce Department, and others that confirm what we already know about the state of our economy and the state of joblessness in this country.

Applications for unemployment benefits rose. It was the biggest jump in a month. We are over 9 percent unemployment now. New home sales fell in May. The values of our homes in this country have decreased more than they did during the Great Depression. That has been a horrible factor for millions of American families. Stocks fell last

week. The Federal Reserve Board lowered its outlook for growth, which in the last quarter was less than 2 percent—it was 1.9 percent—and this is unacceptable. It is much lower than ordinarily recovery is coming out of a recession. Confidence is slipping among small businesses and households. There are higher gas prices, higher food prices.

All of this simply confirms what most of us have heard from our constituencies; namely, this recovery is not much of a recovery and we need to do everything we can to try to improve it.

Third, of course, is the news that negotiations with the White House over extending the debt ceiling had broken down. Actually, as a member of the group negotiating that, I would not say they had broken down. I think the Vice President is correct that they have moved on to a new phase; namely, the phase where the President himself, the Speaker of the House, and the two leaders here in the Senate are going to have to try to resolve some of the largest issues—the kinds of issues that the negotiators in the so-called Biden talks were simply not able to resolve because it would go against instructions from our principals.

The primary problem there was the insistence by the Democratic negotiators that Republicans agree to tax hikes—something which we think would be inimical to economic growth, the very problem of the slow recovery in the economy would be exacerbated by, if we were to increase our tax rates. You do not add new taxes to an already struggling economy. So the White House's insistence that had to be a condition to approving the reductions in spending we had been talking about made it impossible for us to go forward at that time.

There is an old saying that there is a difference between a pessimist and an optimist. I usually think of myself as optimistic. The saying is: The pessimist says things are so bad they can't get any worse. The optimist says, sure they can. And they could. If the Congressional Budget Office is correct about its projections here, we could be in a far worse debt situation tomorrow or the year after that than we are today—a situation which would make it extremely difficult for us to ever recover and essentially relegate our children and our grandchildren to a standard of living far below that which we have all been accustomed to, and which they deserve.

Looking at some of the other factors that should frame the problem for us, we have over a \$14 trillion debt—and growing every day. We are going to need \$2.4 trillion in increased debt ceiling authority to get us through the end of next year. You cannot tax your way out of it. You cannot borrow your way out of it.

We have to reduce the level of spending, which is now approaching 25 percent of our gross domestic product. The

average is around 20 percent, and that is where we were before President Obama took office. We have to borrow now 40 cents of every \$1 we spend. So when we talk about spending more money in a new stimulus package—another new idea to come out of the Democratic Congress last week—we are talking about having to borrow 40 cents of all of that money that would be spent. Think of it now: For every program we have here at the Federal Government level, we have to borrow more than 40 cents of the money we are then going to spend. That takes money out of the private sector that is needed to produce jobs and provide for investment in the private sector.

I mentioned before unemployment is over 9 percent now and according to the CBO projection is not going to go down by very much over the course of the next year, if at all.

So what is the solution? A lot of our Democratic friends have said we need to have a new stimulus program, we need to spend even more, notwithstanding we do not have the money, and we should be raising taxes. As I mentioned, that is the reason why we terminated the discussion with Vice President BIDEN last week, because of the insistence on the part of our Democratic colleagues that the only way they were willing to move forward was if we committed to raising taxes, and I mean by a substantial amount. There was \$400 billion in revenue raisers on the table, put there by our Democratic colleagues. That simply will not pass the House of Representatives. But, more importantly, it would be the worst medicine possible for an ailing economy.

We cannot afford more spending. Even if we could, it would not put Americans back to work. Jobs are created by private businesses, and the more the government taxes or borrows, the less there is available for businesses to invest and hire. So the answer here is less government spending, not more taxation and more borrowing.

We put forth a budget. The Republicans passed it in the House of Representatives. We voted on it here in the Senate, and it did not pass because Democrats in the Senate would not support it. But it is a legitimate effort to allow job creation, economic recovery, and eventually get our budget balanced at the Federal Government level back here in Washington.

People have said it is a radical budget. It is not. Even under the so-called Ryan budget, we would go another \$5 trillion in debt. You cannot call that radically slashing spending if over the next 10 years we add another \$5 trillion to our national debt. That shows you how hard it is to reduce spending. People say: Well, you can't cut this program, you can't cut that program. You cut them in a way that still adds \$5 trillion in debt over 10 years, and they say it is radical, you are slashing spending.

The Obama budget, by contrast, would add \$12 trillion in debt. So both

of them would add to our debt. But at least under the Ryan budget that was passed by the House of Representatives, over time we would get back into balance. In fact, it would be in primary balance by the year 2014, meaning except for interest payments it would be a balanced budget, and we would reduce Federal spending from 25 percent of our economy back down to a little over 20 percent, which is the historic average. Excuse me, it would be a little under 20 percent, which would be close to our historic average of spending as a percent of the gross domestic product.

One of the best ways for us to ensure we are in balance is to adopt a balanced budget amendment to the Constitution. All 47 Senate Republicans have cosponsored the balanced budget amendment. It is carefully written so that even though it requires balance in the budget, it does not easily allow Congress to raise taxes as a way of achieving balance. That would require a two-thirds vote. It also contains a very important spending limitation as a percent of the gross domestic product. So we would achieve balance, but we would achieve balance by reducing our appetite for Washington spending here and, as a result, could achieve the kind of balance that would promote economic growth.

You could spend more money if we had more economic growth because spending would be tied to the gross domestic product. So it is a perfect solution for Republicans and Democrats alike. If you like to spend more money, there is a perfectly good way to get to spend more money: Do that which would enhance the recovery of our economy—because the bigger our economy got, the higher the percentage of money Washington could spend. The incentives are aligned properly. We propose to promote economic growth. So this balanced budget amendment would accomplish that. For those who like to spend money, the more growth, the more money you would get to spend.

We hope that balanced budget amendment will come to the Senate floor in the next week or two or three. We certainly look forward to the opportunity to debate it and getting a vote on it.

But when you look at the alternative that has been proposed by a lot of our colleagues on the other side—a new stimulus program and increased taxes—you have to wonder: How serious are they about actually helping our economy recover? Everything so far that the other side has tried under the leadership of the President has failed to work. In fact, it has actually made things worse.

We are all familiar with the stimulus that did not help, did not bring unemployment down as the President promised. It made things worse. That is why I have this chart here in the Chamber that shows the Obama economic record has not made things better. It has made things worse.

Look at a few of the things that are afflicting our economy today, the indicia of what is wrong. You start with the Inauguration Day for President Obama, where we are today, and what the change has been.

If you look at unemployment, unemployment has gone up by 1.9 million Americans. The unemployment rate has gone up 17 percent since the President took office. This is not like the situation where he said: Well, I inherited a bad economy, but I am gradually making it better. He is making it worse.

Gas prices have gone up 101 percent under President Obama. He will not approve the leases that would allow our oil companies to explore for more oil and gas, thus bringing the prices down.

The Federal debt has gone up 35 percent since the President took office.

The debt per person has increased by \$11,311. It has gone up from \$34,000 to over \$46,000. That is the debt each one of us has.

So it has increased that much in just 1 year. By the way, health insurance premiums have gone up 19 percent, notwithstanding the passage of the so-called ObamaCare.

Getting back to this matter of debt, just to put it in perspective, if we took all of the Presidents of the United States from George Washington all the way through the Presidency of George W. Bush, if we took all of those Presidents and added up all of the debt—the debt from the Civil War, the debt from World War I, World War II, Vietnam, all of the debt that all of the Presidents of the United States accumulated—in one budget, President Obama will double that debt.

Each one of the years he has been President we have had a deficit of over \$1 trillion, closer to \$1.5 trillion. So at the end of 5 years, he will have doubled the debt. At the end of 10 years, he will have tripled the debt that all of the other Presidents of the United States combined accumulated. Now, I say the Presidents. Obviously, it takes a Congress to do this as well.

What the Members of the House of Representatives are saying to the Obama budget is, no. Even the President decided not to pursue his budget. When that was offered on the Senate floor, not a single Member of the Senate, Democrat or Republican, voted for the Obama budget because it takes us in the wrong direction. It would make things even worse than they are today.

At least with the Republican budget we have an effort to begin to solve the problem, even though a lot of people say it is not enough in the way of cuts, and they have proposed alternatives to reduce spending even more. I am all for reducing spending even more. The bottom line is, however, we have to get something passed. That is going to take Democrats and Republicans working together. So I am happy to work with my colleagues on the other side of the aisle, but we have to have some cooperation to reduce spending and not insist on tax increases.

What we have said as a part of these negotiations to increase the budget deficit is, some of us might be willing to increase the debt ceiling if we do not have to keep doing it. We need reforms that will enable us to not have to keep raising the debt ceiling, or at least not so much. The way we achieve those reforms is, first of all, to identify savings that can be made. There is an enormous amount of wasteful Washington spending. We have identified it is closer to \$500 billion. The Vice President has said more than \$1 trillion. The money is certainly out there to be saved. We need to save that kind of money on the front end as a downpayment to let the markets know and to let the American people know we are serious. That is savings that we can pass that can be locked in.

By the way, there is a little bit of revenues involved in that. It is not just all savings. There are some fee increases. There are user fees. There are some means testing of various Federal programs that can actually result in some increased revenue.

So when our Democratic friends say, well, there has to be revenue on the table, there is revenue on the table, but it is not tax increases. So if you are so ideological that you have to insist on tax increases in order to cut spending, unfortunately, you have taken yourself out of the game.

The bottom line is, there is somewhere between at least \$500 billion and \$1 trillion, probably more, in various kinds of mandatory savings that we could achieve. Then we have discretionary spending. We need to set a budget number since the Senate has not passed a budget in over 700 days now—I forget the exact number. We have not had a budget, so we do not have a number that the Appropriations Committee can deal with to appropriate funds for the discretionary part of our spending in this country.

We need to set that number. The Ryan budget set that number, and we were negotiating with the White House as to what that number would be. But we need to set that number. Then we need to make sure in the ensuing years Congress will actually live with that number. The tendency around here has been to set a budget number, then we have an emergency here, and we need to waive it there. The next thing we know, we are way over the number that we all agreed to in the beginning.

So we need something that will constrain both discretionary and mandatory spending over the course of the next 10 years and, hopefully, beyond. A lot of us believe the best constraint is the balanced budget amendment. But for colleagues who say: No, we are never going to agree to that—and, of course, we would have to get 20 colleagues in the Senate to agree in order pass it; it takes a two-thirds majority—then at least agree with us to put handcuffs on the Congress and the President, some kind of straitjacket so we do not spend beyond the number we

agree on for next year and the year after that.

We can save well over \$1 trillion, somewhere between \$1 trillion and even more than \$1.5 trillion in discretionary spending over the next 10 years if we would agree to these so-called section 302(a) top-line budget numbers, and then constrain ourselves to sticking with those numbers over time.

The reason? It is kind of like compound interest. Let's say we reduce spending in next year's budget by \$30 billion over the previous year. That is not a huge amount of money. But over a course of 10 years, when we set a new baseline, that translates into hundreds of billions of dollars if we really do it.

The bipartisan Congressional Budget Office says: We are not sure we want to score that as real savings because we are not sure you will really do it. But if we are able to pass some kind of constraint—such as the old Gramm-Rudman bill, for example—then I think the Congressional Budget Office will give us some credit for those constraints.

The best proposal I have seen is one proposed by Senator CORKER and Senator McCASKILL. It is bipartisan, a Republican and a Democrat, and they have Republican and Democrat cosponsors for the same proposal in the House of Representatives. It is called the CAP Act, to cap spending. So once the level is determined—they do it as a percentage of GDP.

I think that is the smartest way because that is an incentive for everybody to help the economy grow more. The more it grows, then the more, as a percentage, the spending can be. Over 10 years, we save a lot of money that way. It is enforced by the simple mechanism that if we do not achieve the savings that is called for, then there is an automatic sequester where all of the accounts of the government—defense spending, nondefense spending, mandatory spending—would all have to save a little bit. They would not be able to spend quite as much money so that we could make up the difference between the target or the goal and what the law called for.

There are other ways to do it as well. We were discussing different alternatives in the conversations with Vice President BIDEN. But the point is, we cannot allow waivers. We cannot have exemptions and emergencies and all of that—at least not without a supermajority vote, such as a three-fourths vote or a two-thirds vote—or else it is going to be too easy for Congress to do what it has done in the past, which is to simply say: This is too uncomfortable for us to comply with. We are going to declare this an emergency, vote for it by a majority vote, and then it is done.

If we mean it, we would have to be willing to abide by it. So we have to have a meaningful downpayment. We can do that. We have already identified substantial savings. We need to have a 302(a) budget number for at least the next couple of years and a mechanism

for enforcing that over the next decade and beyond.

Finally, we need to have a way to help the markets actually believe we are serious about entitlement reforms so the biggest part of our budget—representing two-thirds of all of the money we spend; namely, the entitlements—is actually beginning to grow at a slower pace.

We are not talking about drastic cuts, but we are talking about slowing the pace of growth. We can do that without having huge benefit cuts or without slashing payments to the providers. I mean, the last thing we want to do for Medicare—for example, I am concerned about my mother. We can use any of our mothers or dads or grandparents on Medicare. The last thing we want to do is say we have a great Medicare Program except for one thing: there is no doctor or hospital to take care of people because they will not because we are not paying them enough. So we need to be able to pay the people we rely upon for the medical treatment we have promised. We cannot do that by slashing payments to providers. Too many physicians have already said they cannot afford this program anymore and therefore are not going to take any more new Medicare patients—we have all had that experience—nor should we do it by slashing benefits. But we do not have to do either of those two things to have reforms.

I mentioned in these negotiations we have been discussing a lot of waste, fraud, and abuse-type reforms. Those of us in the Senate and the House kind of smiled because we always talk about the amount of money that can be saved because of the amount of waste, fraud, and abuse in the system. But the reality is, there is a lot of waste, fraud, and abuse and we can save a lot of money if we put our minds to it.

But what that means is, for example, we have to enforce the law. I will pick a hypothetical program because we are not going to be talking about the specifics with our negotiations. I am assuming we will get back to those negotiations at some point.

But we have eligibility standards to receive a certain Federal benefit, let's say. But 20 percent of the benefits that are being paid out are being paid out erroneously to people who do not qualify. They are not supposed to get the benefit. So we have to enforce the law.

We say: Sorry, you do not qualify for this benefit. This is a benefit for the elderly or this is a benefit for poorer Americans or for whatever. If we just enforce the law, we can save a lot of money, and that is not cutting benefits for anyone.

We can also do means testing. Republicans, for years, have said—well, I will use a couple of names because they both said we do not need the benefits of all of these Medicare Programs. People such as Warren Buffett, for example, have made it clear, and Bill Gates. They have both made it clear they do

not need to have the government take care of their medical requirements when they are age 65 or older.

There are a lot of Americans who are in the position to be able to afford a lot more of their own care, and they do not have to rely exclusively on the Federal Government. So through means testing we can either provide that their benefits will not be as generous as for people who are less fortunate economically or that they will pay a little bit more in the way of a copay or a deductible or maybe even a premium.

The bottom line, there are ways to ensure the future success of a program such as Medicare without affecting people who cannot afford to have big benefit cuts. One idea that has not been discussed—but I have heard it discussed—is to simply conform Medicare benefits to the same age eligibility as Social Security. That would save a great deal of money. It would represent a slowing in the time when people are eligible for the benefit.

Maybe some people believe, therefore, that it should not be considered. My point is that there are a lot of ways the entitlement programs can be reformed so they will be there when people need them. If we do not, if we say we do not want to touch them, here is what is going to happen. I will give one program as an example: Medicare Part A, the hospital part.

The Medicare trustees say by the year 2021, Medicare Part A will begin to run out of money. There will not be as much money in the trust fund, and it could well therefore happen in the following years if people need to go to the hospital, the hospital is not there anymore. If one lives in a small town, and it is the only hospital there and they cannot afford to stay open, they are going to close. So someone thinks they have Medicare Part A benefits, but the hospital either is not there or it cannot take care of them because it does not have the money to do so because it is not being reimbursed by the Federal Government.

So the choice is not to do something or to do nothing. If we do nothing, the benefits will not be there—the benefits we have promised to senior citizens will not be there. Doing nothing is not an option. We have to do something. So instead of demagoguing the issue politically, some politicians need to be responsible, get in the game and say: Let's figure out a way to save these programs so they will be there when we want them.

I also wanted to mention—this is a little bit off point, but it just shows how some of these things work. I mentioned high gas prices before. Ironically, one of the things the President has said we want to do is to tax the oil companies.

Well, of course, if we tax the oil companies more, then gas prices are going to be higher. The President just released some of the petroleum from the National Petroleum Reserve to try to bring gas prices down. It will bring

them down a little bit temporarily. But why would we then want to have those prices go right back up again by taxing the oil companies, which everyone knows will flow through to the consumer? It does not make sense.

There is something else, however, that does make sense, and this has had an impact on gas prices. The Federal Reserve Board has been buying bonds under a program called QE2—buying Treasury bonds. The purchase of those Treasury bonds has made our dollar less valuable. That means it takes more dollars to buy the same amount of gasoline. So, ironically, this effort by the Fed to put more money into the economy has had the pernicious effect of raising gas prices, raising food prices, and raising other prices because the dollar is not as valuable as it used to be, and to buy some commodities, especially commodities that are bought and sold on the world market such as gas, we have to have more dollars to pay for the same amount. So gas prices are increased. This QE2 program is going to come to an end at the end of this month. The Federal Reserve has already announced that. What will happen as a result is that the value of the dollar will not be cut by the amount of this selling of bonds, and so the expiration of the program lets the dollar strengthen, causing oil to return to levels we saw in the beginning of the year. That will have the result of having more purchasing power with the dollar you have, so you can buy the same amount of gasoline for fewer dollars or, to put it another way, the same amount of dollars you have will buy you more gasoline. That is one positive effect as a result of that change in policy by the U.S. Government.

The key is to allow our economy to work without too much government interference. That is a good example of government interference that displaces or reduces the value of the dollar and therefore hurts the consumer.

I heard our colleague from Florida, Senator RUBIO, say the other day—this is reported on June 14—in his first speech on the Senate floor:

There is nothing wrong with our people. Americans haven't forgotten how to start a business. They haven't run out of good ideas. Americans are as great as we have ever been. But our government is broken. And a broken government is keeping us from doing what we have done better than anyone in the world for over a century: create jobs.

He is right. If the government will get out of the way and not insist on burdening our economy with new taxes and let Americans do what they have always been able to do well, I think we will be able to come out of this economic downturn and come back to life as an economy, helping families, small businesses and, ironically, by making more money and paying taxes at the same tax rate, the Federal Government will have the benefit of our increase in salaries, profits, and so on, and will have more money to spend as well.

Spending more money, taxing more, having the government try to stimulate the economy has never worked. I want to put into the RECORD a quotation from the Wall Street Journal of today, June 27, which is as follows:

With spending at 24 percent and debt held by the public at 70 percent of GDP—both modern records—the U.S. needs drastic spending cuts to head off a downward future spiral of tax increases and unaffordable interest payments. As Milton Friedman taught, spending is the real measure of government's burden on the private economy, and reducing it leaves more resources for private actors to spend and invest.

I ask unanimous consent to have this printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. KYL. Mr. President, the point they are trying to make is, government spending is a pretty good indicator of what is left over for the private sector to invest and spend, for example, on new jobs. When the government spends more, inevitably, it has to borrow more—40 cents on every \$1—or increase taxes—either way, reducing what is available for the private sector to invest and hire.

We should be focused, as a result, as the editorial notes, on reducing wasteful Washington spending and allowing the genius of the American people to do what Senator RUBIO has made very clear: We have always had the capability of creating jobs, unfettered by too much government taxation and regulation. So we need to do away with those policies, such as the Federal policy that reduced the value of the dollar, we need to try to eliminate as many regulations that burden the American people as possible, and we need to avoid raising taxes.

Bear in mind, we are not talking about cutting taxes. We are not talking about cutting taxes for the wealthy or cutting taxes for business or cutting taxes for people, generally. Leave them alone, don't raise them, is all we are saying. When you hear some politicians say you want to cut taxes for the wealthy or give oil companies big tax breaks—no, leave it alone. Don't touch it. Let businesses and families and small businesses do what they have always done best. If you want to mess up the economic growth, to use the colloquialism, follow what the administration has been doing. We will have higher unemployment, higher gas prices, higher Federal debt, higher debt per person, and higher health insurance premiums, not to mention other pernicious effects. Those policies have made it worse, not better.

That is why Republicans have said don't force us to raise taxes as part of this increase in the debt ceiling. Let's reduce spending, and let's enforce that through a balanced budget amendment and other kinds of spending constraints. We are not talking about drastic cuts, as I said. Think about this again.

The Ryan budget that passed in the House, and that most of us on the Republican side voted for over here, adds \$5 trillion to the debt over the next 10 years. That is \$500 billion a year. That is higher than any other budget deficit in history, until President Obama came into office. We talked about the Bush budget deficits. It is a lot higher than any deficit under President Bush—\$500 billion a year for 10 years. That is another \$5 trillion. You can't say that is drastically cutting spending. The alternative, though, is the Obama budget, which would add \$12 trillion. At least the Ryan budget gets us on a path where we can get back into balance and back to the standard or the normal historical average of spending, as a percent of our GDP, around 20 percent.

If you don't like that budget, then produce one that you think will get us to the same place. We have laid that challenge down. Our Democratic colleagues have not produced a budget. It is pretty obvious they are not going to do so. That is why we have had to have these discussions with the Vice President. At least, perhaps as a conclusion to those discussions that the President is now involved in, we can make a big downpayment on spending reductions, set the budget levels for the next several years that represent a real reduction. It doesn't have to be huge. Even a \$30 billion reduction over last year will save a huge amount of money in the outyears. We need to ensure that those reductions will be enforced, that we will not return to our wayward spending ways, and we need to deal with the two-thirds of the budget that represents the big money; namely, entitlements.

There are ways to do so that don't represent big benefit cuts and that don't represent slashing payments to providers, although we would not have any more doctors to take care of them. We can effectuate reforms that will send the right signal to our constituents and also to the markets, which will have a lot to say about interest rates in the future and whether they believe in the recovery we would like to achieve.

I hope my colleagues will be very open to the consideration of a balanced budget amendment when we bring that up. I wish the President and the leaders of the House and Senate all the best in their discussions now on how to deal with this problem. The President will have to make a decision: Is raising taxes more important than trying to get our budget back into balance and reduce spending? He will find there is support on both sides for the latter. There would not be much support for the former. By getting together and achieving those goals within the next 4 weeks or so, we can both meet the deadline of August 7 that he has set for a debt ceiling increase and also get our country on a more sound fiscal path. We can do that to give confidence to the markets and to the American people. We owe our constituents, our chil-

dren, and our grandchildren nothing less.

EXHIBIT 1

[From the Wall Street Journal, June 27, 2011]
SPENDING HIS WAY TO AUSTERITY—PRESIDENT OBAMA'S LATEST ECONOMICS LESSON

President Obama enters the debt-ceiling talks today when he meets with members of both parties, and in his Saturday weekly radio address he unveiled a new line of argument against significant spending cuts: "We can't simply cut our way to prosperity."

That's a nifty rhetorical riff, a play off the old Ronald Reagan line that we can't tax our way to prosperity. The argument is that if we cut too much spending on too many good things—like education, "clean energy" and "advanced manufacturing," to name three examples highlighted by the President—the economy will suffer.

Too bad it won't fly. It's a truism that budget cuts alone will not guarantee faster economic growth, but at the current moment they will get us closer to it. With spending at 24% and debt held by the public at 70% of GDP—both modern records—the U.S. needs drastic spending cuts to head off a downward future spiral of tax increases and unaffordable interest payments. As Milton Friedman taught, spending is the real measure of government's burden on the private economy, and reducing it leaves more resources for private actors to spend and invest.

It is also true that some government spending can be economically useful—to the extent that it enhances productivity more than it would have in the private economy. But the irony is that it is precisely the spending priorities that Mr. Obama mentions that will be crowded out because of his refusal to cooperate in reforming entitlements like Medicare and Social Security. By trying to protect all federal spending except defense, liberals are guaranteeing that many of their most cherished plans will be squeezed. They're the ones who are spending us into austerity.

Mr. KYL. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE NATIONAL DEBT

Mr. LEE. Mr. President, I stand to talk about a looming crisis in this county, a problem that has the potential to affect every American from every State, from every political party, of every political ideology. That issue relates to our national debt.

We have accumulated nearly \$15 trillion in debt through the Federal Government, which is a lot of money split up amongst 300 million Americans. It works out to close to \$50,000 a head. A lot of people don't make that much money in a year, and yet that is what every man, woman, and child owes on a per capita basis the moment they are born. If it is calculated out on the basis of debt per taxpayer, the number is much larger, anywhere between \$120,000