

in mind. Maybe we can start talking about what is actually possible.

The President says he wants us to get working. I can't think of a better way than to have him come right on over today—we are waiting—and hear from our conference about the legislative realities in Congress right now.

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. THUNE. 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 President, I ask unanimous consent that the order for the quorum call be rescinded.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. THUNE. Mr. President, I ask unanimous consent to enter into a colloquy with my colleague from Nebraska.

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

BALANCED BUDGET AMENDMENT

Mr. THUNE. Mr. President, our Nation has an over \$14 trillion debt and unless we can get a handle on it—I have a chart which I think shows what our future will look like if we stay on the current trajectory. You can see that the path leads higher and higher in debt to GDP levels. That level is unprecedented in American history. You have to go back to World War II when we had this kind of debt to GDP. The chart shows we are going to face an ever increasing burden and debt.

Without shoring up our finances, we know what our future will look like. This week, we saw that the country of Greece had to approve an austerity package to be eligible for their next disbursement of a multibillion dollar bailout loan from the IMF and other European countries. This austerity package included 28.4 billion euros in spending cuts and tax increases. That is exactly what will happen if we don't do anything. We will reach a time when we will be facing massive cuts in spending and tax increases, if we don't get our fiscal house in order.

But that isn't necessary, because there is a better way to solve this problem. Instead of more debt and spending, we can pass a balanced budget amendment that would prevent us from spending more than we can take in. We know what the effect of this will be on our future as well.

We have States across this country—49—that have some type of balanced budget requirement, including South Dakota. That is the reason why our State's budget is always balanced. Our legislature cannot go home until that happens. We need that same sort of discipline here in Washington, and a balanced budget amendment would bring that about.

I have with me on the floor a colleague from Nebraska, Senator JOHANNIS, who also served as his State's Governor. My understanding is that the Senator from Nebraska, when he

was Governor, had a balanced budget requirement in Nebraska's constitution. I wonder if he can explain the effect that had on his State, and whether it forced them to make some of the tough choices necessary to get a budget balanced.

Mr. JOHANNIS. Mr. President, I appreciate the opportunity to speak about a topic that I think has made all the difference in the world for my State of Nebraska.

I did have the privilege, a few years back, of serving as the Governor of the State of Nebraska. Until I came out to join the Cabinet as Secretary of Agriculture, I served about 6 years. Before that, I was the mayor of our State capital in the community of Lincoln, a great community. We followed the same pattern at the Governor's office that we did at the mayor's office. And we Governors had a simple principle: We did not spend money we did not have.

Before I talk about the balanced budget amendment, let me explain how that worked as mayor of Lincoln. My budget staff would go to work. They worked on the budget pretty much year-round—really, it was a year-round endeavor—and at some point in the process I would get a stack of paperwork that was about an inch thick, with line after line after line after line of items they were proposing we needed to spend money on to keep the city running. There would be everything from police cars to whatever, to salaries. I mean, imagine what it takes to run a city, and it would be on that list. I would go through item by item, page by page, studying each entry. Ultimately, we came to a conclusion for each entry: Yes, I believe this is necessary to keep our city going.

Well, somewhere in that thick stack of paperwork, I would turn over the page and I would come to a page where there was a red line drawn through the items. The significance of that red line was that everything above that red line we had money for and everything below that red line there was no money for. So if the next entry below the red line was something that I wanted to see happen as the chief executive of that community, I had to cut spending to eliminate something else because, you see, when I went to the city council I couldn't go to them and say: For operations, we are going to borrow a whole bunch of money. That didn't change at all when I became the Governor of the State of Nebraska.

Our constitution requires a balanced budget. It is very straightforward. It basically says: You can't spend more than what is coming in. You can't buy things you don't have money for.

Let me add another piece to this—and this makes our State quite a bit different, I think, than virtually any other State in the United States. Way back when our constitution was written, those who sat down to write the constitution—with amazing foresight—said: At some point politicians, in their

passion to get reelected, are going to say to the people, they can have all of this, and then finance it by borrowing money. Well, they didn't want that. So there is literally a provision in our constitution that, in essence, says: You can't borrow any money. I think the limit is something like \$100,000 or \$500,000, and that is it.

If you drive across the roads in Nebraska, I will just point out, they are paid for. Why? Because we don't spend money we don't have. Our constitution will not allow us to do it. So year after year, when we get together, we look at the priorities of State. It might be education, it might be something relative to human services, it might be roads. But whatever it is, the executive branch—me, as Governor, working with the legislature—would decide what we are going to fund and at what level.

Now, I could guarantee the people of Nebraska three things would happen by the end of the legislative session: No. 1, a budget would be passed; No. 2, it would be balanced; and, No. 3, we would not borrow money for those first two things to happen. A budget would be passed, it would be balanced, and we weren't going to borrow money to make that happen. That has been going on for decades and decades and decades.

Some of my colleagues are probably ready to rush down to the floor and say: Oh, MIKE, that sounds so backward. But here is what I have to say. During this very difficult economic time—and all of us agree it has been one of the toughest times since the Depression—unemployment in Nebraska has not gone over 5 percent. Unemployment today in Nebraska is 4.1 percent. Let me say that a bit differently. Ninety-six percent of people able to work in Nebraska have a job—96 percent.

This year our legislature actually recessed early and—I believe I remember this correctly—they unanimously passed the State budget. There are Democrats in the legislature, there are Republicans in the legislature, and there are Independents. One might ask: How did they do that? They did it because they felt a responsibility to the State and to their constitution to get a budget done, to make sure it was balanced, and not to borrow money to get there.

Let me contrast that with what is happening out here. What is happening out here is that for decades and decades and decades, we, as the Federal Government, have said to the people: Don't you worry. We can be all things to all people. We can give you this and we can give you that because we have this big credit card. Well, that credit card today is now at \$14.5 trillion and growing—growing and growing and growing.

When I go back home and do townhall meetings, and I look across the room and I see young people or children, it pains me to tell them that I know who is going to be responsible to pay off the credit card. It is not MIKE JOHANNIS, who turns 61 this year, although it should be my responsibility;

it is going to be our children and our grandchildren who will have their own priorities, their own desires, and their own wishes. They are going to be saddled with trillions and trillions and trillions of dollars of debt before they can even address their own priorities.

I will end with this thought. What is the merit of a balanced budget amendment? Well, when I was 20 years old, our Nation owed \$380 billion—\$380 billion. It is projected that when I reach 65, just 4 short years from now, our Nation will owe \$20 trillion. It is time to be honest with the American people. We will not solve this problem unless we put discipline in place—as our States have done; as the great State of Nebraska has done—which would essentially say, year after year, President after President, Senator after Senator, House Member after House Member, we have to live within our means.

That is what the balanced budget amendment is about. You see, without this, there will always be a way to get around it, to do something and not accept the responsibility of running this country with fiscal responsibility.

Mr. THUNE. Mr. President, I appreciate the comments of my colleague from Nebraska. As a former executive—both as mayor and Governor—he, obviously, has had to make the hard decisions necessary to get the books to balance both in the city of Lincoln and the State of Nebraska. As he has observed, the economic circumstances the State of Nebraska finds itself in today are so much better than other places around the country.

Now, granted, there are lots of factors that contribute to that. Part of it has to do with the business climate in some States around the country. But, clearly, it is also a function of the discipline the State of Nebraska imposes on itself through its balanced budget amendment and the decisions of the leaders in that State, both legislators and Governors, in order to make that possible.

So I think the experience of the Senator from Nebraska is valuable in helping us shape the debate that ought to occur on this balanced budget amendment. I would say one of the features of the balanced budget amendment that we are both cosponsoring is that it caps spending at 18 percent of our entire economy. That is not a number picked out of thin air. It is a number that comes from the historical level of taxation for the past 40 years. In the past five times the budget was balanced in Washington—and bear in mind five times probably in the last 40 years—spending averaged just under 18.7 percent of GDP—not too far off what the cap under the balanced budget amendment would require.

Further, we know in 2007—a year in which we had tax laws that are very similar to current tax laws—revenue was 18.5 percent of GDP. So if we could constrain spending to 18 percent of our entire economic output, we would be able to balance the budget without raising taxes.

Our colleagues on the other side continue to claim the problem could be fixed if we would only raise taxes on a few rich people, tax corporate jets, stop giving tax breaks to American energy production, and those sorts of things. The truth is, the tax proposals from Democrats put only a relatively minor dent in the deficit. To truly balance the budget through tax increases we would have to see astronomical rate increases that would hit not only high-income earners and corporations but the middle class and small business as well.

This is clearly not what the American people want. It is not what I want. Simply raising taxes on job creators isn't going to improve our economy. It is only going to hurt it more. And tax increases aren't the only threat to our economy. We also know these current levels of debt are costing us about 1 million jobs a year as well, and these debt levels are only predicted to increase.

In his experience as a Governor, I guess I would ask my colleague from Nebraska whether when it came time to make these hard decisions about balancing the budget, did the notion of raising revenues, increasing taxes, come into play? I am sure that was a debate that was always raised. It always is. You can either reduce the amount of spending or you can raise taxes on someone.

It strikes me the problem we have in Washington is not that we don't have enough revenue. We have plenty of revenue. We just have too much spending. I am curious to know in the State of Nebraska what his experience was in terms of this debate we have about more taxes or less spending.

Mr. JOHANNIS. We adopted the philosophy in the State of Nebraska that we wanted to be job creators. We wanted to have that low unemployment. So we recognized it is not government that is going to create the jobs. After all, people don't want a bigger, grander, greater State government—or Federal Government, for that matter. Our responsibility was to create the right climate so a small business had an opportunity to grow and expand; that a large employer, looking across the United States for a great place to locate, would know they had an opportunity to grow and expand a business in the State of Nebraska. So we fought tooth and nail.

Let me give a current example. If we dial the clock back to about November of last year, our current Governor, David Heineman, was faced with a great challenge. He had about \$1 billion he had to somehow make up to balance the budget over a 2-year cycle. For a State such as Nebraska, that is a powerful amount of money. In Washington, where we talk about trillion-dollar programs, such as the stimulus, et cetera, that may not sound like much. But it is a huge amount of money to our State.

I suppose our Governor could have said: Well, if we just hit the taxpayer

here more, and hit the taxpayer there more, then all of this will balance out. But he adopted very much the opposite view—which is exactly what I expected of Governor Heineman. He said: We are going to balance the budget, and we are going to do it without raising taxes. That philosophy is absolutely right.

Families are tightening their belts, they are balancing their budgets, and they are doing everything they can. They are suffering through economic times that are tough. Why would we hit them harder? Why would we go to our families, who are already struggling, and say: I have to take more money out of your billfold and send it to the State capital?

So he led and he stepped forward and he said, Here is a plan to deliver a balanced budget. And do you know what. He didn't send somebody else to go into that room. He went himself and said this is the plan that I believe in for the future of our State. He was there through every minute, every hour, every second of the legislative session, and at the end of it, with no tax increases, they balanced the budget. I would have to check this, but if memory serves me correctly, I think that plan passed unanimously. In our State legislature we have members who are more liberal than others, more conservative; we have some who are Democrats, some who are Republicans. But do you know what. Our chief executive led. And, again, I draw a sharp contrast here.

There is one nationally elected official in our Nation, and we call him Mr. President. The President pays the filing fee and convinces the Nation that he or she is the right person to occupy that office, and there is no substitute for their leadership.

We need to have our Chief Executive, the man we call Mr. President, deliver a plan that he believes is the right direction for our country. That is the key to this issue.

I will be very clear. I like the plan of Governor Heineman. In tough times, you pull back. When the revenues are a little bit better, you can do some things and establish some new priorities. But what happens out here is there is no prioritization. It is spend on everything. Spend on everything that walks by. Some day our kids and grandkids are going to have to pay off the credit card. I don't think that is right.

Mr. THUNE. I thank the Senator from Nebraska for his observations. In a minute I want to turn to the ranking member of the Senate Budget Committee to talk about setting priorities, because that is something we are not doing here.

I do want to point out in the course of this discussion, however, that what you have said is exactly right. You cut spending and you grow the economy. One of the things you need to do is you have got to create jobs, you have to get economic expansion going. The way not to do that is to raise taxes, and

that is the prescription many of our colleagues on the other side would like: Let's get more revenue and raise taxes.

That is absolutely the opposite thing that you would do when you have got a downed economy and you are trying to create jobs. What we ought to be looking at is how do we reduce the size of government, get us living within our means, and getting the economy growing and expanding again and creating jobs.

I want to point out one thing. This is important, in my view. We are planning right now, to the extent that there is any planning going on here—and, unfortunately, without a budget it is very difficult to prioritize. But there are expectations about what revenues are going to be for the foreseeable future.

There was an interesting op-ed piece earlier this week in the *Wall Street Journal* written by Larry Lindsey, who is a former economic adviser to President Bush and also former Federal Reserve Governor, who pointed out that the current predictions for the debts and deficits in the coming years are very optimistic for a couple reasons.

One is that the White House and the CBO are using very optimistic numbers for growth in our economy. While I hope they are correct, I am concerned that they could be very much overstating the potential for growth in our economy. If more realistic numbers were used, what Larry Lindsey recognized in that story was that the impact of the financial crisis on our economy, our debt numbers could jump by an additional \$4 trillion over the next 10 years by assuming a more historic growth level, given the times that we have been through.

At the same time, the President and the CBO are also predicting that interest rates are going to remain much lower than they have historically. What Mr. Lindsey pointed out in this op-ed was that if interest rates normalize—in other words, reset to what are the historical averages—it would cost us an additional \$4.9 trillion more over the next 10 years to finance our debt than what we are currently expecting. So those two factors alone would have an \$8.9 trillion negative impact on these forecasts for the next decade. Again, it points to the importance of getting spending under control and doing it now.

He finally pointed out that the new health care law is another significant hidden cost. If you look at what employers are increasingly being faced with, many of them are going to choose to dump their employees into these public exchanges and you are going to see the additional costs of anywhere from about \$74 billion to \$85 billion a year over the next 10 years.

You start adding that up, you add in the economic growth assumptions—again, I hope they are right. But assuming they are wrong, you have lower levels of economic growth, which I think are probably more realistic lev-

els. If you have more realistic interest rates at least in terms of historical averages, these long-term predictions get awful in a real hurry.

The nice thing about having a balanced budget amendment is you are forced to make those decisions every year. Instead of dealing with these long-term predictions, which are often inaccurate, each and every year the budget has to be balanced. So if interest rates go up, the budget has to be balanced. If employers put their employees on the exchanges, the budget has to be balanced. If there are fictional savings from these independent payment advisory boards that are being created and those aren't realized, the budget has to be balanced. If taxes don't produce as much revenue as predicted, the budget has to be balanced.

This is the very simple solution that, as the Senator from Nebraska pointed out, so many States have come to, so many States have concluded that you have to have some sort of a requirement to balance the budget is the most powerful fiscal reform we could have here in Washington, DC.

We have credit agencies that are questioning our long-term budget outlook. If we did a balanced budget amendment, I think there wouldn't be any question that our country would be able to pay all of our bills.

I was a Member of the House of Representatives back in 1997. I think the Senator from Alabama was here at the time. There was a vote on a balanced budget amendment at that time. We didn't vote on it in the House because the Senate voted on it first. The Senate came within one single vote of passing a balanced budget amendment. Had they done that, we would have been able to pass it in the House. We had the votes for it. We could have sent it on to the States. I can't help but thinking how different our fiscal situation would be today if they had had that one additional vote back in 1997 to get us a balanced budget amendment.

Many of our colleagues here campaigned on a balanced budget amendment. Hopefully when we get a chance to vote on it—and I hope we do here in the next few weeks—we will see whether the rhetoric matches the actions.

But all that is to say we have a major fiscal challenge facing this country. For all the reasons the Senator from Nebraska noted, we are handing our children a burden of debt that is not fair to them, trillions and trillions of dollars. We have to bring some discipline to the process of budgeting around here. What is unfortunate—and this is why I want to turn to our colleague from Alabama, because he is the ranking member on the Senate Budget Committee—we have done nothing in 792 days to prioritize spending.

This Federal Government spends \$3.7 trillion annually of the taxpayers' money, and we have not passed a budget for 792 days, let alone one that actually balanced.

My State of South Dakota spends annually about \$3 billion. This Federal

Government borrows \$4 billion every single day. The borrowing of the Federal Government exceeds in 1 day what the State of South Dakota spends in an entire year. That is the dimension of the problem we are dealing with. All that being said, it has been 792 days since we produced a budget here in the Senate.

I say to my colleague from Alabama, clearly this is a problem that needs to be addressed. Wouldn't the Senator say this is reflective of the lack of political courage, the lack of political will, the lack of discipline around here? We have colleagues on the other side who say we don't need a balanced budget amendment. That is a gimmick. All we have to do is balance the budget. Well, where is it? Where is the budget, and where is the budget it is supposed to balance? It is not happening. So I think the balanced budget amendment is a simple, straightforward way in which to deal with a massive challenge facing us in the future, and we need some discipline imposed upon Federal spending on the Congress that so many States have, and as the Senator from Nebraska pointed out, as the Governor of his State he was able to exercise.

I would refer to my colleague from Alabama to ask him his thoughts about where we are with regard to the budget, and is our lack of discipline here—or, I should say, is our lack of willingness to pass a budget not a reflection of a lack of discipline that exists in the Congress today and an unwillingness to make the hard choices that are necessary to get this fiscal train back on track?

Mr. SESSIONS. I thank Senator THUNE so much for his comments, and that of Senator JOHANNIS. They are raising a fundamental question.

We have never, ever been in a financial situation in our country that is as systemically deeply dangerous as we are today. You go through a war and you borrow a lot of money. You go through a recession, maybe your debt goes up some. We are systemically in a recession, but we are also in long-term projections of a dangerous surging level of debt, as your chart shows.

Last year the Democratic majority moved a budget out of committee. Senator THUNE is a member of that committee, and remembers that debate. Senator REID declared that he wasn't going to bring it up. It was never brought up on the floor of the Senate or even debated.

This year, apparently the majority leader decided once again we would not have a budget, and directed that the Budget Committee not even mark up a budget. So we have not even commenced work on a budget this year.

Indeed, the majority leader said it was foolish for the country to have a budget this year, which is stunning, since during the 792 days we have been without a budget the debt of the United States has increased some \$3.2 trillion. It is a stunning thing.

So, yes, I believe that history shows in the past, and based on the real crisis

we face in the future, there has never been a more important time for us to do what so many States do: Have a balanced budget amendment that requires us each year to balance that budget. I believe this is the right thing for us, and it would be so much better for our country.

Senator JOHANNIS is here, and he talked about executive leadership. You and Senator THUNE were talking about how dangerous the debt path we are on is, how much greater it was in Nebraska's situation. Alabama has had to cut spending. But we are not cutting spending at all here. We haven't been. We have been increasing spending here.

I wanted to ask you a serious question. Do you feel that the first responsibility of a Chief Executive of the United States, the President, would be to honestly tell the American people that this is not just a political dust-up, but that we are facing a very serious debt crisis that could actually put us into an economic tailspin again, knock us down again, and the debt numbers we are seeing will look even worse? Do you feel he has that responsibility, and do you feel it has been met?

Mr. JOHANNIS. Senator SESSIONS raises an excellent point. Having served in the executive branch pretty much exclusively until I came to the Senate 2 years ago, there is only one leader. I not only believe that the Executive—in this case, the President of the United States—has that responsibility, but I feel very strongly that that responsibility has not been discharged.

I fully appreciate the need to go out there and drive a message and get votes and get yourself elected or re-elected. That, of course, is what democracy is all about. But there is a point at which the election is over and that needs to be set aside, and there needs to be someone who can lead on behalf of the entire United States.

We are all Senators, but it is the people of Nebraska who vote for me. We only have one nationally elected official, and that is the gentleman I referred to previously who is called Mr. President. There is no substitute for that, not in our system of government. It is absolutely incumbent upon the President to lay out in terms U.S. citizens can understand what we are facing.

I will be very candid. I could not be more disappointed with the President's comments yesterday. It is his podium. He is free to talk about whatever he chooses to talk about, and he does not need the advice of MIKE JOHANNIS. But I will tell you what a great opportunity that was to talk about the dire situation of our budget and to lay out in stark detail what brings us to this situation and invite the American people to understand the difficulty we are facing and, most importantly, to put a plan out that the President stands behind.

Let me tell you what happened this year. The President put out a plan. The

plan came to the floor of the Senate. It was so disregarded it did not get a single vote. It was not a serious plan. No one took it as a serious plan.

Think about that. No Republican, no Democrat, no Independent, no liberal, no conservative, no moderate said this is the right plan for the future of this great Nation; not a single one in this Senate. That is a very serious situation for our Nation.

It is time to be serious about this and present a serious proposal that makes the hard choices. Don't tell me you can solve this problem by, well, everybody is going to pay higher taxes who makes over a certain level. I did the math on that. When I first heard that I said: OK, let me understand that better. If you earn over \$250,000 a year, what would the tax rate have to be for those earners just to balance the budget for that year? I am not talking about the massive amount of debt that lies in front of our children and grandchildren. Just to balance the budget that year, the tax rate would be 90 percent. It has gotten worse because our deficit has grown to \$1.6 trillion—but 90 percent. Actually, I think, if I redid that math, it would be closer to 100 percent.

That may be a great political talking point. It may be tested, it may be polled, it may be a 70-percent talking point, it may be an 80-percent talking point, but I tell you what, it is not going to solve the problem this Nation faces. It is not the pathway that deals with the massive problem we have, and there is no one else who can speak to the Nation like the President of the United States.

Senator SESSIONS cannot, Senator JOHANNIS cannot, Senator MCCONNELL and Senator REID, with all their stature, cannot either. That bully pulpit is unique to the President of the United States, and we have yet to see that responsibility met.

Mr. SESSIONS. I thank the Senator, the former Governor for those comments. I do believe it is difficult for Congress to ask the American people to make sacrifices if the President does not acknowledge clearly and articulately the deep crisis we are in and why those sacrifices have to be made. It is not that we want to; it is because we do not have the money and we have to make some changes in what we do. That is why a number of us called on Majority Leader REID to not recess next week. Let's stay and do something about the debt.

I understand we may now be staying next week, but I am not at all sure that the plan is to deal with anything involving the greatest threat to our Nation, which is our debt. Apparently, they want to talk about other issues. That was not what drove the concern. It was not about a patent bill—much as I would like to see it passed. That was not what we were concerned about when we said we need to be in next week. It is because, by the end of this month, maybe the first of August, we will see a monumental bill of some

kind produced by the Democratic majority in the Senate, brought out here, and we are going to be asked to vote for it in a matter of hours, being told every minute that the country is about to sink into oblivion if we don't sign it and vote for it, not knowing fully what is in it, not fully having studied it, the American people not knowing what is in it. That is wrong policy. We object to that.

I believe the regular order in this Senate should be conducted, that we ought to have a proposal brought forth so it can be amended, so it can be analyzed, so it can be accounted for. How much taxes are going to be raised by the President? What taxes does he propose to raise? What does Senator REID want to do? Let's see those numbers and let's debate them and let's have amendments. That is why we need to be here next week, not to deal with a patent bill or some other legislation. That is why we called for it and I am prepared to work and I believe our colleagues are, but it needs to be on something significant.

The history of our Congress and the surging debt crisis we face is so significant that we have to have a balanced budget constitutional amendment. We almost passed that before. It would have been so much better had we done so. Let's do it this time and change the course of our country. Nothing clears the mind so well as the absence of alternatives. When Senators and Congressmen have no alternative but to live within their means, they will figure out a way to do it. But if we can find an alternative, history tells us too often we will, and we will act irresponsibly.

I yield the floor.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. CORNYN. Mr. President, may I inquire how much time remains?

The PRESIDING OFFICER. There is 7 minutes 25 seconds.

Mr. CORNYN. Mr. President, I was, frankly, shocked by the comments of the President of the United States yesterday at his press conference, telling Congress it needed to get to work. I guess the President forgot his party controls the Senate, and Republicans, being in the minority, have no ability to place matters on the agenda or to force a vote on issues over the objection of Senator REID, the majority leader, and the Democrats who control the Senate.

I guess the thing that rankled me so much is, rather than hold a press conference and tell Senator REID to get to work on the budget, the President should have picked up his telephone or invited Senator REID to come to his office and said: HARRY, we need to pass a budget. We need to take care of this debt crisis. We need to take care of this cliff we are getting ready to fall off on August 2, that Secretary Geithner has warned us would have, perhaps, calamitous impacts on markets and on the economy and on interest rates charged

on our national debt, among other things.

I guess the most galling thing, listening to the President make this kind of outrageous speech, engaging in blatant electioneering, campaigning sort of rhetoric, class warfare, is that this comes from a person who, since January 2011, has had 31 fundraisers, including one tonight in Philadelphia. I wonder if he is going to cancel his fundraiser in Philadelphia tonight to meet with Leader McCONNELL and Speaker BOEHNER to try to work on this threat that he was so emphatic about yesterday. I predict he will not cancel his fundraiser in Philadelphia tonight to get to work on something that only he can do, which is to negotiate a grand bargain with Republicans and Democrats that will solve this problem.

We know he had time on Monday to videotape an appeal to his donors who wanted to solicit donations from people so they might win a dinner with President Obama and the Vice President. He had time to do that. Yet it was not until Monday of this week that the President himself first took ownership of this issue, after Majority Leader CANTOR and Assistant Leader KYL said we cannot negotiate with the Vice President because they keep insisting on raising taxes, and we are not going to go there.

The President had his first meeting with Republican Leader McCONNELL and the majority leader to talk about this issue that he was flailing Congress about not doing its job just yesterday. Frankly, he should be embarrassed. But, unfortunately, the threshold for embarrassment here in Washington seems to be much higher than in the rest of the country.

The President said Republicans were blocking the deal on the debt limit because they had taken tax increases off the table. That is right. We believe it is a terrible mistake, with unemployment at 9.1 percent—much higher in many regions of the country—to raise taxes on the very people whom you are depending on to create jobs. What is his message to people who cannot find a job because people are not hiring? What is his message to people who are out of work and they cannot pay their home mortgage and they lose their home? It is higher taxes. Let's just raise taxes and everything will be fine.

We do not have a taxing shortfall. The American people pay plenty of taxes already. What we have is a spending binge by the Federal Government. Tax revenue is roughly 18 percent of our gross domestic product, but spending is 25 percent, hence the \$1.5 trillion deficit this year and the \$14.3 trillion debt so far, which threatens our Nation's future.

Frankly, it rankles many of us to have the President engage in such blatant demagoguery and blame-shifting, when he himself is unwilling to take responsibility for his duties, which are to lead by example. We are ready to work with the President to try to solve

the Nation's problems. The House has passed a proposal. It is not perfect. I don't necessarily agree with all of it. But there are plenty of other proposals out there that will fix the Nation's fiscal problems, one of which is the President's own fiscal commission itself. He appointed it, a bipartisan fiscal commission that reported back in December, entitled "Moment Of Truth," otherwise known as the Bowles-Simpson Commission, a bipartisan commission the President appointed himself. But he has ignored it.

There is another one, the Domenici-Rivlin Commission, a bipartisan commission that made recommendations. The President has ignored it.

The President yesterday said: "Call me naive, but my expectation is that leaders are going to lead." That is what the President himself had the gall to say yesterday to the American people when he himself has displayed an astounding lack of leadership. As I said, we are ready to work with the President. I know Senator McCONNELL invited him to come over to Congress and explain how this increase in taxes was somehow going to create more jobs in America; how we were going to solve the problems with Medicare—which is going to run out of money in a little over a decade. I hope the President takes him up on that invitation.

It is not a partisan issue. Secretary of State Hillary Clinton said our national debt sends a message of weakness internationally.

The Chairman of the Joint Chiefs of Staff, Admiral Mullen, said that "the single greatest threat to our National security is our debt." If America goes broke, how are we going to pay for our national defense and security that not only Americans depend on but so many countries around the world depend on America being strong to protect them from tyrants and dictators and terrorists? But if our economy goes bust, if interest rates go up to historic norms, our economy could spiral out of control. But there is not going to be a bailout for the United States of America. Our economy is simply too big. The International Monetary Fund, the Europeans, and others are not going to bail us out while we continue to spend recklessly about 43 cents out of every dollar in money borrowed from these young men and women here sitting in front of me. Every baby born in America today comes into this world \$46,000 in debt. It is irresponsible. It is wrong.

The American people sent a message in November of 2010 that they were sick and tired of Washington operating business as usual, and they were not going to take it anymore. And the American people should not take it anymore.

I believe we have an opportunity here. In Texas, we don't recognize problems; we recognize challenges and opportunities. We are a positive bunch of folks. This is a grand opportunity for Democrats and Republicans to come together to do the Nation's business, to

be serious, not to be reckless, not to give speeches like the President gave yesterday as part of his reelection campaign. Absolutely disgraceful. He should be ashamed. I respect the office of the President of the United States, but I think the President has diminished that office and himself by giving the kind of campaign speech he gave yesterday.

We do have a solution. The Senator from Alabama, Mr. SESSIONS, and others of us have sponsored a balanced budget amendment to the Constitution. This would be a responsible way to deal with this problem, and I hope we will get a vote on that shortly. But in the meantime, there is no reason we cannot solve this problem. All we need is the President to step up and give us a proposal. So far, he has laid back and criticized everybody else and said: Where is your proposal? How come you haven't done your work? Well, he has not done his work by proposing a responsible solution.

We will have a debate. We will have amendments. We will make constructive suggestions. We will do it in the light of day and not behind closed doors, which is where these negotiations are occurring now. Why does this need to be done in secret? Why, as Senator SESSIONS said, are we, the elected representatives of the American people, left with a fait accompli shortly before the deadline that says: You either pass this or the country's economy goes down the tubes. That is not what the American people expect of us. That is not what they deserve.

Sure, there are going to be differences of opinion, but that is what this Senate is for—to work those out. We all understand we are not going to get what we want 100 percent of the time, but we do deserve to have a fair and open process, transparent and visible to the American people. I get to offer suggestions, they either win or they lose, and then ultimately the majority vote determines the outcome. We respect that as the process by which these differences are resolved. But we cannot do our job when the President doesn't do his job and make a responsible proposal, when Senator REID will not bring a budget to the floor.

It has been 2 years since the Senate has had a budget. No one in the United States of America or anywhere around the world can operate with that sort of recklessness and irresponsibility. Everybody has to have a budget. My family has a budget. Every business has a budget. Only by having a budget can you determine what your priorities are. What are the things you have to have or do? What are the things you can put off until tomorrow? What are the things that maybe would be nice to have but you cannot afford?

Every family, every business has to go through that process but not the Senate and not, apparently, the President of the United States. The proposal he made, which doubled the debt in 5

years and tripled it in 10 years, called for huge new tax increases. Yet, when it came up for a vote—and only because Republicans forced a vote on that—it lost. It didn't get any support. I think it was 97 to 0. Not even our friends across the aisle could support the President's outrageous proposal back then. So why doesn't he come back with a new one? Why doesn't he stay at the table? Instead of going to Philadelphia tonight and raising money, why doesn't he call Senator MCCONNELL, Speaker BOEHNER, Minority Leader PELOSI, and Majority Leader REID into his office and sit down and do his job, just do his job?

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

The Senator from Connecticut is recognized.

Mr. BLUMENTHAL. On my way here, Mr. President, I had the great pleasure of running into the Redway family, a few minutes ago, visiting from the State of Connecticut. Jack Redway is a former public servant in the State, and he is here with his wife Sue and other members of his family. When I told them I was on my way here to talk on the floor of the Senate, they asked me what the subject was. When I told them the Senate is debating the debt, the deficit, and the budget, one of them said: Same old, same old.

We are here on the same old, same old issues. But the American people have had enough. They have had enough of the tax breaks and the special giveaways and the sweetheart deals that go to the special interests and that have driven our deficit to sky-high, intolerable levels. We are now at a turning point and really at a precipice where we simply cannot afford these kinds of tax breaks and sweetheart deals any longer, and the people of Connecticut are saying enough is enough to the same old, same old deals with these special interests. We ought to come together on a bipartisan basis. Not only do we have a right and opportunity, we have a responsibility and an obligation to say enough is enough and to eliminate these kinds of tax breaks that squander and waste scarce resources.

The ethanol subsidies have been voted on by this body, overwhelmingly, by Republicans and Democrats, rejected. And the reason is quite simply that we can save \$400 million each month, close to \$2.5 billion by the end of this year if we eliminate these subsidies on ethanol. We shouldn't be divided on this issue going forward. We ought to be united on a bipartisan basis because these scarce resources are necessary to make sure we do not

burden our children and their children with this kind of debt going forward.

The loophole that enables corporate jets to be depreciated at a faster and higher rate than commercial airplanes adds to the debt and the deficit in hundreds of millions of dollars. If we are serious about debt reduction and addressing the deficit, we should eliminate that loophole. It is about making the Tax Code fair and effective.

Over the last decade the big five oil companies have taken home more than \$1 trillion in profits while enjoying tens of billions of dollars in taxpayer subsidies. Those moneys, whether you call them revenues or taxes or breaks, whatever the nomenclature, whatever the rhetoric, they are a loss to the taxpayers and the people of the United States of America without any reason because these five oil companies are among the most profitable and lucrative in the history of the world, and they don't need that money.

It is time to say enough is enough to the kinds of hidden subsidies that go to special interests, and there are others that we ought to scrutinize and eliminate in the name of fairness and effectiveness in our government so that we can be serious about addressing our debt and our deficit.

Budgets are about choices. Some choices are not easy. We face tough choices, but we ought to put to use the common sense of the American people, to say enough is enough to the same old, same old hidden subsidies, tax breaks, special giveaways to special interests. Cutting Medicare benefits or Medicaid will not make us stronger. Firing teachers will not make us stronger. Forcing kids out of college will not make us stronger in Connecticut or across the country. None of these measures will make us stronger or fairer as a nation, nor will rolling back our investments in innovation and research, which are vital to the high-tech jobs of the future, nor will cutting our investments in the essential means of transportation—high-speed rail, so important to Connecticut. None of these cuts will bring back jobs, which has to be our priority.

Economic growth and job creation must be put first, and the way to do it is to eliminate the wasteful tax subsidies, the breaks for special interests. Eliminating them will make us stronger, it will make us fairer as a nation.

I urge us to come together and put aside whatever the labels and the rhetoric and the nomenclature as we call them and do the right thing to make our Nation stronger and fairer.

Thank you, Mr. President. I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mrs. HAGAN). Morning business is closed.

EXECUTIVE SESSION

NOMINATION OF DAVID H. PETRAEUS TO BE DIRECTOR OF THE CENTRAL INTELLIGENCE AGENCY

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to executive session to consider the following nomination, which the clerk will report.

The assistant legislative clerk read the nomination of David H. Petraeus, of New Hampshire, to be Director of the Central Intelligence Agency.

The PRESIDING OFFICER. Under the previous order, there will be 2 hours of debate equally divided and controlled in the usual form.

The Senator from California.

Mrs. FEINSTEIN. Thank you very much, Madam President.

I come to the floor as the chairman of the Select Committee on Intelligence to speak about the nomination of GEN David Petraeus to become the Director of the CIA. I wish to thank the majority leader for bringing this nomination to the floor in such a quick fashion because the committee, only earlier this week, on Tuesday, unanimously approved the nomination of General Petraeus.

I think there is no doubt but that General Petraeus is among the finest military officers and strategic thinkers of his generation. We are very lucky to have his service. He wrote the Army's counterinsurgency strategy and then applied it in Iraq, securing a military victory from what had appeared to be a descent into chaos and violence.

One year ago to this day, the Senate confirmed General Petraeus to replace GEN Stanley McChrystal as the leader of American and International Security Assistance Forces in Afghanistan. Since then he has shifted the strategy, implemented the troop surge, kept our coalition together, and today our military and intelligence analysts point to gains in the security situation and in the Afghan military and ability of the police to secure their nation.

General Petraeus's willingness to take on the Afghanistan mission also demonstrates his extraordinary commitment to public service. At the time, he was serving in Tampa, FL, as the Combatant Commander for Central Command, no longer directly in charge of a war zone but with the responsibility for not just Afghanistan but for 19 other countries as well. He agreed to what was a step down in the military "org chart" to take on the hardest military challenge in the world and to deploy from Tampa to Kabul. The Nation certainly owes General Petraeus a debt of gratitude for 37 years in uniform.

When he is confirmed, General Petraeus will be taking off the uniform to become Director Petraeus. He has clearly considered the differences in culture and mission between the CIA and the military, and now he will shift