

we cannot—as a gentleman told me at a townhall meeting—borrow our way out of debt. We cannot keep spending. It is dragging down our economic growth right now. It is costing jobs right now.

There are some people who say we do not have enough jobs; we need to spend more. Where are we going to get that money? Borrow that money. We are already borrowing 40 cents of every dollar we spend. Can we afford to borrow more to try to get a sugar high, keep growth artificially growing now? I think we just have to be mature, grownup, and realize we are going to have to work our way out of this fix.

We can do it if we create stability and soundness in our economy. If we do this right we can create a system in which we can have growth. Our business community is hanging in there. They are doing pretty well. They are holding up, but we have to create jobs. We have to have more job growth and more growth in the entire economy. That is what we need.

I do believe the debt is a weight on us. It is a burden that is reducing growth, and we must have that to pull our way out of this crisis. I am glad to see the President has joined in the discussions, but I have to say I think he has moved from the budget he submitted just a few months ago, which was the most irresponsible budget ever submitted to Congress calling for more taxes, more spending, and more debt. In other words, over the period of 10 years his budget laid out that taxes would go up, the spending would go up more than the taxes, and the deficit would go up more than the current path we are on. It made it worse.

We cannot do that. When that budget was brought to the floor—I brought it to the floor—and we got a vote, it failed 97 to 0.

I am glad the President is working now. Together we have to somehow develop a strategy to put us on a course so all Americans and the business community in our country and the world financial community will say: Boy, the United States is getting their act together. They are making the right decisions. They are on a sound course now. Maybe that is where we need to put our money instead of some other place because they are on the right path. Right now it is very dangerous.

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

The PRESIDING OFFICER (Mr. TESTER). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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 I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. DURBIN. Mr. President, I ask unanimous consent to speak as in morning business.

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

The Senator from Illinois.

DAUNTING CHALLENGE

Mr. DURBIN. Mr. President, I have been participating in the White House meetings with President Obama and the leaders of the House and Senate from both Democratic and Republican Parties for the last several days discussing the deadline we face of August 2, where we are required to extend the debt ceiling of the United States and the larger question about what we will do with our Nation's deficit and debt. It is a daunting challenge but one with a sense of immediacy. Most people across America would just react intuitively and say: Please, no more debt. They wonder why we want to extend the debt ceiling. It is a part of our government and part of our economy that needs at least a little bit of explanation.

Imagine that you have decided to purchase a home and you have a mortgage. To stay in your home and enjoy it, you have to make your monthly mortgage payment. When the time comes, if you do not make your monthly mortgage payment, you run the risk of being pushed out of your home, evicted, foreclosed. That is what we face on August 2, in a different form. If we fail to extend the debt ceiling, we are, in fact, missing our mortgage payment, and it creates problems. The credit rating of the United States of America will suffer as the credit rating of any family would suffer if they did not make a mortgage payment. The likelihood that the United States could borrow more money soon without higher interest rates is diminished. In fact, we would face higher interest rates—our government would—if we did not extend our debt ceiling. That is not the only problem. Higher interest rates for our government mean more taxes have to be paid by our citizens to finance our debt, and interest rates across America will go up as well. So average citizens and families who had nothing to say with this extension of the debt ceiling are going to face higher interest rates when it comes to purchases that they might make for cars and homes and appliances. It would be the height of irresponsibility not to extend the debt ceiling.

Since 1939, I was told this morning, we have consistently, time after time, extended the debt ceiling of America without fail. We have never defaulted. We have never called into question the full faith and credit of the United States. We have never jeopardized our credit rating in the world by failing to meet this responsibility, and we cannot do it now. With an unemployment rate of 9.2 percent, with an economy still recovering very slowly, we cannot run the risk of creating more unemployment and hurting businesses with higher interest rates, and so we have to do it.

At the same time, though, we are embarking on an important, strategic national discussion about our deficit and debt. I don't know whether I am fortunate or unfortunate. For the past year

and a half I have been engaged in this conversation in a much more focused way than at any time in my career. I was appointed to be a member of President Obama's deficit commission. There are 18 of us, and I have stayed on to work with 5 of my colleagues, 2 Democratic Senators and 3 Republican Senators, to see if we can come up with a bipartisan approach to deal with a very difficult problem.

Let me give a few facts and a little history that puts it in perspective. Today, for every dollar our government spends in America, we borrow 40 cents. I just left the meeting of the Chinese-American Interparliamentary Union where members of the Chinese Parliament are just a few steps away. China is our No. 1 creditor in the world. China loans more money to the United States, buys more of our debt, than any other Nation. That is worrisome because China, though it is our largest creditor, is also our largest competitor.

Go to your local Big Box store and flip the product over and see where the product is made. Time and time again they are made in China. So this country that is financing our debt is also competing with American producers and workers. It is not a healthy situation. The more dependent we are on these countries to finance our debt, the weaker our economy. So reducing the amount of money we borrow is in our economic best interest, and it lessens the chance that our children and grandchildren will have to pay off the debts we incur.

What is the status of the debt in America? It is about \$14.5 trillion, but it has not been at that level before, and it has not been at that level for a long time. It is likely to go up. Just to give a perspective on it, 10 years ago—just 10 years ago—the national debt of America was \$5 trillion. Now it is \$14.5 trillion. Mr. President, \$5 trillion. It was the end of the Clinton Presidency, and as President Clinton left office we had 3 straight years of Federal budget surplus. We were bringing in more revenue than we were spending. It was healthy because the excess we collected we put into programs such as Social Security to make sure they would be there for years and years to come. President Clinton, as he left office with a \$5 trillion national debt, which was the debt accumulated across the history of America, and surpluses coming in each year, said to the incoming President, George W. Bush: Next year's budget is going to generate another surplus, \$120 billion. Welcome to Washington.

President Bush became President, and now fast-forward 8 years later. What happened? The \$5 trillion national debt during the Bush administration grew to almost \$11 trillion. It more than doubled in an 8-year period of time. Instead of leaving President Obama a surplus, President Bush said: Next year's budget is going to have a \$1.2 trillion deficit. Mr. President, a \$1.2 trillion deficit. So the President

faced the largest single annual deficit as he came to office, President Obama, and a national debt that had more than doubled in the previous 8 years. How does one double the national debt of America in 8 years?

From George Washington until the end of President Clinton, the net national debt of America was \$5 trillion. How did it more than double in 8 years? Here is how: You wage two wars in Iraq and Afghanistan and you don't pay for them. You add them to the national debt. Then you do something that no President has ever done in the history of the United States, in the middle of a war, with annual deficits: you cut taxes. It is counterintuitive. You are taking revenue away from the government when it needs it to pay for a war and to continue the functions of government. So there were unpaid-for wars and tax cuts primarily for the wealthy people in America, followed by programs that were not paid for. Put those three together and build into it an economic theory that if we just keep cutting taxes on high-income individuals, America will get well. The theory fails, and the debt of America doubles in 8 years. That is what happened. It is a fact. It went to \$10.5 trillion from \$5 trillion in just 8 years, and we know what we have gone through since. People are out of work, folks are struggling to get by, and businesses are struggling. That is a reality of where we are.

So when we come together to talk about dealing with this debt, it is a painful topic, and it affects every single American. Here is what we found on the Bowles-Simpson Commission: Any serious conversation about reducing America's debt requires cutting spending and raising revenue. If we do not do those two things, it will not work. What do we cut? Well, almost everything. We take a look across the board at all Federal spending, whether it is discretionary spending for domestic purposes or for defense purposes. We take a look at the entitlement programs, programs such as Medicare, Medicaid, veterans, agriculture, and we see where we can save money there. And we look at revenue. Where can we come up with revenue that will not hurt the economic recovery but will help us bring our debt under control? The deficit commission came to that conclusion, other Senators have come to that conclusion, and now we are debating it again with the President on a daily basis in the White House.

This morning my colleagues from the Republican side of the aisle came with their solution—at least one of their solutions. It is not a new idea. In fact, it is an idea that has been around a long time. It is called a balanced budget constitutional amendment. We first saw the move for a balanced budget constitutional amendment in modern times during President Reagan's Presidency. It was interesting.

President Reagan increased the debt limit of the United States more than

any other President. He ran up the highest deficits of any President in history before him and had this push on to amend the Constitution. It is ironic that at the same time members of his party were spending the money and plunging us in debt, they said the answer was to change the Constitution—not change their conduct, not change the way they managed the government, but change the Constitution. It is like saying: I will not tell you I am going to stop stealing, but I will tell you I will vote for the Ten Commandments. It doesn't work.

We have it within our power, as Members of the Senate and the House, to change the way we spend money in Washington. To say we are going to wait for a constitutional amendment to get it done is to submit it to the States and let them see if three-fourths of the States agree we should amend the Constitution. How long does that take to amend the Constitution? The last amendment to the Constitution took 203 years before all the States—three-fourths of them—got around to ratifying it. Some of them take much shorter periods of time, but there is no guarantee when the States will get around to doing this if they agree with amending the Constitution.

So I ask my friends on the Republican side of the aisle: Instead of focusing on the Constitution, why don't you focus on the here and now, the authority we have as elected Senators and Members of the House to do something, not to give speeches and preach about changing our Constitution.

I have to tell you, when it comes to this Constitution, I don't address it with fear but with humility. This is a document which is revered not only in the United States but around the world. To say that, well, we are just going to change the Constitution to deal with today's problems, I am skeptical and I am reluctant and I am humbled by the fact that those words have created the greatest, strongest democracy on Earth.

Before we start changing the words of that Constitution, I always say: Is there another way to do it? The answer is, yes; clearly there is. Instead of speeches on the floor of the Senate about constitutional amendments, why don't we have speeches on the floor talking about the bipartisan deficit commission and what we can do about our debt? Why don't we honestly come together and say everything has to be on the table—everything? All spending programs, all entitlement programs, all taxes have to be on the table, and let's take an honest look at how we can address them and make this economy strong and moving forward. That is what we face.

We have had a bad track record from some Members on the other side of the aisle who give speeches about constitutional amendments but don't stick around for the hard choices. We had a chance to put a bill together into a law that would have made a vote of Con-

gress mandatory on bringing the budget deficit down dramatically. Seven Republican Senators who were cosponsors of that bill when it came to the floor voted against it and defeated it. They walked away from it. We have had conversations here where Senators have come together and tried to work out our differences on deficits and come up with a plan. In one group I have been part of, one of the Republican Senators walked away from it, and it basically was put on hold because of that.

Vice President BIDEN was given the authority to sit down in a bipartisan conversation and come up with an approach to the deficit and the Republican House majority leader walked away and said, I am not going to participate. This last week, President Obama was working directly with the Republican House Speaker, trying to come up with a plan over the weekend and the House Speaker said, I am walking away from it.

So the Republican Party has become the "walk away, Renee" party when it comes to this deficit. We have to keep them in the room. They have to stop theorizing about constitutional amendments down the road months and years from now and deal with the here and now. The reality is we need to extend our debt limit, we need to deal with our deficit in an honest way, and we need to put everything—underline everything—on the table. That is painful on our side of the aisle when it comes to entitlement programs and it is painful on their side of the aisle when it comes to taxing those in higher income categories. But until we reach that point, this conversation is going to continue to lead to more debt, more money being borrowed from China, and an economy that is not going to get back on its feet.

I think we can do this in a responsible fashion. I hope we can have a bipartisan approach to it. It is the only way it will work. With a Republican House and a Democratic Senate, we need a bipartisan approach. We will be returning this afternoon with the President to deal with this, to work on approaches to it, and I hope we can get something done in a positive fashion.

This morning Senator MCCONNELL said some interesting things I wish to address. Senator MCCONNELL is the Senate Republican leader. He implied that this debate should be fairly easy. I wish he were right. He said the Republicans have been the party that has brought an open mind to these discussions. Well, I don't think that is a fact that can be proven based on what I said earlier.

He said:

The suggestion has been made that this debate was hinged on the question of whether or not the two parties could find a solution to our economic problems without raising taxes. Wrong. We could have done that without breaking a sweat.

He added:

It's no secret how to solve the entitlement crisis either. Any one of the people involved

in these discussions could write it out on the back of an envelope.

Perhaps that is part of the challenge here. I know the Republican approach to Medicare is much different than the Democratic approach. The House Republican budget would have dramatically changed Medicare as we know it. It would have doubled the out-of-pocket expenditures of senior citizens. It would have put the Medicare Program in the hands of private health insurance companies. Unfortunately, it would have put many seniors in their sixties, seventies, and eighties at the tender mercies of health insurance adjusters. That is not a good approach to health care for our seniors.

The challenges we face are not easy, they are not cosmetic, and they can't be solved by letting the market—meaning insurance companies—run Medicare.

In these negotiations, I believe many Democrats, myself included, are willing to sit down and talk about reductions in government spending. Even though I believe in my heart of hearts our economy needs a stimulus at this point and reducing spending may be exactly the wrong thing to do, I am still prepared to sit at the table and find a consensus if we can when it comes to spending cuts.

But we shouldn't make this economic challenge be subject to dramatically changing the benefits under Social Security and Medicare and Medicaid. These programs are critical for families across America. Some of them have watched their savings disappear, their pension plans evaporate in a bankruptcy court, and they count on Social Security. We have to be there to make sure Social Security will be there for them.

Senator MCCONNELL also wants the Senate and the American people to think Republicans are negotiating in good faith and the Democrats are not. He said:

We showed a willingness to sacrifice all along even as we made it crystal clear from the outset that tax increases would not be a part of the agreement.

So I have to ask Senator MCCONNELL: What is it the Republicans are willing to sacrifice in this debate? He went on to say:

There can be no question by anyone involved in these discussions that Republicans are willing to make tough choices.

Again, which tough choices? Right now we are at a stalemate in our conversations with the President because the Republicans have been unable to come up with an approach that will meet the needs of deficit reduction.

So we need to work together. Both sides need to be willing to make these tough choices and face these challenges. Unless and until we do this on a bipartisan basis, we will not be serving the people who elected us.

It struck me as I sat in that room the other night—the Cabinet Room with the President—what a rare honor it is for me and for every one of us in that

room to be there, to be entrusted with this responsibility for this great Nation of over 300 million people who are counting on us to do something historic and maybe politically bold. I am prepared to do that. I hope others are as well. I think if we approach it on a bipartisan basis, with both sides willing to give, with everything on the table, we can solve this, and we should do it as quickly as possible.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

SHARED SACRIFICE IN RESOLVING THE BUDGET DEFICIT

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of S. 1323, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1323) to express the sense of the Senate on shared sacrifice and in resolving the budget deficit.

Pending:

Reid amendment No. 529, to change the enactment date.

Reid amendment No. 530 (to amendment No. 529), of a perfecting nature.

Reid motion to commit the bill to the Committee on Finance, with instructions, Reid amendment No. 531, of a perfecting nature.

Reid amendment No. 532 (to the instructions (amendment No. 531) of the motion to commit), of a perfecting nature.

Reid amendment No. 533 (to amendment No. 532), of a perfecting nature.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SANDERS. 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. SANDERS. Mr. President, let us be very clear that in terms of the deficit-reduction package that is being debated, we are talking about an issue of huge consequence not only for people today but for our kids and our grandchildren. This is likely, from a domestic perspective, the most important issue any Member of the Senate or the House will ever vote on in his or her political career. This is a huge deal which in many ways will shape the future of America.

I know the media refers to the discussion as whether we are going to have a big deal of \$4 trillion or whether we are going to have a smaller deal of \$2 trillion, but the real issue is whether we are going to have a fair deal—a deficit-reduction package that represents the interests of working people and the vast majority of our people or whether

we are going to have a deficit-reduction package that ends up reflecting the needs of the wealthiest people in this country, who are doing phenomenally well, and the largest corporations, which in many instances are making recordbreaking profits. That is really what the debate is about.

The Republican position on deficit reduction has been extremely clear and is consistent with their rightwing ideology. Despite the fact that our current deficit crisis has been caused by two wars—unpaid for—huge tax breaks that have gone to the wealthiest people in this country, and a recession caused by the deregulation of Wall Street and the lack of revenue coming in as a result of that recession, our Republican friends are adamant that while the richest people in this country are becoming much richer, while today we have the most unequal distribution of income and wealth of any major country, where the top 400 individuals own more wealth than the bottom 150 million Americans—that gap between the very rich and everybody else is growing wider—our Republican friends say the deficit must be balanced on the backs of working families, the elderly, the sick, and the children. No, the very rich, the top 1 percent, who now earn more income than the bottom 50 percent, should not be asked to contribute one penny more.

The Republicans are very clear, despite the fact that corporate profits are soaring, that corporation after corporation is enjoying huge tax loopholes that enable them to make billions of dollars a year in profits and not pay one penny in taxes. Republicans say: Sorry, off the table. Large, profitable corporations, with CEOs making millions a year, don't have to contribute to deficit reduction. Only the children have to contribute, the elderly have to contribute, and only working families, the unemployed, and the sick have to contribute to deficit reduction. We have to balance the budget on the backs of those people. But if you are very rich and getting richer, if you are a profitable corporation, that is off the table. You don't have to contribute a nickel.

Poll after poll shows that the Republican position and their ideology is way out of touch with what the American people need or want. This is not BERNIE SANDERS talking; this is the American people talking. In poll after poll, when the American people are asked, "What is your preferred option in terms of deficit reduction?" they say it is to ask the wealthy to pay more in taxes. So when our Republican friends say the American people don't want to raise taxes on the wealthy, that is just not true.

To my mind, what the Republicans are proposing is immoral in terms of coming down heavy on the most vulnerable people in our society, people who are already hurting as a result of the recession. When real unemployment is 15 percent, what do you want