

and all of the people watching so carefully that we were going to address this issue, even if, in the end, we couldn't come to an agreement. So I commend Senator MCCONNELL. He has taken a lot of criticism for the proposal he made, but I think he said from the beginning that it was the last effort so we wouldn't have a default by our country. It wasn't his first choice or his second choice or even his third choice, but leaders have to make tough decisions to ensure bad things don't happen, if they can avoid leading Members into bad situations. So he was trying to ensure that we wouldn't. I think Senator MCCONNELL's proposal has actually spurred people to get going and try to come to agreement.

I believe the group who is being called the Gang of 6 has come up with some very concrete proposals. It is the first plan I have seen that I believe really begins to cut spending, and it cuts spending immediately. It also has mechanisms that will ensure that the spending cuts happen. Caps are put in place.

There is a freeze in spending for 4 years. There is a freeze in all the elected representatives' pay. Every Member of Congress and the President would have a freeze in pay. There is a freeze in budgets.

I think it also begins entitlement reform, which is very bold, and it is very important that it be done in a bipartisan way. It would go to the chained CPI, which is a better base for determining what kinds of increases there should be for payments that have to be adjusted. So I believe they have taken a first major step. Now, I put out a Social Security reform proposal that also lowered the rate of increase of the COLAs. This one does it in a different way. All I wanted to do was to make sure we address that issue as part of Social Security reform, but it also affects many other areas, and I think it is something all of us, in a bipartisan way, can accept as a reasonable adjustment that will preserve the basic benefits that go across many areas.

Also in the proposal that was put out today is a safety net for people at 125 percent of poverty. They will be getting a benefit that increases more—and I think everyone would agree that is a good thing—and then the CPI adjustment will be in place for others.

I think it also has a very good proposal in the area of taxes because they want to lower the overall rates for everyone and make fewer rate groups, so the top rate would be 29 percent. They even cut the lower rate down to 9 percent.

So these are good proposals, and I think tax reform is something that will bring in more revenue, and it will bring in more revenue in the right way. It will bring in revenue by building the economy, by ensuring a more fair tax system so there will be less fraud and fewer numbers of people who don't pay taxes.

So I think this group has done a good thing—three Democrats and three Re-

publicans working together. Not one of us would have written a proposal exactly the same way, but there are 100 in this body, so we know we cannot dictate exactly what we want. I do believe this is a responsible approach that should give us a good start and something that, over a 10-year period, will put us in the position of bringing down our enormous debt, lowering our deficits, lowering our interest costs, and also beginning to reform entitlements.

There is going to be so much written and talked about—a lot of education. This plan will begin to go into legislative language, and there may be refinements of it. I am sure there will be amendments. But it is a great start, and it has provided great leadership. So many people have been involved in this process—our leaders, the group who has been meeting for months, others who have come together in a bipartisan way to do what is right for our country and for our children and grandchildren.

So I am very pleased we can start this debate and get these things out in a way that the American people will have the confidence we are going to address the debt, do the right thing, bring down the deficits, bring down the interest our country is paying, and, most of all, put people back to work by enlivening our economy.

That is the key. You can't have 9.1 percent unemployment in this country and believe that is a recovery. You can't do it. You have to put people back to work. That is the way you increase revenue, by putting people back to work and having the economy revived. That should be all of our goal, and I think that maybe, just maybe, we are on the right track and can do in a bipartisan way the entitlement reforms, the tax reforms, and the spending cuts that will put together a package that will put our country on a fiscally responsible path for the future.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota.

#### MORNING BUSINESS

Mr. JOHNSON of South Dakota. Mr. President, I ask unanimous consent that the Senate proceed to a period of morning business, with Senators permitted to speak for up to 10 minutes each.

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

The Senator from Colorado.

#### BUDGET NEGOTIATIONS

Mr. BENNET. Mr. President, I wanted to talk a little bit about our debt ceiling and our deficit and debt issues as well.

I wish to thank the Senator from Texas for her words of encouragement for the product that the so-called Gang of 6 read out this morning. It was a remarkable hour. To see roughly 50 Senators, both Republicans and Democrats, set aside the talking points and

try to come across a partisan divide to hear their colleagues who have been working for such a long time on a plan, a bipartisan plan, three Democrats and three Republicans, to really try to address in a material way our debt and our deficit was, to say the least, refreshing. I wish it weren't as unique an experience as it has been, but in the 2½ years I have been here, I can't remember as thoughtful a conversation as the one we had this morning.

I have said for months, month after month, week after week on the floor of the Senate, that I think I am pretty clear about what Colorado wants, whether it is red parts of the State or whether it is blue parts of the State.

They want a plan that materially addresses the problem we face. They know we can't solve it overnight because the hole is so deep, but they want us to move past the rhetoric and the talking points and actually start materially addressing the problem.

They want to know that we are all in it together. It took all of us to get to this point of a \$1.5 trillion deficit and almost \$15 trillion of debt, and it is going to take all of us to get us out of it, and the people in Colorado know that.

They want the plan to be bipartisan because they don't have any confidence in either party's go-it-alone approach on this particular set of issues and I think on many other issues as well.

The only corollary that I have added to all of that is we need to do something that satisfies our capital markets that their paper is worth what we have paid for it and that the full faith and credit of the United States is good.

We face something momentous at this moment in our country. I wanted to quote just three brief quotes from the rating agencies recently.

This is S&P, July 14:

Today's CreditWatch placement signals our view that, owing to the dynamics of the political debate on the debt ceiling, there is at least a one-in-two likelihood, 50 percent chance, that we could lower the long-term rating on the United States within the next 90 days. We have also placed our short-term rating on the U.S. on CreditWatch negative, reflecting our view that the current situation presents such significant uncertainty to the U.S.'s creditworthiness.

It is important to realize this isn't just about the debt ceiling, although that is a very important piece of this.

Here is S&P continuing:

The CreditWatch action reflects our view of two separate but related issues. The first issue is the continuing failure to raise the U.S. government debt ceiling so as to ensure that the government will be able to continue to make scheduled payments. The second pertains to our current view of the likelihood that Congress and the administration will agree on a credible, medium-term fiscal consolidation plan.

Now, I have taken the view all along that we shouldn't make raising the debt ceiling contingent because it has been a ministerial act for most of our history; it is about debts that are already incurred, not about debts that

are coming forward. But I understand the politics in the moment and time, and the only point they are trying to make is that we have to do something material or we are going to be downgraded.

Moody's also says: The government bond rating would very likely be changed to negative at the conclusion of the review unless substantial and credible agreement is achieved on a budget that includes long-term deficit reduction. To retain a stable outlook, such an agreement should include a deficit trajectory that leads to stabilization and then decline in the ratios of Federal Government debt-to-GDP and debt-to-revenue beginning with the next few years.

They said we are at a unique inflection point.

I asked Chairman Bernanke the other day at the Banking Committee—I knew the answer, but I asked him anyway—when was the last time our credit ratings were threatened for downgrade. His answer was, not in the 20th century. And I said to him, well, we are now in the 21st century. The answer was, never. Never in our country's history, that I am aware of, has our credit rating—which is the envy of the world and one of the most important assets that we have as a country and as an economy—been threatened with a downgrade. And now we find ourselves in the position of potentially being downgraded because on the one hand we might not raise the debt ceiling—which I find unimaginable, but it is possible—and on the other hand because our politics look so dysfunctional to everybody who is watching this debate that there is real concern that we can never get to a long-term debt and deficit plan where the math actually pencils. What we know about a plan where the math actually pencils is it is going to require a comprehensive approach that involves discretionary spending cuts, both for military and nonmilitary, that requires entitlement reform and tax reform.

A number of weeks ago, Senator JOHANNES and I sent out a letter that said just that. We passed it around the Senate offices. There are 32 Democrats who signed it and 32 Republicans who signed it. That is a pretty big number around here, and that is a pretty bipartisan effort around here.

Then I began to despair because it didn't feel as if we were making progress toward the goal many of us wanted to get to, and then today we had this conversation with the Gang of 6, who I think have presented a plan, as the Senator from Texas said, that is not perfect, and everybody is going to have a disagreement about this piece or that piece, but does meet the three-part test by and large that I have come out to the floor and I have said time and time again that we ought to meet for the people of Colorado, which is whom I represent.

What I also know is this: At this remarkable time in the country's his-

tory, if we act in a way that leads to a downgrade of this country's credit rating; if we, the 100 people who are in the Senate at this moment, don't step up to make sure that doesn't happen, no one is ever going to care what pledge was made about this or that or where we drew the line in the sand. The only thing they are going to know about us is we allowed the full faith and credit of the United States to be compromised for all time. No generation of Americans, no matter how dysfunctional their politics was, managed to sacrifice that much of our future.

I believe the only path through this is a bipartisan one, and I believe the only path through this is a comprehensive one. I think that is what the people of Colorado want and what the American people want.

So I think today marked an important turning point in the conversation we are having around here, and I for my own part believe that if we are confident in the people who sent us here, confident enough to do the job they have asked us to do, we can make sure we don't erode the full faith and credit of the United States because undoing that is going to be the work of generations if we don't protect the work of generations that have come before us. And I feel confident that we can and that we will.

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

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

#### COMMENDING THE GANG OF 6

Mr. KIRK. Mr. President, I rise briefly to commend the work of the Gang of 6 and what they have done for our country in what is a complicated proposal with details forthcoming but largely reflecting the actions of the bipartisan deficit commission and what could be between a \$3.5 trillion and \$4.5 trillion reduction in the borrowing needs of the United States.

Specifically, so often we do not thank our colleagues here, but I want to thank especially Senator COBURN, Senator CRAPO, and Senator CHAMBLISS on the Republican side, Senator WARNER, Senator CONRAD, and Senator DURBIN on the Democratic side, because I think they are creating a vital center on what is the most important issue facing the country. I believe the outlines of the plan, as I understand it tonight, will dramatically reassure the American people, our markets, and especially our allies overseas that a free people and their elected representatives can kick their spending habit over time.

At the meeting this morning we had 43 Senators attending, 23 Republicans

and 20 Democrats. In this age of very complicated and tight schedules, that is a mass meeting of the Senate.

I conclude by saying this may be the rise of the policy wonks as opposed to partisans of either side, to actually address the solid details of what is the most difficult financial problem facing the country. I commend the work of these three Republicans and these three Democrats in creating a space now where at least 43 Senators attended the meeting on the most creative and most detailed plan I have yet seen come forward to take on this problem.

We all know under our Constitution that the Senate may be the most difficult place to pass legislation. To see even this initiative coming out of the Senate gives me tremendous optimism that one of the most difficult problems in our country can be handled by some of the most capable policy wonk Members of the Senate.

With that, as we begin a discussion on the Gang of 6 proposal, I want to take a moment to personally thank these six Senators and what they have done in putting together what appears to be an initial outline of, not just a very good proposal but in several key areas as a fiscal conservative, an even better proposal than the bipartisan commission put forward.

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

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

#### UNANIMOUS CONSENT AGREEMENT—H.R. 2055

Mr. REID. Mr. President, I ask unanimous consent that at noon tomorrow, July 20, Senator JOHNSON of South Dakota be recognized to move to table Vitter amendment No. 568; that there be no amendments or points of order in order to the Vitter amendment prior to the vote on the motion to table; and the motion to reconsider be considered made and laid upon the table.

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

#### SUDAN

Mr. DURBIN. Mr. President, last night the Senate adopted S. Con. Res. 25, a concurrent resolution welcoming the independence of the Republic of South Sudan, congratulating the people of South Sudan for freely and peacefully expressing their will through an internationally accepted referendum, and calling on the governments and people of Sudan and South Sudan to peacefully resolve outstanding issues including the final status of Abyei. I was happy to see us recognize this important development.