

sits down and tries to figure out a way to make interest rates low so the economy will grow and jobs will be created. If we have a self-inflicted wound of not increasing the debt ceiling, the net result will be a higher interest rate on our government and higher interest rates on families and businesses. A 1-percent increase—1-percent increase—in the interest rate paid by our government on its debt costs us \$130 billion a year—1 percent.

We are running the risk, by missing the deadline of August 2, of raising that interest rate, killing jobs, making it more difficult for businesses to expand, and increasing the deficit. Can we imagine three worse outcomes at this moment in our history?

So when Members of the Senate and the House come and make these pious pronouncements of “I am never going to vote for an extension of the debt ceiling,” they are jeopardizing our economic recovery and the debt we face.

Some of them have said: I will tell you what. I will vote for a debt ceiling if we can amend the Constitution and put in a balanced budget amendment.

Throughout my time of service in the House and the Senate, I have never—underline “never”—voted for a balanced budget amendment and here is the reason: We don’t need the Constitution to tell us what to do. We know what we need to do. We should have the will to do it. For those who have been guilty of voting for all this spending and now want a balanced budget amendment to the Constitution, it reminds me of the person who says: I will not promise I will not steal again, but I will vote for the Ten Commandments. Well, great. Wouldn’t it be better if they changed their conduct and the way they acted? Wouldn’t it be better if Congress dealt with this budget deficit forthrightly? And we can.

For those who say we don’t have a very good track record, they are right. But efforts are underway on the part of what is known as the Group of 6, which is expanding in size, which is trying to, on a bipartisan basis—Democrats and Republicans—come up with a way through this budget deficit problem. It is not easy. We have been at it for more than 6 months. We have produced a plan which is now being carefully scrutinized and will be worked on, I am sure, for a long time to come, but it moves us in the direction of \$4 trillion in deficit reduction. It does it by putting everything on the table—everything—including spending cuts, entitlement programs, and revenue.

Spending cuts are easy compared to the other two—easier for us, I might add, because they generally involve future spending, and we make the reductions thinking, perhaps, it will not have the negative impact in the future that some imagine.

When it comes to the entitlement programs, I think we deal with a different mindset when it comes to the American people. I believe Social Security and Medicare have become even

more important to American families than they were 25 years ago because of the vulnerability of families today. Many families planned for their retirement and saved some money and maybe they had a pension plan at work and then they had Social Security. Well, over the years, perhaps the savings took a hit when the stock market went down some 30 percent a few years ago. Many of the pension plans didn’t survive corporate restructuring or bankruptcy, and Social Security was the last game in town for a lot of the people retiring.

So when we talk about changing Social Security, people all across America—40 million or 50 million Americans—perk up and say: Senator, what do you have in mind because we are counting on it and we don’t want you to mess it up.

Here is what I can say about Social Security. Untouched, with no changes—no changes—Social Security will make every promised payment with a cost-of-living adjustment for 25 years—25 years. That is pretty good. There isn’t another program in government that can say the same. But what happens at the end of 25 years? Then the trouble starts. We start running out of money and reducing Social Security payments 22 percent. About one-fifth—or a little more—of the payment a person is receiving today would disappear in 2 years. So what we are talking about in all the deficit conversations is to find ways to extend the life and solvency of Social Security.

There are ways to do it. We have talked about a variety of different ways to do it. Any savings in Social Security will stay in Social Security. It is similar to Las Vegas. We are going to make sure the savings we put in Social Security will be reinvested in the program to make it stronger longer.

I also want the program to be fair—we all do—in terms of beneficiaries, particularly the most vulnerable beneficiaries. About 20 percent of Social Security beneficiaries—the lowest 20 percent—are below the poverty line, even after they get the Social Security check. We need to change that. We shouldn’t allow that to happen. These are mainly elderly people who, with the helping hands of our government and Social Security, should be lifted above the poverty level.

Medicare is much the same. If we don’t deal with Medicare, the increasing cost of health care is going to cause that program to run into trouble. What we need to do is to make certain at the end we protect the benefits under Medicare but find ways to reduce the cost. We have to reward value rather than volume when it comes to medical treatment, and we have to keep our promise to the Medicare beneficiaries.

There have been proposals made. One was made by the House Republicans in their budget, the so-called PAUL RYAN budget, which would have dramatically changed Medicare. Out-of-pocket expenditures by senior citizens would

have more than doubled to \$6,000 a year. So \$500 a month, by a person who is retired, can be a hardship, if not an impossibility. Even worse, the House Republican budget would have taken Medicare as we know it and turned it upside down and said: In the future, under the House Republican plan, Medicare is going to be managed in the tender loving arms of private health insurance companies. I don’t think most Americans feel a sense of confidence or relief to hear that.

So as we begin this debate this afternoon on the so-called cut, cap, and balance, the point I wish to make is this: We should not be considering a plan which does not put in specific language a balanced budget amendment but asks Members of the Senate to vote for a multiple choice test as to what the next amendment to the Constitution will look like. Secondly, we should carefully scrutinize every word of that amendment. Those who have say they are poorly drafted and have no place in the most important document in America. Third, let’s accept the responsibility to do what we were elected to do—to reduce spending, to bring this budget to balance, and to do it in a sensible and humane way. The notion we would somehow amend our Constitution and wait for three-fourths of the States to ratify it is, in my mind, not responsible.

I am going to oppose this. I am not going to oppose efforts to reduce our deficit, but I am going to oppose this notion that somehow a balanced budget amendment to the Constitution is going to be our salvation. As the old Pogo cartoon used to say: We have met the enemy and they are us.

We have to do this ourselves—Members of the Senate on both sides of the aisle.

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

The PRESIDING OFFICER (Mr. UDALL of New Mexico). Without objection, it is so ordered.

#### GANG OF 6 PROPOSAL

Mr. SANDERS. Mr. President, if there was ever a time in the modern history of America for the American people to become engaged in what is going on here in Washington, now is that time. Decisions are being made as we speak which will impact not only our generation but the lives of our children and our grandchildren for decades to come. I fear very much that the decisions being contemplated are not good decisions, are not fair decisions.

Right now, there is a lot of discussion about two things: No. 1, the importance of the United States not defaulting for the first time in our history on our debts—I think there is increased

understanding that would be a disaster for the American economy, that would be a disaster for the world's economy, and we should not do that—but, secondly, there is increased discussion now on long-term deficit reduction, how we address the crisis we face today of a record-breaking deficit of \$1.4 trillion and a \$14 trillion-plus national debt—a debt, by the way, that was caused by two unpaid-for wars, huge tax breaks for the wealthiest people in this country, a Medicare Part D prescription drug program written by the insurance companies, and the lack of revenues coming in because of a recession caused by the greed and recklessness and illegal behavior on Wall Street.

Be that as it may, regardless of how we got to where we are right now, there are efforts to develop long-term deficit reduction plans. One of them has to do with a so-called Gang of 6. While we do not know all of the details of that proposal—in fact, we never will because a lot of that proposal boots the issue to committees, such as the Finance Committee, that have to work out the details, and no one can know what those details will be at this time—I think it is fair to say that Senator COBURN, Senator CRAPO, and Senator CHAMBLISS deserve a word of congratulations. Clearly, they have won this debate in a very significant way. My guess is they will probably get 80 or 90 percent of what they wanted, and in this town that is quite an achievement. They have stood firm in their desire to represent the wealthy and the powerful and multinational corporations. They have threatened. They have been very smart in a number of ways. They have been determined. And at the end of the day, they will get 80 or 90 percent of what they want.

That is their victory, and I congratulate them on their victory. Unfortunately, their victory will be a disaster for working families in this country, for the elderly, for the sick, for the children, and for low-income people.

I did want to mention, based on the limited information we have—and as I get more information, I will be on the floor more often, but I think it is important to at least highlight some of what is in this so-called Gang of 6 that the corporate media, among others, is enthralled about.

Some may remember that for a number of years leading Democrats said: We will do everything we can to protect Social Security, that Social Security has been an extraordinary success in our country, that for 75 years, with such volatility in the economy, Social Security has paid out every nickel owed to every eligible American.

I have heard Democrats say Social Security has nothing to do with the deficit. And that is right because Social Security is funded by the payroll tax, not by the U.S. Treasury. Social Security has a \$2.6 trillion surplus today and can pay out every benefit owed to every eligible American for the

next 25 years. An enormously popular program, poll after poll from the American people says: Do not cut Social Security.

Two-and-a-half years ago, when Barack Obama—then Senator from Illinois—ran for President of the United States, he made it very clear, if you voted for him, no cuts in Social Security. Yet what Senators COBURN, CRAPO, and CHAMBLISS have managed to do in the Gang of 6 is reach an agreement where there will be major cuts in Social Security.

Do not let anybody kid you about this being some minor thing. It is not. What we are talking about is that under this so-called Gang of 6 proposal, Social Security cuts would go into effect by the year 2012—virtually immediately. What that means is that 10 years from now, the typical 75-year-old person will see their Social Security benefits cut by \$560 a year, and the average 85-year-old will see a cut of \$1,000 a year.

For some people here in Washington—maybe the big lobbyists who make hundreds of thousands of dollars a year—\$560 a year or \$1,000 a year may not seem like a lot of money. But if you are a senior trying to get by on \$14,000, \$15,000, \$18,000 a year, and you are 85 years old—the end of your life, you are totally vulnerable, you are sick—a \$1,000-a-year cut in what you otherwise would have received is a major blow.

So I congratulate Senator COBURN, Senator CRAPO, and Senator CHAMBLISS for doing what President Obama said would not happen under his watch, what the Democrats have said would not happen under their watch: major cuts in Social Security.

But it is not just Social Security. We have 50 million Americans today who have no health insurance at all. Under the Gang of 6 proposal, there will be cuts in Medicare over a 10-year period of almost \$300 billion. There will be massive cuts in Medicaid and other health care programs.

There will be caps on spending, which means there will be major cuts in education. If you are a working-class family, hoping you are going to be able to send your kid to college, and that you will be eligible for a Pell grant, think twice about that because that Pell grant may not be there.

If you are a senior who relies on a nutrition program, that nutrition program may not be there. If you think it is a good idea that we enforce clean air and clean water provisions so our kids can be healthy, those provisions may not be there because there will be major cuts in environmental protection.

I have heard some people say: Well, all that is not so good, but at least finally our Republican friends are saying we need revenue and we are going to raise \$1 trillion in revenue.

Well, Mr. President, let me ask you this. If you read the outline of the Gang of 6 proposal, which is admittedly

vague—I think they would acknowledge that; they do not have all of the details—there are very clear provisions making sure we are going to make massive cuts in programs for working families, for the elderly, for the children. Those cuts are written in black and white.

What about the revenue? Well, it is kind of vague—kind of vague. The projection is that maybe we will raise over a 10-year period \$1 trillion in revenue. Where is that coming from? Is it necessarily going to come from the wealthiest people in this country? Is it going to come from large corporations that are enjoying huge tax breaks? That is not clear at all.

What happens if we do not reach that revenue of \$1 trillion? What mechanism is in place to say it happens? That mechanism, in fact, does not exist. What we do know—and, in fairness, I think the authors of this proposal would acknowledge not all the details are out there, but certainly I want middle-class families to understand when we talk about increased revenues, do you know where that may come from? It may come from cutbacks in the home mortgage interest deduction program, which is so very important to millions and millions of families. It may mean if you have a health care program today, that health care program may be taxed. That is a way to raise revenue. It may be that there will be increased taxes on your retirement programs, your IRAs, your 401(k)s. But we do not have the details for that. All we have is some kind of vague promise that we are going to raise \$1 trillion over the next 10 years. There is no enforcement mechanism and no clarity as to where that revenue will come from.

So I think it is terribly important that the American people become engaged in this debate, which will have a huge impact not only on them, but on their parents and on their children. I believe very strongly what the American people must fight for is not a big deal or a small deal but a fair deal.

At a time when the wealthiest people in this country are doing phenomenally well—their effective tax rate is the lowest on record—at a time when the top 400 individuals in this country own more wealth than 150 million Americans, at a time when corporate profits are soaring, and in many instances these same corporations pay nothing in taxes, at a time when we have tripled military spending since 1997, there are fair ways to move toward deficit reduction which do not slash programs that working families and children and the elderly desperately depend upon.

I believe the issue we are dealing with is of enormous consequence. It is clear our Republican friends have succeeded, and I congratulate them on getting 80, 90 percent of what they wanted.

I want people to think back 3 years ago—just 3 years ago—to think that there would be a serious proposal on the floor of the Senate with all of these

devastating cuts. I think very few people would have thought that possible. So I congratulate my Republican colleagues for their apparent victory. But this Senator is going to fight back. I was not elected to the Senate to make devastating cuts in Social Security, in Medicare, in Medicaid, in children's programs, while I lower tax rates for the wealthiest people in this country. That is not what I was elected to do, and I do not intend to do that.

So I hope the American people get engaged in this issue, stand, and demand that the Congress pass a fair and responsible deficit reduction program, not what we are talking about today.

With that, I yield the floor.

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.

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

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

#### MILCON APPROPRIATIONS

Mrs. MURRAY. Mr. President, I come to the floor this afternoon to oppose the amendment offered by the Senator from Oklahoma which would undo decades of policies on how we treat veterans who are suffering from diseases associated with Agent Orange exposure. That violates the promise we have made to a generation of veterans. The legacy of Agent Orange exposure among Vietnam veterans is one of tragedy, roadblocks, neglect, pain, and then more roadblocks. It is the legacy of our military spraying millions of gallons of poisonous herbicide indiscriminately, without any consequences or without any repercussions.

At the time of the Vietnam war—and for far too long after it—the U.S. Government neglected to track Agent Orange exposures. Then, in the decades following the war, our government stonewalled veterans who developed horrible ailments of all kinds from those exposures.

To further compound the problem, for decades our government also failed to fund any research on Agent Orange and any other toxins that Vietnam veterans were exposed to. Those mistakes, those decades of neglect, have a cost. It is a cost to the veterans and their loved ones, a cost to the government that sent them to war, and a cost to all of us as Americans. It is a cost that, even in difficult budget times, even with our backs against the wall, we cannot walk away from.

I am not here to question any Senator's commitment to our veterans, but what I am here to do is to question the standard by which this amendment says they should be treated. This amendment that was offered says we should change the standard by which we have judged Agent Orange cases for two decades.

Currently, Vietnam veterans are presumed to be service-connected when the VA Secretary determines that a positive association exists between exposure to Agent Orange and a certain disease. One of the reasons Congress chose that mechanism is because it was impossible for these veterans to prove their exposure to Agent Orange caused their cancers or other diseases. These veterans were exposed decades ago. They don't know where exactly they were exposed or how much they inhaled. However, under the amendment of the Senator from Oklahoma, Vietnam veterans would be asked to now prove the impossible. They would be asked to prove they would never have gotten cancer or heart disease or any other disease or condition if not for Agent Orange.

Vietnam veterans who have diabetes or prostate cancer or lung cancer or blood-borne diseases would be denied care and benefits under this amendment. Not only would this be a new hurdle Vietnam veterans could never overcome, it would change the rules midstream. It would literally treat Vietnam veterans whose diseases have already been presumptively service-connected different than those whose diseases have not yet been positively associated with Agent Orange exposure.

I will not deny that compensation for exposure is a difficult issue and one that we continually have to look at. We have grappled with this issue in relation to Vietnam veterans and exposure to Agent Orange. Today we continue to deal with this issue as Iraq and Afghanistan veterans come home with illnesses potentially associated with their exposure to toxins released from burn pits or other environmental exposure.

Ultimately, we have to look at the facts with reason and compassion and weigh the years of our military's failure to track these exposures, the inevitable existence of uncertainty, and the word of our veterans. That is exactly what we have to do.

On the one hand, we have thousands of veterans who have come forward and believe their cancers and ailments were caused by an exposure to a known killer. We have studies that show veterans who were exposed to Agent Orange are more likely to have heart disease, cancer, or other conditions. We have the Institute of Medicine that has recommended giving veterans the benefit of the doubt, and we have the Secretary of Veterans Affairs who has decided that we must move forward to provide compensation to presumptively service-connected veterans exposed to Agent Orange for cancer and heart disease.

On the other hand, we may have a compelling fiscal case, but the Senator from Oklahoma hasn't presented one shred of evidence that Agent Orange does not cause heart disease, cancer, or any other condition. What has been presented is an amendment that asks

veterans to wait, wait, wait until there is more scientific evidence.

Well, these veterans have been waiting for 40 years. How much longer should they wait?

The Secretary of Veterans Affairs decided that the time for waiting was over. I ask that we respect and support this decision, and that we also remember that even in the midst of this whirlwind debt and deficit debate, we have made a promise to veterans, one that doesn't go away.

Vietnam veterans have paid enough for that war. They should not end up paying for our debt. It is us who owe them a debt.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SESSIONS. Mr. President, I ask unanimous consent that Senator HATCH and I be allowed to participate in a colloquy.

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

#### TAXING AND SPENDING

Mr. SESSIONS. Mr. President, many of our good colleagues like to suggest our Nation has historic deficits because the American people are not taxed enough. Some claim the so-called Bush tax cuts are the culprit, but the numbers tell a different story. In fact, these tax cuts were fully implemented in 2003. Annual revenues have increased steadily from \$1.782 trillion to \$2.524 trillion in 2008, and they increase every year, for an increase of more than 40 percent. That is double the rate of inflation after the tax cuts took effect.

In fact, since the recession of 2008 and the weakest economic recovery in modern history, revenue has now declined. That makes sense. With high unemployment there are fewer taxpayers and, naturally, revenue declines.

Going forward, however, the CBO projects revenue as a share of the GDP will rise to 18.4 percentage points of GDP by 2021. That is assuming extension, not elimination, of the 2001 and 2003 tax reductions. Revenue is therefore projected to return to its historic 18.4 percent average.

It would seem, then, that the American people are already taxed enough to finance a government whose spending has grown wildly out of control. The real problem is, while revenue will return to its historic average, if nothing is done to slow spending, annual outlays will increase from \$3.7 trillion today to \$5.7 trillion by 2021, for an increase of more than 50 percent. As a share of GDP, spending will remain, on average, above 23 percent of GDP. That is nearly 3 percentage points above the historic average.

Mr. HATCH. Mr. President, I could not agree more with the Senator's point on the real driver of our deficit and debt. We have this debt because government is spending too much. But this is not a matter of personal preference; this is an indisputable and empirically verifiable fact. The systemic