

have attacked America. These men and women all raised their right hand and volunteered to go to defend this Nation. The very least we can do while we are in this kind of budget negotiation, which is making a lot of people nervous—I have faith that we are going to do the right thing in the end, but it is not clear yet and we are a week away. I don't think we ought to make these people think about whether it is going to happen and if there is going to be a delay in a paycheck.

I hope we will be able to bring this bill up. I can guarantee if the majority leader will bring up my bill, it will pass. It has 80 cosponsors. The new bill is the same thing except it makes the debt payment the priority, which you would hope would not have to be done, but nevertheless let's assure that our debtors know we are going to pay the interest on the debt, and our military—who are in harm's way right now—will not worry about their family having the paycheck they need.

We have about a week. All of us had hoped it wouldn't take this long, but we have our different views, there is no question about it. I am one who believes we should raise the debt ceiling only with reforms that will assure the markets not just for the next week or the next 6 months, but for the long term, that not only are we going to pay our debts but we are going to bring down the cost of government so we will not have to raise the debt limit again.

We must take the reform actions we can take right now. We can fix Social Security for 75 years with relatively little cuts in increases with Social Security COLAs and with a trajectory that will put us on an actuarial table for an age that has certainly changed since Social Security passed. Very little change. It wouldn't affect anyone who is in the upper area of going into Social Security. The bill I have introduced wouldn't affect anyone age 58 and above or 55 and above. We can do the big things that will show our debtors and the rest of the world we can live within our means and our democracy can work to do the things that will make us good not for the next week, not for the next 6 months, but for our children and grandchildren. That is what we ought to be doing right now, and I have faith. We are going to have to do something temporary for the next few months while we work out the details, but I know if we get together, we can do this. I don't want our military to have to worry about it for 1 week or 3 months or 6 months because they deserve better.

Thank you, Madam President.

I yield the floor.

Mr. THUNE. Madam President.

The PRESIDING OFFICER. The Senator from South Dakota.

THE BUDGET

Mr. THUNE. I am happy to cosponsor the legislation of the Senator from Texas. She is absolutely right, there is

no more deserving group of people in this country than our military and we need to make sure under no circumstance they are not paid, and her legislation would do that. I hope we can get it to the floor and that it is acted upon very quickly.

We are a week away now from the time in which we would have to request additional borrowing authority in order for our Federal Government to pay its bills. We have known it is coming for some time. We know generally at least when that date is. It strikes me as most Americans observe this debate, the thing they are probably most concerned about is how this is going to impact them and their economic circumstances. Frankly, I think all of us ought to be looking at this with an eye toward how is this going to impact the economy. What is this going to do to get people back to work and to grow the economy? There has been a lot of discussion about that. The President made yet another speech last night in which he tried to claim the high ground in this debate. Frankly, I think the President has relegated himself to the sidelines in this debate simply because many of the things he was proposing to do as a part of this debt limit increase would be very counterproductive when it comes to the economy. I would also add that the President continues to sort of assign blame and blame the previous administration for the circumstances in which we find ourselves and, clearly, he inherited a difficult set of economic circumstances. I think we would all concede that.

What I would argue is the President has made that situation worse. He has made it much worse. If you look at since this President took office, we now have 2.1 million more people unemployed than there were when he took office. We have seen the Federal debt grow by 35 percent since this President took office. The number of people receiving food stamps today has gone up by 40 percent since this President took office. He has added \$11,000 to the debt of each individual in this country since he took office. Gas prices are up. They increased almost 100 percent since this President took office. The cost of health care has gone up 19 percent since this President took office despite assertions during the debate on the health care bill last year that it was actually going to reduce health care costs. We have seen all of these economic circumstances worsen on this President's watch.

It strikes me as we look at this debt debate that we ought to be thinking about what can we do to get out of this economic downturn. We are growing at a very sluggish rate, a little under 2 percent. We have unemployment that is over 9 percent, 9.2 percent. As I said, there are 2.1 million more people unemployed than when the President took office. Clearly the focus of our discussions as we lead up to this vote on the debt limit ought to be about the

economy, getting people back to work, growing the economy.

Frankly, I think there are a couple of things we have to do to get out of the debt situation. One is we have to cut government spending. Secondly, we have to get the economy growing and expanding again. So, clearly, that ought to be the focus.

When I said the President, in his proposal—at least as it has been reported because we haven't seen any proposal from him, but in the reporting about his discussions with congressional leadership, it has been suggested that the President has consistently advocated for more revenues, more taxes, and, in fact, as recently as last Friday, when there was still “a big deal” on the table—we were still looking at a possibility of actually striking an agreement—the President upped the ante even further. He moved the goalpost yet again. He wanted \$400 billion more in higher taxes.

It strikes me, and I think most Americans right now, that the worst thing we can do in an economic downturn and when we have 9.2 percent unemployment is raise taxes. There isn't a tax I can think of that will create a single job in this country. It would only make it more difficult and more expensive for our small businesses to create jobs. So that was a nonstarter. I think it became clear over time that it was going to be a nonstarter despite the President's insistence that tax increases be a part of whatever deal gets struck here.

As we find ourselves where we are now, I think it is important to think about where we have come from and to look at the time that has now passed and where we stand today. I think it is important to point out, as we talk about budgets and we talk about spending and we talk about debt, our job is to pass a budget. That is where it all starts. We haven't passed a budget now in 818 days. In fact, the last time the Senate approved a budget was back on April 29, 2009. So it has now been 818 days since the most recent budget was approved by the Senate.

So we are operating without a budget. Imagine how complicated it would be for any State government, any business in this country, if they continued to operate without a budget. That is what we have been doing in Washington now for 818 days.

So January 6 of this year came around and we knew this debt limit vote was coming and was out there. Secretary Geithner wrote to Congress asking that the debt limit be increased. That was back in January. At that time, the Obama administration was also pushing for a clean debt limit increase; in other words, a debt limit increase that did not include any kind of spending reductions or spending reform. He just wanted a \$2.4 trillion blank check to raise the debt by that amount.

Well, we came to February of this year—of 2011—when it came time for

the President to submit his budget to Congress. That budget seemed to be in complete denial of the reality we find ourselves in today because that budget would spend \$46 trillion and add almost \$10 trillion to the publicly held debt over the next decade, as well as increase taxes by somewhere on the order of \$1.5 trillion, \$1.6 trillion. So it had more spending, more debt, and higher taxes at a time when we are in an economic downturn, when we have high unemployment, and we have year over year deficits that are adding massively to the debt in this country. So the President's budget was met with a thud, as one would expect, when it was presented to the Congress.

As we went on in the year, in March of this year—March 31 to be exact—the Senate Republicans introduced a balanced budget amendment. We recognized that in order for us to get our fiscal house in order, to start living within our means, to quit spending money we don't have, we have to have some kind of a discipline imposed on the Congress, a requirement that we balance our budget every year, as do so many States. There are 49 States in this country that have some form of a balanced budget amendment in their constitution, some sort of requirement that forces them to make their books balance at the end of the year. So we introduced a balanced budget amendment, and we still hope at some point to get a vote on that. That hasn't happened yet, but that is certainly something we want to enter into this debate because we think it is important not only to deal with the spending in the near term, but also to come up with a solution in the long term, and a balanced budget amendment would certainly accomplish that.

On April 11 of this year, Chairman PAUL RYAN of the House Budget Committee introduced his budget in the House of Representatives. Of course, on April 13, right after the submission of that budget, the President then gave a "revised budget" speech. It was interesting because Congressional Budget Office Director Elmendorf later stated that the CBO—the Congressional Budget Office—doesn't score speeches, so they really couldn't attach any sort of numbers to the President's speech because they don't score speeches. We have yet to see any kind of an actual submission of a plan from the President prior to his provisional budget submission, which, as I said, came in with higher taxes, higher spending, and higher debt.

On April 15, in accordance with the schedule required under the Budget Act, the House passed their budget. So the Republicans on the Senate Budget Committee asked the President to submit a revised budget based upon his speech. That revised budget was never submitted. We had a House-passed budget. We had the President's sort of on the sidelines, out of the debate, and then in May of this year Republicans on the Senate Budget Committee—and

I am on that Senate Budget Committee—were told to expect a budget markup which never materialized. So we still didn't have a budget in the Senate. The budget passed by the House of Representatives was roundly criticized by the Senate and by Democrats in Washington. But it is the only budget proposal—actual proposal—that has been voted on and that we have literally seen in over 818 days now.

We knew this vote on the debt limit was starting to get closer, so discussions picked up in terms of having some meetings to determine how we might proceed and what we might do to put a package in place that would allow us to raise the debt limit, but do it with significant spending reforms and spending reductions. Vice President BIDEN held his very first meeting on May 5 of this year—2011—and those discussions continued on for some time.

We also had on the floor of the Senate on May 25 of this year the President's budget he submitted to Congress back in February. So we actually had a vote on that. That vote was 97 to 0 in opposition to the President's budget. There wasn't a single Republican or a single Democrat in the Senate who said the President's original budget submission was something they wanted to be associated with or wanted to support. So not a single vote in the Senate for the President's original budget submission.

So we continued on into June, and I think there was hope there would be some agreement between the President and congressional leadership on how to proceed with this debt limit vote that comes up ahead of us now sometime next week. Those discussions continued, as I said, as recently as last week and finally started to unravel and fell apart, at which point it became clear we were going to need a solution and an answer.

So, again, the House Republicans put together and passed a proposal called cut, cap, and balance which would have cut spending now, immediately, capped spending in future years, and put in place a balanced budget amendment which would ensure that in later years we would have the kind of discipline that is so important and so lacking in Washington. That was on July 19, 2011, when the House passed that legislation.

So it came over to the Senate. We had a vote on it in the Senate on July 22, last week, and the Senate Democrats voted to table the cut, cap, and balance approach and denounced it as not a serious effort to do anything about the fiscal circumstance in which we find ourselves.

We didn't get a chance to debate it and get to an up-or-down vote. We had a tabling motion and a vote on a tabling motion by the Democratic leader and as a consequence it was defeated. So we don't have anything yet in place that would deal with the debt limit coming up ahead of us next week.

So that is where we are today. As I said, the House Republicans have again

taken the leadership and put forward yet another proposal, and I expect they are going to vote on it sometime later this week, perhaps as early as tomorrow. We evidently now have before us something the Senate leadership, Senator REID, has put forward we may end up having a vote on this week. But somehow, some way, we have to get to where we solve this before next Tuesday.

I am not among those who believe it is an option for us to get past next Tuesday and then try and figure out what happens next. I believe we need to act. We need to act in a way that is responsible, but we need to act in a way that addresses the real issue, which is not the debt limit but the debt.

I wish to point out when the President originally requested—and I think he reiterated that request in April—a clean debt limit, there was an assumption that Congress would just give him a \$2.4 trillion increase in the debt limit without any kind of attempt to rein in the real problem, which is the debt.

So we have been consistently advocating to try to get spending reductions, spending reforms into this equation. The President has consistently advocated in favor of tax increases. To him, this is defined as a revenue problem, not a spending problem. Most of us see this as a spending problem. When we have spending as a percentage of the entire economy that is literally at the highest level since World War II, we have, fundamentally, a spending problem. It cannot be resolved by raising taxes on small businesses; it needs to be resolved by cutting spending.

When we cut spending, I believe we will also put in place the confidence the economy needs to start picking up and growing again, and we will get the other component, the other element that is so important to getting out of this mess; that is, an expanding, growing, vital economy that is creating jobs and creating greater prosperity for the American people.

So this is where we are. We are in the last week. I think the President is essentially missing in action. His proposal to raise taxes which he talked about again last night in his speech is old news. It is yesterday's news. We know that is not going to pass in the House of Representatives, and it probably wouldn't pass in the Senate. Right now, the simple math is we have to be able to pass something by next Tuesday. We have to put something forward that can secure 217 votes in the House of Representatives and 60 votes in the Senate.

Some of us maybe aren't going to like certain elements of what is going to be put forward. But what I can tell my colleagues is, we have come a long way in terms of steering this debate away from the President's original budget proposal which, as I said, doubled the debt over 10 years, massively increased spending, massively increased taxes, and from the point where the President was asking for a

debt limit increase devoid of any spending cuts or spending reforms—simply a \$2.4 trillion blank check that would allow him to raise the debt limit—to a time where we are actually talking about significant reductions in spending both in the near term and in the long term. Whether the proposal that passes the House this week ends up being what we ultimately vote on in the Senate, it is the only viable option out there.

The President doesn't have a plan. He never has had a plan. The Senate Democrats don't have a plan. They haven't had a budget in 818 days and have yet to put forward anything until, as I said, this most recent idea Senator REID came up with. But we are up against the clock. We need to get this done. The American people expect us to get it done. The market expects us to get it done. Not doing so would put at great risk our credit rating and our ability as a great nation to function and to attract the type of credit we need to keep our government going, unfortunately.

I hope in the end what comes out of this is some reforms that will put us on a path where we are starting to take that debt down, where we are not literally borrowing over 40 cents out of every dollar this government spends. That is where we need to end up.

But for now at least we have to get a measure in place by next week that doesn't raise taxes in a way that would hurt the economy; that gets discretionary, nondefense spending, and, for that matter, defense spending under control in the near term and puts in place a process by which we can get a result on reforming entitlement programs and dealing with what we call the mandatory part of our budget.

So that is where we came from. It has been an interesting path to get here, but there is a lot of revisionist history that gets put forward, and I wish to remind my colleagues where we came from because I think it is important and informs the decisions we will make today.

For the President to suggest for a minute that somehow the House Republicans are to blame for where we are today is not consistent—in fact, it is completely contradictory—with the facts. It is the House Republicans who passed a budget on time back in April. It is the House Republicans who passed a plan last week, a cut, cap, and balance plan to deal with this debt limit. It is the House Republicans who tomorrow who will vote on yet another proposal put forward after the President upped the ante last week and made it clear that the only way he would accept a deal would be with significant tax increases on the American people and the American economy at a time when we can ill-afford it.

So I hope as we proceed into this week—and the days are numbered—we will get a piece of legislation on the floor of the Senate that can secure the 60 votes necessary for us to avoid hav-

ing to meet that trigger next week and to do something that would address the long-term issue of spending and debt, get spending under control, and actually, in my view, put the conditions in place that would enable economic growth and job creation in this country; so we can cut spending and grow the economy, which, in my view, are the two elements we need to put the country back on a better path.

So with that, I ask my colleagues to work with us this week against this deadline to get in place a solution to this problem that deals with the fundamental issue; that is, the issue of Washington's overspending, and start to rein that in.

I yield the floor.

The PRESIDING OFFICER (Mr. BENNET). The Senator from Nebraska.

Mr. JOHANNES. Mr. President, I want to start out today by complimenting the Senator from South Dakota. He has gotten it absolutely exactly right. I wish to associate myself with the comments he has made.

We are 7 days away from literally a crisis in our country. We are down to a point where it is getting even difficult to try to figure out, with the timelines naturally built into the process, how you get from here to there in 7 days, and yet that is what faces us.

Last night, like many Americans, I watched and listened to the President and listened to Speaker BOEHNER. I must admit, when it comes to the comments made by the President, I do not understand where he is coming from. He talks about higher taxes and more revenue when the reality is, at this late date, he is the only one talking about that.

I have been one of those people who has said for a long time we absolutely need to engage in a process of reforming our Tax Code. It is too complicated. It is almost an antigrowth piece of work. I am anxious to work with my colleagues. But with 7 days left to try to suggest there will be a massive amount of new taxes does not make any sense. That is not in the Reid plan. It is not in the Boehner plan. Yet there it is.

Well, here we are. We are literally 7 days away. As I said, as I watched those comments last night, it looked to me like campaign rhetoric. It looked like positioning for the next election. It looked like class warfare. What it did not look like to me was Presidential leadership. Yet our creditors around the world are watching this debt limit debate unfold, and they are as shocked as all of us are by the lack of leadership coming out of the White House.

This weekend, the President was presented a bipartisan approach. I found it reassuring over the weekend to know that our leaders in the Senate here were talking and trying to work their way through this terribly complicated issue, very difficult issue. I thought with that kind of effort, when an approach was presented to the President,

he would naturally embrace the approach. With only 1 week left, that made the most sense to me. Yet, surprisingly, the President rejected the approach. The reason? Well, the reason is, as he has said so many times, the President does not want to have to deal with increasing the debt limit next year during his campaign for a second term.

I find that shocking since last night, when he addressed the Nation, he expressed great concern about our debt limit negotiations being in a stalemate. Yet he could have used that opportunity by accepting the bipartisan proposal that had been presented to him a day or so earlier. He had the opportunity to show the type of leadership our country needs and is crying out for, but he decided to reject the plan and retreat to political talking points.

The President also said he would veto Speaker BOEHNER's approach to raising the debt limit for 7 months, claiming it kicks the can down the road—claiming that is what it would be.

Let's look at that. Let's examine what the President is trying to convince this Nation of. Over the last 25 years, Congress has increased the debt limit 31 times. Mr. President, 22 of those 31 times were for less than a year. Yet the President claims he will veto anything not extending into 2013? It defies logic to decry our debt and then veto anything unless it allows more record-setting debt. That is exactly what he is pledging he will do: veto anything less than the largest debt limit increase in the history of the United States of America—the largest.

His last debt limit increase in January was the largest in history at that point—\$1.9 trillion—yet instead of hitting the brakes and saying, "Whoa, time out, this is getting us in trouble," the President is doubling down, demanding yet another record-setting budget buster.

Who does the President think is going to pay off all this debt? It will be our children and our grandchildren. Passing multiple trillion-dollar debt limit increases without addressing our addiction to spending does far more to kick the problems down the road. It sends the problems over the cliff, in fact. Yet, despite this reality, the President continues to accelerate, as we get closer and closer to the cliff. The President recently said this:

The only bottom line I have is that we have to extend the debt ceiling through the next election, into 2013.

While numerous issues accompany this line of thinking, let's hit some high points.

Our national debt is more than \$14 trillion, and the President is requesting to increase it to \$16 trillion—the largest in our Nation's history. So why is the bottom line only about the length of the extension, not about spending reductions that put our country back on track?

Unfortunately, the President's only fundamental concern is how do we kick this past the next election. Above all else, not good policy, not what is best for our citizens, but the No. 1 goal is how to get past the next election. This is, unfortunately, his bottom line. Simply astounding that the campaign of hope and change has become such business as usual. Simply raising the debt ceiling absent any meaningful spending reforms will not work.

Now we find ourselves in one heck of a mess. With about a week to go, the latest in the debt limit saga is a proposal that was introduced last night by Senator REID. But here is why this latest plan has so many problems. Policywise, it does not hold together. The plan claims \$1 trillion in savings from reductions in troop forces. These savings assume the troop surge extends into perpetuity, which never was the plan. So it assumes savings from stopping spending that was never scheduled or even requested. It is like reaching into the air and grabbing savings. Essentially, this plan counts savings that were scheduled to happen.

Second, the plan counts \$400 billion in interest savings on that savings relative to the troop money that was not going to be spent, was not asked for. In other words, not only does the plan count nonexistent savings, it then compounds the policy problem by counting nonexistent interest savings on that savings. You simply cannot count savings that were never intended to happen.

We are dealing with a ticking timebomb here. We have rating agencies saying: My goodness, your debt is so out of control that unless we see a plan, we will not be fooled by the gimmicks. Yet this policy approach does not hold together. You see, the rating agencies, justifiably so, want to see real budget savings that actually help to improve our balance sheet.

We are at a critical time in our Nation's history. With 1 week left, the American people are yearning for bold leadership, not another shell game. Heated rhetoric and charged accusations are not going to fix the fiscal situation.

I stand ready to work with my colleagues on a solution, and I urge the President to do the same. Let's quit defending what is indefensible; that is, worrying about getting the can kicked down the road past the next election, and let's try to figure out how best to address this.

There was a plan that came out recently. It was a plan dubbed from the Gang of 6, and the Presiding Officer and I have had some interest in that plan. But we all acknowledge it is going to take time to put that plan in place, to debate that plan, to bring it to the floor, to do the things that are necessary. We have to take action now. I am a part of a group that says: Look, let's take a long hard look at that plan. Let's see if that is the plan we can move down the field to success.

But we have just 7 days left. We need to face the reality that 7 days from now we will be within hours of hitting our debt ceiling. Incidentally, to those who are arguing: No, it is not August 2, well, if it is not August 2, it is close to August 2. We are facing a real problem where there will not be enough money to pay the bills.

Many say: Pay the interest on the debt. Make sure you get that done. I am not opposed to that. I do not want to default on our debt. But that means we have about 50 cents on the dollar in August, according to a cashflow statement done by the Bipartisan Policy Group, and that means that 50 percent of those out there who would otherwise receive some type of payment from the Federal Government will not get it because there simply is not enough money to pay the bills.

So what does Speaker BOEHNER's plan do?

Well, it is a plan that is realistic. It says, look, we have to come to grips with where we are in the next 7 days or we can simply suspend rational thought, believe that the record-breaking debt increases to accommodate record-setting debt are somehow a plausible course. It is not.

I am more apt to believe the President's own words. When the debt limit increase was \$781 billion to raise our borrowing authority to \$9 trillion, then Senator Obama was in the place where we are in today, deciding on whether he would vote for a debt ceiling increase, and he called the situation then a "failure of leadership." He went on to say "increasing America's debt weakens us domestically and internationally."

Well, we were at \$9 trillion then, an unforgivable amount of money. Today we are at \$14.5 trillion, and the steam engine is firing away, building up more and more debt.

Senator Obama's words were as truthful then as they are today. Yet now he has done a 180. His Presidency has hit the turbo booster when it comes to record debt.

The PRESIDING OFFICER. All time reserved for the Republicans has expired.

Mr. JOHANNES. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

RAISING THE DEBT CEILING

Mrs. MURRAY. Mr. President, we are now 1 week away from the unthinkable prospect of the United States of America defaulting on its loans for the first time in our history and not making good on promises we have made to families, veterans, senior citizens across the country.

I am deeply disappointed we have gotten to this point. If we cannot come to an agreement by August 2, the consequences for our Nation and our economic recovery will be dire. A few weeks ago, the Bipartisan Policy Cen-

ter put out a report that was actually authored by a former Bush Treasury official about what would happen if Congress failed to act and if the administration was forced to make desperate spending decisions in August. The scenarios were very grim.

Potentially at risk were the benefits and health care we owe our veterans, loans for struggling small businesses, food stamps for people who are struggling to buy groceries, Social Security checks for our seniors, unemployment benefits for millions of workers who are desperately looking for jobs today, and even Active-Duty pay for our military.

If the debt ceiling is not raised, we also face the very real and frightening possibility of our economy falling back into another deep recession, interest rates going up for our families and consumers, millions of workers losing their jobs, and small businesses being forced to close their doors. These risks are unacceptable. People are still recovering in this tough economy and they cannot afford to have the rug pulled out from under them.

Many families from my home State of Washington have reached out to my office throughout this debate, trying to figure out what they would do if the support they depend upon to stay in their homes, to put food on their tables is suddenly cut off. They have a pretty simple message: Get it done, compromise, and put American families first.

One letter came from Anne Phillips from Tacoma, WA, who after 18 years of work was laid off during the recession. Anne told me about how she felt she was doing the responsible thing by getting herself up, dusting herself off, going back to college. But now she is worried sick because of the fact that the interest rate she pays on her student loans, which she relies on to pay for school, would shoot up if we default.

In her letter, Anne made clear who the real victims of default would be. She said: "Ultimately people like me, my husband, my family, and all the people I know who are doing their best every day to make the contribution to society will pay the expense."

Anne is not alone in her concern. I have heard from veterans such as Kenneth Huff, a retired master sergeant from Olympia, WA. He spent 28 years serving our country. He told me how through a life in the military he learned the value of compromise and how he is tired of the way the peoples' work is not being done.

He wrote:

I agree. We can cut back on spending. I know we can do a better job. But not on the backs of the very poor, the middle class, veterans and our seniors who are on Social Security and Medicare.

I have also heard from Social Security recipients such as Alisa Terry from Bellingham, WA, who told me how important that monthly check is to her and what it would mean if she did not get it next month. She says: