

is important we repeal and replace this health care law.

Madam President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Maryland.

Ms. MIKULSKI. Madam President, how much time am I allowed?

The ACTING PRESIDENT pro tempore. Ten minutes.

Ms. MIKULSKI. I thank the Chair.

#### THE DEBT LIMIT

Ms. MIKULSKI. Madam President, I come to the floor today with a great sense of urgency. We are less than 1 week away from reaching our debt limit. If we fail and we falter, the United States of America will be irrevocably fractured. We aren't at an impasse; we are at the edge of a cliff. Unless Congress acts, we are going to go over it.

What will be the consequences of it? If we do not meet our obligations to pay our debts, it will result in a default, and default will result in enormous increases in interest rates. For Americans who are so worried about tax increases, I've got to send a real red alert. When interest rates go sky high because of our failure to act, it will be the biggest tax on America that we could have, and it will be a tax at the kitchen table. It means if anyone has a variable-rate mortgage, it will skyrocket.

If you have a student loan, that interest is going to increase. If you have a car loan, forget it. The payments are going to be enormous. So we need to face what this means: raising the debt limit. We need to prevent the default so our bond rating is not lowered.

I have never been big on talking about bond ratings, but this is a crucial one. We now have a AAA bond rating. So what does that mean? It means when they buy our Treasury bills or other government-secured investments, but particularly our T-bills, it is as good as gold. If we are downgraded, we could just be a tinhorn, tin-cup nation. This is not the United States of America. This is not what people fought and died for.

When people say they represent a party that wants to defend the Constitution, we all have to defend the Constitution. Right now, defending the Constitution and defending America is to lift our debt ceiling and get to the hard work of, No. 1, dealing with our debt but also dealing with job growth.

We have to get to work. Instead, we are busy at work playing the blame game. Squabbling is not a solution. But I believe we Democrats do have a solution, and I think the solution does lie in the Reid proposal. The Reid proposal the majority leader has offered is substantive, it is real, and it is achievable.

I was on TV yesterday, and they said: Oh, you are a liberal Democrat. Well, I don't know if I am a liberal, I don't know if I am a conservative, but I will tell you what I am. I am a diner Democrat. I think about the people. I think

about the ordinary people, and I think about their day-to-day needs. When people talk about what kind of solutions they mean, they want everything on the table. What I want on the table are the things that affect the kitchen table. That is why I support the Reid proposal. It is an achievable framework for avoiding default and downgrade of our bond rating now.

What does it do? It has three important elements.

One, timing, to take us through 2012. It is not about the next election. It is showing we are serious and we are substantive.

Second, it has important content where we do cut Federal spending. It's observable, it's quantifiable, and it's verifiable.

No. 3, it gives us a path forward to deal with the important issues of entitlement and revenue reform. Wow.

So why can't they take it? I am puzzled about why they can't take it. Is it 2012? OK. Who knows who is going to be in control of either the White House or the Congress then? But it can't be about us. It is not about me. It is about we—we, the people.

Let's go to the content. There are substantial cuts there in discretionary spending. And there are substantial cuts to defense spending that do not affect readiness or military health care. These are actually cuts that the House voted for in the Ryan budget. So a few weeks ago, they said yes to the cuts. But when we say yes to the cuts, they say no to the proposal. I don't get it. But it's not whether I get it. It is that we have to make sure we get a solution.

What I think is important about the Reid proposal is it is \$2.7 trillion in cuts. I understand CBO has scored it and they say it is \$2.2 trillion. Well, \$2.2 trillion, \$2.7 trillion, that is real money. That is real money, and it shows we are serious.

It also provides this important path forward called a Joint Committee. It is not a commission where it is going to be outsiders who are experts from think-tank environments and hoo-ha, hoo-ha. It's Members of Congress, both sides of the aisle, both sides of the Dome. Let's get it together with them, and then let's have this committee where we then move forward on the reform of revenue as well as looking at entitlement reform.

I want to be clear that if, the horror of all horrors comes where we fracture the standing of the United States of America, not only in the financial markets but in the standing of the world, it will have very serious consequences.

The President is going to have to pay the bills based on whatever money is coming in. He would not be able to borrow. America would not be able to borrow. So our T-bill will not have the same value it once did. He is going to have to pay our bills.

What are the consequences on federal benefits? One is paychecks. The first paycheck he is going to meet is the

paycheck for our troops. He has to make sure that if they are fighting to defend America while we are squabbling around and screwing around, we are going to pay our troops. My God, did it ever occur to anyone that our troops wouldn't get paid? Yes, it is going to be tight.

So we pay the troops. We are going to certainly pay our veterans' benefits. They might not be the same amount the first month, but we will kind of squeak through. Then, it will be Social Security. Well, maybe the checks will go out, but maybe it will only be at half the amount. But the Social Security offices will be closed. So benefits will have a direct impact.

Where is he going to slow down the trickle of money? To State and local governments. So what does that mean? Community development block grant money, education, and so on. That is going to cause enormous layoffs of public employees and contractors at the State and local level. The asphalt contractor, the person who handles the office machinery, minority contractors, and so on—all that small business they love to romanticize over are going to have a big impact.

Then the Federal Government will definitely have to slow down or not pay at all contractors, whether it is the big defense guys that employ thousands and thousands of people or it is the small- to medium-sized businesses, like the ones in my own State that do information technology?

We are about to destroy the reputation and solvency of the United States of America. We are about to destroy the reputation and solvency of the United States of America not only for one day but for a decade and maybe the rest of the century. This is not being done by an outside power. We are spending \$700 billion on defense, and we are destroying ourselves by a self-inflicted wound because of political dysfunction, political rigidity, and political ideology. What the heck is this? I could even use more intense language. What we are about to do, we cannot allow this to happen.

One of my colleagues said to me yesterday, Senator MIKULSKI, what would it take to get you to the table? I said: Get me a plan and 30 Republican names behind it; I will see if I can support the plan and get 30 others.

I know my time is up, but I don't want the time to be up on America. Let's come together. Let's stop being Democrats, let's stop being Republicans, let's call us what we should be called: Americans.

What do Americans do? When the times are tough, the tough get going. Let's get going. Let's make the tough decisions. Let's put politics aside, put America No. 1, and get us back on track.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from New York.

Mr. SCHUMER. First, I wish to thank my good friend and colleague

from Maryland for her great words. She comes from the heart of Maryland and the heart of America. Very few people I have met in politics in my many years in this endeavor have an understanding of how average people feel and think and tick than the great Senator from the State of Maryland, and I wish to thank her for her outstanding remarks. If this body on both sides of the aisle would listen to her and her commonsense intelligence, we would be in a lot better shape than we are now. So I thank my colleague from the great State of Maryland, the senior Senator.

I rise to discuss the deadlock we have reached in the debate over raising the Nation's debt ceiling. Two nights ago, the President spoke and put the current stalemate in the context it belongs: The result of a small block within the House Republicans that refuses to compromise even one inch, it is on their shoulders.

We have perhaps 100 Republicans at the extreme right who seem to be leading the Congress and the Nation over a cliff. They don't even care about the idea that we might default. It is appalling. Yet they seem to be calling the shots.

For the last few weeks, the President has met over and over with House Republicans trying to meet them halfway and in some instances more than halfway. He has offered to cut record amounts from our debt and make cuts in programs that would be extremely painful to our side of the aisle. This minority in the House has come to think of "compromise" as a dirty word, and it appears as if they can't take yes for an answer. If you don't care about debt reduction, if you don't care about debt ceiling, rather, you can't get something done.

Speaker BOEHNER, who is a good and reasonable man, wants to do the right thing and compromise, but he is struggling to rein in his caucus. Instead of leading the House, Speaker BOEHNER is being led by a fringe in his caucus that thinks default is OK. This week, Speaker BOEHNER offered a two-step plan that simply kicks the can down the road. It resolves the debt ceiling only for the next few months. With the new CBO numbers, it will inevitably resolve it for even a shorter period of time, and that puts us, within a few months, right back at square one, all over again, with the same anxiety, the same gridlock, the same problems we face today. What sense, in the good Lord's name, does that make to just repeat this over and over until we drive off the cliff? It makes no sense.

All we have to do is look at how difficult this crisis has been to resolve after a year of negotiations. Does anyone think it would be a good idea to do this all over again in less than 6 months? The Speaker's approach is not only wrong, it is dangerous. It would leave a cloud of default hanging over our heads for the next several months, undermining confidence in U.S. bonds.

Market analysts have rejected the Speaker's approach, saying it could ac-

tually bring some of the same bad consequences as a default itself. It could even cause a credit rating downgrade.

Just yesterday, the CEO of Nasdaq testified before the Judiciary Committee and said:

The longer the deal, the better it is for the markets.

Christian Cooper, a currency trader, was quoted by Bloomberg News this morning saying:

From the markets' point of view, a two-stage plan is a nonstarter because we now know it is amateur hour on Capitol Hill and we don't want to be painted in this corner again. There is significant risk of a downgrade with a deal that ties further cuts to another vote only a few months down the road.

He said it better than any of us could say it, and he is a currency trader.

Mohamed El-Erian, the CEO of PIMCO, one of the most respected investors in the markets—and he invests, as I understand it, hundreds of billions of dollars. Mr. El-Erian expressed concern the other night that "the political ground is being prepared for a short-term stop-gap compromise." He warned this could push stocks down and leave the U.S. debt rating "extremely exposed to a damaging downgrade." Let me again quote Mr. El-Erian, one of the great experts on our credit markets. What he said is, the kind of plan that came over from the House that is attempting to be debated in the House—I don't think it will even make it over, but the kind of plan being debated in the House would "create an extremely exposed damaging downgrade to our credit, to our Nation's debt rating."

Even Republicans rejected a short-term increase in the debt ceiling as recently as last month. DAVE CAMP, Republican chairman of Ways and Means, said:

It doesn't give you certainty. Ideally, you'd like to get that settled and not have to continually have it a continually hanging-over issue.

That is the Republican head of the Ways and Means Committee.

House majority leader ERIC CANTOR said:

If we can't make the tough decisions now, why would [we] be making those tough decisions later. I don't see how multiple votes on a debt ceiling increase can help get us to where we want to go. It is my preference we do this thing one time. . . . Putting off tough decisions is not what people want in this town.

That is from House Majority Leader CANTOR. Yet he is leading the charge to send over the very type of plan he has criticized only a few weeks ago.

Republicans have apparently flip-flopped on this point. They are now saying they want the same kind of short-term debt ceiling increase they opposed on substantive grounds previously. Republicans have flipped-flopped on this point. Make no mistake about it, a short-term deal is still a nonstarter in the Senate and nothing more than a glidepath to a credit downgrade, and we will not allow it.

While Republicans continue pushing for an unproductive plan, Senator REID's plan, the Senate plan, offers real potential to finally break this impasse. It makes difficult choices. It includes almost \$1 trillion in discretionary program cuts, including defense. This is serious belt tightening that will have consequences, good consequences, for years to come.

The plan received a major boost this morning when Congress's official scorekeeper confirmed that the first draft cuts more—a lot more—than the Boehner plan. According to the Congressional Budget Office, the Senate draft bill achieves almost \$1.3 trillion more in deficit reduction than the Boehner plan.

The report also affirms that the \$1 trillion in savings the Senate planned from the Iraq and Afghanistan wars is real. That is CBO saying it, not some Democrat who is hoping and praying for an easy fix. This completely undercuts the arguments by Republicans who have tried to call these savings a gimmick, even though they included them in their own budget and voted for them a few months ago. If it was OK in their budget, it has to be OK in our budget. You cannot just change your mind based on whose budget it is. Substance should matter to some extent.

Plus, since the CBO only measured the plan's first draft before additional planned savings were incorporated into the bill, the final version of the Senate plan will achieve even deeper savings when it is filed on the Senate floor. As Politico reports this morning:

In the battle of budget scores, the Senate Democratic deficit reduction bill is the clear winner thus far over an alternative by Speaker John Boehner.

Lastly, Senator REID's proposal allows for a joint committee that has the potential to achieve even deeper savings down the road to get our country back on the path to economic growth. All in all, this is an offer that Republicans cannot refuse. All of the cuts in Senator REID's proposal have been supported at one point or another by the Republican side. It meets the two main requirements laid out by the House Republicans: First, Speaker BOEHNER said the amount of the debt ceiling increase must be matched by the amount of spending cuts. Our proposal will do just that.

Second, Speaker BOEHNER said the tax increases must be off the table. Even though most of us would prefer tax increases, our proposal includes no revenue raisers whatsoever. We don't want tax increases on the middle class; we want tax increases on the wealthy and elimination of corporate loopholes. To not have them is a hard decision to many on our side who know we are going to need to do that for serious debt reduction.

The bottom line: In conclusion, we are getting dangerously close to August 2. Over and over Democrats have shown a willingness to move in the direction of Republicans. It is time for

Speaker BOEHNER to cut off his extreme Republicans who refuse to support even the plan that he crafted to meet their reckless demands. The Reid plan is our best route to a compromise. It is a compromise we need soon before the markets render a truly ominous judgment that will set our economy back for years.

I yield the floor.

Mr. DURBIN. Madam President, I thank my colleague from New York, Senator SCHUMER, as well as Senator MIKULSKI from Maryland for coming to the floor this morning and speaking about the crisis we face. The debt ceiling default, which will occur in 6 days if we do not act, will have a profound, negative impact on America's standing in the world and our economy at home. It threatens to stifle job creation and to slow down the business growth we need to get out of this recession. It is the most serious impact one could imagine at a time when we are facing this kind of recession.

This debt ceiling is being extended, or should be extended, under a law that was passed in 1939. We have extended the debt ceiling 89 different times: 55 times under Republican Presidents, 34 times under Democratic Presidents, and virtually every President has done it.

The President who holds the record for the most debt ceiling extensions in history is Ronald Reagan. Ronald Reagan extended the debt ceiling 18 times in his 8 years, during that period of time tripling the national debt. The President who holds the record next is President George W. Bush, who doubled the national debt in his 8 years and raised the debt ceiling 9 times.

This should have been done, and done routinely. Many of the Members of Congress, House and Senate, who come to the floor and say we will never vote to extend the debt ceiling are not being honest with the American people. The debt ceiling is paying for what Congressmen and Senators voted for. They came to the floor and said: Let's go to war, let's stay at war, let's spend \$10 billion a month. And the President said: That was Congress's decision. Now I have to borrow the money to keep that promise. And these Members of Congress are saying: Oh, no, we don't want to have any fingerprints on the debt ceiling extension.

We cannot have it both ways. Members of Congress cannot ask for spending and then fault the President when he has to borrow money to make it happen. That is exactly what they are doing.

The President has tried to work out a bipartisan agreement to deal with this debt ceiling crisis. He invited in Republicans and Democratic leaders with Vice President BIDEN to sit down and work out an agreement, a bipartisan agreement. About 4 weeks ago, the House Republican majority leader, ERIC CANTOR of Virginia, stood up and walked out. He said: I am walking away from these bipartisan negotia-

tions. I am not going to be party to them. Leave it up to Speaker BOEHNER.

Speaker BOEHNER then went into negotiations with President Obama, talking behind the scenes about ways to resolve this issue. That was a positive thing. But then he announced he was walking away from negotiations not once but twice, most recently last Friday.

Monday night, television sets around America were tuned in as the President of the United States explained this crisis and then Speaker BOEHNER explained his point of view. Speaker BOEHNER said Monday night he had a plan, a plan that would solve this crisis in a responsible way. That was Monday night. But then came Tuesday, and as the dawn came on Tuesday morning and people took a close look at the Boehner plan, here is what they found.

They found that business leaders across America were saying it was a terrible idea, the idea of a 6-month extension to the debt ceiling; going through this mess again and again would harm our economy.

Then the Congressional Budget Office took a look at the Boehner plan. They talked about it Monday night and said it does not add up. It does not cut the spending Speaker BOEHNER said it would. Then, finally, 100 members of Speaker BOEHNER's Republican caucus walked out on him yesterday, saying it was a bad plan.

So here we are, 6 days away from a deadline, 6 days away from a manufactured political crisis. It is time to do what is right. Senate majority leader HARRY REID has a proposal which addresses this responsibly. It cuts spending—and it has already been scored, has it not, by the Congressional Budget Office? It turns out that unlike Speaker BOEHNER's plan, Senate majority leader HARRY REID's plan does cut spending to move us toward a balanced situation.

Second, it extends this debate beyond the next election, beyond the next year, so we do not put our fragile and weak economy through this again and again. That is sensible. It also calls for the creation of a joint committee to deal with the long-term deficit. I have been involved in this conversation with the deficit commission, again, with the Gang of 6. We can do this on a bipartisan basis if we are honest and open with one another, and Majority Leader REID leads us in that direction.

We face a deadline 6 days from today. The Boehner plan of Monday night has disintegrated before our eyes. It has been rejected by business leaders. It has been rejected by the Congressional Budget Office. It has been rejected by the House Republican caucus. It is time for a little humility on both sides of the aisle from both parties.

Let's put all this squabbling aside. Let's focus on America's economy, putting people to work, saving businesses, and handling our debt in a responsible way. We can do it. We can do it if we stop listening to the political extrem-

ists and start dealing with the center of America which calls for leadership and wants us to put an end to this squabbling.

I yield the floor.

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

## EXECUTIVE SESSION

### EXECUTIVE CALENDAR

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to executive session to consider Calendar No. 194.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will report.

The legislative clerk read the nomination of Gary Locke, of Washington, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of China.

Mr. REID. I ask that the nomination be confirmed, the motion to reconsider be considered made and laid upon the table, with no intervening action or debate; that any statements related to the nomination be printed in the RECORD; that the President be immediately notified of the Senate's action; and the Senate then resume legislative session.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The nomination was confirmed.

### LEGISLATIVE SESSION

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate resumes legislative session.

The Senator from Arizona.

Mr. MCCAIN. I ask unanimous consent to speak in morning business for additional time, if necessary.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

### THE DEBT CEILING

Mr. MCCAIN. Madam President, as the Senator from Illinois just pointed out, today we are 6 days away from a possible default which could plunge this country into a serious crisis. In fact, there are some who view maybe it is not exactly 6 days; it could be a few days more. There are those who argue that somehow—in a bizarre fashion—that somehow we could prioritize our payments to the most urgent requirements, such as our veterans, such as Social Security and others.

I wonder, what if the Greek Government came up with that same proposal as they went into bankruptcy, that they would prioritize spending that is remaining?

The point is, today we are 6 days away. The point is, markets are jittery. Investors are concerned. Most importantly, our constituents are frustrated. They are confused and they are