

Transportation Department—those double-digit increases at a time when we are running the biggest deficit the Nation has ever sustained.

Senate Democrats have refused to pass, meanwhile, in this body—pass or bring up a budget for 820 days, 2 years. The majority leader said it would be foolish to pass a budget. Foolish to not pass a budget?

So these are facts. Our colleagues who run the Senate here have defied the law and sound policy all year long, and now we are paying the price—a last-minute, take-it-or-leave-it, panic vote. Nobody yet knows what is going to be in the legislation finally because of the rejection of any bill that seems to be out there at this time.

If the White House or Senate Democrats had taken the budget process seriously last year and if they had presented a single credible plan to cut spending, we wouldn't be here at this eleventh hour. Indeed, our Democratic colleagues have insisted on secret meetings that shielded them from making any of their budget plans public, that shielded them from any real votes on spending and debt, and it appears those meetings have failed.

Democrats have campaigned and sought control and a majority in the Senate, and they chose, in this time of fiscal crisis, not to engage in the budget process in a serious way. In fact, they are apparently so determined to avoid the public budget process that the Reid bill even includes language designed to circumvent the process for 2 more years.

So you will forgive me if I am a little concerned by all these attacks on the tea party. They didn't start this fire; they sounded the alarm. Before the last election, when Democrats controlled both Chambers of Congress by substantial majorities, every conversation was about increasing spending, more, more, more. Congress passed a stimulus bill—the largest single onetime expenditure ever passed by any Congress or any nation in history, every penny of that borrowed. We were already hugely in debt. We are now borrowing 40 cents of every dollar. It passed. The Congress also passed the President's massive new health care entitlement. It passed the President's request for extraordinary increases in discretionary spending. Nondefense discretionary spending has gone up 24 percent at a time of record deficits in the last 2 years. We have added \$4 trillion to our gross debt since the President took office. Just in the time since the Senate Democrats last passed a budget, we have spent more than \$7 trillion without a budget. These are the facts.

But after the 2010 election and the emergence of the tea party and commonsense American people who knew better about what is going on in Washington, we have finally begun to look at Washington's spending problems. Now, instead of just raising the debt ceiling with no spending cuts, as the White House initially and repeatedly

demand, we are talking about how to cut some spending.

People in the tea party and those who share their concerns should not be the ones vilified. They are good, decent, patriotic Americans whose only crime is rightly fearing for the future of their Nation. Are they wrong to be concerned when this Congress spends money willy-nilly every day, 40 cents of it borrowed? They know this is not right, and that is the kind of message they have sent to us. We need to listen to the heart of America speaking.

The last point I would like to make is about the issue of compromise. There have been suggestions that the Republicans have simply been unwilling to budge from their position. But the Boehner proposal represents only a small portion of the cuts the Republicans have advocated and that they believe should be achieved. This is truly a critical point and one the White House will not acknowledge. The House budget that they passed, a long-term 10-year budget that would change the debt trajectory of America and put us on a sound financial course in a responsible way, cuts \$6 trillion in comparison to the President's request. The Toomey budget the Senate voted on cuts about \$8 trillion. The House passed a plan, which I cosponsored, that not only cuts and caps spending but that requires the passage of a constitutional balanced budget amendment. In fact, all 47 Republican Senators have cosponsored a constitutional amendment to balance the budget.

The \$1 trillion in cuts Speaker BOEHNER is asking for would be, indeed, a modest first step, an effort to compromise and reach a number that had a realistic chance of passing this body. But under his plan we will return to the table after that \$1 trillion increase in the debt ceiling has been used. This is far from the level of savings I wish to see, or the Republican House wishes to see. One trillion dollars is a bitter pill for a lot of those Members who know it is not enough. The economists and others and bondholders are telling us we need at least \$4 trillion. That just reduces the crisis nature we are in. That would not come close to putting us on a path to a balanced budget over 10 years. Reducing deficits by \$4 trillion over 10 years when our deficits are going to increase by \$9 trillion to \$13 trillion over 10 years obviously does not solve our debt crisis. But \$1 trillion is even much smaller. That was a figure that was believed that this Senate might accept, so the House Members, in order to avoid a debt crisis and a financial crisis over the debt ceiling, are apparently working hard and maybe they will send it over here, I don't know. They are working hard to try to do that. I think that is a reasonable compromise and a fair approach to this Congress.

We are going to spend around \$45 trillion over the next 10 years. That will add as much as \$13 trillion to the gross

debt. It is clear we have a lot more work to do. We are going to be fighting for cuts in spending bills, omnibus bills, continuing resolutions, and in every other place we can to impose fiscal discipline on this country. We must control spending. We must control and conquer the debt.

The President said he wants a balanced approach to the deficit—a balanced approach. But a balance is not a tax hike that bails out the big spenders who surged our spending with stimulus bills and surging 24-percent increases in discretionary spending. He is going to bail them out by raising taxes. We should never have run up that kind of spending. But balance is not a tax hike of that kind. Creating real balance, the right balance, means shifting power away from Washington, placing it in the safe hands of the American people. That is what the voters said last year when they gave a shellacking to the big spenders and that is what we should do now, and that is what I will be working for and I believe a lot of other people in the Congress on both sides of the aisle will be working for.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mrs. McCASKILL). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

#### PRIORITIZING DEBT

Mr. TOOMEY. Madam President, last January—probably late in the month I think it was—it occurred to me that as we proceeded in the direction of approaching the statutory limit of our borrowing as a government, the discussion was becoming a little bit counterproductive in some respects. One, in particular, was this constant threat we would default on the loans we had taken out as a government, the bonds that were held by millions of Americans, and that a default would have cataclysmic repercussions. It occurred to me that this is an unproductive discussion, in part, because no such default was ever going to happen. Certainly, it didn't need to happen. In the event we didn't raise the debt limit upon reaching it or prior to that, we would have enough ongoing tax revenue to cover the debt service by many multiples.

So I introduced legislation that would clarify this. It would take this risk off the table and try to provide some clarity to markets and to senior citizens who are savers and who have invested their savings in Treasuries and to have a constructive and honest debate about what the implications are of reaching the debt limit without raising it. So I introduced a bill that would instruct the Treasury Secretary to prioritize debt service in the event we

didn't raise the debt limit upon reaching it.

Unfortunately, the idea was dismissed by the administration. It was derided. It was castigated. It was described as reckless and irresponsible and unworkable. This idea of prioritizing the payments we would make if we didn't raise the debt ceiling was dismissed out of hand.

Now we have two reports that have come out this week. One cites the fact that senior Treasury officials have been calling around to big banks assuring them that in the event we don't raise the debt ceiling, which we will hit within just a few days, Treasury is assuring the banks there will be no default; they have this covered, and they have taken care of this. The scheduled interest and principal payments on our bonds will occur on schedule.

It is nice that the administration is informing the banks of this. I think it would be nicer still if they would inform the American public and everybody who has such an important stake in ensuring that the U.S. Government not default on its debt. So that was the first report.

The second report came out just late last night—and it has been confirmed today—which is that the Treasury has, in fact, been working on a plan of the very nature they have been deriding and denying for many months now; that they, in fact, have been developing and are continuing to refine a plan to prioritize the payments that will be made in the event the debt limit is not raised by August 2.

I am glad they have finally come to this conclusion. I wish they had approached Congress and worked with us constructively many months ago when I first suggested we ought to have a plan B, but I would say it is better late than never. But now I think we ought to get this plan, such as it is, exposed to the sunshine of public discourse. We ought to understand what this process will be and Congress ought to have a role in it.

That is why I introduced an updated version of this bill last week. I have 33 Senate cosponsors on the bill. The purpose of the bill is not to be a substitute for raising the debt limit. I understand if we don't raise the debt limit close to August 2, the results will be very disruptive. We can minimize that disruption if we have a game plan, and we ought to work this out. The bill I introduced with a number of colleagues is a bill that identifies three very high priorities, that we ought to make sure we make these payments, whether or not we raise the debt ceiling. We know we will have enough money to do so, and I think we have an obligation to do that.

The three categories embodied in our bill are, first, interest on our debt. By making sure we make those payments we avoid a catastrophic default and we avoid the financial consequences which could be very dire. So that ought to be one of the top priorities. The second,

equally important, is making sure we send out all the Social Security checks in full and on time to everybody who has one coming. Senior citizens all across America, including my parents, depend on Social Security checks, and they have earned those benefits by virtue of the contributions they made into that system, in many cases, for many decades.

The third and final item I think ought to be prioritized in the event we don't raise the debt ceiling by August 2 is salaries paid to Active-Duty military. I think the men and women who are risking their lives for all of us deserve to have the peace of mind of knowing that their families back home will not have to wait until Congress gets its act together for them to get their paycheck in arrears. It ought to be done on time.

So these three items, if we add them all and look at the amount they would cost during the month of August and we compare that to the tax revenue that is going to come in the door in August, these three expenses are less than half the amount of tax revenue that is going to come in. Clearly, and obviously, this is easily manageable—or easily affordable, I should say.

Technically, the Treasury and the Fed have some work to do, no doubt, to make sure this is all done smoothly. That is precisely why they should have engaged with us a long time ago, so we could have had a constructive period of time to work out whatever details are necessary so we could have as smooth a functioning process as possible—one that would have the benefit of a transparent debate.

I acknowledge there might be other items that ought to be added to the list, and we ought to have a debate on the floor to consider those items. What we would end up with is a process that the American people would understand, they would know, they could anticipate, and it would be far more constructive. It is getting late in the day, but maybe it is not too late. I hope this body will take up my bill and it will have that debate, we will have some kind of resolution, and we will provide some guidance. I think it is part of our constitutional obligation to have control over spending that occurs in our government, and this should be no exception.

I urge my colleagues to join me in supporting this legislation. If my colleagues have constructive suggestions of how we can make it better, I welcome them, as I welcome working with the Treasury and the administration, to make sure that we, in the unfortunate event—if it should occur—that we don't raise the debt ceiling by August 2, do everything we can to minimize the disruption that will follow.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

## THE DEBT CEILING

Mr. DURBIN. Madam President, in 1939, we passed a law and the law created the debt ceiling. Before that law was passed, whenever the Government of the United States of America wanted to borrow money, it had to come to Congress. Congress had to approve it and the President would sign it. We decided then to change it. Instead, we said Congress will approve a certain amount of money that the President can borrow and we will change it as needed. In other words, we don't have to approve every single bond issue, every single borrowing of the Federal Government. In 1939, that is what we did.

Since then, on 89 different occasions, Presidents of the United States have come to Congress and said the money Congress spent I have to borrow to cover. We don't have enough in the Treasury. Eighty-nine different times Presidents have come and asked for the authority to borrow money to cover expenses Congress approved. Fifty-five times Republican Presidents; 34 times Democratic Presidents. Not once—not once—did we ever default. Oh, there was a period, I think in 1979, where there were a few days of technical default, but there was never any conscious decision by Congress not to fund this debt ceiling and extend it.

It is ironic that Members of the Senate have come to the floor and said: I will never vote to extend the debt ceiling as long as I serve in the Senate. They are the same Members of the Senate who have been voting for and sending to this President requests to spend money. An example: the war in Afghanistan. Some of the most conservative Senators on the other side of the aisle not only want us to wage this war but to stay there and keep spending money. Do we know what it costs? It costs \$10 billion a month for us to protect our troops in Afghanistan. For every \$1 we spend—every \$1 we spend—whether it is on the war, on food stamps, on missiles, on highways—but for every \$1 we spend, we borrow 40 cents. We should not be borrowing all this money, but we do because Congress says there are certainly things we have to do as a nation.

Many of the same Senators who have said to the President of the United States: Do not withdraw the troops from Afghanistan, keep them there even longer, are now coming to the floor and saying to the President: But we are not going to join in asking for the authority you need to provide that money for those troops.

The Senator from Pennsylvania has come here the second day and given his take on what would happen if Congress fails to extend the debt ceiling on August 2–5 days away, August 2. What would happen?

First, understand, this is a self-inflicted wound. We have created this crisis. Madam President, 89 times we have extended the debt ceiling without incident. Presidents of both parties have asked for this over and over.