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Senate

The Senate met at 9:30 a.m. and was called to order by the Honorable CHRISTOPHER A. COONS, a Senator from the State of Delaware.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

O God, who covers the heavens with clouds and prepares the rain for the Earth, You take pleasure in those who have reverence for Your Name. Bring peace to our Nation and world as you fill us with Your spirit. Empower our lawmakers to break through stalemates with constructive action. Give them such wisdom that their challenges will be met with cooperation and competence. Lord, help them to comprehend the global repercussions of some poor decisions and the irreversibility of some tragic consequences. Energize them with Your power and guide them with truth and light. Quicken their ears to hear, their eyes to see, their hearts to believe, and their wills to obey You before it is too late.

We pray in Your merciful Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable CHRISTOPHER A. COONS led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. INOUE).

The bill clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, July 29, 2011.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable CHRISTOPHER A. COONS, a Senator from the State of Delaware, to perform the duties of the Chair.

DANIEL K. INOUE,
President pro tempore.

Mr. COONS thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

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

Mr. REID. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

SCHEDULE

Mr. REID. Mr. President, following any leader remarks, the Senate will recess until 11 a.m. today to allow for a Democratic caucus. At 10 a.m. we will have that caucus. At 11 a.m. the Senate will be in morning business until 12 noon. At noon I will be recognized. That is the order now before the Senate; is that right?

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

DEBT CEILING

Mr. REID. Mr. President, although the House of Representatives has not yet voted on Speaker BOEHNER's plan, that plan is flawed. That is why they

have struggled for days to pass this inadequate legislation without a single Democrat even being involved in the process. They have plowed forward looking only to Republicans.

But as the battle to pass the continuing resolution went forward to keep our government open for business just a few months ago, the Republican leadership realized they were unable to get the necessary votes for the CR and they reached out to Democrats. Speaker BOEHNER had to look to Democrats; he did not have enough votes. Obviously he should have looked to the Democrats again.

That is the way we need to move forward on something that is bipartisan. That is how it is supposed to work, Democrats and Republicans working together for our country. The bandaid approach to the world crisis—and it is an embarrassment—to Congress, frankly to the country and to the world—is a sad commentary.

United Senate Democrats, all 53 of us, have informed the Speaker that his legislation was doomed in the Senate because we would not vote for a short-term extension of the debt ceiling. It would put our great Nation on a path to another default extravaganza as we have experienced in the last few weeks.

Frankly, that new extravaganza would start in a matter of weeks again. Virtually every expert—economist, rating agency, market analyst—has said the kind of short-term plan the Speaker has proposed is no answer to the crisis. Republicans created the crisis, and what they want to do is no answer to it.

If we are really trying to avert the kind of financial calamity default would bring, the Republicans' plan is not a solution. I had a very sobering conversation a half hour ago with Secretary Geithner. Right now, businesses cannot borrow—big businesses, what they use to survive, moving money for bonds and other things; that is how the world economy works—they cannot

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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borrow more money than overnight because no one knows what the interest rate will be tomorrow. So the Republican plan is not a solution. As the experts say, all too soon we would be back in the midst of partisan wrangling with our economy once again held prisoner by extremists in the Republican party lead by the tea party.

Our economy cannot bear this kind of uncertainty any longer. Congress and the White House are on lockdown, and the business of the country is not being conducted. I say no, not again, will we fight another battle such as the one in which we are now engaged. We cannot do that. That is why a short-term extension is not what we need. It is not what this Congress will do.

But default is not an option either. We cannot wait for the House any longer. It is time for Republicans to stop the political games and embrace compromise. No matter how long Republicans delay, the deadline will not move. We have hours—I repeat hours—to act. That is why by the end of today I must take action on the Senate's compromise legislation.

The legislation in point would cut \$2.5 trillion from our deficit over the next decade and avert default on our national debt. It would protect Social Security and Medicare without raising a penny of revenue. The question is: Will today's Republicans break away from the shrill voice of the tea party and return to the Republican Party of Ronald Reagan?

This is likely our last chance to save this Nation from a default. I have invited Senator McConnell to sit down with me and to negotiate in good faith, knowing that the clock is running down. I hope he will accept my offer. I cannot do this alone. There are only 53 of us, and under the rules that Republicans put in place—it used to be used sparingly but is used all of the time now—we will need to get 60 votes; a majority is not good enough.

I know the Senate compromise bill the Democrats have offered is not perfect in the eyes of the Republicans. It is not certainly perfect in the eyes of the Democrats. But together we must make it work for all of us, because it is the only option. The settlement on the table will never give either party everything it wants, but it already meets the Republicans' demands. JOHN MCCAIN, the Republican senior Senator from Arizona, President Obama's opponent in the Presidential election, has asked his party to compromise. He did it here on the Senate floor.

He said, it "is not fair for the American people to hold out and say we won't agree to raising the debt limit." He called the radical Republican approach "unfair" and "bizarro." It is time we listen to the markets, he said. It is time we listen to the American people and sit down and seriously negotiate.

Former Senator Fred Thompson, whom I served with here in this body, a Republican, asked Members of his

own party to come to their senses. "I respectfully suggest that you rake in your chips and stuff them in your pockets." That was his quote. He believes they have already won—all discretionary spending, no revenue.

I hope my friend, Senator McConnell, will come to me by the end of the day and indicate what constructive ideas he has to move the process along. My door is open. I will listen to any ideas to get this done in a way that prevents a default and a dangerous downgrade to our country's credit rating.

Time is short. That is an understatement. Too much is at stake to waste even one more minute. The last train is leaving the station. This is our last chance to avert a default. The vote on this compromise will determine whether we enter the frightening world of default. A vote for the Senate compromise will be a vote on the financial obligations of this great Nation to pay the bills.

I would ask my friends, my Republican friends, break away from this thing going on in the House of Representatives. They were going to vote at 4:30 yesterday, 6:30, 7:30, 8:30, 9:30—10:30 they finally quit. Rumors flying around. Rumors flying around. The Wall Street Journal said they put too much money in for Pell grants. They were going to take that out. Rumors flying around they need a balanced budget amendment added. Rumors that the Speaker was seen in my office—which he did not come. All these rumors made no sense.

The scariest thing is, late last night, Leader Cantor said from the House: You have three choices: Boehner, cut, cap and balance, or default. That is the second ranking Member in the Republican leadership who said that.

We need to honor the financial obligations we have with the country. So a vote against the compromise I have talked about—now listen to what my compromise is: No revenue. The Congressional Budget Office has scored it more than \$2.4 trillion, which will take us to probably—not probably, it will take us to March of 2013. We can do the country's business. There is a joint committee that will be set up to see if we can do some good work on a more long-term approach and to get back to work doing our country's business.

I repeat: CBO and OMB have scored our bill for more than \$2.4 trillion—not billion, trillion dollars. That is dollar for dollar, as the Speaker said he wants to reduce the debt. So a vote against this compromise will be a vote to default on the full faith and credit of the United States.

I repeat to everyone within the sound of my voice: We have the framework of a bill. We are going to change it. I have some ideas that we need to change. I want to discuss them with the Republican leader. If anyone has any other ideas, come to me. But the time has come to make a decision. The time factors are very clear. Why am I filing to-

night on my bill? Why? There is no more time. I have to do it tonight. Would I like to wait until tomorrow to see if there is some good will that comes from the Republican side? Of course I would. But I would suggest to my friends on the other side of the aisle, this is a pretty good deal. They, in effect, as Fred Thompson said, have gotten everything they want and should put those chips in their pockets and walk away and declare victory.

There will be no time left to vote on another bill or consider another option in the Senate. This is our last, best chance to preserve the character and credit of our great Nation.

Mr. SCHUMER. Will my colleague, the majority leader, yield for a question?

Mr. REID. I am happy to.

Mr. SCHUMER. I thank our leader.

Mr. President, the leader outlined it well. The House, for all its machinations, delays, and struggles, is pursuing a path to nowhere because their bill will not pass, will not become law. Fifty-three of the fifty-three Democrats have signed a letter saying they will not vote for it, and the President has said he will veto it—all for a simple reason: because if we do this short term, we don't calm the markets and, at the same time, we start all over in a few weeks going through this again.

As the leader said—and it is true—the bill he will put on the floor is our only chance, and the reason it is our last chance is very simple: After tonight, anything put on the floor—is this true, Mr. Leader, that after tonight, if we were to put anything on the floor, given the rules of the Senate, nothing could be voted on before default would occur?

Mr. REID. I say to my friend from New York, under the rules we have in the Senate, if I move tonight, we cannot have the final vote until Tuesday morning. The country defaults at 12 o'clock on Tuesday on its debt.

Mr. SCHUMER. Will the leader continue to yield?

Mr. REID. Sure.

Mr. SCHUMER. That means this bill the leader will put on the floor tonight is the last train out of the station, and it also means, given the rules of the Senate, that only with bipartisan cooperation can we do it.

So we are hoping and praying that our colleagues from the other side of the aisle, led by their leader—and 15 signed a letter talking about a bipartisan compromise as part of the Gang of 6, or Gang of 8—that that group could come forward and make suggestions, not simply say the Boehner bill because that will not pass, but make suggestions on modifications to the Reid plan. That is our only hope of avoiding default, and we must act now. Is that a correct depiction of the status on the floor and of where we are headed?

Mr. REID. That is absolutely true.

Mr. SCHUMER. Mr. President, I will ask one more question. If we are unable

to come to a compromise on the leader's bill, there is virtually no time, no matter what the House does, for the Senate to do anything before default is over. That means our Republican colleagues have the ball in their hands in terms of default; is that correct?

Mr. REID. Mr. President, I have been told personally by some Republicans in the Senate they will do everything they can to stop legislation from proceeding. That is not a majority; it is a handful of people on the Republican side of the aisle.

That is why I said in my remarks that I hope the Republican Party will turn back to the party of Ronald Reagan. He raised the debt ceiling 19 times during the time he was President. He was a man who compromised. That was who he was. He hated communism. Who was the man who brought down the Iron Curtain? Ronald Reagan. He was willing to compromise even with somebody he spoke of in the worst terms. He knew how to compromise, and even though he was elected as the most anti-Communist President in the history of the country, the day he was elected he sent his embassy personnel to the Soviet Union so they could work with them. That led to the great decision by our countries to bring down the Iron Curtain.

Mr. SCHUMER. I see that the minority leader is here, and I thank the majority leader for yielding.

Mr. DURBIN. Mr. President, if the minority leader doesn't mind, I would like to ask the majority leader a question.

The ACTING PRESIDENT pro tempore. The Senator from Illinois.

Mr. DURBIN. During the period of time we were waiting yesterday for a decision by the House of Representatives, which they still didn't come to—during that period of time, we had an opportunity to have many personal conversations among Senators—Democrats and Republicans—and I would say that unanimously, to a person, Democratic and Republican Senators agreed that a default would be an economic disaster for the United States of America.

The majority leader has been briefed this morning by the Treasury Secretary about some of the prospects of default. We have heard only one that I know of—a Republican Senator—come to the floor and say that a default on our debt could be managed very easily.

I want to ask, since I have heard from business leaders in Illinois of closings that were literally canceled this week for multimillion-dollar investments in the city of Chicago in the State of Illinois because of what is happening in the House of Representatives, can the majority leader please tell us, as much as he can at this moment, what the prospects are if we do reach the point of default on this national debt?

Mr. REID. Mr. President, I am familiar with the situation in Illinois where a \$146 million construction project was

turned down at the last minute because they were so afraid of the credit.

Mr. DURBIN. I have one further question. In terms of the impact on our Nation, as the Secretary of the Treasury has told the leader, can he give us, for the record, an idea of what we face if the Republicans in the House continue to delay and hold to a strategy that has no hope of passage?

Mr. REID. Secretary Geithner said it has already started. The international community is extremely worried they could only get overnight loans. It is extremely precarious for our country.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

RECOGNITION OF THE MINORITY LEADER

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

DEBT CEILING

Mr. MCCONNELL. Mr. President, it is not surprising that I have a little different take on what has been happening in the last few days than my colleague, the majority leader.

Let me explain what has been going on in Congress this week. The American people have been waiting on us to do something to prevent default. They want us to end this crisis right now. Over in the House of Representatives, we have the Speaker of the House doing his job. Speaker BOEHNER has been doing the hard work of governing, working day and night to put together a bill that can actually pass the House of Representatives and end this crisis now. He should be commended for his efforts.

What about over here in the Senate? The contrast could not be starker. Rather than working in the last few days toward a solution to the crisis the way the Republican majority in the House has, the Democratic majority in the Senate has been wasting precious time rounding up "no" votes to keep this crisis alive. Rather than being responsible and doing their duty and coming up with a bill that can actually pass, they have been busy signing up people for the "not good enough" caucus and ginning up opposition to everything else.

Lawmakers should be working a solution to the crisis, not a blocking strategy. Our Democratic friends in the Senate have offered no solutions to this crisis that could pass either Chamber—not one. Instead, all day long yesterday we got chest-thumping com-

ments about how they are going to kill any piece of legislation that comes over from the House, that it is dead on arrival.

Democrats are out bragging about how they are going to prolong the crisis instead of doing the hard work of trying to solve it. That includes the President.

Look, if the President hadn't decided to blow up the bipartisan solution that Members of Congress worked so hard to produce last weekend, we would be voting to end this crisis today.

Instead, Democrats in Congress are still talking about blocking a solution to the crisis, and the President is rolling out new mileage standards today. Let me repeat that. Here we are a few days from when the Secretary of the Treasury says we will be in a default situation, and the President of the United States is rolling out new mileage standards today.

How about this: How about a plan from Democrats in Washington that can pass both Chambers, prevent the crisis, and protect Americans from a worsening economy?

I suggest to my friends on the other side this morning that they start taking their responsibilities as a majority party a little more seriously because at this point, the only people who are disregarding the consequences of default are Senate Democrats—not the Republicans in the House but Senate Democrats.

Republicans have been doing the hard work of governing this week. It is about time our Democratic friends join us.

I yield the floor.

The ACTING PRESIDENT pro tempore. The majority leader.

Mr. REID. Mr. President, I appreciate my friend's statement. I didn't hear it all, but I certainly heard the context of the statement. We are willing to work with him and his staff, as we have, to try to come up with a solution. I want the record to reflect very clearly, as I said in my remarks this morning, for my friends who didn't have the opportunity to hear it, we cannot have in this country a 6-month extension because a 6-month extension is no extension. A 6-month extension of what we are dealing with would put us back, in a matter of weeks, in the same fiscal extravaganza trying to move forward with the work of the country.

The country is locked down. Congress is inoperable. The White House is unable to do very much because they are focused on this huge problem. I want the record to be spread with the fact that I will work as closely as I can on any suggestions they have, as I have indicated. But, please, everyone, don't come to me with a 6-month extension.

The proposal I am moving forward with—and Fred Thompson said take your chips, my Republican friends, and put them in your pocket and walk away—gives the Republicans everything they have asked for: no revenues, \$2.4 trillion in cuts. That is a pretty