

It is high time we at least do some of the things we can do to get the economy growing again. I cannot emphasize enough the lost market opportunities, the lost chance at economic growth, the lost jobs that are associated with the fact that this administration has delayed now, since they have been in office—2½ years—in submitting these three free trade agreements to Congress, three free trade agreements that have broad bipartisan support from Congress, which we as Republicans have been waiting to act upon now for almost the 4 years since these agreements were negotiated in the first place.

So it is high time we change that. It is one thing that we can do to affect the economy in this country, among the other things. I would simply add as sort of a final point, the debate we are having about the debt limit is also one that needs to be dealt with if we are going to get serious about growing the economy and creating jobs.

If we look at the economy, we look at this President's economic record, and we look at the data, almost every metric we can measure, he has made this economy much worse. The President has said repeatedly—and he said it in his speech the other night—he blames the previous administration for where we are today. I do not think anybody here will dispute the fact that he inherited a difficult set of economic circumstances. But there is no question, if we look at every metric, that he has made the situation much worse.

Whether that is unemployment, which is up 18 percent—there are 2.1 million more people unemployed today than there were when he took office—whether it is the debt, which has grown by 35 percent since he took office; whether it is the number of Americans who are receiving food stamps, which has gone up by 40 percent since he took office—and I might add in my State of South Dakota, a 58-percent increase in the number of people receiving food stamps.

The cost of health care in this country is up 19 percent since this President took office. The cost of gasoline has gone up almost 100 percent—99 percent—since this President took office. The amount of the debt per person in this country has gone up by \$11,000. Every American now owes \$11,000 more as their share of our Federal debt since this President took office.

The economic record of this administration is abysmal. It is high time we took the steps to do something about that. It strikes me at least, as I look at the policies they have been putting in place, that they seem to want to make it more difficult and more expensive for people in this country to create jobs. We see that in regulations coming out of all of these various agencies. We see it in the massive runup in the growth, in the size of government, the new mandates that have been imposed on a lot of our small businesses as a result of the new health care bill, the

new taxes that have been imposed on our small businesses as a result of the new health care legislation.

At every turn American small businesses, which create the jobs that will get this economy growing again, tell us the economic uncertainty, the job-crushing policies that are coming out of this administration have been a major inhibitor, a major impediment to them creating jobs and getting people back to work in this country.

The trade agreements are just something I would add on to that list. We have three trade agreements that have been teed up. It has been almost 4 years since they were negotiated. This administration has been in office now for 2½ years. The President continually gets up, as he did at the State of the Union, and talks about wanting to double the trade in 5 years, talks about supporting these three trade agreements. Yet it is a very simple thing. All he has to do is submit them to Congress. The trade agreements are negotiated. All he has to do is send them here. We are ready to act to put Americans back to work, to open up export opportunities to American producers, to get the economy growing again, and create jobs.

I hope in addition to dealing with the issue of runaway spending and debt, which, in my view, is the predominant issue we need to deal with—and, clearly, between now and Tuesday we have to get a solution in place that will avert the economic adversity we could be dealing with, the adverse circumstances if we do not deal with that. But that needs to be accompanied by serious reductions in spending, spending reforms. Then we have to be putting in place policies that will enable economic growth in this country, that will make it less expensive, less difficult for small businesses to create jobs, not more difficult.

Unfortunately, that is the record to date of this administration. I hope we can change that and start today by sending these trade agreements to the Congress so we can act on them and get these things approved and get American businesses exporting to these three countries.

I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. I ask unanimous consent that the order for the quorum call be rescinded.

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

THE DEBT CEILING

Mr. CONRAD. Mr. President, we are now reaching a critical hour in the Congress of the United States on the question of extending the debt limit of

the Nation and of fundamentally dealing with the debt of the Nation. I don't think there is any serious person in either body who does not understand that we must deal with the debt itself as we extend the debt limit. We are borrowing 40 cents of every dollar we spend. The gross debt of the United States will reach 100 percent of our GDP by the end of this year. The best economists in the country, of whatever philosophical stripe, are telling us we are on an unsustainable course that must be changed.

Mr. President, in the midst of this, we have had the House so far unable to send us a package. Now, we are told they do have the votes because they have added a balanced budget amendment to the Constitution as part of their package. The balanced budget amendment they previously proposed in the House of Representatives can never pass the Senate—at least as this body is currently constituted—and it should not pass this body. It is deeply flawed. To attach that to a measure that has to pass both Houses before Tuesday of next week, frankly, is an indication of a lack of seriousness on the part of our colleagues in the House of Representatives.

Ultimately, there has to be a bipartisan agreement. Our friends in the other party control the House of Representatives, the Senate is controlled by my party, the Democratic Party, and we have a Democrat in the White House. No serious person can fail to understand that putting an amendment to the Constitution of the United States that is deeply flawed into that package absolutely guarantees it cannot pass in this Chamber. That would take a two-thirds vote. I don't believe it would even command a simple majority here, much less a two-thirds vote.

So here we are at the eleventh hour, and people in the other body seemingly are still not serious about coping with the challenge of both extending the debt limit to avoid a default, which would be catastrophic, and dealing with the debt itself. I understand ideological rigidity. The time for that is past. The time now is to work together in some reasonable way so we advance legislation that both extends the debt limit to avoid the catastrophic consequences of a default and deals with the debt threat itself.

The New York Times on Wednesday had this story: "On All Levels of the Economy, Concern About the Impasse." What they were talking about is the rating agencies saying that if we don't do both, if we don't extend the debt limit and deal effectively with the debt itself, they are going to downgrade the rating of our credit as a country. The story goes on to say:

Economists and analysts are trying to gauge the costs to the economy and consumers if the United States loses its solid-gold credit rating—a move that appears more likely now that the stand-off in Washington over government spending has calcified. Some economists say the effects of lowering the Federal Government's credit rating

to AA from AAA can be measured in the billions of dollars in increased borrowing costs for the government and in the billions more that consumers, corporations, states, and municipalities will have to pay for their credit. It also could erode consumer and business confidence, slowing even further the economy and job creation.

It has started already. We have just learned the latest numbers on economic growth. They were a tepid 1.3 percent. This uncertainty being created by a failure to deal with our debt and with an extension of the debt limit is creating a headwind for our economy, reducing economic growth, slowing job creation, and costing us a stronger recovery.

I want to remind colleagues that every 1 percentage point increase in interest rates adds \$1.3 trillion to the deficits. So kicking this can down the road and not facing up to it has enormous consequences: \$1.3 trillion added debt for every 1 percent increase in interest rates. This is just the effect on the Federal Government. Trillions more would be the effect on consumers, on companies, and on other levels of government with an increase in interest rates.

The proposal by the Speaker that apparently the House is now prepared to send us has fatal flaws, and here they are:

First of all, it would repeat the default crisis in just 6 months. That would continue the uncertainty and put the economy at further risk. Our friends on the other side have repeatedly said how uncertainty is hurting this economy, and now they themselves want to create more uncertainty. It makes no sense.

The Boehner plan includes significantly less deficit reduction than does the Reid plan. The Boehner plan, as I understand it—we have not been able to calculate his newest version fully—was in the range of \$1 trillion of savings. Majority Leader REID's plan is well over \$2 trillion of savings.

Third, the Boehner plan provides no firewall between security and nonsecurity spending. That means even deeper cuts on the domestic side of the ledger because we all know what happens if you don't have a firewall.

Finally, it requires an irresponsible balanced budget amendment approach that has been clearly rejected here and will be rejected again. That is certain.

Standard & Poor's has warned against repeated debt ceiling debates. Here is what they said on July 26:

We would be concerned if we thought that the debt ceiling debate would come back and be open and we'd have to go through all this again and again and again. That would be a negative, in our view.

This is the rating agency that determines what the interest rates will be on the debt of our country—not directly but indirectly because if they rate down our creditworthiness, that will increase interest rates. So they are sending a very clear signal: Don't do the Speaker BOEHNER plan that has only a 6-month extension and repeat

this whole process and create more uncertainty and put the economy further at risk. To avoid a U.S. credit rating downgrade, S&P wants to see a bipartisan debt-reduction effort, not the totally partisan approach Speaker BOEHNER has for the moment chosen to pursue. I don't know what could be more clear.

The other body is in control of our friends in the other party; this body is in control of the Democrats. At the end of the day, we have to come together. We have to work together.

Now, I have been part of two efforts to work together.

Last year, the fiscal commission—18 of us were given the responsibility to come up with a plan to get our debt under control. At the end of the day, 11 of the 18 agreed on a plan—5 Democrats, 5 Republicans, and 1 Independent—fully bipartisan. I was proud to be part of the 11 who agreed to that plan.

This year, I have been part of the Group of 6—3 Democrats, 3 Republicans—who were asked by about 30 of our colleagues to see if we could find a way to implement the findings of the commission because for the commission's findings to be implemented, they had to have a super-supermajority. They had to have 14 of the 18 agree, and even though we had 11 of 18, it wasn't enough. So about 30 Senators met at the beginning of this year, the end of last, and asked a group of us—6, 3 Democrats and 3 Republicans—to see if we could come up with a bipartisan plan. We worked all year, hundreds of hours, and we have agreed. We have laid out a plan for our colleagues. It is the only bipartisan plan before either Chamber.

Speaker BOEHNER at this late hour is still pursuing a plan only on the Republican side of the aisle and only in one Chamber. That can't possibly be a recipe for success.

David Beers, Standard & Poor's global head of sovereign ratings, said this on July 26:

We will measure the deal on a number of parameters. One is, is it credible? And credibility, among other things, means to us that there has to be some buy-in across the political divide, across both parties, because politics can and will change going forward. And if there's ownership by both sides of the program, then that would give us more confidence. It's not just about the number. It's about the all-in intent.

Mr. President, are our colleagues listening? The solution cannot be found on just one side of the aisle in one Chamber. This is going to require bipartisan, bicameral cooperation. We are going to have to act like adults, not like kids in a schoolyard pointing fingers, spreading rumors, spreading blame. That will not lead to success.

Here is the circumstance we face. The red line is the spending line of the United States going back 60 years, and the green line is the revenue line of the United States going back 60 years. What you can see is that the revenue of the United States as a share of our na-

tional income is the lowest it has been in 60 years. Spending as a share of our national income is the highest it has been in 60 years. Revenue is the lowest, spending is the highest—that is why we have record deficits. Clearly, you have to work both sides of the equation to get a solution.

Some of our friends on the other side are saying: Don't touch revenue. Some of our friends on both sides are saying: Ah, and don't touch entitlements. Don't touch Medicare, don't touch Social Security, don't touch Medicaid.

If you can't touch revenue and you can't touch the entitlements, you can't solve the problem by definition. When you are borrowing 40 cents of every dollar and you exclude all revenue—that is half the equation—and you exclude 60 percent of Federal spending—if you eliminated all the rest of Federal spending, every dime for defense, for nondefense discretionary, if you eliminated every dime, it wouldn't solve the problem. At some point we have to get serious and real with the American people. The balanced budget amendment our colleagues in the House sent us previously, that has already been rejected here once. Now they are putting it in the package to send to us again at the eleventh hour—it is a balanced budget amendment that is as deeply flawed as any amendment I have seen in 25 years in this Chamber.

Let me review what our friends on the other side sent us in a balanced budget amendment that was rejected here just in the last few weeks:

No. 1, it would restrict the ability to respond to economic downturns—meaning we would compound the decline. That is bad economics, and it is not going to pass.

No. 2, it uses Social Security funds to calculate balance and subjects that program to the same cuts as other Federal spending even though Social Security has its own trust fund and is separately funded.

No. 3, it shifts the ultimate decisions on budgeting to unelected and unaccountable judges.

No. 4, it requires a State ratification process that could take years to complete. We don't have years to wait for a State ratification process for a constitutional amendment. We need to make these spending and revenue decisions ourselves, and do it now. It is our responsibility. Let's not wait for the States to ratify a constitutional amendment before we take the action that is necessary.

The balanced budget amendment the House previously sent us has the risk of turning a recession into a depression. Why do I say that? There is no provision in the amendment they sent us for an economic downturn as being an exemption from the balanced budget requirement. That is Hoover economics all over again. How many times do we have to learn the harsh lesson that when we are in an economic freefall, the only entity big enough to pull us out is the collective organization of

our government? That is the only place that has the muscle to prevent a recession from turning into a depression. The balanced budget amendment our colleagues sent us before would absolutely lock down the Federal Government's ability to respond. That would be a profound mistake and contradict all we have learned in economics since the Great Depression.

This is what Norman Ornstein, a scholar at the American Enterprise Institute, said about this constitutional amendment. He called it a "really dumb idea."

This is what he said:

Few ideas are more seductive on the surface and more destructive in reality than a balanced budget amendment.

Here is why: Nearly all our States have balanced budget requirements. That means when the economy slows, States are forced to raise taxes or slash spending at just the wrong time, providing a fiscal drag when what is needed is countercyclical policy to stimulate the economy. In fact, the fiscal drag from the states in 2009-2010, was barely countered by the Federal stimulus plan. That meant the Federal stimulus provided was nowhere near what was needed but far better than doing nothing. Now imagine that scenario with a federal drag instead.

The Washington Post ran an editorial about the House balanced budget amendment headlined, "A Bad Idea Returns."

Rewriting the Constitution is the wrong way to deal with the debt.

Here is what they said in their editorial:

Worse yet, the latest version would impose an absolute cap on spending as a share of the economy.

It would prevent Federal expenditures from exceeding 18 percent of the Gross Domestic Product in any year. Most unfortunately, the amendment lacks a clause letting the government exceed that limit to strengthen a struggling economy. No matter how shaky the State of the Union, policymakers would be prevented from adopting emergency spending such as, the extension of unemployment insurance and other countercyclical expenses that have helped cushion the blow of the current economic downturn.

It doesn't stop there. This is what Senator MCCAIN said on the Republican balanced budget amendment proposal on July 27:

What is amazing about this, some members are believing we can pass a balanced budget amendment to the Constitution in this body with its present representation, and that is foolish. That is worse than foolish. That is deceiving many of our constituents. . . . That is not fair to the American people to hold out and say we will not agree to raising the debt limit until we pass a balanced budget amendment to the Constitution. It is unfair. It is bizarre. Maybe some people who have only been in this body for 6 or 7 months or so believe that. Others know better. . . . It is time we listened to the markets. It is time we listened to our constituents. Most of all, it is time we listened to the American people and sit down and seriously negotiate something. . . .

Senator MCCAIN had it exactly right. Sending us a deeply flawed balanced budget amendment to the Constitution of the United States at the eleventh hour is not designed to achieve a re-

sult. It is designed to achieve a headline, a bumper sticker slogan that will not help us solve the problem.

Here is what a top economic adviser to former President Reagan said about the House balanced budget amendment. This is Bruce Bartlett, a former Reagan administration top economic adviser. He said:

I have previously explained the idiocy of right wing advocates . . . of a balanced budget amendment. However, the new Republican balanced budget proposal is especially dim-witted. . . . In short this is quite possibly the stupidest constitutional amendment I think I have ever seen. It looks like it was drafted by a couple of interns on the back of a napkin. Every Senator cosponsoring this balanced budget amendment should be ashamed of themselves.

That is from a former top economic adviser to Ronald Reagan. Is anybody listening? Is anybody paying attention to how far off base things have slipped in the other body to send us at this moment, at this critical juncture, a plan that has absolutely no chance of passing in this body, and should not?

What is so deeply flawed is—in addition to the other points I have made—the balanced budget amendment the House Republicans sent us earlier set a spending cap of 18 percent of GDP. Well, let's add up what that would mean.

We can see Social Security is the red band. That is about 5 percent of GDP. If we add defense and all other non-health care spending, that takes us up to about 16.5 percent of GDP. Interest on the debt takes us to over 18 percent of GDP.

Do you notice what is missing? Medicare. In the Republican plan they sent to us with a spending cap of 18 percent of GDP, if we fund Social Security, if we fund defense and other nonhealth spending, and we fund interest on the debt, there is no money left. There is no money for Medicare. There is no money for Medicaid. There is no money for any health care spending. That is what the House of Representatives sent us in the last several weeks as a balanced budget amendment to the Constitution of the United States.

When some on our side called it cut, cap, and kill Medicare, they were not kidding. If we add it up, it does not add up. Not only that, the balanced budget amendment our colleagues in the House sent us in the last few weeks also said it would take a two-thirds vote to get any additional revenue even though revenue is the lowest it has been in 60 years. They would apply a two-thirds requirement to get more revenue. Really? So they would protect with a two-thirds vote requirement every tax scam, every offshore tax haven, every abusive tax shelter that is currently being used by some to avoid and evade the taxes they owe our country.

I have shown this picture on the floor of the Senate many times. This is a little building in the Cayman Islands. It is a little five-story building that claims to be home to 18,857 companies.

They all say this is their business headquarters. I have said that is the most efficient building in the world. A little five-story building down there, and it is the headquarters of 18,000 companies. Anybody believe that? Anybody believe that 18,000 companies are operating out of that little building down in the Cayman Islands? They are not operating their businesses out of there. They are engaged in a giant tax scam to make all the rest of us pick up their responsibilities.

All of us who pay what we owe are getting stuck by the companies that are hiding out in this little building down in the Cayman Islands avoiding the taxes they owe our country. There are no taxes down in the Cayman Islands, so they operate out of this little building down there, five-story building, 18,000 companies. They avoid paying the taxes they owe and stick all the rest of us with the responsibility. That is not right.

The constitutional amendment our colleagues in the House of Representatives sent us would protect that behind a wall of a two-thirds vote, which means we would have an impossible time ever fixing this problem. It is hard to get a 60-percent vote much less two-thirds. They would protect every offshore tax haven, every abusive tax shelter, every unfair tax preference that is in the current code because they would require a two-thirds vote to change it. That flawed amendment is not going to pass the Senate—not now, not later this year, not next year because it, itself, would require a two-thirds vote. It is not going to happen. So I would say to our colleagues in the other Chamber that sending us a totally partisan approach with a deeply flawed constitutional amendment is not going to work. It is not going to help solve the problem.

Now is the time for us to join in a serious dialogue about solving the problem—solving the debt threat overhanging the country which will require not a \$1 trillion package as is in the House offering but a \$4 trillion package. The occupant of the chair well knows of what I speak. He was Governor of West Virginia. He dealt with a fiscal crisis in his State, and he guided his State through that crisis not by operating just on one side of the aisle but by working together with people on both sides to come up with solutions, not political slogans.

We are way beyond that. We are within days of a default on the debt of the United States that would have catastrophic consequences for the economy of our country.

It is time. It is time, I say to my colleagues, to come together to do something that can pass—to deal, yes, with the debt limit but also to deal with the debt itself. It will be an empty gesture if we just extend the debt limit and we don't deal with the debt itself.

Our leader, to his credit, has put something together that begins to take ideas from both sides of the aisle to try

to resolve this crisis. It would save the Nation from an immediate economic crisis. It would provide a significant downpayment on deficit reduction—more than \$2 trillion—and it would put in place a special joint congressional committee, equally divided, Democrats and Republicans, to find additional savings. Also, there is no new revenue in this plan. Our friends on the other side have thus far said—at least in the House of Representatives—they can accept no new revenue, none, not a penny. So our leader has said: OK. I don't like that, but if that is your line in the sand, for right now we will accept it so we can find a solution both sides can support. So no new revenue, more than \$2 trillion of spending cuts, and a special joint committee to come up with a plan to achieve even greater savings. That is a pretty good offer to the other side to say: We hear you. We want to work with you because we need a solution.

We are just days away from a true crisis, one that would be self-inflicted. I say to my colleagues, let's not go there. Let's come together. We have shown we can do it in the past. We need to do it now—not with blame, not with finger-pointing, but by saying this is a time to join together, to stand shoulder to shoulder to prevent irreparable damage being done to our country.

I say to my colleagues: Now is the time, this day, we have to find a way to come together.

I thank the Chair and yield the floor. I note the absence of a quorum.

The PRESIDING OFFICER (Mr. MANCHIN). The clerk will call the roll. The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from Texas.

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

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

Mrs. HUTCHISON. Mr. President, I rise today to speak about the looming August 2 deadline for raising the debt ceiling and making reforms, or budget cuts at least, that would allow us to show we are not going to have business as usual in Washington but that we are going to raise the debt ceiling with the necessary reforms.

Despite the differences in this body, we are all here to share three concerns:

First, we do know at this point, because of the time it has taken us to cobble together something that could be put through both of our Houses and signed by the President, that we have fundamental differences in the principles of how we should run our government. I think it is very clear that Republicans have stood for no taxes, especially in this economic environment. We believe piling taxes on top of the cost of the Obama health care system that is in the process of being implemented would keep our businesses from hiring people and getting this 9.2-percent unemployment rate down. I think

we all agree we need to bring that unemployment rate down, but we have fundamental differences about what is causing it and how we can solve it.

No. 2, we all agree, I believe, or 95 percent of us agree, that we cannot default on the debt in our country. I do believe in both Houses the vast majority believe we should not go into default. The costs of a default are not being considered nearly enough. The costs of a default, of interest rates going up, of having to give backpay, having to correct some of the many issues we will face by having some of the people who are owed money but not paid, and having to pay interest and extra interest if we are in default. We cannot allow that to happen. I think we all agree on that.

We are all troubled with the delay in resolving this issue. The delay I think has been caused for many reasons. Of course, our fundamental differences are one. But I believe that although Members of Congress and leaders in Congress have been talking for a long time, the President has never put forward a real plan.

The Senate majority leader and the House Speaker have put forward plans. I believe there is a common ground that can be found between these two proposals. But they are not the same. In fact, I think the Republican leader in the Senate has also put forward a plan, and I think we are seeing the different pieces of the plans that have been put forward now starting to come together.

I believe the Boehner plan is a good one. I believed in the cut, cap, and balance legislation, where you cut spending now to make your downpayment, you cap spending every year for the next 10 years at a level that brings down the overall deficit, and you send a balanced budget amendment to the States for ratification. I feel so certain if we could pass a balanced budget amendment from this Congress and send it to the States, it would be ratified and it would put us on the real course for fiscal responsibility, the course that would assure that Social Security is sound, that Medicare works, and that our children and grandchildren will not inherit a debilitating debt that hurts our economy. So I do believe that cut, cap, and balance legislation was the right way forward. But Congress is split. We have a majority of Democrats in the Senate and Republicans in the House. Therefore, we are not going to get everything that any one of us believes is right. Certainly we are not going to get the Boehner plan in the Senate. But it is the right approach, and we will have to take a few steps at a time and I hope we will be able to come to terms on a way forward with the principles of cutting spending, putting a cap on spending, and not raising the debt ceiling any more than the cuts that can be counted.

That is what concerns me about the Reid plan. Senator REID is calling for

\$2.7 trillion in an increase in the debt ceiling. The purpose, as the President has stated, is to get through the next election in 2012 and not deal with this again. But the next election should not be the focus. The focus should be, how do we show that our country is on the right track to get this enormous debt whittled down by whittling down the deficits and having sound budget principles.

This \$2.7 trillion would be the largest debt ceiling increase in the history of America. The previous largest debt limit increase was \$1.9 trillion, which President Obama signed into law in February of last year.

This debt ceiling increase in Senator REID's proposal is not paid for. It offers \$1 trillion in cuts for a \$2.7 trillion increase. Many of those cuts are illusory. They are not cuts that can be counted. To say we are going to label \$1 trillion of cuts savings from leaving Afghanistan and Iraq is not credible. We don't know what the obstacles are going to be in Afghanistan and possibly Iraq. We also don't know what we might have to do in the Middle East going forward. Afghanistan is not settled. We have to have a certain level of stability on the ground in Afghanistan or we will have wasted the billions we have already spent and the lives of our military personnel in Afghanistan because it will go back to the way it was before, a center for terrorism that will or can come to our country. It did once already. We have been over there to try to wipe out al-Qaida and the Taliban. We have been over there losing American lives and spending American taxpayer dollars to protect our country from another 9/11. To say we are going to cut \$1 trillion in the future over the next 10 years when we aren't placing the emphasis on what are the conditions on the ground is not sound policy, and it is certainly not sound national security policy. So that is illusory.

Then the other parts of the cuts that I think are very hard to decipher are cutting waste, fraud, and abuse, which we all want to do, but we don't have the guarantee of those cuts.

I think it is important for us to look at the cuts and try to make sure that if we are going to raise the debt ceiling, we raise it only the amount of the actual cuts that we can produce.

In Majority Leader REID's legislation there is a joint committee. There is also one in the Boehner bill. In the majority leader's legislation the committee has to report, but its product doesn't have to be passed and enacted before the debt ceiling is lifted. That is the real problem in Senator REID's proposal. The bill would lose its expedited status, and the joint committee would dissolve on January 13, 2012 under Senator REID's proposal and then we would still have the lifting of the debt ceiling that has already been enacted. That is not the way to go forward.

The joint committee proposed in the Boehner plan is forced to produce savings, and the forcing mechanism in this

case is the fact that the debt limit can't be increased unless the cuts are enacted. So you will keep the governor on the debt increase by assuring that there have to be cuts in spending dollar for dollar.

Third, there is no balanced budget amendment included in the Reid proposal and, in fact, there is no requirement that we even vote on a balanced budget amendment.

I know that it would be very difficult to pass a balanced budget amendment right now out of Congress, but I do believe it is the best thing we could do for the long-term security of our country. So I would hope as we come together—because we know the reality here. The Reid bill is not going to pass the House and the Boehner bill is probably not going to pass the Senate. So we have got to come together with a plan. Maybe it is a short-term plan that has a dollar-for-dollar cut along with the raising of the debt ceiling or maybe we can get more after we dispatch the two bills that are now before the Congress, and try to put something together that has the best parts of both.

I could not support the Reid plan as it is today and I do support the Boehner plan, but I also know that neither of them is going to pass the other House. So I think it is incumbent on us to now go forward and let's quickly start doing the work that could produce results, and that is to try to get the best of both of these before the August 2 deadline. I think we have got to be open to what can work that stays within the principles of no tax increases and no debt ceiling increase without the same amount of dollars at least to be cut from spending, with real cuts that can be assured. I think the American public is looking not for promises but for the assurance in the law that we will not be able to raise the debt ceiling without some cutting of spending and reforms that would equal the amount the debt ceiling has increased. We can go forward with those principles which I think both sides would agree to at this final few days we have before that debt ceiling is reached. It is time to vote on these bills and then get down to the real work of determining what is the best in both that we can pass in both Houses.

Thank you.

I yield the floor and suggest the absence of a quorum.

Mr. BARRASSO. I ask unanimous consent that the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BEGICH). Without objection, it is so ordered.

Mr. BARRASSO. I ask unanimous consent that I be permitted to engage in a colloquy with my Republican colleagues for up to 30 minutes.

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

Mr. BARRASSO. Mr. President, I come to the floor today as the Nation watches the activities in the Capitol

and on Capitol Hill as someone from the State of Wyoming, where we live within our means and balance our budget every year, and as a result we actually have a surplus in the State. Contrast that to what is happening in Washington with an incredible debt—\$14 trillion—more than people can actually fathom.

But people understand spending more than they have or more than comes in, and families all around the country realize they can't do that. Well, in America, as a nation we have been doing that for many years—spending money we don't have, sending out more than comes in, to the point we have had to borrow and borrow and borrow and borrow. Each time we borrow too much, which continues to happen, we have to raise the debt ceiling—the amount of money that can be borrowed.

The President has now asked that we raise the debt ceiling again, but he has asked that it be raised the largest amount in the history of our country—in the history of this great land. That has an impact on people and families all around the country. They are concerned because they know they can't spend more than they bring in, they can't spend more than they have.

They think back to the days of John Kennedy saying: "Ask not what your country can do for you, ask what you can do for your country," and people in Wyoming are concerned that it may switch one day to: Ask not what your country can do for you, ask what your country must do for China because last year, of every dollar we spent in this country, 41 cents of it was borrowed, half of it from overseas, and a lot of it from China.

So how do we stay a great and strong nation, the leader of the world, when we owe that kind of money to another country—a country that does not necessarily have our own best interests at heart?

That is why as this debate and discussion is going on about the debt ceiling, the debt limit, people in Wyoming tell me their biggest concern is not the debt limit, it is the debt. The debt is the threat. It is a threat to our own national security. Those aren't just my words; those are the words of the Chairman of the Joint Chiefs of Staff who said the greatest threat to our national security is our debt.

So I am so pleased to be joined on the floor of the Senate by my colleague from Nebraska, a neighbor, a next-door neighbor, a former Governor of Nebraska, who, as a Governor, lived with a system where he had to balance the budget every year, and the buck stopped with him.

So I ask my colleague from Nebraska, a former Cabinet Member who has run a major Cabinet and a department within the U.S. Government, perhaps he could share with us what was involved in having to make those tough decisions and actually being held to make those decisions.

Mr. JOHANNIS. I thank the Senator from Wyoming. It is my pleasure to be

on the Senate floor with him and to talk about my experience in dealing with the reality of a balanced budget amendment.

As I said a couple of weeks ago when I spoke on the floor about this issue, I heard many come to the floor who said: This is a bad idea. This is bad policy. Some have even gone so far as to describe it as almost kind of a radical approach. I have lived with a balanced budget amendment. I have to say I did not find it to be a radical approach whatsoever.

In the State of Nebraska where I was Governor for 6 years, and actually prior to that when I was mayor of the State capital, the community of Lincoln, I had to balance the budget. I had no choice whatsoever about that. In fact, in Nebraska, we had an additional provision. Decades and decades ago, when those who wrote the Nebraska Constitution started thinking about what kind of State they wanted, I think they wisely realized that at some point the politicians would try to hand off or give away the State treasury and promise everything to everybody for obvious reasons: to get elected, to get reelected.

So in the State constitution they said we can't borrow over \$100,000. So we had two requirements. One was that on an annual basis the budget had to be balanced, and the spending could not exceed the revenues. The second requirement was that we couldn't issue any bonds or debt to balance that budget and, in fact, we go so far as to not have any debt whatsoever, really. We have a few lease-purchase agreements on some equipment, but that is it. We don't even have debt for our highways. We don't lay a mile of concrete for a highway if we don't have the money to pay for it.

So for those who have described this as sort of a radical approach, let me describe to them how this approach has worked in our State.

Today in our State, our unemployment rate is 4.1 percent—4.1 percent. I will go across the State very soon and do townhall meetings in large communities—from the largest, Omaha, to some of our very smallest. I can almost assure my colleagues that one of the comments I will hear in our rural communities where they are working hard to be business friendly and grow jobs and opportunities for their residents, they will say to me: One of the challenges we have, MIKE, is finding the skill of labor we need to fill the jobs we are creating.

I will also share with my colleagues that this experiment—this radical approach that some have described—has resulted in a legislative session that ended early this year, that balanced the budget, and did not borrow any money. I will also share with my colleagues that our pensions are funded. There are no stories about Nebraska pensions are underfunded; that they

have been borrowing out of the pensions so someday when somebody retires the pension will not be there for them.

I will wrap up my comments by drawing the contrast. The contrast with the government that I find here is this: For over 800 days we haven't had a budget. Under the leadership of my friends on the other side of the aisle, the Democrats, we have not had a budget for now going on 3 years. We are being asked to approve the largest debt increase in our Nation's history. That is what this debate is all about.

In addition, we are closing in on \$15 trillion worth of debt. The projection is that in about 4 or 5 years from now we will owe \$20 trillion of debt.

My colleague mentioned I was in the Cabinet. When I came to join the President's Cabinet as the Secretary of Agriculture and I shook the Lieutenant Governor's hand who has now been the Governor for 8 years—he is now the President of the National Governors Association—I wished him well. I did not have to say to him: I am very sorry about all the debt I have taken on, because there was none. The bills were paid, the budget was balanced, the pensions were funded, the unemployment rate was low, and he has continued that conservative legacy.

By comparison, when Barack Obama leaves the Presidency, he will tell his successor: I ran up the largest debt in our Nation's history—larger than any President in front of me. That is the legacy he will leave behind for his children and his grandchildren and ours, and that is the sobering reality of today's debate.

Mr. BARRASSO. Mr. President, I appreciate the comments of the Senator from Nebraska. I think about the fact that he had to use honest figures, honest accounting.

I see now a proposal by the majority leader that, to me, seems to be full of accounting gimmicks, tricks, things such as using money as savings that was never intended to be spent at all, saying we will save all of this money by not being at war in Iraq or Afghanistan for the next 10 years and counting \$1 trillion in savings when there was never even an intention to spend that in the first place. I don't think anyone in this body or on Capitol Hill believes we will be at surge levels for the next 10 years in 2 wars, Afghanistan and Iraq.

So I ask my colleague from Nebraska—and we are also joined by our colleague from South Dakota—he couldn't have done something like that in balancing his budget in Nebraska?

Mr. JOHANNIS. Mr. President, we would never have done that. Had I walked into the unicameral for my State of the State Address and done things such as are being proposed here today, I literally would have been run out. The State senators would have looked at the Governor and said: We need a new Governor. And I think they would have joined in a very bipartisan response to that kind of approach.

My colleague is absolutely right. I looked through the proposal, and I have to say, in all due respect to the majority leader, this isn't going to get the support I think he hopes for. It isn't going to happen. It is going to be voted down. It will not go to the finish line because people just can't support it.

This idea that somehow we are going to get a savings because we are not going to be funding the surge levels in Afghanistan, well, no one was going to do that. The President wasn't asking for it. That money was never requested. So to grab that out, as somebody pointed out—and I wish I could remember who—in a column today, they said that is like trying to grab a savings based upon the fact that we will not be invading Canada this year.

Well, yes, we are not going to invade Canada, but that is not budget savings, and it is not a budget savings to somehow claim we are not going to fund the Afghanistan war for the next 10 years at surge levels because that was never anticipated.

I want to solve this problem, but we have to be real with the American people about how we are solving this problem—with real savings. I know it is painful. My goodness, I have been there. I have cut budgets before. I have had to lay off people. But I think we have to just be straight with the American people and say this is what it is going to take to get there.

Mr. BARRASSO. Mr. President, my colleague from South Dakota is here, and he has been a Member of this body longer than I have. To me, this debt ceiling increase seems to be the largest in history by any standard, whether we include inflation or not. I think the previous largest one was \$1.9 trillion, and that was also with this President.

So when we think about this President and what he inherited and where we are now, it seems to me—I would ask my colleague from South Dakota to respond—it just seems he is making it worse.

Mr. THUNE. Mr. President, I certainly echo what has been said by my neighbors, my colleagues from Nebraska and Wyoming. Their States, as well as mine, all have a balanced budget amendment that requires our States to live within our means. Our States do it. They do it the old-fashioned way. They do it by—in our case, in the State of South Dakota, this year—having to make some hard decisions about spending. But they balanced their budget, and they did it without raising taxes, which I think is a great model for what we ought to be doing in Washington, DC.

As the Senator from Wyoming has pointed out, this is the largest requested increase in the debt ceiling in history. At \$2.4 trillion—and, of course, I think we are going to be asked at some point to vote on the Democratic leader's proposal, which, as both of my colleagues have pointed out, doesn't get us there.

If we even use the standard I think everybody realizes makes a lot of sense—and that is if we are going to increase the debt limit by \$2.4 trillion, we also ought to look at how we reduce spending by \$2.4 trillion. That way we are getting a dollar-for-dollar reduction in spending, and we are fundamentally addressing the real issue, which isn't the debt limit, it is the debt.

We all talk about the debt limit, and it is looming, looking us right in the eye right now. But the real issue is the fact that year over year over year we continue to spend more than we take in.

We are not living within our means. Both Senators have talked about a balanced budget amendment. I was here as a freshman Congressman in 1997, the last time that was voted on. It was voted on in the Senate. It never made it to the House because it needed a two-thirds vote, and it got 66 votes in the Senate. Had it been able to pass here and come to the House, I think we would have passed it.

I cannot help but think how much better our fiscal situation would be today had we been able to do that back in 1997, because at that time the overall Federal debt was \$5 trillion. Today it is \$14 trillion. So there has been a \$9 trillion increase in the Federal debt in that short amount of time.

It is important we tackle this issue. It is important we do it in a way so the American people know we are serious—that this is not gimmicks, this is not smoke and mirrors and all the things that I think make people in this country so cynical about the way Washington, DC, operates.

As the Senator mentioned, the Reid proposal on the debt limit essentially counts over \$1 trillion in savings that were never going to be spent in the first place. So it is a gimmick and it is not real. It is phony. We all know that.

We have to get real. We have to put forward a serious effort if, one, we are going to convince the American people we are serious about this, but, more importantly, if we are going to do something meaningful about getting this spending and debt situation under control.

I hope we will be able to defeat that when it comes to the floor and actually do something, if we can get the House bill over here, which has not only spending cuts in the near term but also a process whereby we can get some entitlement reform that deals with the big drivers of Federal spending; that is, Medicare, Medicaid, Social Security, and then also get a vote on a balanced budget amendment such as all of our States have on the books and which has enabled our States to live within their means, not spend money they do not have, and continue to, in spite of this down economy, perform above the average.

I think of all of our States, probably in terms of unemployment, in terms of economic performance—if you look at them relative to other areas around

the country—living within their means. It is a good model if you want to have a good, strong economy and create jobs for the people in your States. That is something we ought to be doing at the Federal level, and that is why it is so important we take the right approach. The bill that will come over from the House of Representatives does that. The bill that has been proposed by the Senate Democratic leader does not.

Mr. BARRASSO. It is interesting because my colleague from South Dakota mentioned this figure, this two point some trillion dollars. People in Wyoming last week said: How do they come up with that number? Like the Senator, I agree that for every \$1 they want to increase the debt limit, they should say we should find \$1 of real savings, honest savings, savings you can point to, as the Senator needed to do as Governor, and as we believe here.

That is what the approach they are dealing with in the House does. They have come up with a way to raise the debt ceiling, deal with avoiding a default, and they extend this for a number of months.

People say: Well, how do you get this \$2.4 trillion number? The President had a White House press conference last week, on July 22, and he said—it is astonishing. The President of the United States told the country:

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

Not extend the debt ceiling so we can avoid default, not so we can focus on jobs and the economy and the overall debt and the spending, but so that—as he said, his bottom line, the only bottom line, is that we have to extend it beyond the next election.

Then the Treasury Secretary was on one of the television shows on July 24, and he said:

Most important, we have to lift this threat of default . . . for the next 18 months. We have to take that threat off the table through the election. . . .

This debt is the threat. This debt of nearly \$15 trillion, going to over \$20 trillion in the next couple years, to me is the threat. The elections can take care of themselves. I think the American people will be shocked, astonished, and disappointed to hear that is the President's only bottom line.

I do not know what the Senator's comments or thoughts are on that, but I am expecting better.

Mr. THUNE. If you think about what this debate ought to be about, it ought to be about America's economic security. It ought to be about making sure we are putting the country on a sustainable fiscal path and creating the conditions for economic growth, and I would argue there is a direct correlation between those two. If we do not get spending and debt under control, I think we are going to bankrupt the country, we are going to increase interest rates, we are going to make it more difficult and more expensive for busi-

nesses in this country to create jobs. So clearly there is a direct correlation between the issue of spending and debt and the economy. But the economy and the implications of what we do here on the economy ought to animate everything we do. We ought to be thinking about: How is this going to impact the economy? We should not be thinking about politics. That is why it was disturbing to hear the President say his prerequisite in all this is that we get through the next election. To me, that was a statement that was profoundly about politics and certainly not about America's economic security, which ought to be first and foremost in our minds.

Subsequent to that, even yesterday, you had members of the President's team suggesting this might somehow disrupt the Christmas vacation. I thought: You know, of all the things we ought to be thinking about right now, the next election, the next holiday—those probably are not going to be consequential if we do not take steps to address the issue before us today; that is, this massive increase in our Federal debt, the year-over-year deficits we continue to run, the fact that we continue to live way outside of our means. That is what I think the American people want to see us focused on. I think that is what the people of South Dakota certainly want to see us focused on as well.

Mr. JOHANNES. That is exactly what the people of Nebraska want to see us focused on.

The debate that is occurring now absolutely is one of the most important debates we have had literally in the history of this country. It was encapsulated in a statement in a column today that I read from a man I have a lot of respect for, Charles Krauthammer. He said this about this debate. He said:

We're in the midst of a great four-year national debate on the size and reach of government, the future of the welfare state, indeed, the nature of the social contract between citizen and state. The distinctive visions of the two parties—social-democratic vs. limited-government—have underlain every debate on every issue since Barack Obama's inauguration: the stimulus, the auto bailouts, health-care reform, financial regulation, deficit spending. Everything. The debt ceiling is but the latest focus of this fundamental divide.

He could not be more right. This is a debate that must occur, as uncomfortable as it may be. Think of where we have been as a nation in the last year and a half. Literally, when the President came to office, the first thing he wanted us to do was to pass a trillion-dollar stimulus plan, if you factor in the interest that was going to be paid, on promises that it was going to fix the economy and employ people, that unemployment would not go over 8 percent.

What happened? Unemployment shot beyond that. Today we see the growth of our economy is literally pitiful. There is no way this economic growth can deal with employing more people.

Then what was the next thing? A health care bill that, quite honestly, the vast majority of Americans did not want. And by the day, story after story, analysis after analysis comes out and says all the promises made during this health care debate by the President and the Democrats will not be fulfilled. There was a story yesterday that this is not going to bring health care costs down. This increases health care costs, and it is one thing after another thing after another thing.

The American people spoke loudly and clearly in November. They said: Get the fiscal condition of the United States under control. I will say this. I do not think anybody is expecting miracles. It took us decades to get in this position. It is going to take concerted, conservative effort to get out of this position over a period of time. But it is on debates such as this where this must start. It is on debates such as this where we must force this government to be smaller, to be more efficient; otherwise, the legacy we leave behind for our children and our grandchildren is \$20 trillion of debt in 4 more short years. They will have their own wars to fight. I wish they would be free of war. But they will have their own wars to fight, their own flu pandemics to deal with, their own items on their agenda—education or health care, whatever, that they want to improve—and where will they begin? They will begin with a \$20 trillion debt in 4 years. That, as a nation, should be unacceptable to us. That is why we need to do everything we can at every stage to turn this around and start this Nation on the right course.

Mr. THUNE. I also had the opportunity to read the very column the Senator from Nebraska is referring to, the Krauthammer column this morning, and I was struck by many of the same things the Senator observed. I think it is important to note that we are a nation historically that has believed in a limited role for the government. That is what distinguishes us in many respects from some of our European allies. I think what this debate on the debt limit does, with the broader debates we need to be having here about spending and debt and budgets—that is, if we ever had a debate on a budget. As the Senator said, we have not had now a budget in 821 days. April 29, 2009, was the last time this Senate passed a budget. So it is hard to talk about these big issues we need to be focused on when you do not even get a budget on the floor of the Senate to have an opportunity to debate and vote upon.

In fact, when you think about the fact that we spend \$3.7 trillion annually of the American people's tax money, you would think you would have some idea, some blueprint, some path of how you are going to spend that. Yet we have not had that here. So we have not had an opportunity to debate that budget.

But this does get at the heart of a very big philosophical difference. Our friends on the other side of the aisle have a view of government that is much more expansive, which is why I think they can explain passing the multitrillion dollar health care bill a year ago and the trillion dollar stimulus bill and the new CLASS Act, which is going to be another entitlement program that will end up running huge deficits into the future.

I do not think that is what the American people have as a vision for this country. I think we need to get back to a role, a size for our government that is consistent with the historical average, the historical norm. It might surprise some of my colleagues to know, if you go back to the formative stages of our Nation's history, in the year 1800, we only spent 2 percent of our GDP on our government—2 percent. This year, we are going to spend over 24 percent. Arguably, life has gotten a lot more complicated. There is a lot more going on in this country, and certainly there is a responsibility that government has. But we have gotten away from the concept that I think is the foundation of this great country; that was a belief in a limited role for the Federal Government, not this expansive, sort of Western European social democracy type approach which the Senator from Nebraska alluded to.

I certainly think the people in my State of South Dakota, and I would argue in Wyoming and Nebraska, as I said before, have a history and a tradition and a heritage of living within their means. Also, I think they have an understanding of what government should and should not do. I certainly believe the people whom I represent want us to get back to that. And it starts here. It starts now. It starts by getting spending under control, by putting Federal spending on a downward trajectory instead of this consistent incline we have seen. In the last 2 years, we have seen non-national security discretionary spending increase by over 24 percent. If you add the stimulus spending in there, it was 84 percent. That is how much spending has increased in the last 2 years of this administration.

That has to stop. I think the American people sent a loud, clear message in November of last year, and it is incumbent upon us to have listened to that message and to do everything we can to get this train turned around. I think we are going to have a big fight over that because the other side believes the way you fix this debt crisis is to increase your revenues, to raise taxes, which would be a huge mistake, particularly now in the middle of an economic downturn.

It starts by getting spending under control. It starts by keeping tax rates and regulations low on our job creators in this country, and creating conditions that are favorable to economic growth and job creation, as opposed to what we are seeing now, which is more and more regulation, higher taxes,

more mandates—all the things that make it more difficult for our job creators to do what they do the best; that is, to get people in this country back to work.

Mr. BARRASSO. Mr. President, I ask unanimous consent to have printed in the RECORD the column that has been referred to, the Charles Krauthammer column from this morning's Washington Post called "The Great Divide."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 29, 2011]

(By Charles Krauthammer)

THE GREAT DIVIDE

We're in the midst of a great four-year national debate on the size and reach of government, the future of the welfare state, indeed, the nature of the social contract between citizen and state. The distinctive visions of the two parties—social-democratic vs. limited-government—have underlain every debate on every issue since Barack Obama's inauguration: the stimulus, the auto bailouts, health-care reform, financial regulation, deficit spending. Everything. The debt ceiling is but the latest focus of this fundamental divide.

The sausage-making may be unsightly, but the problem is not that Washington is broken, that ridiculous ubiquitous cliché. The problem is that these two visions are in competition, and the definitive popular verdict has not yet been rendered.

We're only at the midpoint Obama won a great victory in 2008 that he took as a mandate to transform America toward European-style social democracy. The subsequent counterrevolution delivered to that project a staggering rebuke in November 2010. Under our incremental system, however, a rebuke delivered is not a mandate conferred. That waits definitive resolution, the rubber match of November 2012.

I have every sympathy with the conservative counterrevolutionaries. Their containment of the Obama experiment has been remarkable. But reversal—roll-back, in Cold War parlance—is simply not achievable until conservatives receive a mandate to govern from the White House.

Lincoln is reputed to have said: I hope to have God on my side, but I must have Kentucky. I don't know whether conservatives have God on their side (I keep getting sent to His voice mail), but I do know that they don't have Kentucky—they don't have the Senate, they don't have the White House. And under our constitutional system, you cannot govern from one house alone. Today's resurgent conservatism, with its fidelity to constitutionalism, should be particularly attuned to this constraint; imposed as it is by a system of deliberately separated—and mutually limiting—powers.

Given this reality, trying to force the issue—turn a blocking minority into a governing authority—is not just counter-constitutional in spirit but self-destructive in practice.

Consider the Boehner Plan for debt reduction. The Heritage Foundation's advocacy arm calls it "regrettably insufficient." Of course it is. That's what happens when you control only half a branch. But the plan's achievements are significant. It is all cuts, no taxes. It establishes the precedent that debt-ceiling increases must be accompanied by equal spending cuts. And it provides half a year to both negotiate more fundamental reform (tax and entitlement) and keep the issue of debt reduction constantly in the public eye.

I am somewhat biased about the Boehner Plan because for weeks I've been arguing (in this column and elsewhere) for precisely such a solution: a two-stage debt-ceiling hike consisting of a half-year extension with dollar-for-dollar spending cuts, followed by intensive negotiations on entitlement and tax reform. It's clean. It's understandable. It's veto-proof. (Obama won't dare.) The Republican House should have passed it weeks ago.

After all, what is the alternative? The Reid Plan with its purported \$2 trillion of debt reduction? More than half of that comes from not continuing surge-level spending in Iraq and Afghanistan for the next 10 years. Ten years? We're out of Iraq in 150 days. It's all a preposterous "saving" from an entirely fictional expenditure.

The Congressional Budget Office has found that Harry Reid's other discretionary savings were overestimated by \$400 billion. Not to worry, I am told. Reid has completely plugged that gap. There will be no invasion of Canada next year (a bicentennial this-time-we're-serious 1812 do-over). Huge savings. Huge.

The Obama Plan? There is no Obama plan. And the McConnell Plan, a final resort that punts the debt issue to Election Day, would likely yield no cuts at all.

Obama faces two massive problems—jobs and debt. They're both the result of his spectacularly failed Keynesian gamble: massive spending that left us a stagnant economy with high and chronic unemployment—and a staggering debt burden. Obama is desperate to share ownership of this failure. Economic dislocation from a debt-ceiling crisis nicely serves that purpose—if the Republicans play along. The perfect out: Those crazy Tea Partiers ruined the recovery!

Why would any conservative collaborate with that play? November 2012 constitutes the new conservatism's one chance to restructure government and change the ideological course of the country. Why risk forfeiting that outcome by offering to share ownership of Obama's wreckage?

Mr. BARRASSO. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Time has expired.

Mr. BARRASSO. I ask unanimous consent to speak for an additional 4 minutes.

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

Mr. BARRASSO. I wanted to do that because I also want to have printed in the RECORD—and I will read just a couple of paragraphs—a letter that appeared in today's Casper Star Tribune by Eric Mitchell. It is titled "Smarter than you think." He says:

I think they think I'm not so smart because I'm too young to know what they're doing, like raising the national debt. Don't they know that I owe the country about \$45,000? I'm only 10 years old. I could buy a lot with \$45,000. I could almost buy a home, I could buy property, I could buy a boat and get fish for family and friends.

He is from Crowheart, WY, a small community.

He said:

I would buy guns and ammunition to hunt for food for my family. I could buy books so I could learn more. Forty-five thousand dollars could buy a lot of stuff. That's more than my dad earns. But it wouldn't buy everything.

This is a 10-year-old. He said:

Government shouldn't try to buy everything. It is my job and the people's job to buy the things we need. I don't want the government to think for me. They don't know that I'm a little brother who doesn't like it when my big brothers tell me what to do, because they aren't always responsible for their own things. I don't tell my brothers what to do with their money. I'm smarter than they think I am. They should follow the rules.

Here you have a youngster in Wyoming who knows of values, who is raised in a family where they live within their means, lives in a State where we balance our budget every year, and I think the lesson Eric has for the people of Wyoming and the people of this country is one we should listen to: We should live within our means, not spend more than we have, not continue to borrow. And the threat to our Nation, our greatest threat to our national security continues to be the debt, and it is incumbent upon this institution to deal with that.

I ask unanimous consent the letter be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Casper Star Tribune, July 29, 2011]

SMARTER THAN YOU THINK

(By Eric Mitchell)

What does the government think of me?

Money. Like the banking commercials, I'm not a name, I'm a number.

I think they think I'm not so smart because I'm too young to know what they're doing, like raising the national debt. Don't they know that I owe the country about \$45,000? I'm only 10 years old. I could buy a lot with \$45,000. I could almost buy a home, I could buy property, I could buy a boat and get fish for my family and friends.

I would buy guns and ammunition to hunt for food for my family. I could buy books so I could learn more. Forty-five thousand dollars could buy a lot of stuff. That's more than my dad earns. But it wouldn't buy everything.

Government shouldn't try to buy everything.

It is my job, and the people's job, to buy the things we need. I don't want the government to think for me. They don't know I'm a little brother who doesn't like it when my big brothers tell me what to do, because they aren't always responsible for their own things. I don't tell my brothers what to do with their money.

I'm smarter than they think I am. They should follow the rules.

EXTENSION OF MORNING BUSINESS

Mr. REID. Mr. President, I have a unanimous consent request that has been cleared by the Republican leader. I ask unanimous consent that morning business be extended until 6 p.m., with Senators permitted to speak for up to 10 minutes each during that period of time; further, that at 6 p.m. I be recognized.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. INHOFE. Mr. President, I ask unanimous consent that I be recog-

nized for whatever time I shall consume as in morning business.

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

Mr. INHOFE. Mr. President, there is a simple reason we are all talking about the debt limit increase. It is the fact that this President has spent more money than I ever believed would be possible. So far, he has spent over \$10 trillion in 3 years, and next year, if he has his way, he will spend another \$3.5 trillion.

I remember so well back during the Clinton administration—I think it was 1995—I was outraged. I came down to this podium. I said: Can you believe a President has a budget of \$1.5 trillion? And this President has spent \$10 trillion in this short period. If he had not spent all of this money, then we would not be here talking about a debt limit increase right now. I hate to sound so partisan about it, but it is truly a partisan issue.

The Democrats have supported his spending, and the Republicans have not. The Boehner plan we are going to vote on—they are going to vote in the House today, and I think we may have an opportunity to vote here later on tonight—may not be perfect. None of the stuff around here is perfect. But it is good. It has dramatically improved over the last 12 hours. It allows the debt limit increase but only after we significantly cut spending. Never before have we tied—in the history of this country—a debt limit increase to spending cuts, but it is something we have to do now that we are so far into this mess.

The first step to this plan cuts spending by over \$900 billion in exchange for a \$900 billion increase in the debt limit. That will last the President until around February. I think it is a fair deal. I would like to cut the spending more, but we can only do so much when we only control the House.

The second step of this plan is also good. It establishes a mechanism to quickly consider \$1.8 trillion in additional spending cuts between now and the end of the year.

It also requires Congress to pass a balanced budget amendment to the Constitution and send to it the States for ratification. This is something that just happened in the last 12 hours. People were talking about, well, do we really want to do something? A balanced budget amendment is the only way it is going to be good for now and for the future.

We have been talking about this for many years. I remember so well, way back in the 1970s, I was in the State Senate in Oklahoma when Carl Curtis, a very wonderful gentleman from Nebraska—he was a Senator, had been a Senator for quite some time. He was the perennial author of the balanced budget amendment, but he never could get it through. He had an idea. He came to me in the State of Oklahoma and he said: You know, Inhofe, we have been trying to get this balanced budget

amendment for a long time, and they excuse they use is, you are never going to get the required number of States to ratify it.

He said: I have come up with an idea. We will get three-fourths of the States to preratify a balanced budget amendment to the Constitution.

Well, that is kind of ingenious.

He said: Why don't you be the first State?

So I did. We passed, by resolution in my State of Oklahoma, in 1975 I believe it was, a ratification of a balanced budget amendment to the Constitution that did not exist. That is kind of neat. We actually got up to almost three-fourths of the States, and some of the other forces knocked it down. But that is how long we have been doing this.

But in the intervening years, there hasn't been 1 year where we have talked about a balanced budget amendment that it has not come up for discussion. Well, this is probably the first time it is a possibility because we have never been in the spending situation we are in right now—as I said, \$10 trillion just 3 years.

So right now, we have added that in the last 12 hours. If that legislation passes, the President will get an additional debt limit increase. So we are tying it to behavioral patterns in spending and austerity. That is a smart way to do it.

This proposal would keep the debt limit and the spending debate at the forefront of the national conversation. We must have this conversation. If we do not, we will be worrying about things a lot worse than an increase in the debt limit. The President wants nothing to do with it. He just wants a blank check to increase the debt so he can continue to raise the deficit. Why do I think this? Well, if we undid all of his policies today, the policies that so rapidly increased spending and are killing our economy, then we would not need a debt limit increase.

The President's spending addiction is the only reason we are here talking about a debt limit increase. This is unilateral. This is the President—his budget. It is not a group of people, it is him. A lot of people are asking: Does anyone in Washington really care? One guy doesn't—the President of the United States. His actions are what we are talking about today. We are looking at failed policies.

Referring to the chart, first is ObamaCare. We are talking right now about trying to get something like \$800 billion in these negotiations so we can increase the debt limit. In one fell swoop, ObamaCare was \$1.5 trillion. This plan costs over the current decade, when fully implemented—the 10-year cost nearly doubles to \$2.5 trillion. This law dramatically expands government's influence in the health care sector, and together with Medicare and Medicaid, it will result in the financial ruin of this great country.

Second, we have the failed stimulus plan. We all know it didn't meet any of