

reduction of debt. It is bipartisan, it is honest, it achieves real debt reduction, and it does it in the fairest possible way. It puts everything on the table—everything. There are no sacred cows. Everything is on the table. It means it goes beyond spending cuts to the entitlement programs, which makes those of us on the Democratic side particularly nervous. But it also goes to revenue—new revenue—to reduce the deficit, which makes those on the other side of the aisle nervous. But what we should be nervous about is a continuing deficit and a weakening economy and a debt left to our children.

I believe this proposal that is before us now—this agreement of the leaders—should be adopted in a timely fashion. I hope we can move to it today. We are working out with the Republicans a schedule when these matters will be considered. There will be those on the right and the left who will be critical, and I can understand their thinking. It doesn't serve either side particularly well. But it is a compromise and a consensus.

I think of all the people who contacted my office from Illinois and beyond during the last several weeks, begging us to do something, to not let this economy fail, to work together and compromise and find a way to resolve our differences. I think this is a reasonable attempt to do that. I will support it, with some misgivings. But I believe it gives us the way to get through this crisis and to move to a better place where we deal with this deficit and debt in a responsible, bipartisan manner, asking for shared sacrifice from all those across America who can make a sacrifice. That is the nature of our Nation. It is the nature of our history, where time and again we have rallied as a nation to face even more daunting challenges in the past.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

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

The assistant bill clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.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

#### RECESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate stands in recess until 12:30 p.m.

Thereupon, at 11:01 a.m., the Senate recessed until 12:30 p.m. and reassembled when called to order by the Presiding Officer (Mr. WHITEHOUSE).

#### ESTABLISHING THE COMMISSION ON FREEDOM OF INFORMATION ACT PROCESSING DELAYS—Continued

The PRESIDING OFFICER. Under the previous order, the time until 2

o'clock shall be equally divided and controlled between the two leaders or their designees, with Senators permitted to speak for up to 10 minutes each.

Who yields time? If no one yields time, the time will be charged equally between the parties.

The Senator from Illinois.

Mr. DURBIN. Mr. President, I suggest the absence of a quorum and ask that the time under the quorum call be equally divided between both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mrs. HAGAN). Without objection, it is so ordered.

Mr. BEGICH. Madam President, I have come to the floor and talked many times of my constituents back home in Alaska and the importance of ensuring we have a balanced approach in how we deal with this incredible debt crisis we are in and how we manage to create some certainty not only for today but in the years to come. We want to make sure we not only create certainty but we also do what we can to protect working families, honor our commitment to seniors and veterans, and let our small businesses know that we stand behind them, we want them to be successful, and we want to create some certainty out there so they can expand their operations and opportunity.

I am sitting here in Washington, DC, and it is whatever temperature it is outside right now—maybe 100 degrees, with 80 or 90 percent humidity—and sometimes I think we could have gotten this done quicker if we had just turned off the air-conditioning. We probably could have gotten things done quicker, with better results. But we are where we are. We are in the last 24 hours or so before we have to make a decision as to what to do with the proposals, the solutions that have been presented.

I am here, but I wish I were home, to be frank with you. This last weekend, my son was celebrating his ninth birthday, and as a parent every birthday is huge and makes a difference. I know the Presiding Officer knows that very well. So while I am here, they were enjoying life, and it made me think about a lot of things.

I wanted to put this poster up because I think it is a great poster. I got this text during a committee meeting. This is my son, who just turned 9, with a real fish. For those who can't see it, it is the same height as he is. He caught this fish with his mother a few days ago. It is a 40-pounder king salmon. It is what we call a real fish. We consider this small in comparison to some others we catch.

But when I got this text—and that is what is so great about technology: He

sends me little notes and comments during meetings and wants to make sure I am connected to what he is doing back home. But this debate we are having—this moment in time—to figure out where we are going is about the Jacobs and the other children of his age and those not yet born. It is about what we are going to do for them. The Presiding Officer and I have already experienced and enjoyed many years of our life, and hopefully we will enjoy many more, but really it is about Jacob and the other children.

When I go back home, I get a chance to talk with the kids. I am sure the Presiding Officer has done the same, where you go into an elementary school—I know the Presiding Officer was a teacher in Sunday preschool—you go in and have conversations with the kids, and in their own way, which is sometimes very brutally honest, they tell you all about what they think is going on. And I will give a quote here in a second of what my son said to me. He doesn't understand everything we are doing, but he understands it is an intense time here because I am not home. I am not with him. So he knows it is important, what we are doing here, as we debate this solution and what will be the next step.

Is what we have come up with a perfect solution? No. Are there some issues about which I am still concerned? Yes. But does it move us down a path to start dealing with the spending, the deficit, and the debt, creating certainty and protecting those who need protection, such as our seniors and our veterans? Yes.

This proposal produces about a \$1 trillion downpayment on our deficit and debt. It lays out a process by which we can achieve another \$1.5 trillion in debt reduction if this joint committee can come back with a proposal.

In the process of all this, we will create certainty in the marketplace. We will create certainty for that small businessperson who has been thinking about expanding their business. They can do that because the markets will respond positively.

We will create certainty for the individual who was thinking about buying a house or a car because now there will be stable rates.

For those who are putting money aside for the education of their young family, as I have been putting aside for Jacob for his college, we will know now that the markets are better and safer, the bonds we invest in are safer, and our children's future is a little more secure if we do the right thing over the next 24 hours, still knowing it is not the perfect deal.

The proposal evenly splits cutting between half in discretionary and half in Pentagon waste, ensuring we still are a secure nation and protecting our defenses but cutting what I would consider opportunities within the Pentagon to reduce.

As we sit here today, I think about Jacob's future and the futures of all

the kids I see back home. There is an enormous amount of opportunity for the pages sitting here in this room, for the kids here during the summer running around Washington, DC, and seeing these great monuments. That is what we are doing here—guaranteeing those opportunities for this generation and future generations. That is our task, making decisions based on that, not on what our next election cycle will bring should we get elected or not get elected or will this look good or not look good on a brochure. Those who have that kind of thinking are not about this country and are not supporting what this country is all about. I think about all the issues in front of us, and there has been no more critical issue during my almost 3 years in the Senate that I have had to deal with.

Is there a component missing in this solution? Yes. We are not dealing with the tax cuts the millionaires and billionaires received and benefited from when they really didn't need them. We are not dealing with the loopholes, the scams and shams people have taken advantage of with our tax structure. We haven't resolved the question of fairness in our tax structure so that the middle class doesn't continue to carry the burden. We have not created a tax reform strategy that creates an opportunity for us to be more competitive in this world economy. We know that is still a big piece of this.

I am hopeful that the joint committee, made up of Democrats and Republicans, will present to us a plan before Thanksgiving and we can then sit down and look at that plan and realize it is an addition to what we are doing—hopefully in the next 24 hours—in creating more fairness.

I know the amazing thing about here—and I know, Madam President, you know—this place is an unbelievable place for media. We breathe, they report it. We sneeze, they report it. There will be two opinions on how we sneeze—maybe three, maybe four—because that is how it works here. They feed on every word we say, everything we do, and I know some are out there bragging that this is a great deal because it just does cuts, and it doesn't deal with revenues. Then there are others who say it doesn't deal with revenues or it hurts Social Security. We can tell when that occurs, that is probably not a bad plan because there is so much that people don't like of each element or there are elements we don't like. But we do need to deal with revenues at some point.

We will need to deal with a tax reform policy that brings balance and fairness where the middle class does not continue to keep holding the bag for everything.

There is a proposal Senator WYDEN, Senator COATS, and myself have proposed. It is bipartisan. It is tax reform. It creates simplification, creates more corporate competitive rates, reduces the rates down for individuals but gets rid of a pile of these loopholes, these

scams and shams that people have taken advantage of so they don't have to pay their fair share for the services and the benefits we all receive in this great country: the roads we drive on, the schools our kids go to, the defense of this country, the border protection of this country, the safest food in the world—you name it, we have it. That is why we are the envy of every country in the world as a place to be and raise your family.

But as I look at this picture—and, yes, I am doing a little marketing of Alaska salmon. I would be remiss if I didn't do that. I think about Jacob's future and what he has and what his potential is. But I also think about his dream—because as he celebrated his birthday, my father-in-law passed the same day. When he was a young man working in Connecticut, he bought a house in New Haven as he went off to Vietnam and served his country. He was a colonel as he retired in the Army, and then he sold that home to buy what is in the background here, his cabin for his grandson to enjoy the fruits of his life and what he enjoyed of his American dream. That is what this is about.

It is about making sure this generation and future generations can also have that American dream; that they have choices and options not restricted by politics or the financial condition of the country but have huge opportunities.

The PRESIDING OFFICER. The Senator has used 10 minutes.

Mr. BEGICH. I ask for an additional 5 minutes.

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

Mr. BEGICH. I think about where we are today.

My son has been watching this because I am not home. He has a phrase he likes to use, even though it is not the perfect deal, but it does create balance. He will say at times: "Suck it up, buttercup." I don't know what show he saw that on, but all I know is that is his phrase. That is what we are going to have to do here. It is not perfect, but we are going to have to do what is right for the next generation and future generations.

Madam President, we have huge opportunities and challenges ahead of us. We have an economy that needs additional work to ensure we are creating every opportunity to create jobs in this country for everybody, no matter who they are, where they live, what age they are. We need to make sure we continue to be the respected country my father-in-law fought for in Vietnam, my son hopes for, we hope for, and future generations hope for.

So today I come down because I think we are close to resolving the issue that has stretched us almost to the brink. Hopefully, as we get beyond this issue we will have the ability as Democrats and as Republicans to look, first, as Americans, as Alaskans, as North Carolinians—wherever we are

from—and focus on what is good for this country.

We will hear more over the next 24 hours about the details and more of the deal. I have heard a lot of it already, but the public will learn. There will be pieces we don't like. There will be pieces about which I will get phone calls in my office that people don't like it. We will get calls. But at the end of the day, we are going to do it because it is the right way to move forward. It is going to be tough, and we will get criticism for what we could have done, but we are where we are and we need to move forward.

As my son would say, we have to "suck it up, buttercup."

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The majority leader.

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

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

Mr. REID. Madam President, I ask unanimous consent that the time until 6 p.m. be equally divided between the two leaders or their designees, and that Senators during that period of time be permitted to speak up to 10 minutes each.

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

Mr. REID. Madam President, for the information of all Senators, after the House votes later today—they have a 1-hour rule, so whenever they take it up they will debate it for 1 hour—it is my intention to try to lock in a unanimous consent to set a vote to complete action on the debt limit increase. This vote could happen either tonight or tomorrow. So I want Senators to be aware of that. Of course, with a consent agreement we could move anytime we wish to this bill, but it would take consent.

When we finish this we have some nominations we have to deal with, and we have to get the FAA issue resolved. But I think this will probably be the last vote we have that I am aware of.

It has been a pretty hard work period we have had, the last two weekends and working late, and I think the Senate deserves to be able to go home as soon as we can. If there were ever a time when we needed to work with our constituents, it is now.

For me, personally, I have been here for a long time. I have a home in Nevada that I haven't seen in months. My pomegranate trees are, I am told, blossoming and have some pomegranates on them. I have some fig trees and roses and stuff that I just haven't seen. I have constituents I am anxious to see, friends I need to visit, relatives I need to visit. So as soon as we can complete our work, I would like to move as quickly as I can to the summer recess period.

So what I would ask is that as the House moves to this bill this afternoon, Senators should use this time to come and talk about the bill, whether they like it or dislike it or are neutral. It would be a time that they could get their remarks on the RECORD.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. VITTER. Madam President, I am happy to be the first to take the distinguished majority leader up on his offer and be here on the Senate floor to talk about this very important matter.

I plan on voting no on this proposal. It is a very important matter. It is in many ways the greatest challenge we face as a nation. So I don't come to this decision lightly, but I do come to it firmly for three primary reasons.

First of all, this bill, this so-called solution, doesn't fundamentally change our spending and debt picture. It just plays around the margins. It doesn't make any big change whatsoever.

To put it differently, I don't want to default under any circumstances, but I don't want a downgrade of our credit rating either. From everything the markets and the credit rating agencies—Moody's and Standard & Poor's—have said for months, this would result in a downgrade. This would result in higher interest rates—first for the government and then for all of us—on our home mortgages, on our car payments, and everything else. Why? Because, again, it doesn't fundamentally change our spending and debt picture. It only cuts \$7 billion in the first year and \$3 billion in the second year, a total in the first 2 years of \$10 billion. That is basically a minuscule rounding error in terms of the size of the Federal budget.

Over the next 10 years, we continue to mount up \$7 trillion worth of new debt. So we are at \$14 trillion now; we are going to add on another \$7 trillion of new debt under this plan, and we do nothing to stabilize our debt-to-GDP ratio, which is perhaps the most important metric that economists and others point to.

We need to do better. We need to have some plan to balance the budget. This plan never balances. This plan has mountains of new debt still building. This plan never stabilizes our debt-to-GDP ratio.

Again, I don't want to default. I will vote to avoid a default. But I do not want a downgrade either that costs every American in a meaningful way.

Second, I have looked very hard at the enforcement provisions of this bill, and I am convinced that even the meager numbers in this bill, in terms of cuts, are going to be blown, are going to be waived, because there is no meaningful enforcement. The only thing it will take to bust the numbers in this bill is a new bill that passes by a simple majority in the House and by 60 votes in the Senate. We are constantly looking at those sorts of vehicles, particularly when we are probably going to have disaster appropriations and disaster bills coming to the Congress.

There are no real teeth in this bill. There is not adequate enforcement.

To their credit, several Members of this body and several Members of the House have spent months talking about how good, meaningful enforcement mechanisms could work. The Gang of 6 had real enforcement mechanisms that they spent a lot of time on. Senators here, such as BOB CORKER, had meaningful enforcement mechanisms built into their proposed legislation. None of those are in this bill. Those could easily have been adopted. Those could easily have been put in the bill; they were not.

Third, and finally, I am very concerned that the triggers in this bill that are supposed to be there to ensure a second round of savings and deficit reduction are not going to work. I do not see how they are going to incent, particularly the Democrats, particularly the left, to move to a new package of savings and deficit reduction. I think, rather, the triggers will be triggered, and we will have unsustainable defense cuts and also unsustainable cuts to doctors and hospitals in Medicare. That is perhaps another reason, going back to point No. 2, that even the numbers in this bill are not going to hold. They are going to be waived; they are going to be busted.

I have to say I hope I am wrong on all three counts if this bill, in fact, passes. But I have looked at it carefully, soberly, and that is the clear conclusion to which I have come. I hope we can do better. I hope we do better because we must for the American people, because we need to start turning around our completely unsustainable spending and debt situation.

I yield the floor.

The PRESIDING OFFICER (Mr. BLUMENTHAL). The Senator from Iowa.

Mr. GRASSLEY. I didn't come to the floor to comment on what Senator VITTER just said, and I can sure appreciate his view that a decision that ends up with a \$7 trillion addition to the national debt over the next 10 years is not getting us very far down the road compared to what the people of the United States, who have to live within their income, believe this Congress should accomplish. But a \$7 trillion addition to the debt over that period of time, compared to what the President suggested we spend over the next 10 years when he issued his budget to Congress, on February 14, we could end up with \$13 trillion added to the national debt—so somewhere along the line, between February 14 and last night, when the President announced his support for this compromise, he has come to the conclusion that we could spend \$6 trillion less over the next 10 years.

Even though a lot of people see this as not making progress, the President admitted he has found ways of changing his mind about \$6 trillion in the course of just a few months. I suppose it also might lead our constituents to think in terms of, there has to be

something wrong with the thinking in Washington if, on February 14, they think we have to spend X number of dollars that will add \$13 trillion to the national debt and here it is just 3 or 4 months since then and the President goes on television and says this is a good compromise and we can be at \$6 trillion less in spending. It probably leads people to believe there has to be a lot of money wasted in Washington, DC, if, in fact, between February 14 and last night, the President can find consensus in spending \$6 trillion less over the next 10 years. That is a comment on what Senator VITTER just said and not disagreeing with Senator VITTER's comments in any way.

When we are in the Senate of the United States talking about what to do about the deficit situation and how much deficit spending we are having, it probably gets lost in the minds of people that what we are spending today and adding to the national debt is creating a great legacy of debt to leave to our children and grandchildren. This debate around this issue brings me to this question: Is it fair to tax our children and grandchildren just because they cannot vote? Our children and grandchildren, for the most part, do not have any voice in this, except what is given by our generation and people representing the older generations, other than our children, making these decisions. That is because we, in fact, are doing just that; taxing our children and grandchildren by adding to the national debt. That is what we are doing with our irresponsible budget deficits.

We have a choice between a brighter future for our descendants or more social spending now; more social spending or, as President Obama might put it, investments. Any way we look at it, money we spend today and we do not pay for, we are putting this bill on future generations—our children and grandchildren. This is a choice we should be thinking about as we arrive at a decision of whether to vote for or against this grand compromise that has come out of these negotiations.

It gets down to basic choices of what do we do to encourage private sector employment. It gets down to choices of what we do about the size of government. There is a real choice in this debate as we talk about how big government should be. The choice is, do we grow government or do we grow the private sector?

What are the philosophical differences as well as the economic differences between growing government versus allowing business and entrepreneurship to flourish in America? We have had these dramatic increases in expenditures over just the last 2 years; 22-percent increases in appropriations in the last 2 years, when the economy only grows about 2 percent. Everybody knows that is not sustainable. On top of that, we had a \$814 billion stimulus package that did not do what it was supposed to do to keep unemployment under 8 percent. At this time, we have

gone from the national debt being 35 percent of the gross national product to today being about 65 percent and before the end of this year it is going to be 72 percent. And it is on a path to go to 90 percent. So we have seen government grow during the last few years out of proportion to the 20 percent of the gross national product that the public sector, represented by the Federal Government, took, compared to that growth from 20 to now 25.

Those 5 percentage points of growth in the government may not seem like a lot but just look at the difference between incentives for growth of the private sector for creating wealth as opposed to the Government consuming wealth. That is a fact. Government consumes wealth; it doesn't create wealth. People who are using their labor and their minds and investing are the ones who create wealth in our country. Those 5 percentage points make a difference because it is a very dramatic growth in government. As government consumes more—and I said it does not create wealth—it takes money out of the private sector, where it can grow more and create jobs and, consequently, then limits the opportunity for expanding the economic pie. That is what the private sector does through investment and labor, expands the economic pie. We can have economic growth so we can have more for more people.

But when government gets bigger, we restrict the opportunities for economic growth in the private sector and we have less pie for more people.

So a 5 percentage point growth in the government for the last 5 years compared to a 50-year average lessens the chance for a brighter future for our children and grandchildren, and that has to be a part of this debate as we decide the size of government versus the size of the private sector—the wealth-producing private sector.

If we keep government at 20 percent, then that is going to leave more in the private sector that is going to create wealth. It is going to be a more productive use of our resources.

The promise of our free market system can only be realized if we choose less social spending, if we choose less intrusive regulation and more efficient use of our resources in the private sector as opposed to the public sector.

We should be doing those things not only in this budget agreement, this deficit reduction agreement, but in all the decisions we make in the Congress. We should be doing more to encourage productive uses of our resources in the private sector, rather than consumption of those resources in the public sector.

President Obama has launched a campaign over the 30 months he has been in office to defend the welfare state and of course the woefully inefficient government-run health care system that is an example of that welfare state. I think we can learn some lessons from the rest of the world as well in looking at what is right for Amer-

ica. We should learn from history and not repeat the mistakes that have been made in other countries.

Since the 1950s, we have seen a lot of countries around the world use transfers of wealth from one generation to another or the transfer of wealth from one group of people to another. We have seen grants. We have seen a redistributive philosophy in a lot of countries. What did that do? It did very little to raise the living standards of those in Asia, Latin America, Africa. More open economies have proven otherwise. More open economies as we have had in Japan since the 1950s have lifted more people out of poverty in 10 years than welfare state programs have done in 50 years.

Japan—just using it as an example—forced its producers 50, 60 years ago to compete. Private sector resources are more productive than those of the public sector making the decisions on how to use those resources, or a command economy, as you might call it. After Japan, we had Korea, Taiwan, Hong Kong, and Singapore. More recently, in the last 20 years, China and India have been encouraging more competition and more productive uses of resources with less of it promoted by the government. There are more decisions being made by the private sector in Brazil, and even parts of Africa are learning that is the route to go. We should learn from that. We should not turn backwards and rely more on government than we have in the past. By doing that, we retire opportunity in America. We retire opportunity by growing government at the expense of individual initiative. I hope we don't go that route. I think this budget debate has something to do with whether we are going to turn this around from the direction that it has taken over the last few years. Those last few years have not just been the 30 months of this Presidency but a little bit going back into the previous Presidency as well.

In regard to President Obama's programs, we have had few results from the government becoming more involved in the economy. We have dealt with near zero interest rates for a long period of time. I have already mentioned the \$814 billion stimulus. There are other things that have been done in recent months to turn this economy around. We still have unemployment above 9 percent. The recovery that was supposed to come from all of these programs that have had greater government involvement in our economy have made a recovery very elusive.

In fact, there are even questions in the media recently of whether we could be going into another recession. President Obama tried mightily and wastefully—and in the end, very ineffectually—to turn this economy around through a massive number of government programs, but it has not worked. Progress would have been greater if we had tried programs by President Reagan or even President Kennedy's policies. In both of those instances

they cut marginal tax rates. They eliminated burdensome regulations. Instead, what do we have out there right now even today coming from the White House? Promises yet of higher taxes; almost a demand that Congress pass higher taxes right now, and more regulations.

I just recently read about a businessperson saying there are 29 onerous regulations coming out of EPA that will be detrimental to job creation because they are so costly. Another way of putting it is it might cause businesspeople to worry about the uncertainty of what government is going to do. When we have that uncertainty—and right now there is a heightened uncertainty—it retards growth. It retards growth because people will not invest. When there is not increased investment and hiring, there is less productivity. What these issues are all about is creating jobs, and we are not creating jobs right now. That is what people are going to see as a test as to whether we are out of a recession—regardless of the leading economists who made the decision that we have been out of a recession now for 2 months.

For people who are unemployed, it is not a recession; it is a depression. They are going to measure coming out of a recession or coming out of a depression by whether they have a job. Jobs are not being created.

President Obama promises what he wants is something that is fair and balanced. When I hear him talking about "fair and balanced," I wonder if he is trying to steal those words from Fox News. Why is it fair to distribute more welfare to the present generation and today's voters by growing government at the expense of the wealth-creating private sector? That harms our children and our grandchildren who are going to end up paying for it with less productive uses of the resources of this country.

We should not be thinking, as Europe has thought, about growing government, having government consume more of the resources of the economy, leaving less to individuals to make decisions whether to save or spend and what to save and what to spend on. That is the way it is done in Europe. We should not go that way.

I always use a statistic that may seem so small to be insignificant, but I use a statistic of 1 percent. If we compare the United States with Europe over the last 25 years, our growth has averaged about 1 percent more in the United States than in Europe. Now that 1 percent may not sound like very much, right? However, over a generation, just 1 percent difference in growth—between the economy of Europe and the economy of the United States—adds up to 25 percent differential in per capita income.

It seems to me the issues of this debt reduction debate—or if you want to call it increasing the deficit ceiling, the borrowing capacity of the Federal Government—too often tend to be

about what is the situation right now, but it is really a debate about what is fair for our children and grandchildren because those are the decisions on borrowing that we are making today.

I have to go back to where I started with a question of whether it is fair for us to tax future generations for the borrowing that we are doing today, and simply say it is not fair to tax future generations just because they cannot vote.

I yield the floor, and 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 Vermont.

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

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

Mr. SANDERS. Mr. President, I want to say a few words to my fellow Vermonters and anyone who might be interested as to why I will be voting against this deficit-reduction package when it comes to the floor. The reason is pretty simple. This deficit-reduction package is grotesquely unfair, and it is also bad economic policy. It should not be passed.

The wealthiest people in this country and the largest corporations are doing phenomenally well. In a recent 25-year period, 80 percent of all new income created in America went to the top 1 percent who now earn more income than the bottom 50 percent. In terms of wealth, the United States has the most unequal distribution of wealth of any major country on Earth with the top 400 people owning more wealth than the bottom 150 million Americans.

When we talk about this deficit-reduction package with the richest people becoming richer, huge corporations making billions of dollars in profits and in some cases paying nothing in taxes, how much are those people—the wealthy and the powerful—asked to contribute toward deficit reduction and shared sacrifice? How much are the rich and the powerful going to contribute into this deficit-reduction package? The answer is zero. Not one cent.

Meanwhile, as everybody in America knows, we are in the midst of a horrendous recession. Real unemployment is over 16 percent. People have lost their homes, their life's savings. We have the highest rate of childhood poverty in the industrialized world. Yet this deficit-reduction package comes down on those people—the working families, the low-income people, the sick, the elderly, the children. The rich pay nothing. Large corporations pay nothing. Yet working families and the most vulnerable people in this country are going to be shouldering the burden of deficit reduction on their shoulders. That is immoral, that is wrong, that is bad economic policy.

Mr. President, as you well know, this is a complicated package, and nobody can predict with any certainty exactly what programs will be cut and how much they will be cut because the process will kick in to the appropriations committees all over, the House and the Senate, and they will go to a supercommittee that will make very significant decisions. Nobody with certainty can tell exactly what programs will be cut.

What we can say is we are looking at up to \$1.4 trillion in cuts, and virtually every program that working families depend upon, that our children depend upon, that the sick depend upon, is on the line.

In my State, for example, it gets cold. We have a beautiful State. We love our winters, but it gets cold. It gets 10 below zero, 20 below zero. Many people in my State, including senior citizens, desperately need a program called LIHEAP, the Low-Income Home Energy Assistance Program, which provides help to many people, including a lot of seniors, to help keep them warm when it gets 20 below zero. I fear very much there will be major cuts in that program.

In our State we have done very well in expanding community health centers. We have over 110,000 people now accessing new community health centers, finally being able to get a doctor and dentist when they need it. I am going to do everything I can to prevent those cuts. I fear that those programs can be cut.

In Vermont, in Connecticut, all over this country, we have a major crisis in childcare. Families want to get into the Head Start Program. They want affordable childcare. Those programs will be cut.

In my State, we have a program that helps struggling dairy farmers, a program called the milk program. It helps them stay in business. I fear very much—and I am going to fight against this—I fear that program will be cut.

We have young people today from working-class families hoping upon hope that maybe they will be able to afford to go to college. Well, we can expect major cuts in Pell grants and other programs that make college affordable for our young people.

In this country, we have people who are going hungry. We did a study recently. There is more hunger among seniors. Some of those programs will be cut. Affordable housing programs will be cut.

So let's not kid ourselves. In the midst of a terrible recession, when so many people are hurting, so many people are struggling just to keep their heads above water economically, this deficit-reduction package is going to slap them at the side of the head and make life much more difficult for them.

Now, Mr. President, as you well know, this is a two-part program. The first part calls for approximately \$900 billion in cuts, and the second part

calls for about \$1.2 trillion to \$1.5 trillion in cuts. Here is where it gets a little bit complicated because a supercommittee, made up of six Democrats and six Republicans, will have the opportunity to look at everything.

As the majority leader said, everything is on the table. Now, what does that mean? If everything is on the table, Social Security is on the table. What we have heard from our Republican friends, what we have heard from some Democratic friends, what we have heard from the President of the United States is that maybe we should adopt a so-called chained CPI, which will result in very significant cuts in Social Security benefits. If you are 65 now and that program is implemented, when you are 75, you are going to lose \$560 a year, and 20 years from now, when you are 85, you are going to lose \$1,000 a year. Am I saying that definitely will happen? No, I am not.

Social Security will be on the table. Medicare will be on the table. Medicaid will be on the table. Everything will be on the table.

If that committee ends up not coming to a decision, if they end up being deadlocked, say, six to six, then we go to a sequestration program and more cuts will be made.

So I would say, when poll after poll after poll suggests strongly that the American people want shared sacrifice—a poll just came out last week from the Washington Post where 72 percent of the people polled said they believe folks making more than \$250,000 a year should pay more in taxes in order to help us with deficit reduction. Poll after poll says it is absurd that large corporations get incredible loopholes that enable them to make billions of profits and not pay one nickel in taxes.

So this is a bad proposal. This is an unfair proposal. We can do better, and we must do better. I do not intend to vote for a deficit-reduction package where the sacrifices are being made by people in the middle class and working class who are already hurting. It is time for the big-money interests to start remembering they are also Americans and they should contribute to deficit reduction.

With that, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. CHAMBLISS. Mr. President, I ask unanimous consent that I be allowed to speak as in morning business.

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

NOMINATION OF MATTHEW OLSEN

Mr. CHAMBLISS. Mr. President, later on this afternoon the Senate Intelligence Committee is going to vote

out the nomination of Matt Olsen to be the next Director of the National Counterterrorism Center. I rise today in support of the nomination of Matthew Olsen to be the next Director of NCTC.

Following the September 11 terrorist attacks, we did a lot of self-examination as a government and, putting it simply, realized that pieces of intelligence that should have been connected had not been or, in other words, the dots had not been connected. Congress understood we could not afford another lapse like 9/11, so it created the National Counterterrorism Center to analyze and integrate counterterrorism information across the government.

While we have not suffered another 9/11, our record is not perfect. From the Christmas Day bombing attempt, to Fort Hood, Times Square, and the New York subway plot, the threats to our homeland are very real. At the same time, changing political landscapes and challenges from adverse nations require constant attention. In this environment, it is essential for NCTC to perform its mission beyond reproach.

After the Christmas Day near-bombing aboard flight 253, the Senate Intelligence Committee conducted a review to determine where the intelligence community could have done a better job of anticipating this attempted attack. Unfortunately, the committee's review showed that NCTC had not lived up to its statutory responsibilities. The then-Director, Mike Leiter, to his credit, took criticism in a very positive way and made the right kinds of changes at NCTC to move us in the right direction.

While I am encouraged by the progress NCTC has made since then to repair those shortcomings, there is much work that still needs to be done. I believe Matt Olsen has the right background to take the helm of this important intelligence center at this very critical point in our history. He is no stranger either to the Senate Intelligence Committee or to the serious threats that face our Nation. Members and staff have worked with him on several high-profile issues over the last few years.

As a Deputy Assistant Attorney General for the National Security Division, he was responsible for ensuring that our intelligence professionals had all the legal authority they needed from the Foreign Intelligence Surveillance Court in order to continue this country's safety. Let me just say this was no easy task and the stakes were high, especially given the political wrangling over FISA and the USA PATRIOT Act in recent years. Matt spent countless hours briefing our staff and other committees on many highly sensitive FISA issues. In large part because of his willingness to stick to the facts and not play political games, he has earned the respect of Members on both sides of the political aisle.

For the last year, Matt has served in a very professional way as the General Counsel for the National Security

Agency, a position that has also put him in close contact, again, with the Intelligence Committees.

GEN Keith Alexander, who heads up NSA, provided a letter of support for Matt's nomination. I have also spoken personally with General Alexander about Matt. I have a great deal of respect for the general, and it speaks volumes to me that he has such high, unequivocal praise for Matt, both as a leader and as a person.

Matt's other job—not an enviable one—which brought him in close contact with the committee was his service as the Executive Director of the Guantanamo Review Task Force. I have had numerous conversations with Matt about some of the recommendations made by the task force on transferring what I believe continue to be potentially dangerous detainees.

I appreciate that the task force was following a deadline set by Executive order to close Guantanamo Bay. But I believe we have accepted too great a risk to our national security by transferring many of these detainees to other host countries. The recidivism rate continues to climb. It is today somewhere in the range of 26 percent. We have no reason to expect it will stop climbing anytime soon. Our first obligation must always be to ensure the safety of the American people, not to transfer dangerous detainees to meet an arbitrary political deadline.

Of particular concern to me are the transfers of a number of Yemeni detainees during 2009, when the intelligence community was already warning about the dangerous security situation in Yemen. Of course, we all know that al-Qaida in the Arabian Peninsula makes its home in Yemen and that several former GITMO detainees now hold high positions in AQAP. AQAP was directly responsible for the Christmas Day bombing attempt, and their efforts will continue to inflict harm on our Nation.

Matt acknowledges the difficulties presented by the Yemeni transfers, and he has acknowledged that the task force did not get every recommendation right, just as the previous administration did not get every recommendation right. He also shares my personal view that Guantanamo should remain open so that we are not transferring any more detainees as the recidivism rate continues to grow.

I appreciate the many conversations and briefings he has had with my staff on those transfer issues. I appreciate his willingness to continue to discuss these issues and the need for a long-term detention policy even after taking on his new position as NCTC Director.

Ironically, in his new position, he will be responsible for tracking former detainees, including detainees whose transfer the task force may have recommended who slipped into their old ways, before they can strike us again. It was in this capacity that Matt had an issue with a colleague, and I have

vetted this with Matt and with most of those who were in the room on the occasion the issue arose. While better judgment could have been used, the issue is now behind us. I have impressed upon Matt that if he is confirmed as the Director of NCTC, his credibility must be unquestionable. He has confirmed to me that he will always communicate with Members of Congress fully and openly without political censorship. He also is committed to being totally open and will have an ongoing dialog with members of the respective House and Senate Intelligence Committees.

My good friend Senator KENT CONRAD, who is actually the home Senator for Matt since he is originally from North Dakota, spoke extensively about Matt's reputation and commitment to public service during his confirmation hearing. Many intelligence professionals on both sides of the political lines wrote letters of recommendation on Matt's behalf.

I believe Matt when he tells me he is committed to working closely with Congress and the Intelligence Committees to do the job needed to keep this country safe. I will be supporting his nomination when it comes to the floor, and I look forward to working with him.

Mrs. FEINSTEIN. Mr. President, the Senate Intelligence Committee just approved the nomination of Mr. Matthew Olsen to be the Director of the National Counterterrorism Center, known as NCTC, by a unanimous voice vote.

The distinguished vice chairman of the Intelligence Committee spoke on the floor earlier in support of this nomination. I would like to add to his comments and offer my support so that the Senate can take up this nomination quickly and hopefully confirm Mr. Olsen before the Senate goes on its August recess.

I have tried to move quickly on this nomination because the period leading up to the tenth anniversary of 9/11 is a period of heightened threat, and one in which all parts of the national security agencies of the government need to be operating at full capacity.

Mr. Olsen is currently the general counsel of the National Security Agency and has held a number of senior positions in the Department of Justice, including at the National Security Division and the Federal Bureau of Investigation.

Let me take just a moment to discuss the current terrorist threat and the role of the National Counterterrorism Center, or NCTC, which Mr. Olsen will be leading, if confirmed.

The NCTC is the central agency within the U.S. government dealing with the identification, prevention, disruption, and analysis of terrorist threats. While it is best known for its role in consolidating and analyzing terrorism-related intelligence, the NCTC also plays an important role in conducting strategic planning for counterterrorism actions across the U.S. Government.

As I mentioned before, I believe that the period leading up to the tenth anniversary of the 9/11 attacks is a period of heightened threat. Despite counterterrorism pressure against al-Qaida in Pakistan—including the successful strike against Usama bin Laden in Abbottabad—the group remains dangerous and vengeful.

At the same time, the threat from al-Qaida's affiliates and adherents around the world has increased and presents particular challenges. I am especially concerned about the threat to the U.S. homeland from al-Qaida in the Arabian Peninsula, AQAP, as well as threats emanating from terrorist safehavens in Somalia and elsewhere.

This means, to me, that this is a crucial time for our counterterrorism establishment to be at full strength. And the NCTC is a linchpin of that establishment.

So I am pleased that the President moved quickly to nominate Mr. Olsen—an individual serving in a senior intelligence community position today—to take the helm of the National Counterterrorism Center.

As I mentioned previously, Mr. Olsen is currently the general counsel of the National Security Agency. In that capacity, he has the challenging job of ensuring that the NSA's highly technical and highly capable signals intelligence system is operating fully within the law, and using all legal authorities available to it.

Before his current position at the NSA, Mr. Olsen served in the Department of Justice in several capacities for 18 years, including 12 years as a Federal prosecutor.

Among Mr. Olsen's positions at the Department of Justice, which has been the subject of some recent attention, was that of executive director of the Guantanamo Review Task Force created by Executive Order 13492. The role of the task force was to conduct a detailed review of all of the information available on each of the roughly 240 detainees being held at Guantanamo as of January 2009.

It was Mr. Olsen's job to lead the large, interagency effort of more than 100 national security professionals to compile and analyze all intelligence relevant to the detainees, the feasibility of prosecuting them, the ability of a potential country receiving a detainee to mitigate the threat the detainee posed, and whether some detainees should be held in long-term Law of War detention.

I will say this to my colleagues. Being the director of a large task force making recommendations on Guantanamo detainees is about as thankless, as difficult, and as controversial a position that I can imagine. Every decision would be reviewed and criticized. But the new Attorney General asked Mr. Olsen to take on this job, and he agreed to do it. That is what we admire about career professionals in government service. And we should respect and reward that dedication and willingness to

take on the difficult and unpopular jobs.

I note as well that Mr. Olsen has been recommended by his current and past colleagues in the current and the past administration. The Intelligence Committee received letters of recommendation from General Alexander, former Attorney General Mukasey, former DNI McConnell, all three former assistant attorneys general for National Security, former NCTC Director Mike Leiter, and many others. They have all spoken to his capability and to his character.

I believe that Mr. Olsen is well qualified for the position, that he will be forthcoming with Congress, and that he will do a good job in leading the NCTC.

Prior to serving on the Guantanamo Review Task Force, Mr. Olsen had been the Acting Assistant Attorney General for National Security at the Department of Justice as well as the deputy assistant attorney general with responsibility for intelligence matters.

He led the Department's effort to update the Foreign Intelligence Surveillance Act, a process that eventually led to the passage of the FISA Amendments Act of 2008. In that position he worked closely with both sides of the aisle, and was an invaluable resource as we found a compromise to update important surveillance authorities and strengthen civil liberty protections.

Mr. Olsen was also previously a federal prosecutor in the U.S. Attorney's Office for the District of Columbia, chief of the office's National Security Section, and a special counsel to FBI Director Robert Mueller.

The Intelligence Committee has thoroughly reviewed Mr. Olsen's background, he has answered all of our questions, and we held a hearing on July 26 on his nomination. In sum, our due diligence is complete.

Now it is up to the Senate to confirm Mr. Olsen so that we do not leave the NCTC without a permanent director as we approach the 10th anniversary of 9/11.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. CONRAD. Mr. President, I rise to discuss the agreement that has been reached between the leaders in the Senate, the House Republicans and Democrats, and the President of the United States with respect to an extension of the debt limit and certain deficit reduction steps to be taken in conjunction with that action.

I wish to remind my colleagues that if we fail to act, most economists believe we will face an interest rate spike. For every 1 percentage point in-

crease in interest rates, we would add \$1.3 trillion to deficits and debt over 10 years. If there was only a 200-basis point increase, that would wipe out all the deficit reduction that is in this package.

Colleagues need to keep in mind the consequences of our actions and how critically important it is to prevent that interest rate spike.

In addition, David Beers at Standard & Poor's, global head of Sovereign Ratings, made a statement in an interview on CNBC on July 26. The chart is headlined, "To avoid a U.S. credit rating downgrade, S&P wants to see a bipartisan debt reduction effort."

He said this, specifically:

We will measure this matter 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 is not just about the number. It is about the all-in intent.

However imperfect this agreement is—and it is imperfect because, after all, it is a work of the hands of men. We are all imperfect. But it is critically important. It is important to demonstrate that we can work together to achieve a result.

This package contains these elements: First, it prevents a default. It saves the Nation from immediate economic crisis. It creates a process to allow a debt ceiling increase to 2013, so we don't have to reenact this entire episode in just a matter of months. It provides a \$900 billion downpayment on deficit reduction that is enforced with 10 years of spending caps. It creates a joint select committee of Congress on deficit reduction, tasked with finding an additional \$1.5 trillion in savings and to bring us a report before Thanksgiving. This select committee has a goal of \$1.5 trillion in savings as a floor; it is not a ceiling. This committee could come back to us with an even more ambitious, more bold proposal to get our fiscal affairs in order. Let us hope that it is so.

The overall package that is before us—or about to be before us—requires a vote on a balanced budget amendment. The debt ceiling increase is not contingent on its passage, but there is a requirement to give colleagues in both Chambers an opportunity to vote. It also protects Pell grants from deep near-term cuts. I think most of us understand how important Pell grants are to providing opportunities to young, talented people all across America to improve themselves through higher education.

I was raised by my grandparents. My grandmother was a schoolteacher. We called her "little chief," because she was only 5 feet tall. But she commanded respect. She commanded respect because she had character, and she told people in our family there are three priorities in this household: No. 1 is education. No. 2 is education. No. 3 is education.

We got the message. I can remember, fondly, her telling us over and over: What you put in your head no one can take away. They can take your property, they can take your wealth, but one thing nobody can take from you is what you have done to improve your mind. That ought to be something that is taught in every household in our country because it is central to America continuing to be a world leader.

The proposal that will be before us also creates a joint select committee on deficit reduction. As I have indicated, they have a goal of finding an additional \$1½ trillion in savings, but they are not limited to that level of savings. They could do more. It is bipartisan and bicameral, 12 Members—6 Democrats, 6 Republicans. Congress is to have a report by Thanksgiving on their work. No amendments are allowed and a simple majority vote to pass in the Senate and the House.

This closely follows the recommendation of Senator Gregg and myself from 5 years ago to create a commission empowered to bring to a vote in the Senate and the House a plan to get our debt under control and to do it so we wouldn't have the endless process our current situation requires. The idea was to create a BRAC-like system, so a proposal could come before the Senate and the House to get our debt down. It is modeled, in many ways, after the reconciliation process that was designed for deficit reduction and only requires a simple majority vote.

There is a fail-safe if this committee fails to produce a result. The fail-safe is across-the-board cuts in defense and nondefense spending, with exemptions for Social Security, veterans and low-income people and it limits the Medicare reductions to 2 percent. I would prefer the Medicare reduction not be there because there is no revenue that is assured in this plan. But we do have to have a fail-safe. We do have to have some assurance that savings are actually realized, and this mechanism does that.

I think all of us know our current status finds us borrowing 40 cents of every \$1 we spend. In fact, we are in a condition in which the United States is borrowing more than we have ever borrowed before as a share of our national income. The nonpartisan Congressional Budget Office has told us the long-term outlook is even more sober; that we have a debt held by the public that is about 70 percent now. Right here—the debt held by the public is at about 70 percent. Our gross debt is actually approaching 100 percent, but our publicly held debt—that is debt held by the public, not counting what we owe to trust funds such as Social Security—is about 70 percent.

But look where we are headed if we stay on our current course. The Congressional Budget Office tells us by 2037 our publicly held debt will be 200 percent of our gross domestic product if we fail to act.

How did we get into this circumstance? This says it very clearly

and very well. The red line is the spending line of the United States and the green line is the revenue line going back 60 years. What we can see is the red line—the spending line—is the highest it has ever been. Twenty-four percent of gross domestic product is Federal spending. The revenue line is the lowest it has ever been in that period—the lowest it has been in 60 years. Some of our friends on the other side say we just have a spending problem. They have it half right. We do have a spending problem. Spending is almost the highest it has been in 60 years. But we also have a revenue problem because revenue is the lowest it has been in 60 years as a share of our national income. That is a fact. So we have to work both sides of this equation.

If we go back and reconstruct how we got into this ditch, a story on May 1, 2011, in the Washington Post, is instructive. This is what they found:

The biggest culprit, by far, has been an erosion of tax revenue triggered largely by two recessions and multiple rounds of tax cuts. Together, the economy and the tax bills enacted under former President George W. Bush, and to a lesser extent by President Obama, wiped out \$6.3 trillion in anticipated revenue. That's nearly half of the \$12.7 trillion swing from projected surpluses to real debt. Federal tax collections now stand at their lowest level as a percentage of the economy in 60 years.

This buttresses and confirms the point I just made. In addition, if one examines our history going back to 1969 and looks at the five times we have balanced the budget, in each of those times, revenue was almost 20 percent of GDP. Right now—remember what I just said—revenue is 14.8 percent of GDP. The five times since 1969 we have balanced the budget, revenue was 19.7 percent of GDP in 1969; in 1998, it was 19.9 percent; in 1999, it was 19.8 percent; in 2000, it was 20.6 percent; and in 2001, it was 19.5 percent. By the way, all these budgets—these last four—were the responsibility of Bill Clinton. Bill Clinton not only balanced the budget, he stopped using Social Security funds to finance other government operations, and he did it with the longest period of uninterrupted growth in our Nation's history and created 23 million jobs. The Clinton administration record on deficits, on debt, on economic growth, and job creation is the best, by far, of all modern Presidents.

Facts are stubborn things. We have a Tax Code that is riddled with tax expenditures. It is riddled with tax expenditures. We are losing to the Treasury \$1.1 trillion a year to tax expenditures—tax preferences, tax loopholes, tax deductions, tax exclusions. Guess who gets most of the benefit. Twenty-six percent of the benefit goes to the top 1 percent of those tax expenditures—those tax loopholes, those tax preferences.

Here is a quote from one of the most conservative economists in America—Martin Feldstein, professor of economics at Harvard, Chairman of the Council of Economic Advisers under Presi-

dent Reagan. This is what he said about tax expenditures on July 20 of last year.

Cutting tax expenditures is really the best way to reduce government spending. Eliminating tax expenditures does not increase marginal tax rates or reduce the reward for saving, investment or risk taking. It would also increase overall economic efficiency by removing incentives that distort private spending decisions. And eliminating or consolidating the large number of overlapping tax-based subsidies would also greatly simplify tax filing. In short, cutting tax expenditures is not at all like other ways of raising revenue.

That is precisely why the fiscal commission and the Group of 6—both groups I was proud to participate in—chose the reduction of tax expenditures as one way of reforming the tax system, improving the competitive position of the United States, and raising revenue to help reduce this debt threat.

Anybody who wonders what is happening with respect to loopholes—exclusions, deductions, preferences in the Tax Code—doesn't have to go any further than this picture I have shown many times. This little five-story building—Ugland House, down in the Cayman Islands—claims to be the home of 18,857 companies. What an amazing building that is. This little building, the home to 18,000 companies. They all say they are doing business out of this building. Anybody believe that? They are not doing business out of that building. They are doing monkey business, and the monkey business they are doing is to avoid paying the taxes all the rest of us pay because the Cayman Islands is a tax haven. They do not impose taxes on these companies.

Guess what these companies do. They file returns that show—miraculously—the profits from all their operations across the United States don't show up in the United States. They show up in this little five-story building down in the Cayman Islands. They say that is where the profits are being realized. What a blessing that is because the Cayman Islands do not impose any taxes on the profits that show up in the subsidiaries of the companies that are doing business all over the world.

Anybody who wonders if this is costing all the rest of us huge amounts of money, here is what our Permanent Subcommittee on Investigations found in a report in 2007.

Experts have estimated the total loss to the Treasury from offshore tax evasion alone approaches \$100 billion per year.

Let me repeat that—\$100 billion a year. If there is any doubt about this, go home and Google tax havens. See what you find. I think you will be quite startled by what you see. Continuing the quote from the report:

Those losses include \$40 to \$70 billion from individuals, and another \$30 billion from corporations engaging in offshore tax evasion. Abusive tax shelters add tens of billions of dollars more.

My family and I, we pay what we owe. The vast majority of people in this country pay what they owe. We

have a few people—unfortunately, it is a growing number and they tend to be people with much greater resources—who are not paying what they owe. We shouldn't permit it. That should come to a screeching halt.

The bipartisan groups proposing comprehensive and balanced plans with spending cuts and new revenue include the fiscal commission, the Bipartisan Policy Center, and the Group of 6. These are the only bipartisan plans that have come from anywhere, and all of them recommended a balance between spending cuts and revenue. Almost all of them focused on reducing tax expenditures—the loopholes, the exclusions, the preferences, the tax havens—in order to raise revenue, to reduce rates, and make America more competitive but also to raise additional revenue to dump this debt.

The other day there was a spirited debate on the floor between the senior Senator from Arizona and the senior Senator from Illinois. I arrived at the end of that debate and didn't have a chance to participate. There were a number of assertions made there by my friend, Senator MCCAIN, and I wish to set the record straight. If we look at the records of Reagan, Bush 41, Bush 43, and Clinton, with respect to deficits, the record is very clear.

Here it is: During the Reagan administration, deficits exploded, and we can see on the graph the deficits that averaged about \$200 billion a year. During the first Bush administration, the deficits actually got worse and ended up still in the range of \$200 billion a year. President Clinton inherited deficits of \$200 billion a year, but we can see by the last 4 years of his administration, he was in the black. The budgets were balanced, and for 2 or 3 of those years, he actually stopped using Social Security money to fund government operations. Then, of course, we see what happened in the second Bush administration: Deficits absolutely exploded—absolutely exploded.

The second Bush administration was, by far, the worst on record for deficits and debt of any of these administrations; and, by far, the best was the Clinton administration.

But we can look at it a different way. This chart shows, in dollar terms, what happened to the debt. We can see in the Reagan administration the debt more than doubled. The Bush administration took it up much further. The Clinton administration actually started bringing down the debt. President Clinton was actually paying off debt during his administration. Then we saw what happened in the second Bush administration: The debt absolutely skyrocketed, going up well over 2½ times.

Mr. President, when we then look at the record of economic growth under those different Presidents, it is very interesting. Reagan, who more than doubled the debt, had a pretty good record of economic growth—3.5 percent. Bush 1, who ran the debt up even further, had a pretty paltry record—2.1 percent

economic growth. Clinton, who actually paid down debt, had the best record of economic growth—3.8 percent on average. Bush 2, who put in place the massive tax cuts that ballooned the deficits into debt, had the worst record of economic growth, averaging 1.6 percent.

Let's connect the dots. There was a big increase in debt during the Reagan administration but pretty good economic growth; he took the No. 2 spot. Bush 1: massive increase in deficits and debt, and economic growth faltered. The Clinton administration has by far the best record on deficits and debt and also the best record of economic growth. Bush 2, who had huge tax cuts never offset by an adjustment, as Reagan did, had the worst record of economic growth.

Finally, on job creation, during the Reagan administration, 16 million jobs were created—quite a strong record of job creation during his 8 years. During the first Bush administration, only 3 million jobs were created. During the Clinton administration—by far the winner on the jobs derby—23 million jobs were created, and he had the best record of deficit and debt reduction and the best record on economic growth. Do you know what. He raised taxes and cut spending. Wow. Our friends on the other side said, when President Clinton raised taxes and cut spending, it would crater the economy. I was here. I heard the majority leader on that side say that proposal would crater the economy. Republicans repeated that line all across America. The Clinton plan to get the deficits and debt down by raising revenue and cutting spending, they all said, would crater the economy. They were wrong. Then it came time for the Bush administration, and he had massive tax cuts, and they all said that would be a huge job creator and fire up the engines of economic growth. They were wrong again.

The record is clear. Look at the difference. There were 16 million jobs created under Reagan, 3 million under Bush 1, 23 million under Clinton, and 3 million under Bush 2. Clinton had the biggest reductions in deficits and debt by far of any of them. He had the best economic growth, and he had the best job creation. And the second Bush administration comes and they say big tax cuts—that is going to fire up economic growth, that is going to fire up job creation. They were wrong.

When Clinton had a proposal to raise revenue and cut spending, they said it would crater the economy. Yet Clinton had the best record on economic growth and the best record on job creation. They were wrong again. During the second Bush administration, at the end—has everybody forgotten?—we were on the brink of financial collapse. I was called to a special meeting in this building with the Bush administration's Secretary of Treasury, and I, along with other leaders of the House and Senate, was told we were days away from a financial collapse. This

idea that you can't raise revenue or it will kill jobs, you can't cut spending or it will kill jobs has not proven to be right. In the real world, the Clinton administration raised revenue, cut spending to get our debt under control, and they had the strongest record of job creation, the strongest record of economic growth of any of the four Presidents during that period by far.

I would just say I wish I could have participated in that debate last night. I missed it, but I wanted to set the record straight.

I yield the floor.

Mr. BLUMENTHAL. The Senator from New Jersey.

Mr. MENENDEZ. Mr. President, I wanted to come to the floor to talk about the deal the Senate will vote on sometime later tonight or tomorrow. Before I do, I want to say to my distinguished colleague from North Dakota, the chairman of the Budget Committee, as always, what an exceptional job he has done in laying out fact from fiction, the realities of the choices before us. I only hope that the revenue possibilities he clearly expressed exist as part of an equation to a solution could be invoked, but I am concerned based upon what the other side says.

We have a deal before us that is a result of a manufactured crisis. The debt limit has historically been raised as a matter of course by both Republicans and Democrats, both sides, without conditions. Ronald Reagan did it 18 times without conditions. George W. Bush did it 7 times without conditions. But, no, not this time.

For days, for weeks, this Congress has been held hostage by a radical few—a band of tea party tyrants—who believe their opinions, their values, their view of the world, their vision of government must be America's vision. It is not. In their world, there is no room for reasonable compromise, there is no room for fair and balanced budget approaches, the kinds of approaches to budgets I and many on this side have worked for and voted for throughout our careers in Congress.

I have voted for balance going in, and I was looking for balance in the final agreement or the hope of balance that the American people themselves have expressed clearly they wanted to see: spending cuts but also ending those tax loopholes and creating revenue.

I have voted for \$2.4 trillion in cuts in the Reid amendment, with the inclusion of a joint committee process—Senator CONRAD was talking about that—that could include revenues, a balanced approach.

I have supported increasing the debt limit in a responsible way, a balanced, responsible, fair approach that implements significant but responsible deductions.

I voted in 2010 to establish the Bipartisan Task Force for Responsible Fiscal Action—the precursor to the Bowles-Simpson Commission—to review all aspects of the financial conditions of our government, including tax policy and entitlement spending.

I voted to protect Social Security from being used to balance the budget when it hasn't contributed to our debt.

I voted in favor of the Pryor amendment to reduce the budget deficit by at least \$154 billion with a balanced approach to cutting our deficits that included discretionary spending, entitlements, and revenues.

I have supported budget enforcement measures, such as the statutory pay-go, to pay as you go when you come up with a new idea for spending or a tax break, to control both spending and revenues.

I led the effort in this Chamber to cut \$21 billion in unwarranted Big Oil subsidies and supported saving almost \$6 billion this year alone by cutting ethanol subsidies.

I have voted five times in the past to increase the debt limit in a responsible way.

But this eleventh-hour deal, with so many strings attached that it has become a tangled web of conservative social values, is nothing more than a concession to the radical right of one party, and it flies in the face of our values as a nation. It would mean drastic and dramatic cuts to one side of the ledger, overwhelmingly from non-defense spending, and no balance—I repeat, no balance—on the revenue side.

I know their suggestion is that the commission can look at revenue. Yes, it can look at revenue, but that commission which is going to be appointed with an equal number of Republicans and Democrats and appointed by the leadership in both Houses pretty much tells you where it is going to end up.

Speaker BOEHNER has said he won't appoint anyone to the committee who would accept revenue as part of the mix. Senator MCCONNELL has said there will be no new revenue. They get appointments to that commission. That is half of the commission. Even Gene Sperling, the President's economic adviser, said there will be no new revenues for the next 18 months, which is a clear reflection of what Speaker BOEHNER and Minority Leader MCCONNELL have said.

Since they won't accept revenue except maybe in the context of tax reform, which the joint committee has said it can't do by the end of the year, which is when this commission is called upon—by Thanksgiving—to come forth and make a presentation, and we Democrats will have members on the commission who will be responsible and want to strike a deal, we will end up either having to accept the commission's spending cuts without revenue, leaving us with trillions of dollars in nondefense and entitlement cuts, or automatic sequestered cuts that are even more Draconian.

Does anyone in this Chamber really believe that the Bush tax cuts for the top-tier, the richest, the wealthiest people—millionaires and billionaires—which will expire in 2012, will be on the table in an election year, that the President will issue a veto threat for

those tax cuts and make them the hallmark of his reelection campaign? I don't think so.

While I know that if we go to the automatic sequestered cuts, nearly \$1 trillion of those automatic cuts will come supposedly from defense, what guarantees are there that we won't use the overseas contingency fund of \$1 trillion to meet the defense side of the cuts—the very fund which Republicans, in the budget passed in the House, put in their budget and which virtually all of my Republican colleagues here in the Senate voted on, and they voted on it as cuts. If that isn't the case, what makes us think that supplemental emergency appropriations won't be offered on the defense side while warfighters are in the field, leaving us with no real defense cuts but a hard \$1 trillion in cuts on domestic programs such as education, student loans, health care, renewable energy, research and development? And the list goes on.

For those who suggest that this commission and the threat, the sword of those automatic cuts will make people act responsibly, what makes us think that the old paradigm, which I long for, that people will be responsible will take place given what we have seen in which we have a manufactured crisis that has brought us to the verge of an economic crisis that is not only national but international in proportion? If people have been willing to bring us to that point, what makes us think this negotiation as proposed by the legislation will work?

They will continue to look for deeper and deeper cuts to those basic services we as a party and as a nation have fought for. We will spend the next year headed into the national decision-making that will take place next November forced to debate deeper cuts, refight old battles, debate a balanced budget amendment and the Bush tax cuts, instead of talking about creating jobs, which is what Americans want to see again, and helping middle-class families who are struggling to make ends meet.

But don't listen to me on that. Listen to Paul Krugman, a Nobel Prize-winning economist who wrote today that this deal is a disaster—his words—for the economy. He said:

Start with the economics. We currently have a deeply depressed economy. We will almost certainly continue to have a depressed economy all through next year. And we will probably have a depressed economy through 2013 as well, if not beyond.

The worst thing you can do in these circumstances is slash government spending, since that will depress the economy even further. Pay no attention to those who invoke the confidence fairy, claiming that tough action on the budget will reassure businesses and consumers, leading them to spend more. It doesn't work that way, a fact confirmed by many studies of the historical record.

Indeed, slashing spending while the economy is depressed won't even help the budget situation much, and might well make it worse. On one side, interest rates on Federal borrowing are currently very low, so spending cuts now will do little to reduce future

interest costs. On the other side, making the economy weaker now will also hurt its long-run prospects, which will in turn reduce future revenue. So those demanding spending cuts now are like medieval doctors who treated the sick by bleeding them and thereby making them even sicker.

And then there are the reported terms of the deal, which amount to an abject surrender on the part of the president. First, there will be big spending cuts, with no increase in revenue.

Then a panel will make recommendations for further deficit reduction—and if these recommendations aren't accepted, there will be more spending cuts.

I described before the possibility of getting revenue in that equation with the appointments being made by the authorities making them, saying they will appoint no one who will consider revenues. There will be, therefore, even more spending cuts. That is a Nobel Prize economist.

No, there is no balance in this agreement, no real compromise. It simply does not force the shared sacrifice the American people have demanded. Oil companies will make \$143 billion in profits this year, the Big Five. They will keep picking the pockets of American taxpayers with a ridiculous hand-out while they earn those billions in profits. Ethanol millionaires will be off the hook with this deal. There is no balance in this deal. There is no fairness. There is nothing but concessions to the radical rightwing of the Republican Party that is holding the American economy hostage, with a gun to its head, threatening to pull the trigger if they don't get their way.

Yet no one on the right seems to be happy. They want more. They believe they have not gotten enough. When is enough, enough? How far do we have to bend before we break? How much do we have to give of our values, our beliefs, our vision of America? How much do we have to give of the promises we have made as a nation to hard-working, middle-class families struggling to make ends meet, struggling to pay the bills, the mortgage, pay for health care, tuition to put their children through college, and give them a chance at a better life?

How about those whose lives would be shattered except for the government's protection? We are their voice. I speak for them when I say this is not a fair deal, but it is the deal before us. What is fair is fair, but this plan is not fair to the American people. I cannot in good conscience support a plan where soldiers, seniors, students, and working families must endure trillions in cuts while oil companies, billionaires, corporate jet owners are not asked to pay one cent toward shared sacrifice.

The Republicans turned a relatively routine vote to meet America's obligations into a crisis threatening the world's economy. In response, the Reid plan met them 80 percent of the way by proposing \$2.4 trillion in cuts, creating a process where a bipartisan commission could find a balanced approach to deficit reductions that would go beyond that and that would meet the

American people's call for shared sacrifice from those who have not only the greatest wealth in the country but also those who seem to have the privilege and the power to fashion the Tax Code in a way that benefits them but doesn't benefit working-class families in our country.

No, that was not enough for the tea party, nor for the party they now control. No, instead they have insisted on a process where oil companies, billionaires, offshore tax havens, and the corporate elite are completely protected from making shared sacrifices. That is simply not fair. I cannot support it. The thought that because our soldiers will join seniors, students, and working-class families on the chopping block that Democrats should flock to this plan is wrongheaded. Eliminating troubled DOD weapons systems is one thing, but across-the-board cuts will punish those who are bravely serving our country in a time of war. Adding these cuts just makes what was a painful plan a totally unfair, unbalanced, and unacceptable plan.

I supported the majority leader's plan. I have shown I am serious about deficit reduction. I have supported a fair deal as described by people in New Jersey and across our country, a reasonable deficit-reduction plan that truly represents compromise, a deal that fulfills the commonsense idea of shared sacrifice.

I know shared sacrifice. This is not shared sacrifice. This is capitulation to a radical fringe of the Republican Party that will not bend until they break this economy or get their own way. I have been for deficit reduction. I have voted for fair approaches to deficit reduction. I know fairness, but this deal is not fair, and I will not support it.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. LIEBERMAN. Mr. President, I rise to speak on the proposed debt crisis agreement. The first thing I would like to do is express my appreciation—I think I would actually say empathy to the President, the Vice President, and the bipartisan leadership of both Houses of Congress who have had to deal with this enormously significant and difficult problem for our Federal Government because the obvious fact is we have worked our way into a very deep hole of debt. When I say “we,” I mean we, all of us—succeeding Presidents of different parties, Members of both parties in both Houses of Congress. There is a tendency, when you have a problem such as this, to want to point and blame everybody else. The

truth is, we are all responsible, and we are only going to get out of this hole and get the American government and the American people out of this hole if we work together to solve the problems, just as we have together caused these problems.

I saw some numbers recently—I think I have them right; I know I have them almost right—that express very simply what happened over the last decade. In fiscal year 2001, the last year of the Clinton administration, the Federal Government tax revenues—revenues—were at about 19.6 percent of the gross domestic product. Federal Government spending in that year was about a point lower, 18.5 or 18.6 percent of the gross domestic product. So you are raising about 1 percent more of the GDP than you are spending, and you have a surplus.

What is it now? It is startling how the change has occurred. Spending is up close to 25 percent of the gross domestic product, and revenues are down to about 15 percent. Now you have a gap of about 10 percent of spending, as a percentage of GDP, over revenue, and we have this enormous deficit and debt—\$14 trillion. If you said to me when I came to Congress in 1989 that our government would one day have a debt of over \$14 trillion, I would have said: Impossible. But here we are. And it is growing at \$1 trillion a year and more. That is the problem we have.

When you think about those percentages I cited, speaking very simplistically, the way we are going to get out of the hole we are in is by cutting spending and raising revenues. We would like to do that in a way that also gets us back to economic growth. That is the critical third factor. If we are growing economically, the revenue system we have will raise more money and help us to close this gap.

But doing these two things that are critical to solving the national crisis we have—which is to raise revenue and cut spending—is difficult politically, very hard politically. It is not what a lot of politicians think our constituents want us to do. But I think today the American people are so anxious about the national debt, so anxious about the economy, and so frustrated and angry with Members of Congress that they would like us to do what is counterintuitive, which does not seem like traditional politics, which is to actually do together what will solve the problem—stop the partisan politics, solve the problem. They know we have to cut some spending, we have to raise some revenues, and they want us to do it fairly. That is the difficult dilemma the White House and the bipartisan congressional leadership faced in dealing with this problem, and it results in the agreement.

I thank the leaders and the White House for the agreement because it does do some significant things. No. 1, it avoids the unknown risk of a default for the first time in our history. Some people think it would not be so bad. I

do not want to play that game with our economy and our financial future. I think it would have hurt us. So it avoids that. Second, it does begin to cut some spending and put some caps on. Third—and maybe this is the most hopeful—it creates a special joint committee of Congress to recommend further cuts in this so-called second tranche of cuts.

But it does not do two other things, and as a result, this proposal before us now is unfair. What doesn't it do? It seems to me that in reaching this agreement, each political party yielded to the other party's highest priority political and ideological interest. So this agreement does not deal with entitlement reform at all, including Medicare reform, which is a priority for Democrats, and it does not raise revenues, which is a priority for Republicans. Why do I say it is unfair? It is unfair because it sets before us a solution to the problem that only asks of the discretionary spending lines in our budget.

What I mean to say here is that discretionary spending in fiscal year 2010 represented about 35 percent of all government spending. Mandatory spending, the so-called entitlements, was almost 60 percent. So 35 percent discretionary, 60 percent mandatory. Interest payments were about 5.5 percent. So if you are taking the mandatory spending off the table and you are not going to add any revenues, then you are left with taking all the savings that this agreement proposes to achieve—almost \$3 trillion, maybe at best \$3 trillion—you are taking it all out of discretionary spending. In doing that, you are going to end up having a devastating effect on our security and I believe on our prosperity and also on our future, on the capacity of our government to take care of those who are most vulnerable and on the capacity of our government to help the economy grow.

To better explain this, I just want to say very briefly, what is discretionary spending? Well, there is the defense side, which is the Department of Defense. In some cases in the agreement, it is described as security, and that would include Homeland Security and the Veterans' Administration. The nondefense discretionary includes most of what most people see as our government: education, health, administration of justice, energy, environment, agriculture, commerce, community and regional development, science, space, technology research. All of those will suffer devastating cuts under this proposal because we have not been able to deal with entitlements, particularly Medicare.

Why do I cite Medicare? I believe in Medicare. I think it is a great program. But, look, it is on course to do two things: One, it is going to go bankrupt soon, according to the report of its own trustees, no later than 2024 but as soon as 4 or 5 years from now. The hospital part of Medicare is going to go bankrupt. It is not going to have enough

money. Why? Because though people put money, through their payroll taxes, into hospital insurance, the reality is that the average beneficiary of Medicare takes \$3 or \$4 out for every \$1 put in. You cannot do that and have it be sustained over the long haul. And over the next decade, approximately 20 million more Americans are going on to Medicare because of the baby boomer generation. So it is the single largest, fastest growing element of our Federal budget.

It seems to me—again, I support Medicare. I voted against the Ryan budget. I do not want to privatize it. But you cannot protect Medicare as it is and expect it to stay as it is. You are only going to protect Medicare by changing it, and this budget does not touch that at all. I could say more about that, but that is enough for the moment.

So the end result of all this is that of the approximately \$1 trillion in the so-called first phase or tranche of cuts adopted by this plan, they are pretty much all from discretionary spending, defense and nondefense—Head Start, Pell grants, education, and defense.

The second phase is the part that bothers me and really worries me, I would say. The proposal before us sets up a committee, 12 Members of Congress equal in terms of party allocation. They have the opportunity to deal with the problems that are left out of this and have this be a fairer proposal to get America back in balance; that is, to deal with the entitlements and deal with the revenues—tax reform, entitlement reform, whatever you want to call it. But will they? And if they do not, if the two parties' priority political and ideological interests are reflected in the committee and stop it from dealing with entitlements and revenues or are reflected on the floor, then there is an automatic mechanism for cutting an additional \$1.2 trillion to \$1.5 trillion, and that all comes out of discretionary spending, defense and nondefense.

Some of my other colleagues have come to the floor to describe the impact on nondefense discretionary spending, really most of what we know as government: education, health care, environmental protection, transportation, et cetera, et cetera.

I am on the Armed Services Committee. I am on the Homeland Security Committee, privileged to be chair. My priority in my service in the Senate has been our national security. I will tell you this: If that sequester ever went into effect, it would have a devastating impact on the ability of our men and women in uniform and their leaders to protect our security in what remains a dangerous world.

The initial \$1 trillion of cuts mandated in this proposal includes \$350 billion over the 10 years from defense, as I understand the numbers. President Obama had earlier directed the Department of Defense to cut \$400 billion from their spending over the next decade.

The Department of Defense is working on that. GEN Martin Dempsey, soon to be Chairman of the Joint Chiefs, testified before the Senate Armed Services Committee, said he was working on that. He thought he could accomplish it, but it was not going to be easy.

He was asked: What would happen if you were demanded to go beyond the \$400 billion in cuts from defense over the next 10 years? He said it would be extraordinarily difficult and involve very high risk to our national security. He is not against cuts in defense. I am not against cuts in defense. But they have to be reasonable because, in the end, the first responsibility of our national government is to protect our security.

If we do not have security, we do not have anything else. We do not have freedom. We do not have prosperity. We do not have anything else. The world is full of people who want to do us damage, who want to kill us, who want to bring down our civilization, who are involved in an ideological—some sense theological—clash with us. I am just saying that if the joint committee, the special committee, cannot reach agreement or reaches agreement and Congress rejects its proposals, there will be an automatic cut in defense of an additional \$500 to \$600 billion over the next decade. Add that to the \$350 billion already in the first phase mandated by this proposal, we have \$1 trillion in cuts. We are not going to be protected, as we have to be.

It is as simple as that. It is unfair—not only unfair, it is irresponsible. Admiral Mullen was in Afghanistan over the weekend. He had a conversation with some of our troops that got a lot of attention from the media. One of the soldiers got up and said: Admiral Mullen, we were following the debt debate in Congress. Can you promise us we will get paid regularly in the coming weeks?

Admiral Mullen quite honestly said: I do not know. Because it was not clear whether we were going to come to an agreement and avoid a default.

I will tell you, if this full package goes forward and the joint committee does not reach a different result and recommendation and \$1 trillion of cuts are imposed on our national security—Defense Department budget over the next 10 years, whoever is Chairman of the Joint Chiefs of Staff when this goes into effect—it will be General Dempsey—he will still be there, fortunately, in January of 2013—when they are asked: Will we get paid, I believe they are still going to say: I do not know. Some of you will. We may have to have a reduction in end strength in the force, the number of people we have protecting our country. If families of men and women in uniform for the United States ask, if this total package of cuts goes into effect on defense, if their families of the military ask: Are our loved ones in uniform going to be given the equipment to carry out the

missions our country is asking of them in a way that maximizes their ability to succeed and protects them, I do not think anybody in the military can say yes. I could not say yes, if that was the case.

So I am disappointed. I will say one other thing because we are all so focused on jobs and the economy. The American military does not just protect our security and advance our ideals, as it does, and live by our ideals, as it does, but it also has a tremendous positive impact on our economy. It is the American military that is the foundation of an international system of stability and security that has undergirded, that has been the precondition of the enormous growth that has happened in America and a lot of other places in the world, where hundreds of millions, probably billions, of people have come out of poverty because they could rely on the safety of the sea lanes, they could rely on order in the world in places such as Asia, Europe, and throughout the world.

If the American military is cut as much, in the worst case as this proposal would cut it, it is the beginning of the end of America as a great international power. It is the beginning of the end of this system of international security that has undergirded our prosperity and so much of the prosperity of the world. Which other nation will assume the responsibility we have? We have benefitted from it greatly. It is a statement that we are prepared to decline as a country.

I come back and say again, that to get us out of the fiscal hole we in the Federal Government have put this country into, everybody is going to have to give. Everybody is going to have to take cuts. That includes defense, and there is a lot that can be cut out of defense. But there is also a lot that has to be changed in entitlement spending.

There are people who are getting away with tax loopholes who ought to be paying more in taxes. Everybody has to contribute to solve this national crisis. Right now, this proposal is unfair because it adds contributions, cuts, sacrifice only from the recipients of discretionary spending, and that means while all of them should be paying—should be accepting cuts, they are being asked to take cuts that are unfair and counterproductive to our security, to our liberty, to our prosperity, to our morality as a country that has always taken care of people who could not take care of themselves.

If these discretionary cuts go into effect, all that will be jeopardized. So I have come to say this to my colleagues and to say, frankly, that I have not decided how I am going to vote. I understand the proposal does prevent the default, it does begin some process of cuts, and it has this committee which offers the most hope.

But on the other hand, I see in front of me a mechanism set up which I think—if it goes through its conclusion—will have not a net positive effect

on our future, if the committee's work is not good and accepted by Congress, but a net negative effect on America's future.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Ms. KLOBUCHAR. Mr. President, I rise today to speak about the debt ceiling agreement that was reached last night.

Over the past week I have heard from countless Minnesotans who want Congress to come together and reach a compromise on the debt ceiling.

They did not want their interest rates to rise, the value of the dollar to fall, or to see their retirement savings decimated again because some in Washington believe that if they refuse to compromise, the resulting crisis will score them political points.

I would like to share with you some of the comments I received from Minnesotans throughout the State.

Judy from Rochester writes:

As senior citizens, we understand where our country is compared to where it has been in the last 50 years or so, and we appreciate that sacrifices must be made. It is almost too far back to remember when people all pulled together, including congress, to solve our corporate issues.

... all the American people want is for you to represent us and make the best decisions for us ... using your best judgment. Not prejudice or narrow viewpoint, but the best judgment.

Paul from Rochester writes:

This is not the place for partisan political stubbornness. It is the time for our elected officials to work together for the good of the United States.

Louis from Lakeville writes:

It is time for all you legislators to put your political affiliations aside and act as Americans and do what is right for all Americans not just those who voted for you. We have a tremendous fiscal mess in this country and we cannot waste time blaming each other. It was jointly created and must be jointly resolved.

Bonnie from Osseo writes:

Please put your ideologies aside and work in a collaborative effort to restructure our debt and to give the USA the opportunity to continue to prosper.

Marla from St. Paul writes:

It is so frustrating to see the same game of political budgetary chicken playing out at the national level that happened in the state level in Minnesota.

Tom and Mary from St. Paul write:

If you wanted to wake us up as citizens, you certainly have. We've been told that if you allow a default, that will cost our 401K to lose \$9,000. Our stock portfolio and retirement savings will likely take a 6 percent hit.

If ever a situation called for compromise, this is it. Raise the debt ceiling, and not just for 6 months, (Reagan did it many times) but make real promises to deal with the debt, and then make the real fight where it belongs, over the next budget, not paying for our current obligations. Do you really want the Chinese to call in all our debts now? Have a phased, sane plan for bringing down the debt, not a forced/false crisis. We're just hard working Americans trying to go on with our lives. We never write these kinds of messages. This is scary and we won't forget. Get it done please.

Jake from Minneapolis writes:

In these upcoming days, as you are faced with difficult decisions, I implore you to work with your colleagues on both sides of the aisle to finalize the budgetary issues facing the United States at this time. As a husband who is supporting his wife as she attends a graduate program at the University of Minnesota, I am very concerned about what a default of United States loans would mean in regards to our finances.

I am faithfully paying down student loans and my wife and I will begin to pay down the student loans that she has incurred to pay for her education as she finishes her program in May. Paying off loans is never fun; it means cutting some things out of our budget (things that we like such as going out to eat or to the movies) and compromising on difficult decisions.

I hope that as decisions are made regarding the financial situations facing the United States you will be a person who reaches across the aisle, with a willingness to compromise and to make difficult decisions.

Marilyn from Buffalo writes:

As an independent voter I am asking you to compromise on the budget issue. I am also asking you to use a balanced approach to reduce the budget deficit.

Jay and Bonnie from Moorhead write:

We would like to see a timely resolution to both the debt limit issue and deficit reduction by means of genuine negotiation resulting in a nonpartisan compromise which will keep our country financially solvent.

Kim from Duluth writes:

I am writing to add my voice to the growing number of citizens worried about Washington's inability or perhaps unwillingness to get done the work you were elected to do. In my opinion as a working class American, I believe we ALL are expected to compromise in hopes that we can further the good work of our nation. I firmly believe all of America needs to be accountable to the economic disaster we have known was approaching these many long decades. So please, in the vernacular, "suck it up" and get the job done!

While no one feels the agreement we will soon vote on is the perfect solution, we are in the bottom of the ninth here, the time has come to break through the partisan stalemate and pass something to provide certainty so we can move our country forward.

This is why I plan on voting for this agreement as it will ensure our country does not default on our obligations—something that would have caused real pain for Minnesota families and businesses—while also providing a down payment on deficit reduction.

Unfortunately, this debate has once again shown we need to change the way Congress conducts its own business.

I come from county government and I can tell you local governments do not operate this way.

Minnesota is home to more Fortune 500 companies per capita than any other state. After fielding many calls over the past few weeks from business leaders from the biggest businesses in our State, like General Mills, to the smallest, one, two, three-person operations, they do not run their businesses this way.

And there is no doubt, this is not how families balance their budgets.

The sooner we can come together to agree on the next stage of this package, the better for our economy and the better for our country.

I believe we should look at things such as closing the loopholes for oil subsidies. I believe we should look at things such as tax cuts on the wealthiest expiring at the end of 2012. These are things that should be in the mix as we move forward.

It is time to put our political differences aside to work on an agenda that strengthens our economy, promotes fiscal responsibility, and increases global competitiveness.

If we insist on using the debate as a vehicle for rhetoric only, we will not just be doing ourselves a disservice, we will be cheating our children and grandchildren out of knowing the America in which we grew up.

We already know much of what will need to be done. Our failure to act has not been because we lack solutions but because, too often, Congress has lacked the political will to get behind a consensus proposal.

In the Senate, we have had this work going on. We have had bipartisan groups of Senators, including the Gang of 6, working together to find a solution. We need to now take that work and make sure that gets included in the consideration by this committee.

It is time for us to work together and tell the American people what they need to hear. We need to show them that Washington isn't broken; that, instead, we are willing to put aside our partisan politics to do what we were elected to do—to do what is right for America.

#### PASSING AN FAA EXTENSION

Mr. President, I will turn to another issue I hope we can resolve before the end of this week, which is to pass an FAA extension.

I rise today to speak about the urgent need to pass a Federal Aviation Administration extension. The Federal Aviation Administration not only keeps our airways safe but it also ensures that our air transportation runs effectively by overseeing grants for critical construction projects at our airports.

As you know, Congress allowed the FAA's most recent extension to expire on July 22. This has resulted in a partial shutdown of the FAA.

While the current partial shutdown of the FAA is not affecting the safety of our airways, it is still having some detrimental effects on our country's air service.

The lack of an extension means the FAA doesn't have the authority to collect the fees and taxes the aviation system needs to fund ongoing construction and improvement projects at our airports. This is approximately \$200 million a week.

The fees and taxes have nothing to do with the current debt issues we have been debating over the past few weeks. These fees and taxes go into a trust fund that is self-funded and separate

from the budget that has been in the news.

The trust fund pays for construction projects such as a new terminal at the Duluth Airport in Minnesota. This new terminal is critical to the Duluth area. The terminal will allow more flights in and out of the airport, which is vital as more and more businesses are moving to Duluth.

Unfortunately, the airport at this time is waiting for a \$5.2 million grant that has already been awarded from the FAA. For each day that the airport waits to receive its grant money, the risk is higher that the airport will be forced to delay the terminal project for 1 year. Why is that? Why can't they go through constructing things in December and January in Duluth? It is pretty cold in Duluth then, and it is hard to do the construction, if not impossible. That is why it is so critically important that we get this money in Duluth immediately. Such a delay will not just be inconvenient, it will cause the cost of the project to significantly increase.

Duluth is not the only airport suffering. Construction projects are being halted throughout the country. The Associated General Contractors estimates that 70,000 construction workers in related fields have been affected by this shutdown.

I know there are political issues surrounding Congress's inability to pass an FAA extension. However, these issues have nothing to do with the construction projects such as the Duluth terminal, the 4,000 furloughed FAA employees, or the 70,000 construction workers just trying to make a living.

I appreciate the bipartisan work that has gone on in the Commerce Committee and in this Chamber with Senator ROCKEFELLER from West Virginia and Senator KAY BAILEY HUTCHISON from Texas. I continue to support them in their efforts to get this FAA extension done.

I urge my colleagues to pass the FAA extension. The lack of one is hurting our aviation system and our economy.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, are we in a quorum call?

The PRESIDING OFFICER. We are not.

Mr. HARKIN. Mr. President, the debt ceiling agreement that will soon come before the Senate is a clear and present danger to the fragile—indeed, faltering—economic recovery. To say this is the wrong policy at the wrong time is a gross understatement. One has to ask the question: Is anyone paying attention? We just learned economic growth fell to a 1.3-percent annual rate in the second quarter. The first quarter growth was revised downward sharply to just four-tenths of 1 percent—virtually flat.

The economy created a meager 16,000 jobs in the month of June—again flat, not even keeping up with population growth. Last month, over 25 million

Americans could not find full-time employment. Let me repeat that: over 25 million Americans are effectively out of work. This includes those formally looking for work and those so discouraged that they are no longer looking but want to work. State and local governments continue to slash funding for jobs at a stunning pace, destroying an estimated 500,000 jobs in the last 2 years. Let me repeat that: In the last 2 years, State and local governments have destroyed an estimated 500,000 jobs. Those are consumers too. Those are people who shop and buy cars and clothes and houses and go out to eat at restaurants and things such as that.

According to an article in today's Wall Street Journal, in the first half of 2011, all government spending fell at a 3.5-percent annual rate, enough to knock three-quarters of a percentage point off the GDP. On top of this wreckage, this so-called budget deal is proposing to slash funding in investment by \$2.4 trillion over the next 10 years—an unprecedented step that will further destroy demand and directly kill millions of public- and private-sector jobs.

This is what Mohamed El-Erian, chief executive of the bond investment firm of PIMCO, said just yesterday on one of the network shows in regard to this budget deal:

Unemployment will be higher than it would have been otherwise.

Speaking of this budget deal we are talking about, he said unemployment will be higher because of it.

Growth will be lower than it would be otherwise, and inequality will be worse than it would be otherwise.

He added:

We have a very weak economy, so withdrawing more spending at this stage will make it even weaker.

For months now, Washington politicians have been distracted by the phony manufactured crisis about raising the debt ceiling. This city has been obsessed with this. The rest of the country, for a very good reason, is more concerned with a far more urgent deficit than the budget deficit. They are more concerned about the jobs deficit—25 million people out of work. In a recent CBS News-New York Times poll, 53 percent of the public polled named jobs and the economy as the most important problem, while only 7 percent named the deficit.

So I oppose this misbegotten, misguided deal they have conjured up in return for raising the debt ceiling. I don't oppose raising the debt ceiling. I wish to make that clear. I believe we have a constitutional obligation to pay our debts and to make good on our debts, as we have done since the Revolutionary War. What I am objecting to is the deal that was put together in order to permit us to perform our constitutional obligation.

I oppose it for four reasons: Reason No. 1 is this deal will destroy millions of jobs, as I have said, in both the public and private sector. By shutting off

Federal funding in investment—a critical engine sustaining our sputtering economy—it could easily plunge America back into recession.

Please read your history, see what happened in 1937 and 1938. We were coming out of the Depression and all of a sudden Congress decided to tighten down the screws and plunged us right back into higher unemployment.

Secondly, I have always advocated a balanced approach to deficit reduction, including both spending cuts and revenue increases. This deal—the one we are going to have before us this evening, I guess—rejects a balanced approach. It rejects any sense of equity and fairness.

As my friend, the Senator from New Jersey, Mr. MENENDEZ, said earlier on the floor: This is not fair. Are we concerned about fairness or is that just sort of *passe*? Is that something we should even be concerned about, whether something is fair? I think we ought to be concerned about fairness. This is the message that is coming across loudly and clearly in the phone calls coming into my office and the e-mails I am getting from Iowa and around the country.

This deal offends people's basic sense of fairness—that Congress would slash funding for things such as student loans and cancer research and Head Start programs and Vista and legal services or cut essential funding for seniors—senior volunteer programs, senior centers, and Meals on Wheels—cutting support for people with disabilities, cutting the safety net for a lot of the most vulnerable people in our society, hurting the middle class. We can do that, but we simply can't ask for one more dollar of shared sacrifice from the millionaires and billionaires who have made so much money in the last decade and who have received, thanks to this Congress, huge tax breaks.

This deal is not fair.

Third, I oppose this deal for the simple reason that I oppose paying ransom to hostage takers. Since the 1930s, Congress has routinely raised the national debt 89 times, including 7 times during the recent Presidency of George Bush, and 18 times under Ronald Reagan. Did Democrats hold the economy hostage? Did we say: Oh, no, we are not going to raise the debt unless you do this, this, this, and this? No. Did we filibuster? No.

Oh, there is always a skirmish on raising the debt ceiling. Ever since I have been here, for the past 35 years that I have been here, 36 years now, there is always a skirmish on it. But do you know how it has always worked? The majority always has to come up with the votes so there is no default. Well, that is not the way it is working this time.

This time congressional Republicans are holding our Nation hostage, threatening to default on our national debt and plunge America into an abyss that we don't even know what would possibly happen; that would affect our

bond rating for years in the future, affect the interest rates that everyone pays on their car loans, their student loans, housing, and everything else. They would plunge America into that unless their demands are met.

Let's be clear. This is not a negotiating tactic; this is blackmail. Republicans have basically said: We will inflict grievous harm on the economy if Democrats do not meet our demands. Well, President Obama said it earlier. We are not going to go into default. So with this kind of a lopsided deal, the ransom is paid, the hostage is released. But what a terrible precedent this sets. Make no mistake, Republicans will use these same despicable tactics down the road in the future.

Now, if I sound like I am picking too much on Republicans, let me just say, with this kind of precedent, I can see a Republican President—and there will be another one sometime, but I hope not too soon. But there will be a Republican President and there will be a Democratic Congress, and Democrats will use this as a precedent: We will hold it hostage.

Is this the way we want to start running our country? What a terrible precedent this sets. It reminds me of the precedent that was set starting back in the 1980s with the use of the filibuster in the Senate.

Now, I say to the President that I have for years advocated that we do away with the filibuster over a short period of time; that we allow things to be slowed down but not be stopped because of a filibuster. I didn't just say this now; I said it in 1990s. It was right after Democrats had lost control of the Senate and Republicans had taken over, and I even advocated doing away with the filibuster then because I said it was escalating. It was a tit-for-tat. When the Republicans were in charge, we filibustered; and then when we got in charge, they filibustered, but they added a few more. Then when we got in charge, we filibustered, but we did it a little bit more than what they did. This went back and forth.

I predicted in 1995 that if we didn't nip that in the bud, it was going to get out of hand. Sure enough, it got out of hand. That is what I mean. That is what happens. You set a precedent like that, and there is no end to it.

So I think the precedent that has been set bodes ill for our country, not just for Republicans but for Democrats too.

President Obama had an alternative, however, to capitulating to the Republicans' hostage taking and their blackmail. In remarks in the Senate on Saturday and many times, I have urged the President to respond to this unprecedented threat by taking the unprecedented action under the 14th amendment to the Constitution of basically eliminating the debt ceiling. I know the occupant of the chair, the distinguished Senator from Delaware, has advocated this for some time also. It is deeply regrettable that President

Obama preemptively took this option off the table.

Throughout history, where meaning is unclear, where precedent was nonexistent, the American people, through their elected officials and through their President, have acted boldly to protect the interests of the United States and to save our country.

I have heard it said that people around the President at the White House—well, they got attorneys to weigh in on this and the Justice Department. I understand that the Vice President said this morning to the House caucus that the authority was unclear as to whether the President could take such action.

Again, I repeat: Where there is no precedent, where the meaning is unclear, we can't run across the street to the Supreme Court and ask for an advisory opinion. They don't give those advisory opinions. But when the country is in a crisis mode and our future is at stake, I believe the President can act boldly, should act boldly, must act boldly, both to prevent the country from falling into a crisis but also to prevent this kind of hostage taking, this kind of blackmail that we either do it this way or we will not raise the debt ceiling.

I pointed out in my speech Saturday, and I point out again, Thomas Jefferson concluded the treaty with the Louisiana Purchase—and he himself wrote letters, and I have copies of those letters. I have read them, letters to Senator Breckenridge anguishing over whether he had the constitutional right to do this.

In one letter he said: I believe Congress is going to have to pass a constitutional amendment and send it to the States for their ratification before I can do this. But, finally, Jefferson came to the realization that if he didn't take this action, the whole western part of the United States at that time might never become part of the United States. Think about that. We might have been facing a part of the United States that belonged to France.

So Jefferson acted boldly. In fact, there were critics at that time who said he didn't have the authority to do that, and they had a vote in the House of Representatives, by the way. I think it carried by a couple votes.

Abraham Lincoln signed the Emancipation Proclamation. There is nothing in the Constitution that gave him the power or the authority to do that, but he did it. He did it to help save the country and to right an egregious wrong.

More recently, Franklin Roosevelt—you can read about it in the history books. In the 1930s, it was clear if we didn't come to the assistance of Great Britain, it was going to fall to Nazi Germany—not that they needed our men but they needed our material. They needed the kind of material that we could supply in a short amount of time so they could defend Great Britain against Nazi Germany.

So Franklin Roosevelt concluded a lend-and-lease program. That is what it was called, the lend-and-lease program. Even President Roosevelt at that time said in his writings he considered this probably unconstitutional. But he had to do it to save our country because it was a crisis, and he acted boldly to do it.

There was no clear authority for him to do that, but, as I point out, there was no prohibition against him doing that either. There was no prohibition explicitly in the Constitution to prohibit Thomas Jefferson from making the Louisiana Purchase. There was no express prohibition against Lincoln signing the Emancipation Proclamation. There was no express prohibition against Franklin Roosevelt signing the lend-and-lease deal.

So, again, I point out, where meaning is unclear—and in the 14th amendment the meaning is kind of unclear. But we do have a court case, *Perry v. U.S.*, 1935. Read what Chief Justice Hughes wrote in his opinion. He said quite clearly that Congress has the power to borrow money. He said that is a good thing. It may be used to save our country sometime. But, he says, Congress does not have the authority to alter or destroy those obligations. We cannot alter or destroy those obligations once we make them.

So as I argued Saturday, and I continue to argue, if Congress either through action or inaction destroys or alters those debt obligations, then I think it is up to the President of the United States to step into the breach.

Is there clear authority for the President to do this? No. I submit there is no clear prohibition against him, either, to do this. So when I cast my vote later today against this deal, I am not casting a vote to send our country into default. I would not do that. If I thought that my vote was the determining vote to send this country into default, I would not do that. That is not the way I see it, Mr. President. The way I see it is even if we turn this down, the President can use his Presidential power and authority to sign an Executive order getting rid of the debt ceiling so that, constitutionally, we make good on our debt obligations.

Read *Perry v. U.S.* I think you can see it there. So if this deal goes down either in the House or the Senate, the President can act before tomorrow to save this country. He may not want to do it, but he should do it. And he should have put that out there a long time ago.

Each one of the three cases I mentioned, Jefferson, Lincoln, and Roosevelt, three great Presidents, took action to save the country, and they did the right thing.

Mr. President, my fourth reason for opposing this deal is because, in truth, it is not about reducing the deficit. First and foremost, this deal is about preserving hundreds of billions of dollars in tax breaks for corporations and the wealthiest in our society. Bear in

mind this is the singular purpose and goal of today's Republican Party: not reducing the deficit but preserving and expanding tax breaks for the wealthy. Here is why I say that.

Back last December when Republicans demanded the deal to preserve the Bush-era tax cuts for the wealthy, that deal added a whopping \$800 billion to deficits in just 2 years: this year 2011, next year 2012. Here we have it. We are being asked to raise the debt ceiling. A big portion of that is to pay for tax breaks to the wealthiest just in 2 years because of that deal last December where the Bush-era tax cuts were extended for 2 years, the wealthy can get billions in tax breaks for 2 years. So now what we are being asked to do is to pay for these 2 years' of tax breaks to the wealthiest by slashing funds to the most vulnerable in our society.

So that is the game here. The game here is to preserve those tax breaks even though we have to slash funding for the most vulnerable.

In December, Republicans' No. 1 priority was preserving tax breaks for the wealthy even if that meant adding hundreds of billions of dollars to the deficit. So last December Republicans said: We have to extend the Bush-era tax breaks for 2 years. That tax bill added \$800 billion to our deficit. I didn't hear a peep out of them, not one peep from the Republicans about the impact on the deficit.

Now, in recent weeks and months Republicans have repeatedly rejected grand bargains to reduce future deficits by nearly \$4 trillion. Why did they reject the Reid proposal and proposals by the administration and others? Because each one would have required some modest sacrifice from millionaires and billionaires to help pay for those tax breaks they got. Republicans adamantly opposed this.

In his remarks last evening announcing this debt ceiling bad deal, as I call it, President Obama said the result "would be the lowest level of annual domestic spending since Dwight Eisenhower was President." That bears repeating. President Obama said the result "would be the lowest level of annual domestic spending since Dwight Eisenhower was President."

For the record, the American people do not want to take down Federal funding and investment to the level of the Eisenhower years. To do so would be tantamount to repudiating what we have done since then to make our country better and more fair, to make our country more of a middle-class society, more a country where people born into poverty can aspire to be in the middle class to get a good education, good health care, decent housing, a "Head Start."

To return to the spending of Dwight Eisenhower would be tantamount to repudiating the Great Society programs. We always hear from Republican friends how the Great Society was a failure, what a failure the Great Soci-

ety was. I respectfully disagree. Head Start a failure? It was a Great Society program. Medicaid? Of course Medicaid now is exempted out of this measure. How about the Elementary and Secondary Education Act, title I, where we have agreed to put money out to the States to help low-income students and schools in poor areas? That is a Great Society program. How about the Higher Education Act? Student loans help a lot of kids go to college.

I have here a list of some of the Great Society programs: the Civil Rights Act of 1964; the Voting Rights Act of 1965; the Age Discrimination and Employment Act of 1967; Job Corps—that is another one which is going to get slashed because of this, Job Corps; VISTA; Upward Bound; food stamps, now called the SNAP program, which enables low-income people to have a decent diet during economic downturns; LIHEAP, the Low Income Home Energy Assistance Program; the community action programs that do so much for the elderly and the poor. I mentioned the Elementary and Secondary Education Act, the Higher Education Act of 1965, the Bilingual Education Act to help kids—learners of English as a second language. I mentioned Medicare and Medicaid. How about the Clean Water Act, the Clean Air Act, the Land and Water Conservation Act and on and on. I am not going to read them all. These are all parts of the Great Society programs. They made our country what it is today. But, they do cost money.

We have cleaner air, cleaner water, better educated kids, better health care, better cancer research—all kinds of research done at the NIH. These programs, along with Social Security, undergird the middle class in our society. They create a ladder of opportunity to allow disadvantaged Americans to work, move upward, and become part of the middle class. These programs define America as decent, compassionate, and, yes, as a great society.

The President is sorely mistaken if he believes the American people want to slash the budget to the level of the Eisenhower years and turn back the clock on half a century of progress.

Mr. President, I hope that is not what you meant. I hope that is not what you meant. To turn spending back to the level of the Eisenhower years is not a bragging point. That is not something positive. To me, that is a big negative.

What we need is to have a better and more fair tax system to pay for all the things that make our society great. We are not having the right debate here. We have not had the right debate for a long time. The debate ought to be about what is happening to our society.

I just read a recent interview with Bill Moyers. Bill Moyers was asked what his greatest fear was. His greatest fear was that we in America would accept greater and greater inequality, wealth inequality, as the norm; that we would accept a greater and greater

inequality as normal. Here is maybe what he was talking about. From 2005 to 2009, the median net worth of Hispanic households went down 66 percent. The median net worth of African-American households went down 53 percent. The median net worth of White—Caucasian—households went down 16 percent. The median net worth right now of a White—Caucasian—family in America is 20 times that of an African-American family and 18 times that of a Hispanic family. This is twice the gap since before the recession, and it is the biggest gap since this data was collected by the Bureau of Labor Statistics in 1984.

Do you see what is happening? Our country is pulling apart. There are fewer and fewer people at the top getting more and more wealth and more and more people at the bottom, destroying the middle class.

From 2005 to 2009, the median net worth—I keep stressing "median net worth." What that means is you take all the things you own—your house, car, TV sets, all the stuff you own—and you subtract that from all your debts and obligations—mortgage, things such as that for the middle household with half having more and half having less. The median net worth from 2005 to 2009 of African-American households went from \$12,124 to \$5,677. The median net worth of Hispanic households went from \$18,359 to \$6,325. Keep those figures in mind—median net worth of African-American households in 2009, \$5,677; Hispanic households, \$6,325. That is their net worth. That is everything. White households, in 2009—from 2005 to 2009, the net worth went from \$134,992 to \$113,149. So as of just 2 years ago, the median net worth of White households was, indeed, 20 times that of African-American households and 18 times that of Hispanics. Here is Hispanic households: net worth, \$6,325; median for Whites, \$113,149. Again, that wealth, as I say, is the sum of all their assets—their houses, their cars, their bank accounts—minus their debts, including mortgages, loans, and credit card debt.

The share of wealth? In 1988, the top 5 percent of Americans, in terms of wealth, had \$8 trillion in assets. That was 1980. In 2010, that top 5 percent had \$40 trillion in assets. That is more than 60 percent of the national wealth. The other 95 percent of America has the remaining 40 percent.

Jim Wallis, president of Sojourners, Rev. Jim Wallis, said, "A budget is a moral document."

"We are making choices," he added, such as whether to cut \$8.5 billion for low-income housing or whether to retain a similar amount in tax deductions for mortgages on vacation homes for the wealthy.

As Senator MENENDEZ said earlier, it is not fair. This is the debate and discussion we should be having in America, in the Senate, and in the House. There is this huge disparity in wealth in this country, and it is getting worse year by year. Yet our Republican

friends say: Give more tax breaks to those at the top.

The American people get it. They understand this. They know there are over 25 million of them out of work. They know that wealth disparity is opening up a huge gap. The middle class is being destroyed in our country, and this so-called budget deal is going to make it even harder for anyone to succeed in becoming a middle-class person.

I just want to say that the most important thing we can do right now, the single most important thing we can do—I hate to say this—is not “balance the budget,” which is not what we are going to do now—this is raising the debt ceiling. That is not the most important thing. Slashing government spending is not the most important thing right now. The most important thing is to marshal the forces of the Federal Government to put people back to work, to get jobs going in our society.

There is a lot of work to be done. There are highways to be built and bridges to be built and schools to be remodeled, new technologies, new power systems, new clean energy, a smart grid, cleaning up the environment. Anyone who has suffered through the heat wave in the last couple of weeks knows something is going on in this country. Something is going on. We need more clean energy.

We need to make sure those children who are born today whose parents do not have anything, whose net worth is so little they don't have anything, we need to make sure that they have decent health, that they have early education programs and Head Start Programs. We need to make sure that every child has the best school and the best teachers in America, make sure that our streets and our neighborhoods are safe so families can go out and walk in the evening or at night and feel safe. We need to make sure the food we eat is duly inspected so we can have a high assurance we are not going to get sick and make sure the drugs we need are available, that the medicines we need, are affordable.

There are a lot of jobs that need to be done in this country, and we can put a lot of people to work. That should be the role of the Federal Government.

Some people say—I have heard it said many times: Government doesn't create wealth, only the private sector creates wealth. The government consumes wealth, it doesn't create it.

I had a hearing in my committee about a month ago or so, the HELP Committee, and we had the head of the National Institutes of Health down, Dr. Francis Collins. The head of NIH had an interesting story to tell. It had to do with the Human Genome Project, mapping and sequencing the human gene. We did it. It was a tremendous scientific accomplishment. Dr. Collins headed that effort. So we mapped and sequenced the human gene. The Batelle organization in Ohio, a research orga-

nization, analyzed it and said we had to put in taxpayers' money, \$3.8 billion worth of tax dollars into this. In the last 10 years, the private sector—because of this research that was done in mapping and sequencing the human gene—has put in over \$790 billion in investment, creating thousands of jobs all over this country, making huge breakthroughs in the genetic causes of so many diseases and finding interventions to help cure diseases and keep people healthy. Private investment never would have been done if we had not put \$3.8 billion into the NIH to map and sequence the human gene.

The Interstate Highway System would never have been completed by any private company. We did, through the power of the Federal Government. You know what. It was not Federal Government workers out there working on that highway. It was young kids like me. When I was a kid, I was working out on the Interstate Highway System making summer money to go to college in the fall. I didn't work for the government; I worked for a private contractor.

There are plenty of jobs that need to be done, and we need to put people to work. That is the single most important thing we can be about. Yet what we are doing, as I quoted earlier, is we are actually going to make it harder. Economists say the deal could complicate the task of putting people to work. There is broad agreement that the United States needs to pay down its debts, but most economists say the government should have waited a year or more for the economy to strengthen. We sure missed a big window of opportunity to reduce our debt in our strong years when the asset prices were booming. This time it is different. Instead we are stuck trying to do it now when the economy is so weak, and we should not be cutting and slashing. We should be investing and putting people to work.

Again, I urge my colleagues to reject this misguided, counterproductive debt ceiling deal. Let's stop this precedent of taking a hostage of the United States until we get what we want. Mark my word, if we do this, it is going to happen again. Then maybe sometime when there is a Republican President and the Democrats are in charge, then the Democrats will turn on the screws and we will hold them hostage for something. It is a terrible way to run a country. It is a terrible way to run a democracy.

I urge my colleagues to reject this misguided, counterproductive debt ceiling deal. Let's join together to pass a truly balanced approach to bring deficits under control, one that first invests in putting people to work. Then as the economy begins to grow and the private sector begins to invest, then we start cutting spending, reducing the deficit. Let's have a balanced approach that will allow us to continue to invest in education, infrastructure, research, and the other things that will create

jobs and boost our economy, that will build the middle class. This bill is a job killer. This debt ceiling deal is a job killer. A lot of economists agree with that. We should reject it.

Mr. President, you have the pen, and you have the Executive order and you can get rid of that debt ceiling. Take a bold action to save our country and say: No, we are not going to let any group of Congressmen or Senators of any political party take our nation hostage again.

I ask unanimous consent the time until 8 p.m. be equally divided between the two leaders or their designees, with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER (Mrs. SHAHEEN). Without objection, it is so ordered.

Mr. HARKIN. I yield the floor.

Mr. CARPER. Madam President, you have only been in the chair for a couple of minutes. I was going to ask you what is going on today, but I think I have a pretty good idea. You and I have spent a fair amount of time discussing and thinking through what we ought to do in light of these big deficits. We had the privilege of serving together as Governors for a number of years. We had a requirement to submit balanced budgets and to balance the outflows and revenues in an ongoing basis. In some cases we had pretty good fiscal controls in place to help us. The rules were in place to help us, whether constitutional or statutory. In some cases not.

Your State and, I think, my State have a reputation for being fiscally sound operations. I was elected State treasurer and became State treasurer. In 1976 to 1977—as the Presiding Officer has heard me say before—we had the worst credit rating in the country, and we managed to climb from there until the time when I finished my last term as Governor to have a AAA credit rating. I am very proud of that.

I am relieved, if you will, that today it looks as though we have in place a course that will enable us to preserve the AAA credit rating for our country and, hopefully, for our States around the United States. One of our members of our caucus said something the other day that really struck a chord with me with respect to deficits and the debt ceiling. He said: We need a solution, not a deal. That is what he said. He said: We need a solution, not a deal.

I could not agree more. I could not agree more. While I am going to vote for what has been represented to us probably tomorrow, I do not regard this as a solution in the true sense. It is closer to a deal. Some may argue whether it is a good deal or a not-so-good deal, but I see it as a deal, not a solution.

What is difficult for me is there is a solution out there. There is a solution that a lot of people worked on very hard, including the guy who helped craft the last bipartisan deficit-reduction plan in the Congress in 1997, Erskine Bowles, then-President Clinton's

Chief of Staff. He worked with a lot of folks—a Republican-controlled House, a Republican-controlled Senate. One of the people he worked with was a guy named Alan Simpson, a Republican from Wyoming. He was a pretty good deficit hawk in his day and still is.

The two of them and others came up with the deficit-reduction plan that led to several balanced budgets at the end of the Clinton administration. A lot of people forget we actually balanced our budget a dozen years ago—not just once, not just twice, but several times. We can do this sort of thing.

The deficit-reduction plan they came up with then was not just revenues, it was not just spending. I don't think it was just domestic discretionary spending or defense spending. As I recall, pretty much everything was on the table, and they came up with a deficit-reduction package—50 percent revenues and 50 percent spending—and as I said earlier managed to balance the budget several times in a row.

I like to say there are four ways to balance the budget. The first of those is to cut spending. The second way is to raise revenues. A third way is to grow the heck out of the economy. The fourth way is to look in every nook and cranny of the Federal Government, including every kind of program—defense programs, domestic programs, entitlement programs—and ask this question: Is there a way to get better results for less money or better results for the same amount of money?

If we pass this agreement and what is being presented to us that is before the House this evening, and we actually pass it in the Senate and the President signs it into law, we are going to see not the promise of the deficit commission's recommendations, which was co-chaired by Erskine Bowles and Alan Simpson. We are not going to see the opportunity to reform or overhaul entitlements, to reform the Tax Code, to raise some revenues—not by raising taxes but by broadening the base, limiting some of those \$15 trillion of tax expenditures. It is what it is.

One of the things we are going to have the opportunity to do and probably a greater need to do is this: We are going to need to redouble our efforts to look at programs—domestic, defense entitlements—and ask that question: How do we get better results for less money?

We have one former Governor, the Presiding Officer, Senator SHAHEEN leaving, replaced by another former Governor, Senator MANCHIN, now the Presiding Officer, who knows what it is like to make these tough decisions. He has had to do them for 8 years.

Just as an aside, I would like to say this: There are two Senators born in West Virginia. That is the two of us, two Senators who were former Governors and former chairs of the National Governors Association. So we share a very special bond.

Madam President, I am talking about what could have been and what I think

still should have been; that is, the deficit commission's recommendations, which is broad-based and a real solution and not just a deal. That is not going to happen. Whether we like it or not, it is not going to happen.

The question is, What do we do? The suggestion is that we do at least more of what we are already doing; that is, trying to get better results for less money out of the Federal programs, all kinds of Federal programs, the kind of thing you and I did as Governors of our States, the kind of thing we are trying to do in the Federal Financial Management Subcommittee which I chair, formerly chaired by TOM COBURN. We work across party lines. It is a pretty good example of how we ought to work on how to get things done. Democrats and Republicans on the subcommittee work together. We work on the OMB, we work with the General Accountability Office, we work with the inspector generals and all of the departments of the Federal Government across the landscape. We also work with non-profits such as Citizens Against Government Waste.

What are we working on? We are working on how to get better results for less money. How do we not just identify fraud, but how do we get rid of it? How do we put a spotlight on agencies and departments and Federal folks who are doing a good job with good results for the money they are spending, and how do we put a spotlight on those who are not and make sure we get more good behavior and less bad behavior.

Almost everything I do I know I can do better. I think the same is true of all of us. The same is true with our Federal programs. We have to go for it. I like to try to find an opportunity in adversity. Albert Einstein used to say in adversity lies opportunity. I have been looking at this deal and trying to see where is the opportunity. The opportunity is to just do a better job in evaluating performance, demanding high performance, and working hard to get that performance and working with the administration and those Democrats and Republicans in the Senate.

One of the reasons I like the deficit commission's proposal is because it addresses some of the uncertainty that currently faces the business communities in our Nation, whether they happen to be large or small. I have heard—and I am sure the Presiding Officer has heard—from all kinds of businesses that one of the things they need from us is some certainty, some predictability. Businesses need certainty and predictability.

I have had any number of CEOs and businesses, large and small, who say to me that the reason we are sitting on a pile of cash and not investing our money is because we don't know what we are going to do with the budget. We don't know if we will have a default. We don't know what will happen with the Tax Code. We don't know if we are going to have an energy policy. We

don't know if the Supreme Court or if the Federal courts are going to overturn the health care reform. We don't know if we are going to do something about our infrastructure, transportation or otherwise. Businesses are reluctant to spend money until we address those uncertainties.

One of the things I loved about the deficit commission's recommendation, refined by the Gang of 6, is they would have addressed uncertainty with respect to the spending plan and getting us on the right track for deficit reduction. It would have been bipartisan, and it would have been comprehensive. It would take a big step toward providing expectations and predictability and certainty with respect to our Tax Code, and we could use both of those.

I was talking today and listening a little bit to the news, and they were talking about who is winning because of this debate and who is losing. I would like to think that Democrats are not big winners or Republicans are big winners. I hope the American people, the people we represent, are at least modest side winners.

One of the things the President didn't want to do was have us go into default. He was willing to bargain long and hard in order to avoid default, and I commend him for that. The President doesn't want to have another debate over the debt ceiling until we get past the next election, and for him that was important. He wants to be able to run the administration.

As a Governor, I remember how hard it was for us in Delaware to work in the Governor's Office on more than two or three big things at a time. It is hard to do. This administration had their hands full on this issue for months and were unable to work on some of the other things they needed to be doing to help run our country and move us forward.

The other thing I think is important to the President is he wanted to get started or continue on the deficit-reduction side and finding more savings in reduction. He didn't want to slam on the brakes right now. If I could use a car analogy of driving down the road, we have been driving down the road for the last couple of years to try to come out of this recession with both feet on the accelerator. What the President didn't want, and what I don't want, is to go from both feet on the accelerator to both feet on the brakes.

One of the values of the plan that is being presented is that we don't make that transition. We do start tapping on the brake and eventually we do put the brakes on, but it is not just like that. So there are some things important to the President.

On the Republican side, they wanted deficit reduction; they wanted it to be real, they did not want it to be illusory—neither do we—and they are unwilling to raise any revenues, even by reducing some of those \$15 trillion worth of tax expenditures—tax breaks, tax loopholes, tax credits, and so forth.

So we get, I think for the Republicans who are focused on spending and who didn't want to do any kind of revenues, even revenues that were being provided by dividing the base and lowering the rates, they weren't willing to go there. I think, for them, they can maybe declare victory.

The question is, How about the rest of us? How about the people who don't work here, the people who don't focus that much on partisan politics, how did they make out? For them, it is sort of a mixed bag. It is a mixed bag. If I were a teacher giving a grade in a class, I think I would assign it incomplete because we have plenty of work to do.

This idea of creating this bipartisan committee, joint committee, of 10 people, 6 Senators, 6 House Members—the total would be 12, 6 Democrats and 6 Republicans, I hope that works. I think—my preference would have been taking the Gang of 6, the people who worked for 1 year on a deficit reduction plan, which I think is a whole lot better, and just make them—if we are going to have a special committee—make them the folks on the committee. That isn't going to happen, unfortunately. They would have been my nominees, my appointees, but it is not my decision to make.

But, anyway, we are going to create this joint committee. Sometimes I think if we can't come to consensus on good public policy, what we are inclined to do around here is just to do more process. I hope and pray this isn't more process. I hope, at the end of the day, the men and women who serve on this joint committee will be open to our input and certainly open to the input of some of the Senators, including the Democrats and Republicans who served on the deficit commission and who went on to be a part of this Gang of 6.

The last thing I think I want to say is this: A lot of times in government—I hope we weren't quite as guilty of this in State government as here—but a lot of times in government we focus on symptoms of problems. We don't focus on the underlying disease or the cause of the problem. I like to use the patient analogy. The patient is exhibiting certain symptoms and sometimes we can look at those symptoms and figure what the cause of the problem is and try to cure the patient. Here the symptom has been all along the debt ceiling, but that is the symptom the patient is exhibiting or is facing. The underlying cause of the disease is the way we spend money and raise money. I think we have been treating the symptom—avoiding the default on the debt ceiling—but I am not entirely pleased that we are curing the patient, taking the steps to cure the patient.

That is sort of where I see us. I will close with these words. I see Senator DEMINT waiting to speak, so I will wrap up. A guy who never served in the Senate, served over in the House, Rahm Emanuel from Illinois, Congressman and later Chief of Staff to Presi-

dent Obama for his first couple years, Rahm Emanuel, now the mayor of Chicago, has a saying, and I think it is his original saying. He likes to say: "Never waste a good crisis." Sometimes it takes a crisis around here to get something done. He likes to say: "Never waste a good crisis." We have wasted this crisis, and we should not have done that. We should have taken the bull by the horns. I wish the President had embraced his own deficit commission sooner, more robustly. I wish our own leaders, Democratic and Republican, here and over in the House, had said: That is a pretty good idea. Let's give that a shot. Unfortunately, they chose not to do that. It was bipartisan. It was bicameral. It is unfortunate.

But it is what it is. We need to move forward. I just hope colleagues will be given the opportunity to offer a lot of input to this bipartisan joint committee that is being created, and maybe, in their wisdom, reporting back to us at the beginning of December, there will be some of the elements in deficit reduction that were captured by that deficit commission that are missing in this deal that is before us today. If that happens, this will have been a better outcome than I might have otherwise hoped for.

With that, I yield the floor and yield to my friend from South Carolina.

The PRESIDING OFFICER (Mr. MANCHIN). The Senator from South Carolina.

Mr. DEMINT. Thank you, Mr. President.

The last 2 years—2½ years—have been remarkable in a lot of ways. We have seen a lot of things around our country that are beginning to change the political landscape in Washington.

After President Obama's election, with a lot of fanfare and hope attached, we saw a lot of changes begin in Washington—a lot of new spending with huge stimulus plans that clearly have not worked. We have seen a takeover of the health care system and the financial system.

But what we saw across America is what encouraged me. We saw millions of Americans, from all spectrums of politics, united, coming together for tea party rallies and townhalls. They were concerned about our country. They were concerned about the spending and the borrowing and the debt. In these groups were liberals and Libertarians and Independents and Republicans and Democrats—people with all political beliefs who knew intuitively, instinctively, in their guts, that, in Washington, we couldn't keep spending more than we were bringing in without bankrupting our country.

I joined a lot of those groups around the country, and these were hardly radical people. They were commonsense Americans from all walks of life who were just concerned about what we were doing in Washington. They wanted us to get control of the spending and debt. We saw a lot of people in Washington ignore what was going on. But

across the country, many Republicans, and even some Democrats, were listening to what they were saying and made strong commitments that if they were elected to the House or the Senate, they would come and get control of the spending and the borrowing and the debt and try to return to some fiscal sanity, some concept of constitutional limited government that we promise people when we take our oath of office and that we would stand by it. So we saw many new Republicans come to the House and to the Senate with a commitment to get control of the spending and debt, to save our country from this obvious bankruptcy we are headed toward.

The tea party was involved with that. It is hard for me to listen to a lot of the criticism of the tea party and their desire to balance the budget. There is no one tea party. What we are talking about are thousands of citizen groups across this country who are being vigilant about their government, which is what our Founders asked them to be. They are not radical people. They are very commonsense people, and they understand what we are doing in Washington is about to destroy the country.

The tea party is being used a lot to suggest it is a small, radical group that is controlling some in the Republican Party. Over 70 percent of Americans agree with them—that we should balance our budget, that we should cut spending and send a balanced budget amendment to the States to ratify. For every person who says they are part of a tea party, there are hundreds of Americans who feel the same way who share those ideals of constitutional limited government and the concern and real fear that what we have been doing in Washington is taking our country literally to the brink.

It is deeply disturbing to hear the Vice President refer to tea parties as terrorists, as he did today, holding a gun to the heads of Republicans and forcing us to make cuts. Clearly, Vice President BIDEN and many here are not listening to what Americans are saying, and they are trying to diminish what Americans are saying by suggesting this is part of one small group.

The President showed right away this year, even after the November election, that he wasn't listening. He sent a budget to Congress that increased the debt another \$10 trillion by his measures but actually another \$15 trillion if we look at it in any kind of objective way. When the Republicans in the House demanded that they keep their commitment to cut \$100 billion the first year, what did the President do? He said he would meet halfway, at \$30 billion. He doesn't think we need to cut anything. He thinks we need to increase spending, and that is what he has been doing.

This is the second crisis we have had this year. The first was that year's budget, where we came right to the edge of closing the government because the President and the Democrats did

not want to cut anything—at least in the negotiations we see. If they are going to meet us halfway between 100, they start below zero if they end up at 30. They are not with us, and it is hard to negotiate with people who don't understand that we truly do have a problem.

Washington, as Senator RUBIO said, has a debt problem, but America has a jobs problem. One of the things we need to understand is, if we could stop growing the government, we could start growing the economy. More jobs would mean more tax revenue and less debt. But, unfortunately, this President continues to make things much worse. He wants to continue to spend and borrow, but he will not take responsibility for his spending. He has failed to lead and he loves to blame others. Sure, he inherited some problems—every President does. George W. Bush before him inherited a recession. Reagan inherited double-digit inflation, double-digit interest rates. Yet they moved to solve the problems. The difference is, Obama continues, after 2½ years, to blame others and his policies continue to make things worse.

Let's talk about this debt ceiling for a minute, this debt crisis, and try to set the record straight. Clearly, President Obama has failed to lead in this whole process. We do need to remember, while he is trying to blame others for this debt ceiling problem, that it was a Democratic Congress and the President who signed into law the current debt limit we have. This was not a Republican-created problem that we have. Then, for the last 4½ years, Obama and the Democrats had control of spending, so they set the debt limit, and they have spent the money to take us up to the debt limit.

We have known for the last 6 months that we needed to deal with this problem. Yet the President submitted no plan at all. He just asked Congress to rubberstamp an increase of \$2.4 trillion in our debt, to borrow another \$2.4 trillion, and, he said, with no strings attached. He didn't want to cut anything when this whole debate started—no leadership; 6 months, no plan, just speeches, trying to shift the blame.

He likes to ignore the fact that the House passed a bill that would solve our problem. It was a bill called Cut, Cap, and Balance. It cut spending right now, it controlled spending out over the next 10 years, and it sends a balanced budget amendment to the Constitution to the States to ratify. The response from the Democrats in the Senate and President Obama was truly astounding. The President says he wants a balanced solution, but he does not want a balanced budget. He has actually called us extreme for wanting to balance the budget, and, he said, we can do our job without a constitutional requirement to balance the budget. We can do a job on America, but we are not doing the job we were sent to do, and we certainly have proved we cannot control spending unless it is by law that requires us to do that.

Even though this bill passed the House by a large number, with some Democratic support, and it gave the President a \$2.4 trillion increase in the debt limit but only if we cut spending and controlled it and created some permanent accountability, we sent it to the Senate, and the leader of the Democratic Party would not even allow it on the floor for any debate because he saw the polls. He saw that already, within just a couple days, that 70 percent or nearly 70 percent of Americans supported the approach of cutting and controlling spending and creating some permanent accountability. So it was pushed aside so we could make some more backroom deals, with no transparency, no accountability, no leadership.

I commend Speaker BOEHNER, Leader MCCONNELL, the Republicans who have worked through this process. Dealing with people who will not put a plan on the table is very difficult. The Republicans passed cut, cap, and balance. Then they followed up with another plan that was not so good, but it was a plan, and it did not even get past the front door in the Senate.

For 6 months, no plan from the President, no plan from the Democrats. Now we have gotten a deal with a partner who does not want to cut spending, after a November election where we were sent here, and the country pleaded with us to get control of spending, borrowing, and debt.

We can look at this deal two ways. There are two realities. From any Washington standard, this is a historic sea change in the way we do business. Instead of what we were doing last year, where we were talking about how much more we could spend and how much porkbarrel bacon we could take home, at least this year we are talking about the fact that we need to cut spending. So we can say the deal makes progress in that respect.

But in the real world, a dollars and cents world, we have to realize our country is on a path toward bankruptcy right now. We are projecting adding another \$10 trillion or \$15 trillion to our debt. No one is going to lend us that amount of money. We do not have 10 years. This deal does not change that trajectory at all. We will still borrow \$10 trillion or more in the next 10 years. We will still add \$1 trillion a year to our debt.

We cannot call this a debt reduction bill. We can not even call it a spending reduction bill. For the next couple years, it hardly cuts anything. When we talk about cutting in Washington, we are not cutting spending from where it is today; we are reducing the rate of increase that is planned. So it is important we tell the truth to the American people that while this deal may be the best we can do—with the leadership in the White House, or lack thereof, as well as the leadership, or lack thereof, in the Senate—it may be the best political solution we can get, but it does not solve America's prob-

lem. It certainly does not solve America's job problem, and it does nothing but add another \$10 trillion to our debt if we are able to go that far.

I will be voting against this bill because I do not believe we have 10 years to try to get it right. I think it is very likely, over the next year or two or three, that we are going to reach a very real debt limit when no one will lend us any more money.

Today, in America, we have to borrow \$140 billion a month in order to pay our regular bills. The people who are adding to that debt every month think it is extreme to balance their checkbook. It is time we get our House in order and force this Congress, by the Constitution, to balance its budget. We cannot continue to spend more than we are bringing in and expect to reduce our debt. That is the inside Washington mentality.

This deal is not a good deal for America. It may be the best deal Washington can come up with, with the current leadership, but it puts our country at risk. But in a Washington where there is no leadership in the White House, there is no accountability, and there is someone sitting in the Oval Office who will not take responsibility for anything, this may be a deal we have to accept for now.

I intend to vote against it because it is important we tell America the truth; that this puts our country at risk. It is time we do what is best for America, not what makes the best deal in Washington. I would encourage my colleagues to vote against this deal, even though I know they already have the votes. But I hope when this is passed, we will not think for 1 minute we have solved the problem, we will not try to convince Americans that now we have a few more years to spend and borrow without any repercussions.

We need to immediately get back to the debate that was getting America involved in the last election, which was balancing our budget and getting some fiscal sanity in Washington. While we are in desperate straits in our country right now, and we see our economy getting worse because of the policies of this administration, the good news is this: We can solve this problem with one more good election. That is what I am looking forward to: taking my case to the American people and the case they sent us here to make to this Congress, that we need one more election to finish the job they started in 2010. If they want us to get control of spending and borrowing and debt, we need a few more good people, such as the House freshmen who have stood their ground on this whole debate and those who have come in here in the Senate and have led the way for a balanced budget. It is that day I am looking forward to because on that day, we will once again, hopefully, listen to America, get our House in order, balance our budget, and do what is best for our country.

I yield back.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

REMEMBERING DR. AGNES VARIS

Mr. SCHUMER. Mr. President, first, I know the Presiding Officer cares a lot about Dr. Agnes Varis as well, and as soon as I finish speaking, I will take the chair so the Presiding Officer may say a few words about her.

I would like to say some words about a great American, a wonderful New Yorker, and a dear friend, Dr. Agnes Varis.

Sadly, for all of us, Agnes died last Friday, July 29. She fought a relentless disease for more than 2 years. She did not want a funeral, a memorial service or an obituary, but those of us who knew and admired Agnes could not allow this passing to go unremarked.

Agnes was a miracle worker, and I would like to take a few moments just to share a small fraction of the wonderful things she accomplished in her life of over 80 years.

Dr. Varis was an incredible woman who founded a generic drug company 40 years ago, when a woman CEO was very uncommon. After great success in business, she turned her time and support to people and issues she cared about. From her tireless support for affordable drugs to her generous and unwavering assistance to students, artists, musicians, and animals, Agnes was an angel to so many.

Agnes was a woman who did not take no for an answer. She fought for battered women of Bergen County, NJ, helped out music lovers seeking affordably priced tickets, supported and cheered on women in politics, and generously improved veterinary science and animal shelters.

When one met Agnes, one saw she was a powerful woman and a caring woman. She combined both those features in a beautiful human being.

She came from humble beginnings, and maybe that is why she never stopped making a difference in the lives of those around her. She would see somebody whom she hardly knew and hear about their plight and then move heaven and Earth to help them. She was a generous soul.

She knew education, success, and culture were essential ingredients to a happy life, and she brought all those gifts and opportunities to thousands, if not millions, of people.

Dr. Agnes Varis was born in Massachusetts in 1930 and was raised in Brooklyn, NY, my hometown. She was the only one of eight children of Greek immigrant parents to attend college. She earned her degree in chemistry and English from Brooklyn College and later in her career attended NYU's Stern School of Business.

Right out of school, she took an entry-level job in a chemical manufac-

turing company that focused on bulk pharmaceuticals and her smarts made her incredibly successful.

Agnes was a pioneer and a leader in the pharmaceutical industry. As president and founder of Agvar Chemicals and Aegis Pharmaceuticals, Dr. Varis worked tirelessly to increase the accessibility of lifesaving pharmaceuticals for people in the United States and around the world.

She was one of the founders of the modern generic drug industry and a key player in the adoption of the Waxman-Hatch Act of 1984, which created a streamlined approval process for generic pharmaceuticals. It is the reason affordable generics exist.

Today, just about every one of us takes generic drugs. They are low cost, save people money, and, even more importantly, it makes those drugs accessible to people who might not otherwise afford them. In this way alone, Agnes probably saved the lives of hundreds of thousands, if not millions, of people.

She was the one who introduced me, along with a few of her friends, to the issue of generic drugs and why they are so important. I have worked very hard on that issue for over a decade—a decade and a half—and it was Agnes always importuning me on.

She was always generous, as well as being a skillful and savvy businesswoman. Nearly 1,000 unemployed service workers who lost their insurance in the aftermath of September 11 got Agvar generic drug plan cards, which were good for 1 year, and they gave free generic drug prescriptions at any Duane Reade pharmacy in New York City.

Isn't that amazing? No one asked her to do this. She heard it somewhere or other that there were people who lost their jobs, and she knew they needed drugs, so she bought them a drug card.

At the height of the AIDS epidemic in Africa, Agnes helped broker an arrangement between the Clinton Foundation and an Indian generic pharmaceutical company to provide affordable AIDS medications to African nations at a very low cost.

This was written up in all the newspapers but not Agnes's name. She did not want her name out there. She just wanted to do good, help people who needed help, save lives.

Agnes and her husband Karl were great music lovers. They loved classical music. Just as she brought affordable drugs to market, Agnes supported the arts and made music and concerts more affordable to all.

She donated the Agnes Varis Performance Stage to Jazz at Lincoln Center and sponsored the Jazz Foundation of America's national educational children's Jazz in Schools Program, which employs elderly jazz musicians. Just like Agnes: She knew there were elderly jazz musicians who were out of work and struggling. She knew bringing jazz to young children would be a great thing for many of them. She combined

the two and just did it. That was Agnes.

She was one of the Metropolitan Opera's—in New York City, one of the greatest operas in the world—she was one of its most generous and engaging board members. She was committed to bringing opera, typically, again, to the widest possible audience, including those who could not afford tickets. In 2006, she funded the enormously popular Agnes Varis and Karl Leichtman Rush Tickets program, which offered expensive orchestra seats for \$20, \$25—affordable to one and all.

In 2009, Dr. Varis was appointed by President Obama to the President's Commission on the Arts and Humanities.

She was a great lady, a rare lady, someone who combined so many different attributes and made a powerful impression, even if one only met her for 10 minutes.

Agnes, we will miss you. But all your good works and all the possibilities and opportunities you made for others will allow your spirit to live on.

God bless you, Agnes Varis.

I yield the floor.

The PRESIDING OFFICER (Mr. SCHUMER). The Senator from Ohio

Mr. BROWN of Ohio. Mr. President, I only wanted to add my voice to yours about Agnes Varis. I appreciate the junior Senator from West Virginia giving me a moment or two.

I have known Agnes for many years. I worked with her on generic drug issues for the last decade—more than that—when I was in the House of Representatives. She had a commitment and a compassion for the underdog that is rare in this world, especially rare for someone as successful as she was.

I remember years ago hearing her story as a Greek immigrant and with a mother who actually could not read and write and how Agnes was so important to that family after her father died when Agnes was a very young woman—a girl still—and how Agnes went to Brooklyn College and was, I believe, the only woman there at the time.

And something else Agnes did—and I apologize to the Senator from New York, now the Presiding Officer, for not hearing all of his remarks. Agnes really stepped up after Hurricane Katrina and helped by not just giving some of her wealth to these musicians who did not have jobs because of the destruction of New Orleans but stepped up and actually hired these musicians so they were actually working, not just getting help from her, hired them to go around to the schools and through much of Louisiana and play for students and teach students music and, if nothing else for those students who had the musical talent that most of us have, which is limited, helped those students appreciate music and appreciate jazz. So she was a terrific woman whom I last saw maybe a month and a half ago. I miss her. I miss her already. I miss her laugh and her smile and her

service not to just New York and New Jersey, where she lived, but much of this country.

I yield the floor.

The PRESIDING OFFICER. The junior Senator from West Virginia is recognized.

Mr. MANCHIN. Thank you. It is hard to add to the Senator's recognition of Agnes, and also my colleague, the Senator from Ohio. You can tell Agnes touched quite a few of us in so many different ways.

Agnes was a friend of mine and also a friend of my family's. She was a dear mentor to my daughter Heather, who is in the industry. We are all going to mourn her passing. Heather introduced me to Agnes about 10 years ago, and from the first day I met Agnes, she was the type of person I always heard my grandmother would say: People don't know how much you care until they know how much care.

The thing about Agnes was it was not how much you had here, but it was what you had in your heart. Agnes was that type of person who was truly remarkable. She lived an astonishing life, Mr. President, as you referred to. She represented the best in our country, and she truly lived the American dream.

Agnes was a first-generation American and went to college at a time when few women attended college. She started at the very bottom rung of the chemical industry and worked her way up the ladder to the top. She was truly an entrepreneur. She and her husband Karl loved the arts, but they also took a risk. They took their life savings together of about \$50,000 to start Agvar Chemicals.

Agnes was a fortunate American. She used her wealth to support the causes she most believed in, especially the arts, women's issues, and caring for the workers in New York after September 11 and, as we heard from our colleague from Ohio, after Katrina.

Agnes was always telling my daughter Heather that you can see a lot more from the edge than the middle, and it was the few who were willing to be on the edge who created the right middle. That deep and poetic statement is a piece of wisdom many in this country could benefit from hearing. Agnes had such a generous spirit, and over the years, my daughter Heather sought her "agvice," as she called it, many times.

Our entire family and all of my colleagues, I know, who knew Agnes well are definitely going to miss her. Our thoughts and prayers are with her and her family. I am glad we had a chance to honor Agnes on the floor of the Senate. I know she would be so proud. I thank my colleagues for recognizing her also.

I yield the floor.

The PRESIDING OFFICER. The senior Senator from West Virginia is recognized.

UNANIMOUS CONSENT REQUEST H.R. 2553

Mr. ROCKEFELLER. Mr. President, we are entering the second workweek

of a partial shutdown of the Federal Aviation Administration. I know the Congress, the President, and the American people have been focused on the debt and deficit crisis, but behind that, and not in the shadows to those of us who care about aviation, I want people to understand that what has been happening to the FAA is causing enormous pain throughout the country, and the pain will only grow because of an apparent shutdown of the attempts to pass the Federal aviation bill, primarily because of the House.

Because Congress has failed to pass the 21st short-term extension of the FAA—do you understand what that means? It is simply saying: I would like to have a clean bill of extension. That is all. No policy, just a clean bill. Give us another several weeks to work on some of the complicated issues.

So 20 times we have done that over 4 years, and there has been no objection. The 21st time, there is content—suddenly, policy is injected into the request for a clean extension, or the response to the request. In this time, nearly 4,000 hard-working Federal aviation employees have been furloughed. That means they go without pay. If things follow their current course, as I believe they will, they will go at least another month or more without pay. I do not know how many of them continue to stay in their jobs.

It has halted critical airport safety capacity and air traffic control projects. To be quite honest with you, the whole prospect of NextGen, that is, the GPS system of tracking planes and how far they are from each other—once we have that like every other industrialized country, they will be able to land quickly and more efficiently and with fewer delays.

They have suspended payments to hundreds of small businesses dependent upon reimbursement from contracts they have made with the FAA for their work. So that just stops. Things just come to a dead halt. Runways, control towers, whatever—they just stop, and they will stay stopped. They will remain stopped, as things are going now, throughout the month of August and the early part of September.

They have forgone more than \$250 million in aviation tax revenue that is critical to supporting our aviation system. That is about \$25 million a day that is meant to go into the airport trust fund that does not, and by the time we return, that will be about \$1.2 billion.

Very shortly, I will seek unanimous consent to pass a clean extension of the FAA, and it will be objected to by the Senator from Utah. In some ways, you can say it is a futile gesture, but it is all I have left. It is all I have left in trying to take this incredible process which we have been working on, Senator HUTCHISON and myself, forever—forever.

With so much damage being caused, you might ask why not all of my Republican colleagues but some of them

have refused repeated requests to pass a clean extension, some here in the Senate, mostly all in the House, all of the leadership in the House. So I want to outline how we have, in fact, in my judgment, come to this point.

The chairman of the House Transportation and Infrastructure Committee, which is called T and I—that chairman is my counterpart on the Commerce Committee. He has certain jurisdictions, and I have certain jurisdictions. They are not always the same. He is transportation and infrastructure; that doesn't comport exactly with the jurisdiction of the Commerce Committee. But in any event, he seems willing to shut down the FAA, you know, is certainly going to stick it to the FAA employees, and there will be many more of them by the time this has ended.

It is a tragedy that never had to happen. It is a tragedy about ego, about bullying, about an attempt to prove one side would cave. It is sort of the worst kind of political bickering the American people are so sick of, but this time, they are going to pay a terrible price.

They are insisting on antiworker language. It has to do with the National Mediation Board. They know full well this was destined never to happen in the Senate. They knew full well the President of the United States had already said publicly a number of times that he would veto anything which contained this kind of language for the National Mediation Board, basically changing 75 years of labor law.

To be just a little bit explicit about this because it is interesting, what they want to do is have a system wherein if, when—you are voting to join a union or whatever, and let's say I am a worker but my mother is very sick, so I am at home taking care of her, so I do not vote. The fact that I did not vote does not mean I just did not vote; it means I voted no, thus helping the company, thus tilting, in a very odd way, very un-American way, what an election is all about.

We have not had a formal conference. Senator HUTCHISON and I have resolved over—and MARIA CANTWELL, JOHN THUNE—we have resolved over 250 differences between the House and the Senate, and now there are only about 12 that remain to be resolved, all of which can be resolved. But that is of no consequence.

I also sent over suggested language for a significant program such as the Essential Air Service Program, 6 weeks ago, to the chairman, Chairman MICA, that reforms in a way that saves \$71 million each year for the 4 years of the bill in the Essential Air Service Program.

Six weeks ago, the House passed a clean, short-term extension—the 20th—like every other extension that has gone on around here forever—passed it clean, no policy, nothing in it, just extend it so we have more chances to talk—but then they promptly left on a week tour of European and Middle

Eastern airports, which made it a little more difficult to talk.

Since they returned, I have been told that unless and until the Senate accepts House language on their proposed changes to the National Mediation Board, they would negotiate no further, and that message was reaffirmed in the strongest terms this afternoon.

You know, this all started with Delta Air Lines. Delta Air Lines is out of Atlanta, GA. They do not have any unions. That is their business, not mine. They have had four elections. Unions have tried to organize four times.

Four times the unions have lost. So it would appear their chances are not very good in the future. But that doesn't stop Delta. They want to make sure we put in place a structured system that is out of kilter to a fair election, and other purposes with other unions.

What they then did is sent over an Essential Air Service policy rider on the extension—unprecedented—with which we didn't agree. Therefore, when you don't do it in the first place, or if you do it, both sides have to agree before you send it over—and it is easy to say we will extend it and include that policy because both sides agreed to it. But they sent over an Essential Air Service program essentially targeting rural communities in the States of Democratic Senators. If the House was serious about reforming Essential Air Service, they would have stayed at the negotiating table. They would have welcomed the chance to come back.

The House-passed extension is not about policy; it is about politics, and everybody knows that. So here we are on the eve of the August recess, and we have a choice tonight. We can pass a clean extension and put people back to work—all the 4,000 people who are furloughed and have gone through some period of time without paychecks. They would automatically be taken back and life would be as it was before through September 16. So that is another month and a half of wages they would have to feed their families, and contractors could go back to work, and projects at airports and related facilities could continue. It is very important.

Aviation is 10 percent of the American economy—the GDP. We have inflicted far too much damage on our aviation system for the needs of one airline—one airline.

I urge my colleagues to allow this consent agreement to go forward. It won't. But if you believe in the goal of having an FAA system that is funded, and is well, and which can take on the incredible technological needs that we have to—in particular, the Next Generation system, which is not just ground-based, but avionics have to be placed in every single plane that flies. That is a major undertaking.

What they have done by their decision is to take \$25 million a day outside, away from the airport trust fund.

The airport trust fund cannot afford that. What I want the airlines to be thinking about over the next number of weeks, until we can get back at this—unless everything suddenly changes tonight, but I doubt that—is how they are going to divide up between themselves the \$1.2 billion they will owe to the airport trust fund.

I commit to the President of the Senate and my colleagues that I will do everything I can to make sure that not just the \$250 million, which they have already vanquished out of the airport trust fund, which we depend upon for everything, but the billion above that. That will happen at \$25 million a day, because they didn't want to give up anything so they could have their National Mediation Board stacked the way they wanted it, and in a most unfair and most un-American way.

Having said that, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 109, H.R. 2553; that a Rockefeller-Hutchison substitute amendment, which is at the desk, be agreed to; that the bill, as amended, be read the third time and passed; and that the motions to reconsider be laid upon the table with no intervening action or debate.

The PRESIDING OFFICER (Mr. MANCHIN). Is there objection?

Mr. HATCH. I object.

The PRESIDING OFFICER. Objection is heard.

The Senator from Utah.

Mr. HATCH. Mr. President, for the third time in a week, I must object to another short-term Federal Aviation Administration extension. I want to make it absolutely clear that a long-term FAA reauthorization is a priority for this country, and it is a priority for me. The current lapse in FAA taxes and expenditure authority from the Airport and Airway Trust Fund is a detrimental situation brought on by the Senate majority's refusal to engage in substantive negotiations on a long-term FAA reauthorization bill, which, by the way, did pass the House. Additionally, it is not clear to me that the legislation just offered would avoid a retroactive tax increase on travelers. I didn't set out to cause FAA taxes to expire, but reinstating them on a retroactive basis is more than I am willing to subject taxpayers to.

As I have already said, I share House Transportation and Infrastructure Committee Chairman MICA's frustration, and the frustration of Republican leadership in both the House and Senate, that favors to organized labor have overshadowed the prospects for long-term FAA reauthorization.

Last year, the National Mediation Board changed the rules under which employees of airlines and railroads are able to unionize. For decades, the standard has been that a majority of employees would have to agree in an election to form a union. However, the new NMB—National Mediation Board—rules change that standard so that all it takes to unionize is a majority of

employees voting. This means the NMB wants to count an employee who doesn't vote as voting for big labor.

Somehow, organized labor is able to claim that it is democratic to appropriate someone else's vote without that person's input and participation, even though the rule I am talking about has been in place for 75 years. They just changed it in favor of the unions. Unions win—at least the NLRB proceedings. They win 60 percent of the unionizing attempts.

I personally have not had any communication with anyone in the industry. I am here because I think what the NMB did is absolutely wrong, and someone needs to stand up to them.

This issue is much larger than the NMB itself, and the airlines and railroads impacted by the NMB ruling. If NMB succeeds, and the administration is allowed to put their thumb on the scale in favor of big labor in contradistinction to 75 years of labor law practice, every small businessperson anywhere will be at risk.

The long-term House FAA reauthorization bill does not create a new hurdle to unionization; instead, it restores the longstanding ability of airline employees to make decisions for themselves—and not just a few of them but all of them.

In a few minutes, I will ask unanimous consent for an amendment that includes NMB language from the original House-passed long-term FAA reauthorization, and this whole problem would go away. Again, in a few minutes, I am going to ask unanimous consent for an amendment that includes NMB language from the original House-passed long-term FAA reauthorization.

My critics will point out that both times I have previously asked consent, it has been for legislation that didn't include the removal of the NMB's heavy new hand. However, I have spoken frequently on this issue, and I bet my position is very well known. I was hopeful my earlier request for consent would stimulate discussion on a long-term reauthorization and the issues preventing a long-term reauthorization from taking place.

My concern is that the White House and their allies in Congress will continue to hide behind a perpetual series of short-term extensions, rather than working toward an actual bill. This is why I have decided to ask unanimous consent for an amendment containing the NMB language, because it is clear this is the only way to move this issue forward—by NMB language getting the law back to where it really has been for 75 years. As my critics will point out, this wasn't my first choice. But as my critics have made clear, this is the only way to actually acknowledge and deal with the issue.

Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 2553, which was received from the House; that the Hatch amendment at the desk

be agreed to; that the bill, as amended, be read the third time and passed; that the motion to reconsider be laid upon the table; and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

Mr. ROCKEFELLER. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROCKEFELLER. Mr. President, may I make a further comment?

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. I made one mistake in my remarks—which is very unusual. The repeal of the National Mediation Board's decision language did in fact pass the House. I said it didn't. It never passed the Senate and has never been debated in the Senate. The committee of jurisdiction has never brought it up, never had a hearing, and it was not raised during any of the floor considerations in the Senate.

I suggest that if we were operating under the rules the Senator from Utah wants to see happen, I don't think any of us would be here. I don't think there would be any mayors, Governors, or Senators, because most people don't vote. They would all be voting no. One way or another, we would not be here. It is ludicrous.

I regret very much that this card is being played. I regret even more the fact the business community and the airline community, in particular, led by Delta, was so quiet during all of this.

I got a message in the middle of this afternoon that the American Transportation Association, which is a legacy of the big airlines association, and Delta in particular, wanted to pass a clean bill of extension.

Well, that doesn't work, Mr. President. It is so easy to say we would like to have it passed. But it is much too late to do anything about it. There are no phone calls. The whole thing is really a sham. It is very painful, and potentially very threatening, to West Virginia. I therefore object.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mrs. HUTCHISON. Mr. President, I have not wanted to pursue this issue, because the debt ceiling issue has absorbed all of the air in the room and in the United States, as it should; it is a huge priority. But I have to set the record straight a little bit about how this came about.

First, I agree with the House position. I would reverse the NMB decision because I think it is wrong. However, what happened here is that, after 20 extensions of the FAA bill because of disagreements on several issues, the House decided to put this one—well, actually, to be honest, the House didn't even bring up NMB; they put another issue on the extension language, and it is the Essential Air Service language, which we have been trying to negotiate but have not yet come to a full agree-

ment on among all of the parties. It is really the NMB issue that is causing the House to shut down the FAA. So the entire FAA—not the air traffic controllers, thank goodness but 3,492 employees of the FAA have been shut down, and this affects 35 States. They are on furlough without pay, through no fault of their own.

And interestingly, airports that were in the midst of building runways or adding to their infrastructure or repairing their infrastructure also have had work stoppages because of the House action. The Associated General Contractors of America has estimated that 70,000 construction and related jobs are at risk because the House put an Essential Air Service amendment on a clean extension of the FAA.

Mr. President, I want the House position to prevail. But we are getting ready, in the next day or so, to leave probably for the month of August and then come back after Labor Day. We should not shut down the FAA because of a rider put on the extension of the FAA legislation that has not been negotiated.

In fact, Mr. President, the House has not even appointed conferees. The chairman of the House committee has not called a meeting of the chairman of the Senate, plus the two ranking members. There has been no full negotiation with the principals. Yet the House put this extraneous amendment on the bill, and the FAA is shut down and the lives of 70,000 people are at risk.

We got a letter from Boeing because they are trying to get their new Boeing 747-8 certification, but the workers are not there to do it. So in addition to the work stoppages—and the FAA has now issued a total of 219 stop-work orders across the country—we also are seeing the certification of a great new airplane also on hold. That may start disrupting the capability for the airlines that have purchased these planes to be able to start flying the airplanes and upgrading their services.

This just does not make sense. We are going to lose \$1 billion in the aviation trust fund if we leave this Congress for the month of August and we don't extend the FAA—\$1 billion of revenue paid by passengers in a ticket tax. They are paying it, but it is just not going to the aviation trust fund. It is going to the airlines in the form of a higher ticket price. It should be going to the aviation trust fund because that is what we use to build the runways and to make the repairs and to keep our airports operating. So we are going to lose \$1 billion in revenue.

Here we are, on the brink of cutting spending and raising the debt ceiling and trying to put our fiscal house in order. Yet we are going to let \$1 billion be lost that rightfully should go to the aviation trust fund. The users are going to pay for it anyway, and that money is going to have to be made up. How is it going to be made up? It is going to have to come from general revenue because contracts have already

been let. That money is going to have to be spent.

I cannot think of anything more fiscally irresponsible than to tax the users, not put it in the aviation trust fund and have to replace that money at some point.

I am a fiscal conservative, and I am trying to make the cuts that are necessary, trying to do the things that are right. But I have to question those who are saying we are going to not be for essential air service—which has a total budget of about \$200 million—but we are going to waste \$1 billion to not let a bill go through that keeps the aviation trust fund and the FAA going. That just doesn't add up.

If we are going to be sincere about the wise use of our taxpayer dollars, I don't think it is right taking money from people who are traveling on the airlines and who are thinking that money is a ticket tax to pay for airport infrastructure when, in fact, it is going into the airlines' pockets, and then having the taxpayer make up that money because these contracts have already been let. Is that fiscal responsibility?

Here we are on the eve of trying to show fiscal responsibility and do the right thing for our country. I don't think so, Mr. President. It doesn't pass the smell test.

I hope my colleagues, before we leave—and the House of Representatives and the people who are supporting them in the Senate—will relent and let the FAA keep operating. Let's come back in the month of September and negotiate an FAA bill as we normally do in this Congress. If we can't come to an agreement, then, on the NMB—and I am certainly going to support changing the decision that was made—maybe we can talk harshly and throw down the gauntlet, but not without any notice, adding it to this FAA extension without ever negotiating on it. That is not the way we ought to operate. It is enough to make the people of our country think: You know what. We expect better. We expect better, and I expect better.

I cannot believe my colleagues would let the FAA shut down and jeopardize 70,000 jobs and take money from airline travelers—when on their ticket it says ticket tax for aviation trust fund—and defraud them because that tax is not going to the aviation trust fund. Is that going to make the people of our country believe Congress is doing the right thing? It doesn't pass the smell test.

It is time for the airlines of this country to stand up and say: We need a clean extension of the FAA, and we need for the House and Senate to meet, as we normally do, in a conference and take up the issues. As I said, I am going to support the reversal of the NMB decision, and I am going to support a reform of essential air service in the context of negotiating perimeter rule and other issues that are in contention, which is the honorable way to

proceed. But I don't feel very good right now about what the Senate is doing in supporting the House in an irresponsible position that is defrauding the airline passengers of this country right now because they are collecting a ticket tax that is not going to the aviation trust fund.

It is wrong, Mr. President. I hope in the next few hours our colleagues will come to their senses, do the right thing, pass a clean extension, and send it to the House, where I hope they, too, will act so that we can have a conference committee and work out the issues with honor and integrity.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I understand the anguish of my dear friend from Texas, and I don't disagree, except for one thing. The tax is not being charged, and that should be a savings to the customers and consumers who are using the air services. But whether it is or isn't, that takes away from the major issue, and there may be another issue on essential air service, I don't know, because I am not on these committees. I have been asked by our leadership to make these objections.

What is important here—and it is not some itty-bitty little thing—is that we have labor law regulators out of control. When the NMB—the National Mediation Board—which is run by a bunch of Democrats—comes out and does away with 75 years of labor law with just the stroke of a pen and makes employee votes not important, that is not some little itty-bitty issue. That is a big-time issue.

For 75 years unions have been winning union elections by getting a majority of the employees in a firm, not by getting a majority of those who vote. Those other people, whether they vote or not—and they may be sick, they may be ill, they may not have been able to be there, they may have been out of town—their votes are important as well. The unions have always had to get a majority, and they have done that year after year after year in most situations and in most union elections.

Let me give an example: Let's say you have a company with 1,000 employees and only 100 show up, and 51 of them vote for the union. Is it right to bind all 1,000 employees in the company itself when only 51 out of the 1,000 employees have voted for it? Of course, it is not. This is a very important issue.

All those who propose getting this long-term extension, or even a short-term extension, have to do is correct the National Mediation Board. Get union elections back to where a majority of employees are a requisite in order to have a union, and I don't think there would be any problem in solving this problem. It would be solved in a nanosecond.

Now, maybe this essential air service language is something that might

cause problems. Well, I would suggest both sides get together and try to resolve those issues. But this is not some little, small issue. This is a big issue.

It even becomes bigger when you consider the National Labor Relations Board, run 3-to-1 by Democrats, and the President will not appoint the recommended Republican to make it an even 3-to-2, so it is 3-to-1. They are running ramshackle fast over labor laws in this country. This kind of oppressing is something they will do, if they can, in a nanosecond. They have been saying they are going to do it. They have been trying to enact check for years. In fact, they have been trying to enact labor law reform—which I fought back in 1977 and 1978—for years so they can give the unions a decided advantage that should not be given under any circumstances in union elections.

If this gets through—the NMB—then what would stop the National Labor Relations Board, which handles millions of employees—millions of employees—from doing the same and continuing to do things that are just outrageous, like they are doing? They are usurping the ability of this legislature, the Congress of the United States, to run these issues the way they should be run. They should not be acting as a superlegislature, enacting laws from a partisan board to do these things.

This is not some little issue. This is a big issue. I wish I wasn't in the middle of it. I just happened to be here one day when I was the last one here, and I had to object. But I knew when I did object it was the right thing to do under the circumstances.

If we allow these boards to usurp our powers of the legislative branch of government and do anything they want to do because they have a supermajority—a superpartisan majority—then this country can't last, and the freedoms we all value will not last.

The freedoms we all value won't last. I don't want to see anybody not paid. I don't want to see anybody not be able to do their job. But, by gosh, I don't want to see a runaway National Mediation Board, either, or a National Labor Relations Board that will use a precedent such as this in ways it really shouldn't be used. So these are not small issues.

I hope we can get together. I hope the two committees will get together and resolve this issue. I am not on either of the committees. I am just someone who around here has had to stand up on some of these labor union issues—not against unions. I am one of the few persons in this whole Congress who actually earned a union card and became a skilled tradesman and worked for 10 years in the building construction trade union, and I am proud of it. But I have to say that I am going to call on both sides to get this problem solved and get rid of allowing the National Mediation Board to usurp the powers of the legislative branch of government and get the law back where it was,

where it is more fair and where it makes sense. If we do that, I don't see why this would be held up for 10 seconds.

So I call on both sides to try to resolve this issue. I don't feel good being in the middle of it just because I happened to be on the floor at the wrong time. All I can say is that, having gotten in the middle of it, as much as I love and admire the distinguished Senator from Texas and appreciate and admire and love my friend from West Virginia—and I do—this could be resolved, and there is no reason we shouldn't resolve it. This is an important issue, and all I can say is that I would like to help get it resolved, if I can, and if I can, I will. But both sides have to get together, and that includes both sides of Capitol Hill. I think this problem could be resolved, but these are not little issues.

With that, I yield the floor.

The PRESIDING OFFICER. (Mr. MERKLEY). The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I thank the Senator from Utah, and I appreciate his passion for the issue. I agree with him on the issue.

The way for us to get together and resolve it is to have a conference committee, to have the conferees appointed on the House side. The conferees are appointed on the Senate side already, and we are ready to negotiate this bill. And I am going to be for the same position as the Senator from Utah because I don't think NMB made the right decision. I think it is a terrible overstretch, overreach of that board to change the law or change the regulation about what is a union election. I think they are wrong.

But we cannot solve the issue with the House sending an extension of the FAA with a rider that is completely separate from that issue. NMB is not in the rider, it is not in the rider at all, but that is the issue everybody is negotiating unilaterally here. The House has sent over a bill that has an essential air service amendment that also has not been negotiated, but what they are negotiating on is the National Mediation Board. Well, if that is confusing, there is a reason—because it is confusing.

So why don't we unconfuse and have a conference committee the way we normally do here, and let's hash out these issues. If we would have a chance to actually have a conference, negotiate all the issues, and then if someone is not satisfied, there are procedures that are honorable to blow up a bill that you don't like, but it is not honorable for the House to send an extraneous amendment on an FAA extension and shut down airports that are being repaired and built in our country, jeopardizing an estimated 75,000 jobs, jeopardizing the certification of a major new airplane that wants to get out there and start being used and an aviation trust fund that will lose over \$1 billion because we are not collecting the tax, and the airlines are pocketing

the money by having a higher ticket charge, mostly. They may not all be doing that, but most of them are. That is just not right, and we are going to have to make that up because there are contracts pending that are going to have to be paid for.

It is not fiscally responsible, and it is not honorable, and it is time for us to pass a clean extension of the FAA. Let's negotiate until September 30, and then, if we can't agree, we won't sign a conference report and it won't come back. I will stand there and not sign a conference report, but it is kind of hard to do that if you are not doing the right thing by sitting down and talking.

I yield the floor.

The PRESIDING OFFICER. The majority leader.

Mr. REID. Before the distinguished Senator from Texas leaves the floor, I wish to express my appreciation for her bipartisanship in working through this difficult issue.

Everyone understands that the labor issue is something that is overhanging this very important piece of legislation, but it shouldn't be hanging over an extension of the bill. Tens of thousands of people are not working because of this. Actual safety of our airports is a concern to me. FAA is doing everything it can to make sure it is safe and sound, but 4,000 people who work for the Department of Transportation are off work, in addition to the tens of thousands of people who have construction jobs. We have a new airport control tower in Las Vegas being constructed. They worked about 2 weeks, and they are now all laid off. It is not fair.

This extension should go forward and be resolved in conference with the other body. It is so unfair. But this is not the last word. There will be more said about this. This is wrong.

We are going to be leaving town leaving up to 80,000 people who are construction workers out of work. We need those jobs. I can't stress enough how much we need those jobs. So it is too bad.

I do thank my friend, the Senator from Texas, for being so forward-leaning on this and not being partisan. I appreciate that very much.

Mr. President, I ask unanimous consent that when the Chair lays before the body the House message to accompany S. 365, I be recognized to move to concur in the House amendments; that the time until noon, Tuesday, August 2, be for debate on the motion to concur, equally divided between the two leaders or their designees; that at noon, the Senate proceed to vote on the Reid motion to concur; that the motion to concur be subject to a 60-vote threshold; that no amendments, points of order, or other motions be in order to the message prior to the vote.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. REID. For the information of all Senators, it is my intention to have

the Chair lay before the Senate the House message to accompany S. 365 at 9:30 a.m. tomorrow morning, August 2. There will be no rollcall votes tonight. The first one will be tomorrow at noon.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, we do have a financial crisis in our country. The debt limit we will be considering tomorrow is the thermometer, the canary in the coal mine that tells us we are at a dangerous level. For example, we have reached it faster and at higher levels than we ever have, the result of which is that our debt rise is telling us we have to raise our debt limit. Those things happen periodically, but this one would be the largest debt limit increase in our history. We have never had such a surge.

The deficit for this single fiscal year ending is expected to be \$1.5 trillion. The largest deficit President Bush ever had, and it was large, was \$450 billion. The last 2 years have been \$1.2 trillion, \$1.3 trillion, and this year it is expected to be \$1.5 trillion. Under the President's budget, we will go from interest on our debt this year of \$240 billion to \$940 billion in the tenth year. That is for a single year.

For example, our education and transportation budgets have greatly expanded. Spending \$940 billion on interest will crowd out tremendous portions of the good things we would like to do with taxpayers' money. Instead of being able to improve our infrastructure or do other things we think could be good, we will be sending that money to debtholders abroad to pay them back for the money they have loaned us that we have been spending now. As I speak, 42 cents of every dollar we spend will be borrowed.

This is a very real situation. I have always felt that we have a responsibility to be honest with our constituents, and we are going to need to raise the debt limit. It places too much risk on our economy not to raise it. But I want to share some thoughts about why I am uneasy about the legislation that is before us and why I will not be able to support it.

I have been warning for months now that we are heading to a situation in which we will have a last-minute, eleventh-hour bill; that the Senate will be asked to pass it without adequate time to review it; that other bad items could be included in this debt limit increase. Additionally, it is not the kind of process we need to pursue.

Our Democratic leadership decided they did not want to bring up a budget. They instructed the Budget Committee chairman—of which I am the ranking member—not to bring up a budget. When asked about it, the majority leader said it would be foolish to have a budget.

We have gone now 824 days without a budget under the Democratic majority in the Senate at a time when we have had the largest deficits in American history. At this extremely important time we do not have a budget. They said it would be foolish to have a budget. My questions is, Why would it be foolish? Because, if you pass a budget—and one can be passed with a mere 50 votes. It is given an expedited procedure. It cannot be filibustered, it is guaranteed a vote in 50 hours, but you have a right to file amendments. When you file and get a vote on amendments, then people are held accountable for their yea or nay.

We have had a lot of people say we would like to do more. Maybe if we had a budget we would have had a chance to vote on spending.

The problem is a decision was made that it would be too difficult to execute the normal, regular order in the Senate, to bring forth a budget and actually have amendments filed and Senators do what they are paid to do. I think that is particularly problematic in light of what happened in the last election. The American people are not happy with us. They rightly believe that Congress cannot justify a situation in which 42 cents of every dollar we spend is borrowed. Congress cannot justify a \$1.5 trillion deficit this year. People are not happy about that. I have been to town meetings and people say: You work for me. I am not happy.

You have seen that on television in the last election. It was a shellacking for those who thought that business as usual ought to continue in the United States of America; that money could just be borrowed, borrowed and spent, and when the problems hit we would just raise taxes on the American people and they would have to pay for our spending binge. People are not happy with this.

They were demanding, among other things, accountability. They were demanding that we in Congress be responsible for what we do. We should be transparent and willing to answer at home for what we had done. That is a fair request in a great Republic such as ours. I have been critical of the absence of a budget. We will not vote on one.

We had the Reid proposal and the Boehner proposal and finally this compromise proposal. Our colleagues, the Democratic majority, brought up the House budget so they could vote it down. It was a historic budget. They did it publicly. They voted on the floor. There were amendments. The House plan reduced spending by as much as \$6 trillion. They changed the debt course of America. I would have liked to have seen them go further because even that plan to alter the debt trajectory of America, bringing down our deficits, still did not balance in the 10th year.

People say the House was radical and they did strange things. Not so. Read that budget. It was an honest budget based on good numbers. It changed the debt course of America. But even that,

as I said, did not go as far as we really need to go.

The House did its bit and we did nothing in return. Now we get to the point where the debt limit, August 2, is upon us and we are supposed to vote. This morning at 3 a.m., apparently, legislation was finally put together. It was brought forth to the floor of the Senate. We will vote on it tomorrow morning, maybe noon, after a couple of hours of debate tomorrow. I am really uneasy about that. I am uneasy about what is contained in it.

What does it do? The good part is it reduces our spending by about \$2.1 trillion, maybe \$2.4 trillion. A more solid belief is we will reduce spending if Congress adheres to the guidelines. Over a period of years we tend to figure ways around the limits and constraints that are put on spending, but the plan is to reduce spending by \$2.1 trillion.

It is a step. It is better than more spending like we have been doing. In the last 2 years under President Obama, when the Democratic majority had 60 Senators in the Senate, non-defense discretionary spending went up 24 percent. The budget that the President submitted this year calls for a 13.5 percent increase in education for next year. Beginning October 1, fiscal year 2012, when we are in the worst financial shape ever, a 13.5 percent increase in spending? Is that common sense? Does that make reasonable judgment? Is that a reasonable judgment for America, when we are in a situation such as this?

It proposes a 9.5 percent increase in the Energy Department. It proposes a 10.5 percent increase in the State Department. It proposes a 60-percent increase in the Highway Department. And I'm told there will be a tax. I ask them: Mr. Secretary, what tax?

It will not be a gas tax.

I say: OK, we agree, it is not a gas tax. What is the tax?

We will talk about that.

The Congressional Budget Office said that is no income. You cannot say you have income to offset a big increase in high-speed rail and things like that if you do not have a source of revenue.

That is the situation in which we find ourselves. We have a deep, philosophical disagreement. The majority in this Senate and the President believe in spending. When I said 24 percent increase, that did not include the almost \$1 trillion in the stimulus package. It did not include that, all of which, every penny, was borrowed because we are in debt. When you spend this extra money, you borrow the money. We do not have it to spend.

However, we have a disagreement about where we are heading in our country. We should have had a full, glorious debate in the Senate. The Finance Committee should be looking at how to deal with taxes. The Appropriations Committee should be asking how can we reduce expenditures. Every authorizing committee needs to be looking at what they can do to do the job

better with less cost and more efficiently. The Budget Committee should be producing a budget that can be adhered to and passed, and that would bind the Senate to change the spending trajectory we have been on. But none of that has happened.

Instead, we have a bill to raise the debt limit. We are here because we spent so much money. We are up at the limit and if we do not raise the debt limit there will be substantial reductions in spending occurring pretty quickly. That is where we are.

I believe this bill raises serious questions about the Senate and how we do business. As I said, I warned that we would be at the eleventh hour when it all came forward.

One thing particularly concerning to me as the ranking member of the Budget Committee is that this bill deems certain budget numbers and in a way gets around, again, the budget process. It is going to give my colleagues, the Democratic majority, additional avenues to avoid producing a budget for the third consecutive year. I do not believe that is a healthy process.

Second, I ask my colleagues to think about this, and I will wrap up. I don't need to go into great detail about it. We are being asked to allow our leaders to select up to 12 people, 12 people who will be on a special committee and will have almost complete jurisdiction to work on any issue they choose. After they reach an agreement, if they do, that agreement will be presented to both Houses of Congress. There will be only 30 hours of debate, no opportunity to amend it, and there will be an up-or-down vote. I have to say the chance of an up-or-down vote being successful is very high, because the product that will come out of that committee will be in harmony with what the leaders who appointed the members of the committee desire, because the power to appoint is the power to control.

The committee will come back with this leadership proposal. It will be on the floor and it will be for an up-or-down vote and it is very likely to pass. Hopefully, it will have some good things in it. But it is unlikely that it would go past \$1.5 trillion in reduced spending over 10 years. That is roughly what they have been given. That on top of the \$900 billion that would go into effect immediately with the passage of the legislation would result in about a \$2.4 trillion total.

I believe that is an insufficient number. It is not close to what we have to do given our expected debt. Over 10 years the debt of the United States will increase an additional \$13 trillion. Reducing it \$2 trillion is not enough. We have heard the economists and others testify before the Budget Committee. Republicans and Democrats, say those reductions are not sufficient. Many economists said the absolute minimum was \$4 trillion, and this will be half that.

That legislation will then come before us. We will have an up-or-down

vote and presumably it will pass. The great traditions of the Senate, full, free, open debate will not occur to the degree that it ought to occur. The regular order will not be followed. Committees will have only an ability to send over advice if they so desire. As a result, I think we as Members of the Senate need to ask ourselves if we are getting pretty far away from the traditions of this body when you do not have public debate on a budget, you create a committee of limited numbers of people to produce legislation that cannot be amended and will only be up-or-down and no ability to have a supermajority vote, but a 50-vote, contrary to the normal process of this body.

For those reasons I believe, as a Senator and a ranking member on the Budget Committee who has wrestled with this for some time, I will not be able to support the legislation, although I truly believe it is a step forward, and I respect my colleagues who worked hard to try to bring it forward.

I yield the floor.

The PRESIDING OFFICER. The majority leader.

#### MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent the Senate proceed to a period for mornings business with Senators permitted to speak for up to 10 minutes each.

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

#### EAST AFRICA FAMINE

Mr. DURBIN. Mr. President, many of us undoubtedly remember the heart wrenching images of starving Ethiopian and Somali children in the 1980s and 1990s. Those haunting images are hard to forget.

Unfortunately, I am compelled to come to the floor to draw attention to a tragic famine again confronting that part of the world.

On July 21, the United Nations declared "famine level food insecurity" in two regions in southern Somalia.

What does "famine level food insecurity" mean?

It means three tragic conditions are all occurring at the same time. First, malnutrition rates exceed 30 percent. Second, access to food and water is below subsistence levels for extended periods of time. And third, more than 2,000 to 10,000 people are dying of hunger each day.

Or more simply—a severe famine threatens the lives of 11 million people in east Africa today. The area affected by famine is expected to expand in coming weeks—and if not addressed soon—in coming months.

These millions of men, women, and children in Somalia and around the Horn of Africa are literally starving to death. These are children who will never reach their full potential because they do not have simple nutrients to fully develop—nutrients we take for granted.