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No. 11

Senate

The Senate met at 9:30 a.m. and was called to order by the Honorable KIRSTEN E. GILLIBRAND, a Senator from the State of New York.

PRAYER

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

Let us pray.

Almighty God, Lord of history, lead our Senators above all irrelevancies and trivialities to a unity of passion and purpose. Create in them an elevated and refined patriotism that will make them eager to know and do Your will. May the words of their mouths and the meditations of their hearts be acceptable to You, O God, our strength and our Redeemer.

In the awareness that "without a vision the people perish," give our Senators a fresh vision of the United States of America. Also, keep ever before them the dream of the better world that is yet to be.

We pray in Your great Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable KIRSTEN E. GILLIBRAND led the Pledge of Allegiance, as follows:

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

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The bill clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, January 26, 2011.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby

appoint the Honorable KIRSTEN E. GILLIBRAND, a Senator from the State of New York, to perform the duties of the Chair.

DANIEL K. INOUE,
President pro tempore.

Mrs. GILLIBRAND thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

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

SCHEDULE

Mr. REID. Madam President, following leader remarks, if any, there will be a period of morning business until 10:30 this morning, with Senators permitted to speak for up to 10 minutes each during that period of time. The Republicans will control the first half, the majority will control the final half.

At 10:30, the Senate will proceed to consideration of S. Res. 14, a resolution honoring the victims of the tragedy in Tucson, AZ. There will be up to 3½ hours for debate on the resolution prior to a vote. As a result, Senators should expect a rollcall vote about 2:15 today.

Following the vote, we will resume morning business, with 10-minute limitations.

MEASURES PLACED ON THE CALENDAR—S. 162, S. 163, H.R. 2

Mr. REID. Madam President, there are three bills at the desk due for their second reading.

The ACTING PRESIDENT pro tempore. The clerk will report the bills en bloc.

The bill clerk read as follows:

A bill (S. 162) to cut \$500,000,000,000 spending in fiscal year 2011.

A bill (S. 163) to require the Government prioritize all obligations on the debt held by the public in the event that the debt limit is reached.

A bill (H.R. 2) to repeal the job-killing health care law and health care-related provisions in the Health Care and Education Reconciliation Act of 2010.

Mr. REID. I object to any further proceedings with respect to each of these bills.

The ACTING PRESIDENT pro tempore. Objection is heard. The bills will be placed on the calendar.

Mr. REID. Madam President, I suggest the absence of a quorum and ask the time be charged equally against both sides.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will be in a period of morning business until 10:30 a.m., with Senators permitted to speak therein for up to 10 minutes each, with the time equally divided and controlled between the two leaders or their designees, with the Republicans controlling the first half and the majority controlling the final half.

IMPORTANT PUBLIC ISSUES

Mr. THUNE. Madam President, I rise to speak about the issues that I think are most important to the American public. I appreciated the opportunity I had last evening, along with the Presiding Officer, to sit and listen to the

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President's State of the Union Address, which is an annual rite of passage where the President lays out his blueprint and his vision for the next year. In those remarks he did, as he did last year, touch on a number of themes that I think speak to issues that are important for the country to face.

Certainly, there were statements in that speech I agree with, in terms of the things he said we need to be focused on. There are some statements with which I did not agree. But in terms of the broader agenda, what strikes me about the speech is he talked about the need for tax reform, which is something I agree with. I think it is an issue of competitiveness. He talked about medical malpractice reform, which is something many of us have been trying to get to be part of the health care debate in this country for a long time. Unfortunately, that got left on the cutting room floor last year. He talked about strengthening Social Security and entitlement reform, also a critical priority if we are serious about getting spending and debt under control. He also talked about regulatory reform, looking at government reform and the types of actions we might be able to take to streamline or shrink or make more efficient the Federal Government. He also talked about the importance of enacting trade agreements, and I could not agree more. I think trade is a critical part of our economy. Export opportunities for businesses in this country would create economic growth. It would create jobs. Unfortunately, again, those are trade agreements that have been stalled out here for some time in the Congress.

What strikes me about the speech is this. Last year, we heard a lot of the same themes. The President this year, I forgot to mention, talked about a 5-year freeze on spending. Last year, he talked about a 3-year freeze on spending. He talked about trade agreements 1 year ago. Many of those same themes were struck 1 year ago. Yet we have not seen the results of the rhetoric. What I would argue to the American people and to all my colleagues is, it is important that we judge people not by their rhetoric but by their actions. Don't watch what we say, watch what we do. I think that is true of anyone in public life. We all need to be judged by what we do and whether we are following through with what we say we are going to do.

So when the President talks about those priorities, I could not agree more. But, frankly, in order for any of those things to happen, it is going to take Presidential leadership. If we are going to do something on tax reform, if we are going to do something on entitlement reform, if we are going to do something about spending and debt, the President is going to have to step forward with bold proposals in order to accomplish that because bold things, big things, need to be done on a bipartisan basis.

The opposite example of that we saw a year ago, when the health care reform bill was being debated on the floor of the Senate. This is something that impacts literally one-sixth of the American economy. Yet you had a bill that passed the Senate without a single Republican vote. In fact, in most cases Republicans were not included, were not consulted, did not have input into that legislation. So you had a bill that literally impacts one-sixth of the American economy pass out of this Chamber on a party-line vote. That is historic. Because in most cases, if you look throughout our Nation's history, when this country needs to do big things, there is a bipartisan effort to try to get a bill that can attract broad bipartisan support.

So as much as I support many of the things the President said last night, I would argue that the proof is in the pudding. We are going to wait and see now whether his actions comport with his words because the talk about spending and debt rings hollow if, in fact, you are not willing to take on spending in this country, spending in our government, and willing to take on the issue of entitlement reform. In fact, notwithstanding the President's talk last year about a 3-year freeze on spending, we saw the largest buildup, the most massive expansion of government we have seen literally since the 1960s.

The health care bill is a \$2½ trillion new expenditure for the Federal Government when it is fully implemented, at a cost, I believe, to be much larger than that over time when you start seeing these costs pile up and more and more people shifted over into the government program.

Hopefully, we are going to have a vote here in the Senate. I believe we will have a vote. Our leader has indicated that we will get a vote on repealing health care reform. In my view, before this begins to get implemented, it would make sense to throw it overboard and start over and do this right and do it in a way that attracts bipartisan support and actually does something to drive down the cost of health care rather than increasing it because what we have seen already is what we predicted would happen; that is, insurance rates are going up, not down. The massive taxes on that bill, of course, get passed on, so consumers end up paying more for their health care, not less. I would argue that we are going to see some disastrous results from some of the pay-fors in the bill.

The so-called CLASS Act, which is another new entitlement program, is something that even the chairman of the Senate Budget Committee, a Democratic chairman, a year ago when this was being debated, said is a Ponzi scheme of the highest order, something Bernie Madoff would be proud of. It has a tail on it that is going to create deficits in the outyears and make the financial fiscal picture we face even worse.

There are so many things about this bill that argue for us starting over and doing it right. But I want to say this morning, because I want to focus specifically on this issue of spending and debt, that much has been made of the fact that we are going to have a vote coming up. On March 4, the continuing resolution expires, at which point we will have to decide what we are going to do in terms of funding the government. I hope that debate or the lead-up to that vote sparks a debate about spending because if we don't start getting spending under control, this problem we have continues to snowball. We have a \$14.3 trillion debt.

The other point I would make is there is another big vote looming sometime between late March and early May—in the April timeframe most likely—where we are going to have to raise the debt limit. We are already \$14.3 trillion in debt as a nation, and we are going to have to extend the nation's borrowing authority above that so that we can finance the government. We have maxed out the credit card. We cannot do this any longer. We don't have the luxury of time. When we are facing a \$14.3 trillion debt, much of which we owe to other countries around the world, we put ourselves at great peril. We put our economy at great peril.

I would argue it is a national security issue, and I am not the only one saying that. The Chairman of the Joint Chiefs of Staff, ADM Mike Mullen, said a few months back that the greatest threat to America's national security is our national debt. That is the top ranking military official in this country saying it is not the—when we talk about the greatest threat to America's national security, he could have talked about al-Qaida, he could have talked about the Iranian nuclear program, he could have talked about China, he could have talked about North Korea. But what did he say? The greatest threat to America's national security is our national debt. That speaks volumes about what we need to be focused on and what we as public officials here in the Senate need to devote our energies to.

So when we think about that, there are a couple of things that, obviously, we can do. I have advocated, as have others, that we go back to the 2008 spending levels because in the last 2 years, we have seen spending on the non-national security discretionary part of the budget increase by 21 percent, at a time when inflation in the overall economy is 2 percent. So the government has grown at 10 times the rate of inflation in the last 2 years.

When the President talks about freezing spending this year, he is, in my view, dealing with an issue that really—the only analogy I can use—is like closing the barn door after the horse has already gotten out. We have a major problem. We had a dramatic runup in spending in the last 2 years, and freezing it now will enshrine and

lock in to the baseline that massive increase in spending.

If we go back to the 2008 levels, it will be painful, but we don't have the luxury of not dealing with this now. It is going to be painful, but it is going to be necessary if we are serious about providing a better future for our children and grandchildren. The alternative is that we continue to run up these trillion-dollar, \$1.5 trillion deficits year over year over year, adding significantly more to that debt and putting ourselves on a trajectory when I think our economy is in great peril in the future.

That is one aspect of it. We talk about the non-national security discretionary part of the budget. Of course, the national security part of the budget is already being scrutinized and scrubbed. The Secretary of Defense, Robert Gates, has made it clear that they are going to try to find savings and efficiencies in there to the tune—in fact, I think they have already determined they can save somewhere on the order of \$150 to \$170 billion in the defense budget over the next 5 years. But then you have this other part of the budget, the entitlement programs—Social Security, Medicare, and Medicaid—which, of course, Medicare and Medicaid are driven by health care costs, and until we figure out what we are going to do on health care to rein that in, to get that cost under control, it is going to be complicated to try to fix. But that being said, I think that is what argues for actually putting remedies in place that will put downward pressure on health care costs, on utilization, so we can bring health care costs back under control.

There are a number of good ideas out there about how to do that. The debt commission made some recommendations, although most in the area of Medicare and Medicaid were largely cosmetic because they couldn't come to an agreement about how to fix health care. Social Security, on the other hand, is available. It can be fixed. I think the debt commission made a series of recommendations that I hope the President and his team will take seriously and come to the Congress. I think Republicans here in Congress are willing to work with him because that is something we can put on a sustainable path. We ought to do it, and we ought to do it now because the longer we wait, the worse the problem becomes.

So you have the entitlement issues, you have the non-national security discretionary spending—things that can be done, that this President, if he is willing to put his rhetoric into action and take leadership, can actually put up as a record of accomplishment for the American people. The alternative is that we continue to add to the \$14.3 trillion debt.

I am not going to sit here and say for a moment that we are not all responsible for this. Obviously, there were previous administrations and previous

Congresses. We have gotten where we are today because we did not make the hard choices when he should have, and now the choices become much harder.

I would also say that in the last 2 years, that debt has grown by over \$3 trillion, largely because of a trillion-dollar stimulus bill that we borrowed from our children and grandchildren, which didn't do anything to create jobs but did add \$1 trillion to the debt, and the health care bill, which, again, many of the costs of that we are going to see into the future, but it has a profound impact on the fiscal picture the country is going to be considering.

What does it mean to finance a \$14.3 trillion debt? Well, it means this: We spend so much on interest that next year the amount we spend on interest will equal the amount we spend on national security. Think about that. The entire security budget to defend this country, that amount of money will be equalled by the amount we spend on interest to finance the debt, and that continues to explode in the years ahead. If for some reason we were to have a runup in interest rates, if something happened in the economy, which, with inflation starting to take off a little bit, generally interest rates would follow that—and at some point in the not too distant future, we could see interest rates tick up. Well, we have been able to manage our debt by the way we financed it and the short-term borrowing. If you saw interest rates reset and go up, it would have an even more profound impact on the amount we pay to finance that debt and the amount we make in interest payments.

Every child in America today under the age of 18 owes \$114,000 because of that debt, and 6 years from now it will be \$196,000. What are we doing to future generations when we saddle them with this enormous debt and put them in a position where they are going to be faced with a lower standard of living and a lower quality of life than what we have experienced simply because we did not have the courage to make the hard decisions that were necessary to get this situation under control.

So I would suggest to my colleagues and to the President after his speech last night that this is not about talk. It is not about rhetoric. It is about action. It is about what the American people asked us to come here and do. I think there were three messages coming out of the election last fall: The American people want us focused on jobs and the economy, they want us focused on spending, and they want us focused on debt.

We are going to have an opportunity in the next few months, when the continuing resolution expires and we look at the issue of funding the government into the future, to deal with the issue of spending. When we get to the debt limit vote that will come up sometime this spring, we will have an opportunity to talk about the debt. But it ought to generate and spark a serious effort here in the Congress, not a cos-

metic one, not a superficial one, not one where we provide lipservice but where we are serious about reining in spending—not just non-national security spending but also looking at the long-term issues that are going to affect this country's balance sheet well into the future, and those are our entitlement programs. It is going to be tough stuff. It is not easy to do this.

I can't help but think that if we had made some of these hard decisions a few years ago, we wouldn't be in the situation we are today. I came here as a freshman Congressman back in 1997. One of the first votes we had—big votes, I should say, on the floor of the House of Representatives at the time—was a vote on a balanced budget amendment, something that I think 38 States have. Our State of South Dakota has a balanced budget amendment, which means our legislature and Governor can't go home until they balance the budget. That vote passed. It takes two-thirds majorities in both the House and the Senate and 38 States to ratify to get a constitutional amendment approved. We got a big, larger than two-thirds vote in the House of Representatives at that time. It came to the Senate, and it failed by one vote. Now, 67 votes here is the magic number to get the two-thirds threshold. It got 66 votes in the Senate 14 years ago.

I can't help but think how much better our financial picture would be today had we taken that step back in 1997 and put a balanced budget amendment—enshrined that into our Constitution and imposed a discipline on the Congress that hasn't existed. Clearly, for politicians here in Washington, it is too easy, when it comes down to making hard choices, to take the easy way, to hand the bill to our children and grandchildren. It is time to stop. We cannot afford this any longer. We are at \$14.3 trillion and adding \$1 trillion every single year.

So this is going to require tough decisions, hard decisions. But I believe this is a great country with great people. We have met big challenges before. I think the American people are ready to step forward and deal with this challenge. I think they are looking for political leadership to do that, to join them in that quest. As I said before, Presidential leadership is critical. It is going to take leadership here in the Senate and the House of Representatives.

We cannot afford to kick the can down the road any farther, to punt the ball to the next generation. It is not fair to them. For generations in this country, we have had a sort of guiding principle; that is, one generation sacrifices so the next generation can have a better life. We may be the first generation that turns that ethic on its ear and asks the next generation to sacrifice because we have not been willing to live within our means.

So I hope we can muster the courage that is necessary, and I am going to do everything I can to continue to shine a

light on this issue when we get into these budget debates. I, frankly, have a series of budget reforms. I think that, absent a constitutional amendment, we ought to be putting some statutory reforms in place that would force downward pressure on spending.

I have a bill that calls for a 2-year or biennial budget where we budget in one year, in the odd-numbered year, and in the even-numbered year we do more oversight. So when people here are running for reelection, instead of worrying about how to spend more money to curry favor with a particular constituency, we will be doing oversight and looking at how we can save money for the next generation. So I would like to get a debate on that. I think we ought to make the budget resolution we pass here binding and give it the teeth and the force of law which it does not have today. I think there are a series of prescriptions that would be worthwhile for us to not only entertain but hopefully implement to really take seriously the challenge that is before us.

I thank the chair for the time, and I look forward to engaging in a debate about spending and about debt and how to better create jobs in this economy for the American people, which is what I think they want us focused on. I hope it will be not just rhetoric but action that follows.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Illinois.

Mr. DURBIN. Madam President, how much time remains in morning business on the minority side?

The ACTING PRESIDENT pro tempore. There is 6 minutes 47 seconds remaining.

Mr. DURBIN. I ask unanimous consent to reserve that time. I do not believe there is another Republican Senator on the floor.

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

Mr. DURBIN. I ask unanimous consent to begin the Democratic side of the morning business.

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

INVESTING IN AMERICA

Mr. DURBIN. Madam President, I listened closely to the speech given by the Senator from South Dakota about the deficit. I was thinking as he gave the speech that it was a good one, but I think a little bit of history is warranted at this moment.

In the year 2000, 11 years ago, President William Jefferson Clinton was leaving office. We had gone through a period of budget surpluses. We were taking the budget surplus generated each year and buying more longevity in Social Security, as appropriate. It was a very positive situation. The national debt of America when President William Jefferson Clinton left office was \$5 trillion. In other words, the ac-

cumulated debt of America from George Washington to the end of William Jefferson Clinton was \$5 trillion. And as President Clinton left office, he said to President Bush: I want to give you, in the next year, a \$120 million surplus in terms of what you can anticipate to happen in the next year. It was a pretty positive situation with a lot of job creation, businesses doing well, homes being built.

Now fast forward from 2000 to 2008, 8 years later. Let's take a snapshot. What was the state of the economy? We were facing unemployment at record levels in numbers growing by the month. We no longer had a national debt of \$5 trillion. Eight years later after President George Bush, that national debt was \$12 trillion, more than doubled in an 8-year period. The obvious question is, what happened? Why were we doing so well 8 years before and had fallen so badly 8 years later?

We had two wars not paid for—we just added those to the national debt—in Iraq and Afghanistan. We had tax cuts even to the wealthiest, something that had literally never occurred in the history of the United States, and that added directly to the debt. We had programs unpaid for, signed by the President into law, very expensive programs, even in the area of Medicare. Accumulate those things with the 9/11 occurrence and the downturn in the economy, and we saw our national debt go from \$5 trillion to \$12 trillion. Instead of President Bush leaving new President Obama a surplus for the next year, they anticipated a \$1.2 trillion deficit as President Bush left office. That is what Barack Obama inherited 24 months ago.

To hear some of the comments being made, one would think President Obama had created the deficit crisis. He inherited the deficit crisis from President George Bush. He said: The first thing we need to do is get the economy up and running. Republicans were virtually no help. Only three Republican Senators joined us in a stimulus bill which is now being mocked and criticized. But, in fact, one-third of the stimulus was in tax cuts, tax cuts to working families to help them through a recession. Another third was a safety net, unemployment insurance, as well as help to State and local governments. The final third was infrastructure, building roads and bridges and things across America for the economy. That is what the stimulus was.

Did it bring us back in a hurry from our recession? No. But it stopped the decline in our economy, and we are bringing ourselves back now as more consumer confidence is being demonstrated than we have seen in a long time.

I was a member of President Obama's deficit commission. For the record, I want people to know that that deficit commission originally was legislation. It was a statute. We were going to enact a law to give this commission

the authority to come up with a report and force Congress to vote on it. Powerful stuff, with a lot of bipartisan support. When this powerful piece of legislation came to the floor of the Senate, seven Republican Senators who were cosponsors of the bill voted against the bill that they cosponsored, this effort to try to deal with our budget deficit in honest terms. After the bill failed, the President said: I will create one by Executive order. I served on it. It was Erskine Bowles and Alan Simpson cochairing an effort with 18 members. At the end of the day, 11 of us, including myself, signed on to the final report. I always added the caveat—and I think most would—that I don't agree with all of it, but I think it was the closest we were going to come to facing a terrible crisis.

The crisis is this: Out of every dollar we spend in Washington, we borrow 40 cents. That is unsustainable. Whether we are using that dollar to build a missile or to pay for food stamps doesn't make much difference. We have to borrow 40 cents for every dollar we spend. Where do we borrow the money? One of our major creditors was in town last week, President Hu Jintao of China, a major creditor and a major competitor. Which takes me to the President's State of the Union Address last night.

The Republicans are fixed on one particular area. They believe the sum and substance of all that we do in Washington should be focused on the deficit. I think the deficit is critically important. I voted for the deficit commission report. We have to do things that are unpopular and we have to do them in a sensible and timely way. But it isn't the whole story. What the President tried to remind us last night is that we also have a great American economy. We have to ask ourselves: Will that economy be able to compete in the world of the 21st century? How will we do against competitive nations such as China and Japan and Germany? Those were questions asked by the President last night.

I have heard many Republican Senators and Congressmen since say those investments, that spending, we don't need. What we need is to focus on the deficit.

I think the President got it right. The President is calling for balance, responsible deficit reform, and investment in America that makes a difference in who we are and what we can be. The President talked about the Sputnik moment, long before the Presiding Officer was born, the Sputnik moment, October 4, 1957, when the Soviet Union launched the satellite Sputnik into outer space. It scared us to death. Here this nemesis of the United States in the Cold War, the Soviet Union, with the capacity to develop a bomb that could destroy major parts of America, was now in outer space and we were not. They had a missile that launched a satellite. It was a tiny little thing, about the size of a basketball. It circled the Earth. At that time in October of 1957, a chill set in on Capitol