

message to the American people and the world that we could come together and put our fiscal house in order.

It is notable that the President, who not that long ago preferred we raise the debt ceiling without any corresponding plan to do any of these things, now wants to discuss the need to do something about our crushing debt burden. Thursday's meeting will give us a chance to see if the President means what he says. It is an opportunity to see if the President is finally willing to agree on a serious plan to pay our bills without killing jobs in the process.

Until now, the President's proposals have been inadequate and, frankly, indefensible. It is ludicrous for the administration to propose raising hundreds of billions in taxes at a time when 14 million Americans are looking for work and job creators are struggling. Just last December, the President acknowledged that preventing a tax hike meant more resources were available for job creators to add employees. That was the President just last December in describing why he decided to extend the current tax rates for 2 more years—because, he said, it would be bad for job creators. That was just 6 months ago, and I do not think anybody thinks the economy is in better shape now than it was 6 months ago. Does the President now think the economy is doing so well, that unemployment is so low, and economic growth so rapid that we can take billions of dollars away from these very same job creators? That seems to be what he is saying now. It is equally ludicrous to propose more stimulus spending as part of a deficit reduction package. Republicans and, yes, some Democrats oppose these ideas because they will not solve the debt crisis and they certainly will not create any jobs.

Americans expect that in a negotiation about a debt crisis we would actually do something to significantly reduce the debt. And with so many still out of work, we expect the President to not insist on proposals his own administration says will put even more people in the unemployment line.

We are eager to meet with the President to see if he is really willing to do something big for the country. We do not think it is absolutist to oppose more stimulus spending. We do not think it is maximalist to oppose hundreds of billions of dollars in tax hikes in the middle of a job crisis. We have a better term for it: common sense.

We are ready to meet with the President on Thursday. Maybe he will have changed his mind and returned to his commonsense approach just back in December when he said that preventing tax hikes means "freeing up other money to hire new workers." Hopefully, we can finally do something big to reduce the deficit, put people back to work, and prevent Medicare's bankruptcy. That should be our goal.

Madam President, I yield the floor.

#### RESERVATION OF LEADER TIME

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

#### SHARED SACRIFICE IN RESOLVING THE BUDGET DEFICIT—MOTION TO PROCEED

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of the motion to proceed to S. 1323, which the clerk will report.

The legislative clerk read as follows:

Motion to proceed to the bill (S. 1323) to express the sense of the Senate on shared sacrifice in resolving the budget deficit.

The ACTING PRESIDENT pro tempore. Under the previous order, the time until 12:30 p.m. will be equally divided and controlled between the two leaders or their designees, with Senators permitted to speak therein for up to 10 minutes each.

The Senator from Georgia.

Mr. ISAKSON. Madam President, I rise this morning to talk about the meeting tomorrow the President has called at the White House—a summit, I think it has been referred to, one for which I have great hope. I hope it will be a summit where both sides leave their weapons at the door, sit across the table from one another, and begin talking about a comprehensive solution to a comprehensive problem. The solution to that problem, though, does not lie in creating villains and enemies. In the last 2 weeks, we have heard a lot of rhetoric coming from the White House demonizing people who have corporate jets or demonizing people who make over \$1 million.

I was reminded in this debate about millionaires in the debate in 1969 in America. It was one of the first debates I ever watched. I had returned home from the service, I had begun my business, and a report came out in the newspaper that 155 Americans who made over \$1 million paid zero taxes. I personally was astounded. Everybody else was astounded. Congress went to work to close the loophole, and they did it by creating something known as the alternative minimum tax—something to make sure someone who paid no tax at least paid "their fair share," and I put that in quotes.

Today, it is not 155 millionaires who are paying the alternative minimum tax; 34,200,000 Americans are, because oftentimes when Congress goes to target one person, they catch everybody in a bigger loop.

I do not think we need to demonize those who employ Americans, those who create the jobs, those who make our economy run, any more than we should villainize people who want to try to save Social Security or Medicare.

The President in his two speeches last week targeted millionaires, he targeted job creators, he created villains, and he created enemies. None of that will help us to solve a problem.

Now, the President is not the only one playing that game. A little bit of criticism can go to both sides.

As we look at this chart that has been on the floor in the last 2 weeks about what has happened in the last 30 months since the President was elected as to critical things, unemployment is up by 1.9 million people—17 percent in terms of the rate—gas prices are almost double, and the Federal debt is up 35 percent. But, remember, it was \$10 trillion when the President was elected, so it is not just the President's fault, but he is making it worse. Debt per person is now up by \$11,258, and health insurance premiums are up by almost 20 percent. In fact, the only thing that is down in the last 30 months is the expectations of the American people—expectations of what our future is going to be like.

So for a moment I would like to offer some historical suggestions as to what both sides can do tomorrow at the White House, when they leave the weapons at the door, sit at the table, and really begin to negotiate.

One is to look back in history when we have had big problems and we came up with big solutions. The 1980s is a particular time. I was in the State legislature then. I followed what was happening in Washington. In fact, when I was 39 years old in 1983, Ronald Reagan and Tip O'Neill had a meeting at the White House. I was not there, but allegedly it went something like this:

The President said: Well, Social Security is going broke in about 20 years. We just got that report. We need to fix it.

O'Neill said: I agree.

The President said: I am willing to work on it, but I am not willing to raise the tax.

O'Neill said: Well, I am willing to work on it, but I don't want to cut the benefit.

They looked at the Actuary and said: What do we do?

The Actuary said: Well, you push the eligibility out, and you get the system back in actuarial soundness.

I was 39 in 1983. I would have been collecting Social Security at the age of 65 in 2010. But because Reagan and O'Neill got together, they pushed my eligibility out by 1 year to age 66, not age 65, and now incrementally it goes up 2 months a year to age 67 in a few years. That put the system in actuarial soundness for 67 years. The reason it is now all of a sudden in trouble again is the protracted economy, and these difficulties have caused people—baby boomers—to now go to the bank of Social Security and collect early Social Security at age 62. So we have had a rush to Social Security because of the unemployment and the uncertainty in our economy. But Reagan and O'Neill fixed Social Security by pushing the eligibility out. They did not raise the tax, but they did raise the ceiling upon which it was levied.

I think it is interesting politically—I note the President should understand

and all of us should recognize—the next year was 1984, and President Reagan won 49 of 50 States, a year after he fixed Social Security.

So I do not think we ought to demonize people for trying to solve the bigger problems of our debt and deficit. Everybody in this room knows you could cut every discretionary dollar out and you would still owe \$300 billion in the deficit. The only way we are going to fix Social Security and Medicare is if we are going to fix the debt and deficit.

On Medicare, I was disappointed that when PAUL RYAN in the House came up with a forthright plan, he was immediately demonized. In fact, he was invited to the White House and criticized face to face at a conference the President had. That was just for trying.

It is about time all of us start trying, we start trying to find common ground, we start to look at our solutions in a comprehensive way. It is a time where we stop calling names and instead we start calling numbers, we start looking at what it is we can do within our control to put our spending back in line, amortize our debt over time to a reasonable amount, and reduce our deficit over time. It is not going to be fixed with one stroke of a pen or one single piece of legislation, but it is going to begin to be fixed when both sides sit down at the table and understand that this is the fourth quarter of the “major super bowl” of the future of the United States of America. Continuing to shoot each other and throw bricks and bats and create victims and create enemies and not talk about the real problems is just making it worse for all of us. It is time we made it better for the American people.

I spent the weekend with the American people who live in the State of Georgia celebrating our independence on the Fourth of July and spending some time with five of my nine grandchildren. I remember Saturday night watching my grandchildren play in the den, looking down at them. They were not looking at me. I was just watching them play, and I thought about their future. I thought about what their future was going to be like in a country that ran unlimited debt and deficits, that inflated its dollar, lowered its expectations, and was not the America I had been fortunate enough to live, work, and be born in.

Recognizing my age and my time, I know my future—the years I have left—is all about those children and those grandchildren. I want to be a part of the solution for the problem today but a part of their expectations for the future. I do not want them to look back and say: Granddad made it worse. I want them to look back and say: Granddad made it better.

Tomorrow is an opportunity for the President of the United States to lead. He has templates with which he can lead. He can either choose to take isolated enemies and isolated arrows and shoot them at people or he can, in-

stead, look back at his deficit commission. His deficit commission, which I voted for, by the way—I was one of the Republicans who voted for the creation of the deficit commission—came back in December with a comprehensive recommendation that should have come to the floor for debate. It dealt with Social Security. It did not deal with Medicare. It dealt with the Tax Code. It dealt with spending. It dealt with expenditures. It lowered tax rates and raised opportunity. The President did not even let it come to the floor of the Congress of the United States. He looked the other way.

It is time we look straight in each other's eyes and say there are solutions out there that good people of good will can find a way to do, just as Ronald Reagan and Tip O'Neill did. But I do not want to be a part of making it worse. I want to be a part of making it better.

I hope those at the conference tomorrow sit down with that type of attitude—we do not create enemies and villains, we do not make it worse, but we begin a platform and a template where in the next 3 to 4 weeks we can begin to amortize our debt over time, reduce our deficit over time, raise the expectations of the American people, and cause a brighter future for our children and for our grandchildren.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Illinois.

Mr. DURBIN. Madam President, I am going to speak to another issue first. But I want to thank my colleague from Georgia for his comments. We are in different political parties, but I listened to him and I know he is sincere. I think it is that spirit that can lead us to a solution. I hope we can find it. I will address the specifics of it later in my remarks.

#### TRYING WARSAME

But first I wish to address the comments made by the Republican Senate Minority Leader MCCONNELL. It relates to a front-page story across the United States this morning, where we have apprehended the man Ahmed Abduikadir Warsame, a Somali individual who is now being charged with terrorist crimes and going to be tried in the State of New York.

This man apparently was apprehended and held for several months on a naval vessel of the United States where he was interrogated about his involvement in terrorism and then they brought in prosecutors, criminal prosecutors from the United States, who interrogated him about what they thought would be actionable crimes that could be prosecuted in the United States.

He is now being brought to New York for a trial. The statement made by Senator MCCONNELL this morning on the floor of the Senate suggests that this was a bad decision on the part of our President and the Department of Justice to try this man in the criminal courts of the United States.

Senator MCCONNELL has made this speech many times before. He believes that trying terrorists in the courts of the United States makes America less safe, and it less likely that we could convict them. He argues they should be held at Guantanamo and tried in military tribunals. His argument has some surface appeal unless you know the facts.

The facts are that under President Bush after 9/11 and under President Obama, more than 400 suspected terrorists have been tried in the criminal courts of America, article III constitutional courts, and convicted. They have been tried in our courts and convicted. They are serving time in the prisons of the United States of America. That is right: convicted terrorists, convicted in criminal courts, now serving time in prisons across America, including in my home State of Illinois at the Marion Federal Penitentiary.

So to argue that we cannot successfully convict a terrorist in the United States, as Senator MCCONNELL did this morning, is to ignore reality. The reality is that President Bush used his Department of Justice and our courts to successfully prosecute terrorists. During the period of time since 9/11, only around 5 accused terrorists were tried in military tribunals—400 in article III criminal courts, 5 in military tribunals.

Senator MCCONNELL makes the argument—and others have joined him—that the only place to try them is in military tribunals. The fact of the matter is, we do not have a very good record in military tribunals trying would-be terrorists. There is a variety of reasons for it. The Supreme Court did not agree with our procedures. Some of the cases were not very good. The bottom line, though, is to say to any President, whether it is Republican George Bush or Democrat Barack Obama, Congress is going to tell you the best place to try a terrorist—do we have that expertise? I do not. I am not sure Senator MCCONNELL does. I think it is up to the President, the Secretary of Defense, the Central Intelligence Agency, and the Attorney General to make that call.

Take the would-be terrorist to the court where we are most likely to convict. Take him to a tribunal where they are going to get a fair hearing in the eyes of the world, and conviction is most likely. That is what I think the American people want.

To come here and second guess the President because he has held a man for 2 months in military interrogation and now is being prosecuted in our criminal courts is totally unfair, unfair because the same standard was not applied to the Republican President who tried hundreds of would-be terrorists—accused terrorists—in our criminal courts successfully. That is a fact. That should be on the record.

I meant what I said about Senator ISAKSON of Georgia. He is a Republican, I am a Democrat. He is my friend. I

like him. We do not agree on everything. Our voting records are much different. But what he had to say this morning was the right thing. And what he had to say this morning, I think, should open the eyes of America about where we need to go.

Yesterday, the President sat down and said, we need to be serious about deficit reduction. We do not need a mini deal, we need something that speaks authoritatively to the world that the United States understands its deficit challenge and is prepared to make the hard choices to address it. I think the President is right.

I was interviewed this morning by a Quincy, IL, radio station. They said: Well, why would not you take a mini deal and get it over with? Well, if you think you will take a mini deal, you will probably be offered a mini, mini deal. At the end of the day, little or nothing will happen. Here is the problem we face. It is a real problem. For every dollar we spend in Washington, we borrow 40 cents. We borrow it from countries all around the world. The No. 1 creditor of the United States is China. China loans us money so that we can spend for government purposes.

How do we spend the money? Well, if you look at Federal employees, more than half of the Federal employees in the United States of America work for one department, the Department of Defense. If you look at expenditures, some of the fastest growing sections of our budget have been on the military side as we wage wars in Iraq and Afghanistan, and participate in the NATO exercise in Libya.

That is a pretty expensive undertaking. We know that that has gone up 84 percent—military spending in the last 10 years, gone up 84 percent. We know at the same period of time that spending on mandatory programs, such as Social Security, Medicare, Medicaid, agriculture payments, veterans payments, spending for those payments over the last 10 years has gone up 32 percent.

We know that the rest of the budget, the so-called domestic discretionary spending, which would include things such as building highways, keeping Federal prisons open, providing Pell grants to college students, giving children from poor families early childhood education, putting money at the National Institutes of Health for medical research, that is one section of the budget—it comprises 12 percent of our budget—and in the last 10 years, that part of our budget has gone up zero percent; no increase in spending in that section.

Most of our spending goes into the military—84 percent increase over 10 years—and mandatory programs—32 percent over 10 years. The biggest driver, in terms of Federal spending, the thing we cannot seem to get hold of, is health care costs. And you know that as an individual, whether you are trying to buy health insurance for your family, run a small business and trying

to cover the owners and workers, or look at it from a State and local viewpoint when it comes to public employees.

I could analyze the health care system, I do know about it. But I will tell you that it is a model that is unsustainable. You cannot watch the cost of health care go up beyond inflation every single year and expect to control deficits, whether it is your family deficit, your city deficit, or your national deficit. But that is the reality of where we are today as we face the current situation.

I listened as the Senator from Georgia, whom I respect very much, talk about what President Obama inherited. I wish to add a little perspective to it. The last time the Federal Government balanced the budget, ran a surplus, was in the final 2 years of the Clinton administration, William Jefferson Clinton, Democratic President of the United States.

We generated a surplus in those years; that is, we collected more money in taxes and revenue than we paid out. That had not happened for decades. At that point, as William Jefferson Clinton left office as President, the national debt of America, the accumulated net national debt of America from George Washington through William Jefferson Clinton was \$5 trillion—\$5 trillion, and we had a surplus in our annual budget. When President George W. Bush took over and President Clinton handed him the keys to the White House, he said: Next year, if you follow my budget, you will have a \$120 billion surplus.

That is what President George W. Bush inherited: \$5 trillion national debt, a government running a surplus of \$120 billion in the next year.

Fast forward 8 years later. At the end of President George W. Bush's 8 years in office, let's take a snapshot. What did it look like then? The national debt was no longer \$5 trillion 8 years later, it was almost \$11 trillion. It more than doubled in an 8-year period of time. And, when President Obama took office, instead of being handed a budget for the next year with a \$120 billion surplus, as President Bush was handed by President Clinton, President Obama was given a budget and he said: Next year, if you follow our budget you will have a \$1.2 trillion deficit, 10 times the amount that President Bush had in surplus. President Obama was told: You will have that in deficit. You will owe that much. The books do not balance.

What happened in 8 years? Well, several things happened. First, we waged two wars in Iraq and Afghanistan and we did not pay for them. I think back in my history, and I can remember as a kid that every birthday I would receive a savings bond, U.S. savings bond. I used to think it was interesting. They would hand me these \$25 U.S. savings bonds, and I knew they cost \$18.75. But if I did not do anything with them and held onto them for al-

most 10 years, they would be worth \$25. So Grandma and Grandpa would give me the \$25 savings bond—I would think it is only \$18.75, and I stuck it away. You know. The reason I bring it up is those savings bonds were the way we financed wars. Americans sacrificed and loaned money to their government, and they bought savings bonds.

It was my family tradition. It was a tradition of America. But when it came to the two most recent wars, in Iraq and Afghanistan, that did not happen. We borrowed the money from other countries. So during that 8-year period of time, under President Bush, we waged two wars and borrowed the money and added it to the national debt.

We did something else. No President in the history of the United States of America ever has cut taxes in the midst of a war. You know why? Because you have your ordinary budget of government. You have got to pay for it. Now you have got a new expenditure, with hundreds of thousands of troops in the field, and families saying, keep them safe and bring them home, and you are spending billions of dollars there. How could you cut taxes?

That is what happened. During the Bush administration, they cut taxes. Two wars unpaid for, cut taxes, and then President Bush signed into law programs—dramatically expensive programs that were not paid for. Medicare prescription Part D was one of them. So you had these programs signed into law, wars not paid for, taxes cut, and, at the end of an 8-year period of time, the national debt rose from \$5 trillion to over \$10 trillion, almost \$11 trillion.

The Republican Party has a philosophy, the Democratic Party has a philosophy. There are those of us who think that sometimes we should listen to one another and try to learn from one another. I think this is one of those occasions. But I will say to my friends on the Republican side of the aisle in the Senate and the Republican leaders in the House, those who are arguing that the best way to get the American economy moving forward at this point is to give tax cuts to the wealthiest people in America, they have forgotten their history. That is exactly what we did under President George W. Bush, and look what happened—the biggest deficits in the history of the United States. When Barack Obama raised his hand off of that Lincoln Bible, taking the oath of office, that month we lost 700,000 jobs in America. Unemployment was running rampant and kept going.

Using the Republican economic theory of tax cuts for the wealthiest people in America—it did not work then. It will not work now. It is a tired old idea. It may give them points in opinion polls. It does not give America points and credibility around the world. It is a position they are taking.

Having said that, I guess I could stop here and they would say: DURBIN, that was a heck of a Democratic speech.

Let me go a little further. I was on the deficit commission. I sat there for 10 months and listened to everything. It was split, Democrats and Republicans, and the President appointed the commission. There were Democratic and Republican Senators, and the same thing with House Members. I came to the conclusion that there were some positions the Republicans had taken that were wrong, and there were positions that Democrats had taken that were also wrong. It was time for us to try to do something smart and do it bipartisanship. I voted for the deficit commission; 11 out of 18 of us did. I think I surprised more people than I ever imagined. But I think it was the right thing to do.

The morning I voted for it, my son, who happens to live in Brooklyn, in the Presiding Officer's State, sent me an e-mail saying: Thanks, Dad, you are doing the right thing. Well, every dad wants to hear that once in a while. I said that at this commission meeting. It meant a lot to me that my son, whom I greatly love, would have that kind of respect for that kind of decision.

Here is what we did and what we need to do now. Here is what we need to say to the American people: We can get out of this mess. America is a good, strong nation. We are good people, smart, hard working, and we have a great tradition when it comes to dealing with challenges, whether it is waging wars, or fighting recessions, or putting a man on the Moon. We can do it. We have done it, and we will do it again. Start with that premise. Don't badmouth this country, because we are blessed to be living here. This country and its history have proven over and over again that it can tackle the biggest challenges and meet them head on. Do you know who wins this battle? It is average Americans—those who have waged our wars, who were the soldiers and went off to war, my brothers in the Korean war, and others, regular old families who said it is our patriotic duty and we will serve. They continue to do it time and again.

When it comes to sacrifice, Americans know that spirit as well—not only the can-do spirit, but the spirit of, sure, my brothers each gave 4 years of their lives to the U.S. Navy, and so many others did. It says that Americans are willing to step up and participate in a national effort. When they think we are all together as a nation moving in the right direction, they want to be part of it, I want to be part of it, America wants to be part of it. When we talk about solutions to problems, we talk about everybody rolling up their sleeves and getting involved.

I know the poorest of the poor can't. They don't have the resources, or they may not have the physical or mental ability, whatever their circumstance, and I am ready to help the most vulnerable people. Asking them to sacrifice and pitch in is maybe too much in some circumstances. The rest of us should pitch in.

Here is what we ought to do. First, we should not say that anybody in America who is wealthy and comfortable in life is going to be spared in sacrifice. Everybody has to give. Those who are better off than some should give more. I don't think that is unfair. Life has been good to them; America has been good to them. When we need them, they should be asked to help. So the notion of raising taxes on the wealthiest people should not be something we automatically reject. It should be part of the conversation.

Second, we have a Tax Code that you could not carry with two arms because it is so big, loaded with laws and regulations and, frankly, most people don't know what is in it. I will tell you the people who do know: the special-interest lobbyists in Washington, the tax lawyers, and some people in congressional committees. In there, you will find that we spend almost \$1.2 trillion in tax expenditures. Most people don't understand that. I learned a little about it in the deficit commission; \$1.2 trillion in tax expenditures in the Tax Code equals all the credits, all the deductions, all the exclusions, and everything that you can take to reduce your tax burden. And \$1.2 trillion also represents the entire amount of discretionary spending each year in the United States. It is a big sum of money. So we spend it in our expenditure levels, from the Defense Department all the way through the Agriculture Department, and everything in between; and we forgive, or don't collect, the same amount in the Tax Code.

Who benefits from that? Let's look at the basics. Seventy percent of the American taxpayers do not itemize on their tax returns. They file a standard return. So the Tax Code doesn't mean anything to them. If there is a special deduction, unless it is a refundable tax credit—a rare category—it doesn't help them. Seventy percent of Americans don't touch it. What are the biggest deductions under the U.S. Tax Code today? In all my wisdom and education and experience on Capitol Hill, I said it is the mortgage interest deduction, right? Wrong. The biggest single deduction is the employers' exclusion for health care premiums. Employers are able to exclude from income the amount of money they spend for health insurance for their employees. No. 2 is the mortgage interest deduction. I use it. My wife and I bought our home and thought about it ahead of time. OK, we have mortgage interest deduction, maybe we can buy a little more home. A lot of families do. When you look at the mortgage interest deduction and realize that 70 percent of Americans don't itemize, look at the 30 percent who do, it turns out that mortgage interest deduction—the lion's share of that money goes to the very highest income categories in America. So that comes as a surprise. Do you think it is a middle class tax cut? It is not. It is, by and large, a tax cut for wealthy people.

I want to preserve that part that protects middle-income families. But, again, shouldn't those in the highest income categories be willing to see a change in that deduction if it means America's deficit is going to be finally brought under control?

When we look at the Tax Code, we need to be honest about it. There are things in there we cannot afford to do any longer—things that maybe we never should have done. We can clean up that Tax Code. What we found in the deficit commission is that by cleaning it up, we could actually produce enough revenue to lower marginal tax rates. I hope my Republican friends tune in at this point. They applaud this, and I do too. If we can lower marginal tax rates for families—even businesses in America—that is a good thing; I am for it. But it means being honest and tackling the Tax Code.

The other thing we have to look at is entitlements. This is where it gets dicey on my side. I like PAUL RYAN. Congressman PAUL RYAN is from the Midwest, and maybe I am partial as a result. He is from Janesville, WI. He studied this issue and knows it well. We come to different conclusions, but he did tackle the entitlements. I think he went too far with Medicare. Doubling the out-of-pocket expenses for people under Medicare is a nonstarter. Eliminating Medicare as we know it and putting these folks in the "loving arms" of health insurance companies in their sixties and seventies is not any kind of favor for the elderly in America. So I disagreed with his conclusions. I would not vote for that. In fact, I voted against him.

I don't disagree with PAUL RYAN saying that we have to look honestly at Medicare. If we don't do that, in 10 or 12 years it will go broke. We cannot let that happen. So we have to look at Medicare in a sensible way to reduce the costs of Medicare.

Let me give one example. In the Medicare prescription Part D Program, prescription drugs for seniors, I think Medicare ought to offer an option. The government ought to have an option that people can choose voluntarily, one way or the other, to try to buy pharmaceutical drugs in bulk, reducing their costs, so that seniors pay less. Is that a radical concept? No. It is exactly what we do in the Veterans' Administration. We can do it under Medicare prescription Part D, reducing that program and the costs to seniors, and create as part of the spectrum of competition a Medicare prescription program—one person can opt into if they want to. So there are ways to save money in Medicare without endangering basic benefits.

Here is the last thing I will say. I see my colleague from Louisiana here. I don't want to keep him waiting. Tomorrow, I will be honored to be invited to the White House with Senator REID to meet with the President and the leadership in the House and Senate—Democrats and Republicans. The President said: Leave your ultimatums at

the door. That is good advice. He understands that if we don't extend the debt ceiling by August 2, it will have a dramatic negative impact on the American economy. It is as if you would default on your mortgage—same result. Our creditors around the world will say: Oh, America is not going to pay its bills on time, so maybe we won't loan them money. Maybe if we loan them money, we will raise the interest rate. If they raise the interest rate on our government, they will raise the interest rates across our economy, whether you are borrowing for a home, a car, or whatever it is. It would be the height of irresponsibility for us to default on America's debt. That debt ceiling needs to be extended so that interest rates don't go up, because if they do, it will hurt our economic recovery and put more Americans out of work.

The template for our meeting tomorrow should be the President's deficit commission. I will only take exception to one thing Senator ISAKSON said earlier. He said that the President did not let it come to the floor for a vote—his deficit commission. In fairness to Senator ISAKSON, that wasn't the President's responsibility. It is our responsibility to bring it to the floor for a vote. I have been trying for 6 months now, with a handful of other colleagues—Democrats and Republicans—to bring this to the floor so that we would have a vote on it. I will keep on trying, as we should. I think it remains the best way to approach the deficit challenge. Let's put everything on the table. Look to the deficit commission, the Simpson-Bowles commission, which gave us guidance as to how to get out of this. If we do get it done—and we can do this—I think it is going to inspire people around the world to believe again in America's future as an economy, to invest in America, and we will create jobs. It is going to be like the turnaround that occurred when Bill Clinton came to office and said, "I am taking the deficit seriously," and he passed the deficit reduction plan by one vote in the House—I was there—and by one vote in the Senate when Vice President Al Gore cast the deciding vote. Look what happened to the economy. There was a dramatic increase in business ownership, business creation, and home ownership.

That, to me, can happen again if we come up with a bipartisan, sensible, inclusive budget deficit plan of the magnitude the President called for yesterday.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Louisiana.

Mr. VITTER. Madam President, will the Chair inform me when I have consumed 12 minutes?

The ACTING PRESIDENT pro tempore. Yes.

Mr. VITTER. Madam President, first, I rise to celebrate that we are finally, after months and months of doing everything under the Sun but facing our gravest challenge, which is spending

and debt, focused on that on the floor of the Senate. That is progress. We have a long way to go, but at least that is progress.

For months, I have been urging us as a body, urging the majority leader, who controls the floor, please, let's focus on our gravest challenge, Federal spending and debt, and not wait until the eleventh hour, not wait for a crisis atmosphere. Let's put on the floor meaningful legislation about spending and debt.

For months and months, unfortunately, we did everything but that on the floor of the Senate. The majority leader looked for every bill and every topic but that, and it was all sorts of cats and dogs—many of them, quite frankly, trivial, unnecessary legislation, particularly compared to this grave challenge of spending and debt.

Finally, last week, a group of conservatives here said enough is enough. We should not go out on our planned July 4 recess, which was scheduled to be all of this week. We said we are going to block that. It takes unanimous consent for that to happen. We said we would block it and, sure enough, we did. We said, wait a minute, we are not blocking that just to be here. We are not blocking that to be here and continue to move on to every other issue under the Sun but spending and debt. We did that to finally focus on the floor of the Senate on the gravest of all of our current challenges—Federal spending and debt.

We said we are going to vote against the motion to proceed to the Libya debate. Libya is an important matter. In fact, that debate is long overdue in Congress. Those votes are long overdue. But that challenge does not rise to the level of our greatest fundamental challenge right now as a nation, which is spending and debt. We said we are going to block that motion to proceed to yet another unrelated matter, and we did. We rounded up the votes in the last half week and got those necessary votes to block that motion to proceed. As a result, the distinguished majority leader pulled that vote, he vitiated that cloture vote yesterday.

Finally, we have an instrument on the Senate floor—a motion—about this central challenge we face, spending and debt. So that is progress. I urge all of my colleagues to come down and join this most important debate. I continue to urge the majority leader to put meaningful, substantive legislation on the floor about this topic. We have motions on sense-of-the-Senate resolutions. It focuses us on the proper topic, spending and debt. That is progress.

But, of course, a sense-of-the-Senate resolution does not do anything or change anything. We still have further to go in terms of bringing meaningful legislation to the floor, our gravest challenge, Federal spending and debt.

Why do I insist this is our top challenge at hand? The facts speak for themselves. Of every \$1 the Federal Government spends—of every \$1—over

40 cents is borrowed money—over 40 cents of every \$1. Imagine if we ran our household that way. It wouldn't take long for one to hit a financial dead end and virtual bankruptcy—if out of every \$1 our family was spending, 40 cents of it was borrowed money.

What does that mean? It means we are collecting, as a nation—as a Federal Government—about \$2.2 trillion a year. That is a lot of money, \$2.2 trillion. The problem is we are spending \$3.7 trillion—way, way, way more than we are collecting.

The distinguished majority whip mentioned entitlement spending, and I agree with him that is a big part of the issue which we must face in a careful, substantive way because Medicare is one of those big entitlement programs. It, too, is on an unsustainable path. The average American pays about \$110,000 into Medicare over his or her lifetime—a lot of money—but, on average, that average American receives in benefits over \$430,000 under Medicare. There again, it is not tough to do the math. That is unsustainable, when the average American pays in \$110,000 and receives in benefits over \$300,000.

Social Security is another huge entitlement program. This year, it is taking in less than it is spending on current retirees. That day of reckoning was going to be several years down the road, but it has been accelerated. It is here now—right now. Social Security is taking in, in tax revenue, less than it is paying out in benefits to retirees.

What does this mean? This adds up and up and up. So we have more new debt under this administration—more new debt under President Obama—than the debt compiled under all the previous Presidents combined, from the first George Bush to the latest George, George W. Bush. We have more new debt under this President than the debt accumulated from all those previous Presidents combined. We must do something, and we must do something about the real problem, spending and debt.

Washington, in a bipartisan way, has a spending problem. The fundamental problem isn't that we are undertaxed. We all know that, no matter what station in life we come from. The fundamental problem is, Washington doesn't live within its means, such as we as families do as we sit around our kitchen tables and look at our budgets. Washington has a fundamental spending and debt problem, and we need real solutions—rigorous, disciplined solutions—to get that under control.

How do we go about that? To me, it comes down to three important things: cut, cap, and balance—cut, cap, and balance. Cut: We need to cut the budget now. We need to cut the budget this year and next year. We need immediate meaningful cuts. That is why I support those immediate meaningful cuts in the Federal budget. We can't put off meaningful cuts for 1 year or 5 years or 10 years. We need them right now.

A few weeks ago, we had some budget proposals on the floor. We had several

Republican proposals and we had President Obama's proposed budget. The Obama budget didn't cut in a meaningful way. In fact, it doubled the debt in 5 years and tripled the debt in 10. On the Republican side, we had three different alternatives, all of which cut the budget in a meaningful way, and I voted for all three. We need to start now, today, with cuts.

But that is not enough. That is short term. We need immediate cuts, we need medium-term caps, and we need balance. So let's discuss caps. What do I mean by a cap? I mean we need established spending caps in each major category of the budget that takes some sort of extraordinary supermajority in the Congress to supercede. We need a glidepath to actually get through those caps to a balanced budget in a reasonable period of time.

There are several proposals in this body. There are several proposals in the House, mostly from the Republican, conservative side—virtually all of them—to establish those caps, to get us on that disciplined mandatory path so we reach that balanced budget.

Third, and finally, balance: The goal needs to be a balanced budget, and it can't be a goal generations off. It can't be a goal decades off. It needs to be a goal within our sight. The only way, ultimately, I believe, we can absolutely ensure that is through a constitutional amendment to balance the budget.

I am very proud to be a coauthor, along with all my Republican colleagues—every single one of us—of a strong, meaningful, substantive balanced budget constitutional amendment. This has been debated in this body and the House for some time. The last time it was voted on, on the floor of the Senate, it came within one vote of passing. We need to have this ultimate protection and straitjacket and enforced discipline to say we are getting to a balanced budget, we are going to stay there, and we are not going to get in this state again.

Virtually every State in the country has such a balanced budget constitutional amendment under their State constitution, and that enforced discipline works. That straitjacket at the State level works. It works in my State of Louisiana. We have such a provision in our State constitution which says we can't have a State budget which is out of balance. That mandate, that requirement for a balanced budget works. Every year, the legislature, working with the Governor, produces a balanced budget. If they go out of session and 1 month later revenues fall and the budget goes out of balance, they have to come back in within a set period of time and they have to rebalance that budget. It is not fun. It is not easy. It has been particularly difficult in this horrible economy for the last several years, but because of that mandate, because of that constitutional provision, it gets done. That is what we need at the Federal level. We need a balanced budget constitutional amendment.

So I repeat: cut, cap, and balance. It is an important formula. It is simple but substantive and it will get us where we need to be.

The ACTING PRESIDENT pro tempore. The Senator has consumed 12 minutes.

Mr. VITTER. I thank the Chair.

I urge all my colleagues, Democrats and Republicans, to come together and continue this debate and move it to the next level.

As I said when I began, the first thing I wish to do is recognize and celebrate progress because, after months of resistance from the distinguished majority leader, we are finally on the Senate floor actually talking about our most pressing challenge, spending and debt. But it is a sense-of-the-Senate resolution. It is a procedural motion.

Let's get to the real substance by having meaningful legislation—cut, cap, and balance legislation—on the floor of the Senate, open to amendments and open to wide-ranging debate. That is the history and tradition of the Senate. Unfortunately, it hasn't been the practice of the Senate all that much in recent years, but we are trying to get back to that. So let's put that meaningful, substantive legislation about spending and debt on the floor of the Senate, have that debate, have amendments, and have a free flow of ideas.

Cut, cap, and balance—we can get there. We can do the work of the American people. We can rein in this runaway Federal spending and debt, and we must. We must do it now. Because if we fail to meet this challenge this year—if we fail to meet this challenge this year—I believe there are going to be dire consequences for our economy and for all American families as a result.

Having this topic on the floor of the Senate is a start, but it is only a start. Let's build on this, put substantive legislation on the floor about spending and debt, and act on that meaningful, substantive legislation.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from New York.

Mr. SCHUMER. Madam President, before I begin on my time, I would like to ask my colleague from Louisiana if he would answer a question.

Mr. VITTER. I would be happy to.

Mr. SCHUMER. I thank my colleague.

My colleague is right. We should move on this, this year. We certainly agree with that. Of course, the balanced budget amendment wouldn't take effect for years to come. But my colleague just voted for the Ryan budget, which actually increased the deficit. Not only did it not move deficit numbers down, but it increased the deficit. So how can he reconcile all this nice, grandiose talk about a balanced budget amendment with voting for a budget that actually increased the deficit?

Mr. VITTER. Well, first of all, I voted for that budget as well as the

Toomey budget. The Toomey budget, which was my first choice and preference, balances the budget in 10 years. That would be my first choice.

The Ryan budget gets us way down the path compared to anything else proposed on the Democratic side, such as the President's budget, which on the Senate floor actually got 0 votes out of 100. So while the Ryan budget is not my first choice, it is a dramatic improvement on the path we are currently on.

Mr. SCHUMER. I would note, for my colleague—reclaiming my time—the Ryan budget is not a dramatic step in that direction. The Ryan budget, as I understand it, does not do a thing in the first decade to reduce the deficit. It cuts a lot of spending, but it also cuts taxes and it raises defense spending.

Mr. VITTER. If I may respond, through the Chair.

Mr. SCHUMER. Please.

Mr. VITTER. That is not true. It reduces the deficit. It doesn't balance the budget within the 10-year window, which is my strong preference—the Toomey budget does do that—but it gets us going in the right direction. It reduces the deficit, and it is a particularly dramatic improvement over anything proposed by this administration.

I thank my colleague.

Mr. SCHUMER. I thank my colleague.

I would say it is time to walk the walk, not talk the talk. Whenever folks refuse to step to the plate to actually balance the budget—the last President to do so being Bill Clinton—they start talking about a way distant, future balanced budget amendment. This balanced budget amendment they talk about is not going to solve our problem in the next 5 years. We have to get to work right now, and that is what we are trying to do on this side, with a fair and balanced approach.

The balanced budget amendment my colleague speaks about would, if we look at the amounts—18 percent GDP—cut deeper than the Ryan budget. It would end Medicare as we know it. It would mean things we take for granted, such as food safety inspectors and flight inspectors, would have to be cut, and then it makes it impossible to close tax loopholes for millionaires and billionaires. It is not a balanced budget amendment; it is an unbalanced budget amendment because it simply reflects an ideological view that my good colleague and friend from Louisiana has but does not reflect the views of either a majority of this Chamber or certainly the American people.

So let's walk the walk. Let's not just talk the talk. I think that is very important to note. Cutting spending, which is done in the Ryan budget, is not going to work in terms of balancing the budget. It just can't, unless we decimate programs, such as Medicare, without revenues.

That is what I am here to talk about today. I rise today in support of the sense of the Senate on shared sacrifice.

The clock is ticking. Time is running short to reach a deal on reducing the deficit and raising the debt ceiling. We are walking the walk and not simply talking the talk about some ephemeral balanced budget amendment that is unbalanced and will not pass.

Yesterday, the President said we needed to reach a deal within 2 weeks in order to avoid roiling the financial markets. Democrats are working in good faith, identifying spending cuts and tax loopholes to close. And what are our Republican colleagues doing?

Well, since stalking out of the negotiations 2 weeks ago, they are now sticking to their blind ideology and playing political games, such as inviting the President to come to the Capitol, when they know he can't, to deliver a message he has already heard. The Republican leader has continued to insist that we can't raise a single dollar in revenue, no matter how wasteful the tax break or how generous the substance.

Madam President, here is what it is coming down to. In the home stretch of negotiations, our Republican colleagues seem to be willing to tank the economy rather than end a single tax subsidy. Democrats are committed to reducing the deficit and getting our Nation back on a sensible fiscal track, but we know everyone must pay their fair share. We know there has to be compromise to get things done. We can't just draw a line in the sand and say: My way or no way; it will lead to fiscal Armageddon.

So over the past several weeks, we have offered a number of wasteful tax breaks that should be ended as part of the debt ceiling deal: ending subsidies for the oil and gas industry making record profits; the ethanol industry, which 36 Members on the floor, including the majority leader, supported, to their credit, and corporate jet owners, will save us tens of billions of dollars.

Now, paradoxically, our Republican colleagues are now arguing that tax breaks for oil companies and corporate jet owners are too small to consider ending. They have argued that because they will only save taxpayers tens of billions of dollars. They say that is not enough and so we shouldn't be discussing them now.

Well, I disagree. Tens of billions of dollars that we can save on wasteful subsidies are certainly worth pursuing.

But let's turn our attention to the matter at hand, one of the biggest of all taxpayer giveaways that Democrats are trying to end: tax breaks for millionaires and billionaires.

I rise today in strong support of the Senate resolution that says, simply, instead of ending Medicare as we know it, instead of cutting college scholarships and cancer research, instead of balancing the budget solely on the backs of the middle class, let's end some breaks. Let's end tax breaks for millionaires and billionaires.

Let me repeat that because that is the essence of our dispute, of our dis-

agreement. You can't varnish it any other way. I know the other side tries to say we are raising taxes, trying to imply that we want to do it on middle-class people. We don't. We are not going to touch a person whose income is below \$250,000. Some of us would even go higher, \$500,000, \$1 million. But every one of us on this side says: If you are a millionaire, you should share some of the sacrifice. The other side resists, and then they try to hide by saying it is raising taxes. It is not raising taxes on average folks. It is not raising taxes at all. It is simply going back to the level under Bill Clinton where we had record prosperity, record jobs, and record income growth for the highest end people as well as for middle-class people who got income growth as well.

So let me repeat the nub of this and why we have this resolution on the Senate floor. Here is what it says: Instead of ending Medicare as we know it, instead of cutting college scholarships and cancer research, instead of balancing the budget on the backs of the middle class, let's end tax breaks for millionaires and billionaires. This would save over \$100 billion a year and hundreds and hundreds of billions in the long run. It is not just a small amount.

I ask my Republican colleagues, is that savings significant enough to at least merit discussion and not just take it off the table?

The GOP budget would end Medicare as we know it to give hundreds of billions of dollars in tax breaks to the wealthiest Americans. The resolution says, simply: Don't let that happen.

Let me say this: I respect people who have made a lot of money. There are many of them in my State. They work hard. God bless them. But many of them, when you talk to them, are the first to say they should share in the sacrifice. There are some who would say no, but I don't think they represent mainstream America or mainstream American opinion.

In normal times this would be a consensus opinion, the fact that we shouldn't end Medicare as we know it to give hundreds of billions of dollars in tax breaks to the richest Americans. In normal times that would be a consensus position.

Republican Presidents and political leaders have long supported raising revenue combined with cutting spending to reduce deficits. Ronald Reagan, for instance, because he wanted to shrink government, but he was fiscally responsible. But the Republican Party has been dragged so far to the right by an ideological fringe that they now see this balanced approach as an extreme position.

What it comes down to is this: Would Republicans rather end Medicare than end tax breaks for billionaires? It is a simple choice, and this resolution will make the answer to that question clear.

Again, will Republicans do anything, even risk default, to protect tax breaks

on the highest income people, millionaires and billionaires? And would they rather end Medicare and solely rely on cuts that hurt the middle class than admit that some tax subsidies, such as those for big oil companies and corporate jet owners, are a waste of taxpayer dollars? Well, Madam President, we will soon find out.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Indiana.

Mr. COATS. Madam President, I ask unanimous consent to speak to the Chamber for not to exceed 20 minutes.

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

Mr. COATS. I don't anticipate taking 20 minutes of time. I hope to be back on the Senate floor this afternoon talking about a related subject, but I do want to take the opportunity essentially to bring us back to the central problem we are facing in this Chamber and in this country; that is, dealing with an out-of-control spending program in Washington, DC, that has occurred over many years.

In fact, the accumulation of debt not only is at the federal level, but it has been at the State level. It has been at the local level. It has been at the personal and the private level. We have been in a cycle of debt accumulation that simply is coming to an end, and it is coming to an end because we can no longer afford to pay the interest and can no longer afford to fulfill the promises that have been made on a political basis to people over a whole series of years, both by Democrats and Republicans, and only accelerated in a dramatic fashion in the last 3 years where we have seen an explosion of spending at the Federal level. This simply cannot continue and be paid for under any system of taxation at all.

So what we have seen is a nice deflection away from the central issue, a deflection into—well, the whole thing comes down to whether we tax millionaires and billionaires. The President's speech last week, which set the stage for all this discussion, is a nice deflection away from what we all know we need to do. And what we need to do is address this out-of-control deficit, out-of-control accumulation of debt that is simply unsustainable.

Now, it is pure arithmetic and it is easy arithmetic. When we spend \$3.7 trillion a year, and revenues coming in are only \$2.2 trillion a year, we are racking up, on a year-by-year basis, a deficit of \$1.5 trillion or greater a year. And that deficit has to be paid. How is it paid? Well, 40 cents of every dollar that is spent has to be borrowed in order to pay for the promises that have been made.

So until we as a body put aside this "gotcha" stuff that may allow political positioning for the 2012 election but doesn't address the real problem, we are not going to solve this problem. There has been a lot of posturing going on, and I am not here to address that in

specific detail at this particular point in time except to say that we need to refocus on the real task before us. The real task before us is understood by the American people. They understand that we cannot continue spending money at the rates that we are spending it.

Our debt has skyrocketed 35 percent to a limit of \$14.3 trillion in just the last 2 years. Our annual deficit, our yearly deficit, is now three times greater than the highest deficit of the previous administration. Today, as a result of a stagnant economy and as a result of uncertainty imposed on our economic system, we have 14 million Americans out of work, and that number is conservative because those are the ones who are looking for work. Those who have given up looking for work amount to a significant number, and those who may never have an opportunity to get back into the workforce ought to be of great concern to us.

These facts, combined with the warnings that have been given to us by the financial markets, should make it clear to all of us, from the President to Members of Congress and both parties and to the American people, that this current plan we are operating under, the President's economic plan, is not working; that the plan of spending more and borrowing more is not getting our economy back to where it ought to be and not getting people back to work.

Over the weekend, I was privileged to be able to give the Republican address following the President's weekly address to the Nation. In that address I suggested that instead of the current plan that we are following under, we ought to look at models that are functioning much better and working to see what we can learn.

Representing the State of Indiana, I am proud to be able to say that the model that our State has used has taken us from a deficit position to a surplus position without raising taxes. By reducing spending and actually cutting taxes and balancing our budget, we have now seen a significant change in the financial fortune of the State of Indiana and Hoosiers who occupy that State.

This administration has increased spending, increased borrowing, raised taxes, and expanded the growth of government. Now the credit agencies are looking at our Federal Government and warning of dire consequences and downgrading of our debt, at the same time the model used in Indiana, which cut taxes, cut spending, and balanced our budget, resulted in a AAA credit rating, the best rating you can get.

Now, the President's plan during this time, the only one that we can work off of, is his \$4 trillion budget, which would have increased deficit spending not decreased it. Interestingly enough, the only plan that we have in front of us—a comprehensive plan at this point in time from the President or his

party—is the plan the President introduced. We have had some nice speeches, and we have had some nice rhetoric. We have heard about the dire consequences of not coming up with a sensible plan before we hit the debt limit ceiling now scheduled for August 2. But the only concrete plan proposed to us in this Chamber and in the House of Representatives from Democrats is a \$4 trillion budget which was voted on in the Senate and was defeated by unanimous vote. Not one Democrat voted for the President's budget plan. Yet no alternate plan has been proposed. There may be one in the works. We would like to see it. We would like to work off of it.

I don't understand how you can negotiate any kind of a final proposal if you don't have something to work with and the only thing we now have before us is simply a resolution on the matter of whether we ought to tax millionaires and billionaires.

Even if we went forward and did that, even if we took 100 percent of all of the income earned by all of those who are in the millionaire and billionaire category, it would be a drop in the bucket compared to what we need to do. It would do nothing to adjust and reform spending programs and duplication of spending and bureaucratic overlap in Washington that has been accumulating year after year after year. So it is a nice diversion. It is a nice way of playing class warfare. It is a nice way to set yourself up for some good talking points back home, positioning yourself for some good rhetoric if you are running for reelection. But it doesn't address the problem we have.

Here we are, having canceled our July 4 recess in order to discuss the budget and the plight we are in and try to come together and fashion a plan. We need a plan that we can assure the American people will put us on a much sounder fiscal path; calm the financial markets and the credit rating agencies; and reassure those from all over the world who invest their money in America that we finally have our hands around the problem, we are coming up with sensible solutions, America will continue to be a safe place to invest your money and the dollar will continue to be a sound currency in which the world can put their confidence.

I was encouraged by the President's statement recently that we ought to move forward. I hope the President's remarks on the budget last week were perhaps to satisfy his base or to politically position himself for more serious negotiations. I hope that is the case. The President has indicated, I believe, that we must take bold steps and take them now in anticipation of what needs to be done by August 2; and therefore he has called for a summit tomorrow. It is time we put aside the political rhetoric and the gamesmanship. It is time we get down to some serious bargaining and negotiating and come up with what I think most of us believe is necessary in order to accomplish what

we need to in addressing this very critical problem that has steep consequences.

There is agreement, I trust, that we need serious spending reductions—some have estimated that in the \$2 trillion range over a 10-year period of time. Others say to really get at the problem, it needs to be double that or more, in the \$4 trillion to \$5 trillion range.

There also needs to be a commitment to restructure entitlement programs. We all understand and know the three major entitlement programs—Medicaid, Social Security, and especially Medicare—are running out of money, are not sustainable under the current program, and need to be restructured.

Once again, this is something that is ripe for political positioning and posturing. The fact is that unless we address structural changes in the entitlement programs, those programs will have to be drastically reduced, if not eliminated, in the future because they simply are not sustainable, given the current number of recipients drawing benefits as opposed to the money that is going into most programs. Anyone who says we are doing this on the backs of senior citizens, on low-income people, is not realistically acknowledging the facts. These programs are going broke. There are those, on both sides of the aisle, who are standing and saying this has to be part of our solution to our spending and deficit problem. Those who are saying this is not part of the solution simply are telling seniors we are going to allow your program to go broke or there are going to be severe consequences.

Those who are advocating this, to the contrary, are saying we are trying to save those programs. We are trying to ensure that the needed health care benefits under Medicare and needed benefits under Medicaid and needed income under Social Security that people are depending on will be preserved in the future. We are trying to save those programs and keep those programs solvent so that a few years from now, as the trustees have indicated in their latest report on Medicare—a few years from now we will not run into a much more serious problem, which will require much more drastic action.

Also, what we need to do is ensure that we have enforcement programs in place so whatever program cuts and changes and reforms that are made are not overturned by a future Congress. We need enforcement programs to do what we are obligated to do on this floor but often do not seem to have the political will to address effectively, programs that will automatically kick in to ensure the goals we established are reached, whether or not we have the political will to go forward and do it ourselves.

I support a balanced budget. If we had had that balanced budget passed in the mid-1990s, when we came close, but failed by one vote each time, we would not find ourselves in this position now.

We would have done what States across America had to do; that is, be straight out with their constituents and simply say: Yes, you can have this new program; yes, we can expand spending, but constitutionally we are mandated to balance our budget so we have two options of getting there. We can either reduce spending in other areas, if this is more important and has a higher priority, and use that money to pay for it or we can raise your taxes. Let's decide which you want to do. Is this program of such necessity and does it have the majority support in the State or the locality and is the public willing to support it with increased taxes? That is not unlike the school referendums, where the school puts forward a plan to improve the facilities or hire new teachers and puts a referendum before the people of the school district and says: If you are willing to raise your property taxes, we add this program or do this with the education system. Sometimes they pass. Sometimes they fail. But it gives the public the opportunity to determine whether to pay for it. It leaves the ultimate financial position at a level of balance.

We should address that. If there is a dispute or difference of opinion as to what the components of a balanced budget should be, we should have that debate. We should go forward on that and work toward some sensible solution. But the only way we are going to guarantee to the American people we are not going to return to our profligate ways is to establish and enact and give to the States the opportunity to enact a constitutional amendment to balance the budget for future spending.

Finally, I wish to include the need for comprehensive tax reform. As many in this Chamber know, Senator WYDEN and I, on a bipartisan basis, have introduced comprehensive tax reform. We are going to talk about that a little bit later this afternoon. We have essentially said that the Tax Code is dysfunctional. It does not promote growth and efficiency. It needs to be reformed. There is a general consensus on that.

We have proposed a way to do it. We are open to suggestions of better ways if someone else has some better ideas. We do believe a lot of the subsidies and tax exclusions and expenditures in the Tax Code are unfair. They are put in for the benefit of a few and not the many. That part needs to be reformed.

There is a very interesting editorial this morning in the Wall Street Journal, talking about the ability to broaden the tax base by eliminating many of these exclusions but, in return, lowering the rates—whether they be individual or corporate rates. That would give us the opportunity to promote growth, which is an essential part of our reaching fiscal balance and fiscal sanity.

The time is now. The time is not after the 2012 election. The dire situation in which we find ourselves is being watched worldwide by financial mar-

kets, by all those who lend us money. They want to know what the financial future of the United States is going to be. They want to know whether we have the will and the commitment to address our very serious financial situation and the political situation that goes along with it. Are we willing to rise above the politics and do what is appropriate and necessary for this country?

The President said: "Right now, we've got a unique opportunity to do something big." I could not agree more with that statement. I am glad the President finally has come on board and said let's get engaged together and negotiate something big, something that will solve the problem. Now is the time for us and the unique opportunity for the President to lead.

But, frankly, we need more than rhetoric. We need specifics. We need to put it on the table. We need more than some kind of a rant against those who fly on corporate jets, as if that subsidy—which is the depreciation issue in the Tax Code, is going to solve the problem or whether we are going to impose a higher tax on billionaires and millionaires, which didn't even pass a Democratic Congress in December. Even if those taxes on the wealthy went up to 100 percent, it is a drop in the bucket. This is not a responsible way to go forward and negotiate what we need to negotiate.

The American people understand it. They voted at the polls in November of 2010 in a way that should send a signal that we understand what is going on and we want to send people to Washington who will address this very problem. As this thing has cascaded into 2011 and we have dithered and pushed off and rethought through what the schedule is, the American people are getting increasingly frustrated over our inability to come to terms with this current situation we face.

Now is the time. Now is the time to put politics secondary to what is right for America and what is right for Americans. We have that opportunity, a unique opportunity. In one sense, it is good we are running up against this debt limit crisis because it is forcing us to stop pushing this problem down the road, to stop delaying and waiting until after the next election. It is forcing us to take action now.

We have about 4 weeks to do what is right for the American people but, more important, what is right for the future of America, our children and grandchildren and generations to come. If we are going to be that generation which saddles them with debt they cannot climb out of and they are unable to live the simple American dream of raising a family, owning a home or a place to live, providing for the education of their children and participating in the wonderful experience this country has had through sacrifice and commitment and dedication over all these years—if we are turning that over to our children with that broken

dream and broken promise, we have not done our job.

We are here to do it now. The time is now. Let's have the political will to do it. Let's subordinate our political considerations for 2012, do what is right, and then we will have left a legacy—win, lose or draw politically—a legacy that is important for this country.

I yield any time left, the remainder of that time.

The ACTING PRESIDENT pro tempore. The Senator has consumed his 20 minutes.

The Senator from Oklahoma is recognized.

Mr. INHOFE. Madam President, first, I stand in total agreement with everything my good friend from Indiana has said, particularly the emphasis on the time is right; it is now. We have been talking about a balanced budget amendment. We have been talking about this problem for many years. To me, I feel great frustration that I am even in the Chamber right now.

Quite often what I do—I have a very regular schedule. If I am not on a weekend in Iraq, Afghanistan or Africa, someplace having to do with the duties I have as the second ranking member of the Armed Services Committee, I am back in Oklahoma. I have been a pilot for 50 years and I get in a little plane and I go out and talk to real people. People shake their heads and say: Why are we still talking about this? Why aren't we doing it? Why is it we are so wrapped up in this thing?

There is not an easy answer. We are supposed to be back here, I guess, talking about a Libya resolution. We all realize that is something that kind of diverts the attention of the American people from the real problem. The real problem of course is the deficit. As I see where we are and look at some of the alternatives they have—the Senator from Indiana said the Democrats want to, I guess tomorrow morning, vote on some kind of a bill that is going to be a tax increase on the millionaires. We are right back again with our class warfare. If we are to rephrase that statement from an economic perspective we would say something like this: It is the sense of the Senate that we should raise taxes on America's job creators and entrepreneurs to prevent the economy from recovering from this recession.

That is exactly what we would be doing. Yesterday, I searched through a database of the IRS, their historical tax data. If we were to tax all the income of those individuals making \$1 million or more at a 100-percent tax rate—in other words, take every cent they have, tax them all—the total amount of revenue that would be generated would be \$700 billion.

Stop and think about that, \$700 billion is way less than half the deficit President Obama gave us just this year, a \$1.65 trillion deficit. It is clearly a deceptive thing. The American people, I think they assume they are so dumb they can tax millionaires and get

us out of this mess. According to the Joint Committee on Taxation, the 750,000 Americans in the highest tax bracket report less than half of the total net business income earned in this country. This is income that comes from flow-through entities such as the LLCs and partnerships. In other words, it comes from small businesses. If we were to tax the small businesses as they are going to attempt to do by saying they are taxing the millionaires, who is going to be able to grow their small businesses? I don't know. No one, I guess, has the answer. There is no answer.

There is no question we have a serious problem in Washington. Our debt is at the legal limit of \$14.3 trillion, and what caused this problem is spending. In the short 2½ years since coming to office, President Obama has managed to increase spending by 30 percent. Thirty percent. He incurred a trillion dollar deficit each year and pushed our national debt up by 35 percent. The statistic that no one seems to care about, and we say it over and over, is this President has increased the debt of America more in his 2½ years than all Presidents throughout the history of America from George Washington to George W. Bush. Let me say this is not the first time this is coming up. Every time you turn around in this administration: Well, we are going to have to increase the debt limit. If not, some great crisis will take place. We did this on February 17, 2009. I voted against it. They increased the debt limit at that time. If you remember, that was the \$800 billion stimulus bill. In December of 2009, a stand-alone bill to increase the debt limit of \$290 billion passed. We remember so well Tim Geithner saying if we don't do this, it will ruin our credit nationwide. Then again in February of 2010, \$1.9 trillion. They increased it again. The same thing. You have to draw the line someplace. There is going to be some point at which you are going to say, no, we are not going to do it unless we get some reductions and some fiscal sanity that is built into it. Right now, since reaching the legal limit, the Treasury has been shuffling money around to pay bills and they will run out of ways to do this on August 2. If an agreement to raise the debt limit has not been reached by then, Treasury will have to decide which bills to pay and which bills not to pay, and nobody wants that.

In order to raise the debt ceiling, we have to lock in the reforms necessary to permanently prevent this income debt crisis. We all know the scary statistics, but, to me, solving the problem is easy. We spent our way into this problem so we need to stop spending to get out of it. Tax revenue has not been our problem. Tax hikes should not be a part of the solution. Regardless, President Obama has made very clear he wants tax increases to be included in any kind of a debt limit deal. Sure, he may say he wants to raise taxes on millionaires and billionaires. You are

going to hear it over and over. All these people out here are supposed to believe this. It is not true.

I said earlier the folks he is targeting are those who own small businesses and ones that are creating jobs. When you target tax hikes on folks such as these, you hurt everybody. This is not what we need to do. Our economy is stalling and our unemployment rate is still above 9 percent. We need to cut spending in the short term. This is a program that many people adhere to now. I don't know how many we have. I think the pledge includes about 30 Members who say we need to cut spending in the short term, cap spending in the medium term, and balance the budget in the long term to put the Nation on a sustainable, limited government path. This is the only way out of this mess.

I have been a leader here. I can remember back when I introduced the HELP Act. That was when this President first came in and he wanted to take the discretionary nondefense spending and freeze it at the new level after he increased it by 20 percent. I said, no, let's go back to 2008 levels. If we had done that, we would not be facing the problems we have.

Decades ago when I was in the State legislature, there was a great Senator from Nebraska named Carl Curtis. He came to me one day and he said, I have been trying to pass a balanced budget amendment here in the Senate for decades. The argument they use against it is the States will never ratify it. So he came up with the idea, let's preratify a balanced budget amendment to the Constitution. Well, that sounded great to me so I introduced a resolution in the Oklahoma State Senate preratifying, which we did, a balanced budget amendment to the Constitution. That was kind of fun. We came within two or three States of doing this. Had it passed, we wouldn't be here today with the problems we are facing. When you look and you say it is going to be difficult, it is not difficult. But I believe the only way to be able to pull this off and to resolve the problem is to do something about a balanced budget amendment. We have proposed one. It is out there. Senator HATCH is active in this. We are all looking at it. During peacetime the amendment would require a two-thirds majority in both Chambers of Congress to authorize the specific deficit funding level for a fiscal year. We all understand emergencies can come up. We have wars in which case we need to do something about it. This allows an escape, but it means two-thirds of the majority of the House and the Senate would have to agree to it.

Importantly, the balanced budget amendment would require a two-thirds majority in both Chambers to pass any kind of a tax increase. Our problem is our tax increases. That is what the President wants more of. The balanced budget amendment is the only reform that will put our Nation on a true path

to permanent fiscal stability. This is what we need to do. This balanced budget amendment is the reform we need, and I pledge to oppose any deal to increase the debt limit that does not immediately cut the spending in the short term, cap the spending in the medium term, and include a balanced budget amendment to the Constitution.

I urge the Members to seize upon this opportunity. We have not had a serious opportunity at a balanced budget amendment now for decades. The time is here because we have never faced this before. We have never had a President who has proposed and passed \$5 trillion of deficit in 2½ years. The people of America are not dumb. They know we cannot sustain that. They are going to say, all right, we all have to bite the bullet and do this thing. We need to do it. The time is right. I agree with the Senator from Indiana who said, there hasn't been a time before that is right, but this time is right. Now that this legislative agenda is dead that we have been talking about, the President has pursued aggressive regulations, especially through the EPA, that seriously harm the economy. I think a lot of people are confined in their thinking about the fact that we are spending too much money. They don't realize there is also a cost to overregulation. Right now almost everything the liberals have tried to pass through here, such as cap and trade, the President and his colleagues in the House and the Senate are trying to do through regulation through the EPA, and that is as expensive as spending money.

I don't think this is rocket science. It is something we can pass, the balanced budget amendment to the Constitution, and put Americans back to work and these are the only things that will resolve our debt problems.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. FRANKEN). The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. COBURN. Mr. President, I have been listening to the debate this morning. It is concerning to me because as a physician, I am trained to diagnose disease. Disease, if you break that word up, is "dis" and "ease." We are not at ease, and I hear us talking all around. I listened to the senior Senator from New York very carefully and what he had to say, and I wanted to spend a few minutes actually disputing what he had to say. Because the premise he said was if we don't raise taxes, the vital things that are legitimate roles for the Federal Government would have to be eliminated, and I find that very curious because what is lacking in the Senate body today is an actual knowledge of all that we are doing.

I go back to March when the GAO report came out on the levels of duplication within the Federal Government, and that report was eye opening to many Senators. The fact is that report only covered the first third of the Federal Government. I have long said during the past 7 years in the Senate one of our problems is the government is so big, we don't know everything it does. What came out of the report was a tremendous list of duplication, programs that do exactly the same thing in multiple different agencies. For example, we have 124 different programs to encourage students in math, science, engineering, and technology. Why would we do that? Why would we pay for 124 sets of administration? Why would we have the first program for science, technology, engineering, and math that doesn't have a metric on it to see if it works? Well, you know what the report said. None of them have a metric on it to measure whether they are effective.

We have 47 different job training programs. The report said all but three of them overlapped one another and none of those have any metric to see if they are effective or work. They cost \$18 billion a year.

We have 42 different programs to teach Americans how to be credit-worthy and financially sound. Mr. President, 42 across 6 different agencies? The fact is the Senate doesn't know what it is talking about. When we make statements that say if, in fact, we make major cuts in the discretionary portion of our budget, the things we count on will have to be sacrificed, it is not true, for there is at a minimum \$350 billion a year spent on duplication within the Federal Government, and waste. It doesn't count fraud, which is at least \$100 billion a year in Medicare. It doesn't count the Pentagon, where we have the Pentagon having duplicate weapons systems, noncompetitive contracts, cost-plus contracts where we have requirement creep so they end up costing much more than they ever should because we don't have the responsible person over there saying, no, you can't have everything you want. What you want is to have the things you need.

This whole idea that the sacrifices that need to be made are going to be highly paid for is not true because that is how much waste there is in the Federal Government—at least \$350 billion a year, and that doesn't count the \$100 billion in Medicare that is defrauded and wasted and wrongly paid. Their improper payment rate, which is 97 percent overpayments, is in excess of \$10 billion a year. So if you have \$100 billion worth of fraud, and then an improper payment rate that is around 10 percent, we could easily solve our budget problems by eliminating duplication and eliminating fraud, but it requires a lot of hard work to do the oversight. It requires a lot of legislative work to eliminate duplication. It requires us to stand and do what is nec-

essary for our country. We don't have a problem, in general, with revenues. What we have a problem with is the Federal Government is taking 26 percent of our GDP to operate itself and 40 percent of that is borrowed.

As a physician, what my training would tell me to do is go directly to the disease. Don't treat the symptoms of the disease, go directly to where the disease is, and the disease is we have a magnitude, orders of magnitude, of duplication, all well meaning, all well intentioned, that we won't sit down and work on eliminating.

I thought I would spend a few minutes going through by department. The Department of Agriculture has 130 duplicative programs—130. I will submit for the record a few of these because I don't want the record to have too many. For example, biomass programs at the Department of Agriculture. We have the Biomass Crop Assistance Program, the Biorefinery Program for Advanced Fuels Program, the Biobased Products and Bioenergy Program, the Biorefinery Repowering Assistance Program, the New Era Rural Technology Competitive Grants Program for biomass.

Those could all be combined into one at one-third the cost with exactly the same results. But we do not have the energy, the time or the motivation to go solve these problems. So the problem is not the debt and deficit, the problem is the Congress, the lack of a work ethic to roll up our sleeves and dig into it.

We have 16 export assistance programs just for the Department of Agriculture; the Department of Commerce, 18 different duplicative programs; the Department of Education, 230 identical, duplicative programs in different branches. The only reason we know that is because the Department of Education is the only Department in the Federal Government that actually knows all their programs. There is not one other agency that actually knows all their programs. That is why it was important to get the GAO report, and we have just seen the first third of it. When we get the other two-thirds—the next third will come in February of next year, and we will have two-thirds of the Federal Government.

Do you know what it is going to show? Over \$400 billion worth of duplication. The problem is not that we do not have enough revenue, the problem is we are wasteful in almost everything we do because Congress will not do the appropriate oversight for the things that are legitimate roles for the Federal Government—the first person who does not have to have any risk of no food safety, the first person who does not have to have any risk of not having Medicare or not having their Social Security, the first person who does not have to have any risk if the Congress will actually do its job. Yet we refuse to do our job because each one of these little programs has a little political body in itself that is taking and suck-

ing off the Federal Government, many times not a legitimate role under the enumerated powers of the Constitution that is a role for the Federal Government.

I get letters all the time in my office: Please fund this. Please fund this. My answer back is: Show me in the enumerated powers where it is the role of the Federal Government to do that. If it is truly our role, I am for us doing it. But if, in fact, the enumerated powers—as originally written and as evidenced by the Federalist Papers—say it is not a role for the Federal Government, then the States ought to be doing it. Better yet, we as citizens ought to be helping other citizens who have a need.

But the fact is, we have created this monster, an out-of-control Federal Government. I am talking out of control because nobody is in control of it. Nobody has the information, which is the power to do it, which is why knowing all this stuff is so frustrating. We will not eliminate the easy things that will have no impact on 99 percent of Americans. The only people impacted are the people who are benefiting directly from administering or gaming the programs.

The Department of Energy. When the Department of Energy was created, it was to eliminate our dependence on foreign energy. Our dependence at that time was 30 percent. It reached a peak of 67 percent. Thankfully, due to horizontal drilling and environmentally sound fracking, we now are at 47 percent. We have gone down 16 points since the technology was developed to go after resources that are here.

The Congressional Research Service says—and this is a report published this year—that America has energy resources greater than the combined energy resources of China, Canada, and Saudi Arabia. We are the only country in the world where the citizens own the resources and their own government will not let them have it. We deny our own resources to our own people. Consequently, we see \$4 gasoline, not because it has to be there—and we blame speculators and we blame the large oil companies. The reason gas is \$4 is because the Federal Government will not let us utilize the very resources we have.

Mr. President, 92 percent of the 650 million acres the Federal Government owns is unavailable for resource production that can be done in a clean, environmentally friendly way, with no impact whatsoever. Yet supply us with valuable energy that does not make us dependent on countries that are not supportive of our liberties and our freedom.

So you are going to hear a lot of speeches today talking about those who have actually lived the American dream, people who have made it. I am not saying there is not excesses. I am one of the very few people on my side who thinks we ought to change the Tax Code, we ought to eliminate all the

brackets, we ought to flatten the Tax Code, that it will be clearer, it will create confidence, it will create certainty, and we will see the money—the \$2 trillion that is sitting on the sidelines that could be creating jobs in this country—actually come in and create jobs.

But our problem is not the people who have been successful. Our problem is we, the Members of Congress, are not successful in accomplishing the task we were sent to do.

The Department of Homeland Security. More unregulated grants, 32 duplicative programs, no followup on the grants, no checking to see if a grant that was given actually performed the purpose. There is a significant amount of fraud, a significant amount of improper payments, significant layers of duplication. Not even the Department of Homeland Security knows what is going on, let alone Congress, because we will not do oversight.

There are 40 duplicative programs inside the Department of the Interior. Then we have all the duplicative programs across agencies. I did not list all of them here. There are 35 duplicative programs in the Department of Labor, 53 in the Department of Justice, 6 in the Department of State, 19 at the Department of Transportation. Who knows how many there are at the Defense Department because the Defense Department does not even know.

The problem we need to address is our lack of aggressiveness in reviewing and oversighting the Federal Government and eliminating the duplication.

It is frustrating to me as a physician to see us continue to treat the symptoms and never go after the disease. This disease will eventually kill us. It is bleeding us now, like it is bleeding us as we borrow \$5 billion a day—\$5 billion. That is the entire budget of the State of Oklahoma every day we are borrowing. Now we have political games being played, finger-pointing, putting our finger in the eyes of those across political lines rather than getting down to work and solving the real problems America faces.

We do not have one problem in front of us that we cannot solve as a nation. We can balance our budget. We can accomplish what we are called upon to accomplish if, in fact, we will. But the one little thing that creeps in, that is nauseating, is the vast majority of the Members of Congress are not thinking about the problems that are in front of us right now. They are thinking about the next election: How do I advantage?

When you see that happen, what you see and what you should question is, what is the motivation of the Members of Congress? Is it just to get reelected or is it to fix the very real and urgent problems in front of us? I think too often it is about us and not our country, it is about us secure in the next election rather than our children and grandchildren secure in the next generation.

I would put forward, as you hear the debate over the class warfare and the

unfairness that is propagated—that somebody has become successful and that 20 percent of Americans now pay 74 percent of all the taxes paid, that we want to tax those people more—I believe everybody in this country ought to pay taxes. I do not care who you are. I do not care what program you are on, if you get a benefit from the Federal Government that is rightly under the enumerated powers, something the Federal Government should be doing, you ought to pay a tax on it. Then you are participating. Then we would not have 55 percent of the eligible population voting; we would have 75 or 85 percent because they would have an involvement.

We have an earned-income tax credit program which we pay people who are working. We actually pay them every year. But fully 25 percent of that is fraud. That is \$17 billion a year paid out to people who are not working who are defrauding the IRS. We have not done anything about it. Mr. President, \$17 billion over 10 years is \$170 billion. That goes a long way toward reducing our structural deficit and debt. But we will not do that. The same thing on the child tax credit. That is a fraudulent program. Fully 20 percent of it is fraud. Yet we have not done anything about it.

The PRESIDING OFFICER. The Senator has used more than his 10 minutes.

Mr. COBURN. Mr. President, I ask unanimous consent to continue, since nobody is on the floor.

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

Mr. COBURN. I am sorry. I will finish in just a short period of time.

The question then comes over why we would not allow the States to decide whether they think we ought to have a balanced budget. It is true, it will take 5 to 7 years for it to be fully effectuated. But the sooner we start down that road and give the States the option of saying: We think you ought to live under the same rules we live under—we have all sorts of reasons why we should not have a balanced budget amendment but not one of them makes sense, not one of them fits with common sense, not one of them does anything except continue down the road we are on today.

Again I would say, as you hear the debate, think about the real disease we have rather than listening to the symptoms. The disease is we are outside the enumerated powers of the Congress. We have \$350 billion worth of waste and duplication every year that Congress will not address. We have a Tax Code that costs one-quarter of a trillion dollars a year just to comply with and then still is not fair. Yet we will not address the real disease.

The way you address the real disease is identify the real disease and then give it the treatment it needs. The treatment it needs is discipline forced on Congress by a balanced budget amendment. I guarantee you, if we were to pass it out of here, the States

would pass it and send it back to us and our children and grandchildren would be much better off with it.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. PAUL. Mr. President, on August 2, the United States will face the debt ceiling. I am one who thinks we should be debating it every day, every week until we find a solution. But in order to find a solution, we have to first admit we have a problem. We have a significant problem. Raising the debt ceiling is sort of like not paying your credit card bill and then saying to the credit card company: I want to increase my limit. We have been doing that year after year, decade after decade. Both parties have done it. This is not just one party's problem. It is both parties' problem, and it is the country's problem.

How big is the problem? We are spending \$10 billion a day. Of that \$10 billion, we are borrowing \$4 billion a day. We are spending \$100,000 a second, and we are borrowing \$45,000 a second.

Senator DEMINT, the other day, said it was akin to a drug addiction. You know that to get better from a drug addiction, the first thing you have to admit is: I am addicted. You have to admit you have a problem. That is what is going on. We have to admit as a country we have a problem. But then we get into this debate, and each side seems to have a different position. Is the problem that we are spending too much or is the problem that we are taxing too little?

You can look at the numbers and you can actually come up with an objective answer. The answer is we are spending too much. You can look at it in terms of what is spending as a percentage of our gross domestic product? What is spending as a percentage of our economy?

Spending under Clinton and under Bush, for about 16 years, was between 19 and 20 percent of our GDP. What is it now? It is about 25 percent of our GDP. So under any objective standard, we are spending more than we were previously.

Some would argue—they say: Well, the Bush tax cuts caused this. If we could just get rid of the Bush tax cuts. We are not taxing people enough. But if you look at the numbers, the numbers do not bear out. The numbers are that basically, in 1987, revenue was about 18 percent of GDP.

In 1995, revenue was about 18 percent of GDP. In 2003, Bush passed the tax cuts—Congress passed these tax cuts. In 2006, revenue was still at about 18 percent of GDP. Right now, revenue is under 15 percent. So revenue has gone down in 2008, 2009, and 2010.

But what happened in 2008? A severe recession, the worst recession since the Great Depression. When we have fewer people working, we have fewer people paying taxes. It has absolutely nothing to do with the Bush tax cuts. They happened in 2003. Revenue stayed steady at

18 percent, which it has historically for 60 years until 2007, 2008. The recession hits, revenue goes down. So we have a lack of revenue. But if you raise rates, you will not get more revenue. If you want more revenue to try to balance our books, you need an economy that employs more people, you need a growing economy. It is all about getting out of the recession. But that is why some of us fear raising rates now, because we think that will harm us and make it more difficult to come out of a recession.

Many on the other side say: Well, the rich just need to pay more. They think the rich are not paying enough. They want to somehow say: If the rich would pay more, we could get out of this. But you have to once again look at the facts.

There is a resolution on the floor now that the Democrats are promoting. It says that the rich—the people who make more than \$1 million a year—that they earn or bring in 20 percent of the Nation's economy. Well, that is true, but they pay 38 percent of the income tax. So the question is, Are the rich paying enough? Well, they bring in 20 percent of the income, and they are paying 38 percent of the revenue. I do not know.

The other question is, If you just stick it to the rich and say, well, let's make the rich pay more, what will that do to the rest of us? Do you think we will have more jobs or less jobs if we tax people more?

The question also is, Will you get more or less revenue if you do this? Historically, no matter what the rates have been, we bring in about 18 percent of GDP. For example, back in the 1950s, we had tax rates as high as 70 percent on the wealthy. When we did, we brought in 18 percent of GDP. When Reagan came in, he lowered tax rates to 28 percent for the upper limit. We still brought in 18 percent of GDP. The difference was when we brought in lower rates, we brought in a booming economy, more jobs, and we expanded the number of people paying taxes. You expand the tax base.

Now we get back to the impasse. There is an impasse up here. The other side says: The rich must share more of the burden. There is a way to do it without raising taxes. There is ultimately a compromise that I think brings both sides together, gets beyond the debt ceiling. If they would talk about it, if we would have a debate down here or an informal discussion, we could fix this tomorrow.

If you want the rich to share more of the burden, ask them to pay for their Medicare. I see no reason why the wealthy should not pay the full cost of Medicare. Ask the rich to take less in Social Security benefits. If you mean test Social Security benefits—if you say: If you are a wealthy person, guess what, we don't have enough money to give you what we said we were going to give you and you will have to take less—I am perfectly willing to accept

that. So there are ways you can do it without damaging the economy.

I think raising taxes damages the economy and damages jobs for the working class. We tried this before. About 10 years ago we said let's get those rich people. They put a special tax on yachts. Guess who it hurt. The guy making \$40,000 a year building the yachts lost his job; the rich went to the Caribbean and bought their yachts somewhere else. It does not work. It is not good for the economy. It hurts the working class to raise taxes.

But if you want to say the rich need to absorb more of the burden, simply have the rich pay more for their benefits or get fewer benefits. I am willing to accept that. Many Republicans are. It is the compromise. Republicans aren't willing to raise taxes. Democrats want to raise taxes. Where do we compromise? Come together and say that the rich can absorb more of the burden by paying more for their benefits or getting fewer benefits. This is a compromise that would work. We could actually get together and raise the debt ceiling.

I have said I will vote to raise the debt ceiling if and only if we decide to do something different in this Congress. Congress really has done a poor job. Do you wonder why Congress has a 14-percent approval rating? Because they have been a poor steward with your money—a poor steward. The Congress has not done a good job watching over your money. They have been profligate spenders.

So I think that in order for the American people to believe we are going to do a better job, we need a new rule. We need a balanced budget amendment. So I will propose, along with other Senators, to raise the debt ceiling contingent upon a balanced budget amendment so that we balance our budget by law.

Some have said: Well, let's just promise to cut spending over the next 10 years. Let's raise the debt ceiling \$2 trillion, and then we will promise to cut spending \$2 trillion.

The problem is that we are not very believable because we have not kept our word in the past and we cannot bind the next Congress. The next Congress will be elected by a new set of people. They will come up here, and they do not have to go by what we are promising. If we amend the Constitution, though, the next Congress will be bound by this, and the next Congress would have to live within its means.

I believe this is very important. There is becoming a consensus in our country that says the debt is a real problem. I think the two sides could come together—Republican and Democrat—and say: This is how we would work it out. But I think it means significant cuts in Federal spending. It means statutory caps, meaning government should have to live within its means each year. And I believe we need to amend the Constitution. But if the Democrats say they have to have it

that the rich pay more somehow, let's have the rich pay more for their benefits. That is ultimately the compromise. I think you can get the vast majority of Republicans to agree to that, Democrats could agree to that, and we could fix the problem. The American people would be amazed that we got together and we fixed the problem and we moved on. That is what needs to happen. It is not happening in this body.

This body needs to debate the debt ceiling, we need to come up with a solution, and we need to move on. We have not had one committee hearing about the debt ceiling. We have not passed a budget in 2 years. We have not passed an appropriations bill in 2 years. We are not doing what we are supposed to be doing. The American people say they want results. They want us to at least have a debate. We do not have to agree on everything, but let's debate and admit what the problem is and move forward. But instead we get obfuscation, and we talk about something that is not really pertinent to what our problems are. We have to, like the drug addict, admit we have a problem. Our problem is spending. It is not a taxation problem. It is not a revenue problem. We have less revenue because we are in a recession. We have a spending problem. The numbers are clear as day.

I would say to this body and to the American people, let's balance our budget. Raise the debt ceiling, but let's go ahead and have a balanced budget amendment to the Constitution.

I hope we will recognize those problems and move forward.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THUNE. 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. THUNE. Mr. President, like many of my colleagues, I was back in my State for the Fourth of July celebrations, and what struck me about those visits I made and visiting and interacting with people—and I remember riding my bike around my neighborhood on the Fourth, and there were lots of families, lots of lawn parties and pit fires and get-togethers, family get-togethers, people shooting off fireworks, and all of that sort of thing. It occurred to me as I was riding around that a lot of the people who live in those neighborhoods probably are not thinking about what is going to happen if we do not do something to address this spending and debt problem we have in this country. And we are very near a debt crisis.

We have seen what has happened in other countries around the world. When you start looking at the increase in interest rates that occurs when you get into a debt crisis—and Greece is

perhaps a good example of that because now they are facing, on 2-year debt, 24-percent interest rates.

As we all know, Treasury interest rates, Federal borrowing, Treasury notes, bonds, bills—those sorts of things are sort of what drive interest rates in other areas of our economy. So if you are one of those homeowners in South Dakota and you are looking at perhaps refinancing your home or buying a new home or being a first-time home buyer, if you are looking at an auto loan, if you are looking at a loan for your child's education, you could very well, if we do not get things turned around here, be looking at much higher interest rates. That would put an even bigger crimp on the budgets of most families across this country.

It was interesting because last week there was an op-ed in the Wall Street Journal in which Larry Lindsey, who was a former Federal Reserve Board Governor and also served in the Bush administration as an economic adviser, pointed out that if you had interest rates return to their 20-year average—in other words, if you went back to a more normalized type interest rate environment—it would actually increase the borrowing costs of the Federal Government over the next 10 years by \$4.9 trillion. So think about how much money, how much we are spending every single year now to pay for our borrowing, and compound that by increased interest rates. It would make the fiscal situation we are facing much worse and even more dramatic than it already is.

So the point I am making is that we have to get the spending and the debt issue addressed here in Congress. Why? Well, because we are saddling future generations with an enormous burden of debt. We are putting the country on a path to a debt crisis, which would be a huge mistake for this country for so many reasons, but probably most fundamentally is because it has a profound impact on the economy.

I think most Americans are concerned right now about jobs and the economy. That is the No. 1 issue in front of most Americans. And it strikes me that if you look at what we can do to get people in this country back to work, obviously creating conditions for economic growth means keeping taxes low, balancing the Federal budget, having an energy policy that promotes American production, improving market access through moving some of these free-trade agreements, and clamping down on the overreaching regulations we are seeing coming out of a lot of the agencies in Washington, DC.

There are a whole series of things that can and should be done if we are serious about getting people back to work. But it means we can't be raising taxes on the job creators. There is a big debate right now about how do we get ourselves out of this fiscal mess. I submit to my colleagues that the real

issue here is spending. If you go back to the foundation of our country, in the year 1800, we were only spending 2 percent of our economic output on the Federal Government. This year, we will spend 24 to 25 percent. The historical average over the past 40 years is about 20.6 percent. We are now dramatically higher in terms of what we spend on the Federal Government as a percentage of our entire economy.

To me, clearly, we have a spending issue, not a revenue issue. That suggests we ought to get after Federal spending—particularly spending that is duplicative, redundant. There is so much in the Federal Government we spend money on that is wasteful, and we need to cut that type of wasteful spending out of Washington, DC.

We have to also focus on long-term programs, such as Social Security, Medicare, Medicaid, entitlement programs that drive much of Federal spending—around 60 percent of the money that is spent by the Federal Government. So far there is no appetite among our Democratic colleagues to do that. We have now gone 798 days without a Federal budget. The only votes we have had on the budget in the Senate were on the Ryan plan and the Obama budget. The President's budget—the Obama budget—that was voted on in the Senate, prescribed more taxes and spending and more debt. It failed by a vote of 97 to 0. Again, the budget presented by the President failed 97 to 0 in the Senate.

We don't have a budget in the Budget Committee that has been shown to us yet. This week, we are voting on a non-binding sense-of-the-Senate resolution that doesn't even say how we should contribute to deficit reduction. Is it going to put higher tax on people? Are people going to have fewer deductions? Are people going to be ineligible for farm income payment programs? Should they have to contribute more to Medicare or receive less Social Security benefits than those who are less fortunate? We don't know. We don't have a budget presented to the Senate for consideration. All we have in front of us this week is a sense-of-the-Senate resolution, which is very vague and could be interpreted lots of different ways.

The White House meeting is tomorrow, with leaders of both parties. I hope it will lead to substantive cuts and an agreement about how we are going to reduce spending and get this debt and year-over-year deficits under control. It should not lead to more taxes. The reason is that higher taxes only hurt job creation and make our economic situation much worse.

We were reminded of the need to do this this week when Moody's downgraded the status of the Portuguese debt to junk. This is despite the fact that their government is pushing through an austerity plan that cuts spending and hikes taxes. We have seen that in lots of European countries that are dealing with sovereign debt crises.

That is our future if we don't get this issue under control. It has been 798 days since this Senate has passed a budget. That is where it starts—determining how we are going to set priorities, and how we are going to spend taxpayer dollars, and rein in runaway Federal spending and make a dent in this \$14 trillion debt that we are saddling on future generations.

I hope we can get a budget before the Senate. This sham of a resolution this week—the sense-of-the-Senate resolution—is certainly not the way to do that. I hope we can get to a meaningful discussion of what we are going to do about spending and debt and jobs in this country.

I yield the floor.

#### RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2:15 p.m.

Thereupon, the Senate, at 12:33 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. CARDIN).

#### SHARED SACRIFICE IN RESOLVING THE BUDGET DEFICIT—MOTION TO PROCEED—Continued

The PRESIDING OFFICER. Under the previous order, the time until 6 p.m. will be equally divided and controlled between the two leaders or their designees, with Senators permitted to speak therein for up to 10 minutes each.

The Senator from California.

Mrs. BOXER. Mr. President, I want to make note of the fact that this is the first time since the Watergate scandal the Senate has canceled its Fourth of July recess, and the reason is so that we can continue working on this issue of reducing our deficit and our debt, and—from my point of view, and I know I speak for many—doing it in a way that doesn't savage our senior citizens, our children, our families, our environment, and our economic growth, but doing it in a way that is fair, doing it in a way that is fair so that we don't wind up with people such as Warren Buffett or Donald Trump paying less of an effective tax rate than their secretaries or a nurse or a firefighter. That is why we are here. That is why I am here.

I want to apologize to my constituents in California. I had to cancel several events that were scheduled, but we will do those things certainly at another time. It is critical to end the current standoff, and that, it seems to me, means sticking to three principles: First, we must agree great nations do not default on their debt. Both sides need to compromise so that doesn't happen. Nobody gets everything they want in a compromise. I speak as a Senator, a former House Member, a former county supervisor, a mother, a grandmother, and a daughter. The fact is you don't get everything you want if