

in these discussions could write it out on the back of an envelope.

Perhaps that is part of the challenge here. I know the Republican approach to Medicare is much different than the Democratic approach. The House Republican budget would have dramatically changed Medicare as we know it. It would have doubled the out-of-pocket expenditures of senior citizens. It would have put the Medicare Program in the hands of private health insurance companies. Unfortunately, it would have put many seniors in their sixties, seventies, and eighties at the tender mercies of health insurance adjusters. That is not a good approach to health care for our seniors.

The challenges we face are not easy, they are not cosmetic, and they can't be solved by letting the market—meaning insurance companies—run Medicare.

In these negotiations, I believe many Democrats, myself included, are willing to sit down and talk about reductions in government spending. Even though I believe in my heart of hearts our economy needs a stimulus at this point and reducing spending may be exactly the wrong thing to do, I am still prepared to sit at the table and find a consensus if we can when it comes to spending cuts.

But we shouldn't make this economic challenge be subject to dramatically changing the benefits under Social Security and Medicare and Medicaid. These programs are critical for families across America. Some of them have watched their savings disappear, their pension plans evaporate in a bankruptcy court, and they count on Social Security. We have to be there to make sure Social Security will be there for them.

Senator McCONNELL also wants the Senate and the American people to think Republicans are negotiating in good faith and the Democrats are not. He said:

We showed a willingness to sacrifice all along even as we made it crystal clear from the outset that tax increases would not be a part of the agreement.

So I have to ask Senator McCONNELL: What is it the Republicans are willing to sacrifice in this debate? He went on to say:

There can be no question by anyone involved in these discussions that Republicans are willing to make tough choices.

Again, which tough choices? Right now we are at a stalemate in our conversations with the President because the Republicans have been unable to come up with an approach that will meet the needs of deficit reduction.

So we need to work together. Both sides need to be willing to make these tough choices and face these challenges. Unless and until we do this on a bipartisan basis, we will not be serving the people who elected us.

It struck me as I sat in that room the other night—the Cabinet Room with the President—what a rare honor it is for me and for every one of us in that

room to be there, to be entrusted with this responsibility for this great Nation of over 300 million people who are counting on us to do something historic and maybe politically bold. I am prepared to do that. I hope others are as well. I think if we approach it on a bipartisan basis, with both sides willing to give, with everything on the table, we can solve this, and we should do it as quickly as possible.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

SHARED SACRIFICE IN RESOLVING THE BUDGET DEFICIT

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of S. 1323, which the clerk will report.

The assistant legislative clerk read as follows:

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

Pending:

Reid amendment No. 529, to change the enactment date.

Reid amendment No. 530 (to amendment No. 529), of a perfecting nature.

Reid motion to commit the bill to the Committee on Finance, with instructions, Reid amendment No. 531, of a perfecting nature.

Reid amendment No. 532 (to the instructions (amendment No. 531) of the motion to commit), of a perfecting nature.

Reid amendment No. 533 (to amendment No. 532), of a perfecting nature.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SANDERS. 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. SANDERS. Mr. President, let us be very clear that in terms of the deficit-reduction package that is being debated, we are talking about an issue of huge consequence not only for people today but for our kids and our grandchildren. This is likely, from a domestic perspective, the most important issue any Member of the Senate or the House will ever vote on in his or her political career. This is a huge deal which in many ways will shape the future of America.

I know the media refers to the discussion as whether we are going to have a big deal of \$4 trillion or whether we are going to have a smaller deal of \$2 trillion, but the real issue is whether we are going to have a fair deal—a deficit-reduction package that represents the interests of working people and the vast majority of our people or whether

we are going to have a deficit-reduction package that ends up reflecting the needs of the wealthiest people in this country, who are doing phenomenally well, and the largest corporations, which in many instances are making recordbreaking profits. That is really what the debate is about.

The Republican position on deficit reduction has been extremely clear and is consistent with their rightwing ideology. Despite the fact that our current deficit crisis has been caused by two wars—unpaid for—huge tax breaks that have gone to the wealthiest people in this country, and a recession caused by the deregulation of Wall Street and the lack of revenue coming in as a result of that recession, our Republican friends are adamant that while the richest people in this country are becoming much richer, while today we have the most unequal distribution of income and wealth of any major country, where the top 400 individuals own more wealth than the bottom 150 million Americans—that gap between the very rich and everybody else is growing wider—our Republican friends say the deficit must be balanced on the backs of working families, the elderly, the sick, and the children. No, the very rich, the top 1 percent, who now earn more income than the bottom 50 percent, should not be asked to contribute one penny more.

The Republicans are very clear, despite the fact that corporate profits are soaring, that corporation after corporation is enjoying huge tax loopholes that enable them to make billions of dollars a year in profits and not pay one penny in taxes. Republicans say: Sorry, off the table. Large, profitable corporations, with CEOs making millions a year, don't have to contribute to deficit reduction. Only the children have to contribute, the elderly have to contribute, and only working families, the unemployed, and the sick have to contribute to deficit reduction. We have to balance the budget on the backs of those people. But if you are very rich and getting richer, if you are a profitable corporation, that is off the table. You don't have to contribute a nickel.

Poll after poll shows that the Republican position and their ideology is way out of touch with what the American people need or want. This is not BERNIE SANDERS talking; this is the American people talking. In poll after poll, when the American people are asked, "What is your preferred option in terms of deficit reduction?" they say it is to ask the wealthy to pay more in taxes. So when our Republican friends say the American people don't want to raise taxes on the wealthy, that is just not true.

To my mind, what the Republicans are proposing is immoral in terms of coming down heavy on the most vulnerable people in our society, people who are already hurting as a result of the recession. When real unemployment is 15 percent, what do you want

to take out of those people? They do not have any job. We have the highest rate of childhood poverty in the industrialized world—21 percent of our kids living in poverty. They want to cut them even more? We have hunger among senior citizens in this country going up. They want to take away their nutrition programs? Not only is that immoral, to my mind, it is bad economics because you don't get the economy moving until working people have some money to go out and buy the goods and services that companies are selling.

To my mind, where the Republicans are coming from on this issue is way out in right field and way out of touch with where the American people believe we should go. But having said that, I have to say I am very confused as to where President Obama is coming from on this issue. And maybe I speak here as an Independent—not a Republican, not a Democrat, but the longest serving Independent in American congressional history—but I think I speak for the vast majority of the American people on this issue. Where is President Obama on this issue? We know where the Republicans are coming from. But suddenly, out of nowhere, President Obama tells us that Social Security cuts have got to be placed on the table.

Where does this come from? The President understands that Social Security hasn't contributed one nickel to our deficit. In fact, Social Security has a \$2.6 trillion surplus today and can pay out every benefit owed to every eligible American for the next 25 years. Social Security is funded by the payroll tax, not by the U.S. Treasury. The President understands that. Yet the President has now put on the table significant cuts in Social Security as well as Medicare, as well as Medicaid, despite his knowledge and his previous statements that cuts in these programs would be devastating to ordinary Americans.

The President of the United States, Barack Obama, in recent statements has talked about the growth of political cynicism in this country and has argued the American people are sick and tired of politicians who refuse to tackle big issues. There is truth to what he is saying. But there is also a bigger truth, and that is the American people are sick and tired and dismayed about candidates who run for office saying one thing, and then, after they are elected, doing something very different.

In that regard, let me mention that when candidate Barack Obama ran for office he told the American people over and over he was going to fight to protect the needs of ordinary Americans, and the elderly and the sick and the children. Among many other promises he made during his tough campaign against Senator McCain, he said he was not going to cut Social Security benefits. That is what he said over and over.

Let me quote then-Senator Barack Obama and what he told the AARP on September 6, 2008:

John McCain's campaign has suggested that the best answer for the growing pressures on Social Security might be to cut cost-of-living adjustments or raise the retirement age. Let me be clear: I will not do either.

That was Barack Obama in September 2008. So, Mr. President, when you ask why the American people are frustrated with politicians, why they are increasingly cynical, it has a lot to do with candidates who say one thing and do another. If you told the American people you are not going to cut Social Security, then don't cut Social Security. Keep your word.

In case people think: Well, these proposed cuts are not significant; they are trifling, let me quote from a document from Social Security Works, a coalition of many organizations that is doing a great job defending Social Security. And when President Obama and others are talking about cutting Social Security, one of the approaches they are looking at is changing how we do COLAs—how we do CPIs. So this is from that document by Social Security Works:

The Congressional Budget Office estimates the adoption of the so-called "Chained-CPI,"—

Which is what I believe the President is talking about.

which would be used to determine Social Security's annual COLA under this proposal, would cut benefits by \$112 billion over 10 years. The Social Security Administration's Chief Actuary estimates the effects of this change would be that beneficiaries who retire at age 65 and receive average benefits would get \$560 less a year at age 75.

Let me repeat that. They would receive \$560 less a year at age 75. That may not seem like a lot of money to some folks around here, but when you are trying to get by at the age of 75—when you have all kinds of medical bills and you have all kinds of prescription drug costs and you are trying to eat, and maybe you are getting \$14,000 a year in Social Security—\$560 a year is a lot of money.

But then it gets worse. Because what the Social Security Administration estimates is that at 85—and more and more people, thank God, are living to 85, people who are very fragile at age 85—people would see cuts of about \$1,000 a year. So the longer you live, the more your cuts.

Is that what we are about in America now? We don't ask billionaires to pay any more in taxes, but we tell somebody who is 85 years of age, living on \$14,000 a year, they would get \$1,000 less than otherwise because we have adopted this so-called chained CPI that I gather the President is pushing.

I think the issue is very clear, and that is that the Senate, this Congress, have got to stand with the overwhelming majority of the American people who understand that the solution to this deficit crisis requires shared sacrifice. Yes, we have to take a

look at waste and fraud and bureaucracy at every agency of government. No one disputes that. Yes, we have to take a hard look at military spending, which has tripled since 1997. And yes, maybe we have to bring the troops home from Iraq and Afghanistan sooner than many here wish, or that the President wishes, and save substantial sums as we do that. But most certainly, if we are going to go forward with shared sacrifice, yes, we do have to ask billionaires, who—despite all their power and all their campaign contributions and all of their lobbying—are doing phenomenally well, to contribute to deficit reduction. And yes, maybe those companies that stash their money in tax havens in Bermuda and the Cayman Islands in order to avoid taxes to this country—\$100 billion a year—will have to start paying their fair share.

On my Web site, which is sanders.senate.gov, I put a letter which said: Mr. President, stand tall, take on these rightwing ideologues who want to make devastating cuts to working families. In a couple of weeks, we have had 135,000 signatures on that letter. I think that letter reflects what the American people want. They want shared sacrifice. They do not want to see the elderly, the kids, or working families being battered more and more, especially in the midst of this recession.

I would say to President Obama: Do not assume—do not assume—because you work and reach an agreement that everybody here is going to support that agreement. The American people demand fairness, they demand shared sacrifice, and some of us intend to bring that about.

With that, Mr. President, I yield the floor.

THE PRESIDING OFFICER. The Senator from Massachusetts.

Mr. BROWN of Massachusetts. Mr. President, I ask unanimous consent to speak for up to 7 minutes. I don't believe I will need all of that.

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

Mr. BROWN of Massachusetts. Mr. President, I always enjoy listening to my New England colleague speak. The rightwing rhetoric stuff, though, doesn't work for me when people of good will on both sides of the aisle are trying to solve these problems.

We are working on a sense of the Senate here today, and I am rising to speak about my own sense of the Senate. It is an amendment I filed to this bill we are on addressing a key commonsense idea. It is very simple: Don't raise taxes on small businesses, period. But especially don't raise taxes at a time when unemployment is over 9 percent and there is meager job growth throughout the country. Quite frankly, it has stalled out. We can't afford more of the failed economic policies we have been experiencing. Frankly, I can't believe increasing the tax burden on small businesses is even on the radar

screen here in Washington. It makes no sense to me. I want to do the opposite. I think we should respond to these terrible unemployment numbers with a pro-growth idea such as a payroll tax deduction for businesses that hire workers. Let's do something constructive, something that adds incentives to actually get our economic engine moving again, especially with the businesses that do it best, which are small businesses.

The idea we would raise taxes right now on small businesses is the very definition of being out of touch with the people back home who actually work for a living and who create jobs for others. As I travel back to Massachusetts—and I do that virtually every weekend—I meet with constituents, and I think I have had over 230 or 240 meetings since I have been elected. The biggest question I am always faced with is: What is going on in Washington? Why do you guys always throw a wet blanket over us, with overregulation, overtaxation, creating a lack of stability and certainty? It is not something that is making a lot of sense back home.

When I hear from small business people back in Massachusetts, they are worried they can't hire more workers. We need to actually create confidence in our small businesses so they will put people back to work. Instead, we are terrifying them with these tax proposals and a lot of the rhetoric they are hearing here today. They do not know what is coming down. They do not know what is next. People up here listening have no clue what is next. What are we in Washington going to do next that will throw that wet blanket on things? Yet we expect them to hire a new employee? It is not going to happen.

In particular, there have been recent calls from some on the other side of the aisle to repeal the LIFO—last in, first out—accounting method, and applying it retroactively, without even reducing the corporate tax rate or doing anything to soften the blow on small businesses. That would be disastrous on those who depend on the current system. As the Presiding Officer knows, our corporate tax rate is already the second highest in the world. If Japan lowers theirs, ours will be the highest. And it is often the small local companies that get punished the most. Yet some here in Washington want to tax small businesses more. I don't get it; I am sorry.

Despite these many challenges, in the past decade this country has seen the creation of more than 300,000 small businesses—companies with 500 employees or less. These small firms and the founders who started them took risks during a time many large companies had been downsizing. As a member of the Small Business Committee, I hear testimony regularly from many of our business leaders expressing the difficulties of the current environment, and I believe we absolutely need to do

everything in our power to protect small businesses from the heavy hand of government—the overregulation, the lack of certainty and stability, the potential overtaxation.

In Massachusetts and throughout this great country, small businesses, and especially manufacturers, have been the key to our economic recovery. They are the economic engines in Massachusetts and the rest of the country. They are the lifeblood of our economy. They range from mom-and-pop stores to some of the country's most cutting-edge, high-tech startup companies. How can we tax these job-creating small businesses and then stand on the Senate floor and speak about how awful it is that unemployment is at an all-time high, cloaking it in the language of rhetoric of "millionaires and billionaires, and corporate jets." We all know, even if we do the things we talk about, it doesn't get us close to solving or dealing with the problems.

It is outrageous and, quite frankly, the American people can see right through it. We should be doing better. So I filed the amendment today to say that I, for one, will not support more burdens on small businesses. They already face enough problems and challenges.

The current unemployment numbers that we are all seeing from States across the country should serve as a wake-up call that people are still hurting. They need some relief. They want to do their best, but they are being stifled. That wet blanket is hurting them and stopping them from creating jobs. It should be our No. 1 priority, and I hope it will get the attention and support of every one of my colleagues.

If you care about the survival of your State's small businesses, stop proposing increasing the taxes, increasing regulatory burdens, creating that wet blanket and killing off the incentive to actually go out and hire.

Mr. President, I thank you for your courtesy in the beginning, and 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 12:32 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. WEBB).

SHARED SACRIFICE IN RESOLVING THE BUDGET DEFICIT—Continued

Mr. KIRK. Mr. President, I ask unanimous consent to speak for 2 minutes as in morning business.

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

VETERANS AFFAIRS AND MILITARY CONSTRUCTION APPROPRIATIONS

Mr. KIRK. Mr. President, I urge Members of this body to support cloture on taking up the debate on the

veterans and military affairs appropriations bill for next fiscal year. Chairman JOHNSON and I have put together a completely bipartisan bill which was unanimously supported by Republicans and Democrats in the Senate Appropriations Committee. This bill basically marked its spending level to the level approved by the House of Representatives, that passed the subcommittee, the full committee, and out on the House floor. The bottom line for its budget authority discretionary spending is the bill comes in \$1.2 billion below the President's spending request, \$620 million below last year's enacted level, and is even \$2.6 million below the House. There are no earmarks in this bill.

A few details. The bill does provide \$128 billion to support our over 22 million veterans. That is \$182 million in budget authority discretionary below the administration's request.

The bill provides \$13.7 billion for military construction. That is about \$1 billion below the administration's request or \$279 million below the House bill.

Our Senate bill cuts or eliminates 24 separate projects, and all of those cut decisions were made in coordination with Chairman LEVIN and Ranking Member MCCAIN from the draft Senate Armed Services Committee bill so that appropriations and authorization are synched up. We also completely denied funding for the building of a new facility to house the current Court of Appeals for Veterans Claims.

The bill also lays the policy groundwork for making further spending reductions in outyears for Obama administration potential requests for funding in South Korea, Germany, and Bahrain.

In short, we believe that this bill should move forward, that the Appropriations Committee should begin its regular work, and because this is a unanimous, bipartisan product from the Senate appropriations bill and it marks to the House level, I urge Members to support cloture on a vote we expect tomorrow morning.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. CARDIN. Mr. President, I take this time to talk about the pending business: the deficit of this country and the looming debt ceiling limit that will be exceeded in August if we don't take any action in the Congress.

First, let me talk a little bit about the debt ceiling. There has been a lot of talk about the debt ceiling as to what is responsible for Congress to do.

We all know that over the last 50 years or so, the debt ceiling has been increased over 80 times. It is done after the fact. That means we have already incurred the liability, and the question is whether we will pay our bills.

The decisions we have to make in regard to our fiscal policies need to be made at the time we consider the budget, but now we have to pay our bills,