

cuts people received around the country were on America's credit card that has now come due.

Congress has raised the debt limit 89 times since it was created in 1939—54 times with Republican Presidents and 35 times under Democratic Presidents. Ronald Reagan asked Congress to raise the limit 18 times—and we raised it—twice as many as any other President. Republicans never claimed then that the issue was the President's problem. For Republicans to claim now that the deficit is a problem only for the President or Democrats in Congress is irresponsible. It is even more irresponsible considering President Bush, with the help of Republicans here in Congress, doubled the debt while he was President. That is more debt accumulated than any President in history, by far.

This problem belongs to all of us in Congress, and it will take all of us working together—political parties aside—to make a deal possible. This is not money being borrowed to spend more money; it is money we need to raise the debt ceiling so we can pay the bills we have already accrued.

Democrats realize finding common ground isn't always easy. If it were, we would have hammered out an agreement a long time ago. But reducing the deficit and getting our fiscal house in order is too important to quit when the going gets tough.

Theodore Hesburgh, the famous president of the University of Notre Dame, said this about making difficult decisions:

You don't make decisions because they are easy; you don't make them because they are cheap; you don't make them because they're popular; you make them because they're right.

It is time for Democrats and Republicans to get together to do what is right for our Nation. We simply cannot allow our country to fail to pay its bills for the first time in its history. I am confident we will find a way to get this done. The risks to our economy are too great not to.

I was happy to hear yesterday—I received a phone call from the Republican leader at 12:30 yesterday. He has come forward with a proposal to address the debt limit. I am studying it and discussing it with my Senators. I have another meeting at 11 o'clock. Senator MCCONNELL has spent a great deal of time working on this, and I commend him for his thoughtful and unique proposal. It is something we have to look at very closely. I am heartened by what I read. This is a serious proposal, and I commend the Republican leader for coming forward.

I believe the Republican leader's proposal, combined with ideas he and I have been discussing to force a vote on deficit-reduction proposals, could go a long way toward resolving the impasse in which we now find ourselves. We both agreed a long time ago that the problem is not the President's. It is our problem, it is every American's problem, and certainly it is the problem of every Member of Congress.

In the meantime, this afternoon congressional leaders will again meet with President Obama and his senior advisers to try to advance our discussions.

Democrats realize finding common ground isn't always easy. As I said before, if it were, we would have hammered out an agreement a long time ago. But I say again, reducing the deficit and getting our fiscal house in order is too important to quit when the going gets tough. I am confident that somehow, someday, we will find a way to get this done. We can't allow our country for the first time in its history to fail to pay its bills. The risks to our economy are far too great not to.

In that letter we received yesterday, American business leaders said it very well:

Now is the time for our political leaders to put aside partisan differences and act in the Nation's best interests. It is time to pull together rather than pull apart.

So I urge my Republican colleagues to remember this: We are not opponents, squaring off across a baseball diamond or some playing field. We are on the same team with the same goal in mind. Let's take, for example, the baseball team I just talked about. If the catcher doesn't show up or refuses to play, it doesn't matter how good the pitcher is, it doesn't matter how good his curve is or how fast he can throw that ball, the team doesn't stand a chance without a catcher. A team is needed to accomplish the goals of a baseball team. We need a team to accomplish the goals this Congress has. It is time each and every one of us here in Congress remembered that. In the words of American business leaders, "It's time to pull together rather than pull apart."

RESERVATION OF LEADER TIME

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

SHARED SACRIFICE IN RESOLVING THE BUDGET DEFICIT

The ACTING PRESIDENT pro tempore. 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 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.

The ACTING PRESIDENT pro tempore. Under the previous order, there

will be 1 hour of debate equally divided and controlled between the two leaders or their designees.

The Senator from Illinois.

Mr. DURBIN. Madam President, I rise to speak in morning business.

I wish to thank my colleague, the Democratic majority leader, for his opening remarks. He and I have been given an assignment of going to the White House each day to sit down with the leaders—Democratic and Republican leaders in the House and the Senate, as well as the President, Vice President, Secretary of the Treasury, and leaders in the President's staff—to deal with this pending crisis over the debt ceiling limit.

On August 2, we are required to extend the debt ceiling of the United States of America. It is an interesting exercise which usually goes unnoticed.

Senator JEFF BINGAMAN from New Mexico presented to us yesterday a history of the debt ceiling. I was glad to learn a little bit more. In 1939, we passed a law which said we could extend the debt ceiling of the United States as needed, rather than have congressional approval of every bond issued by the Government of the United States. It made it a much more efficient way for the government to operate. As Senator REID said earlier, since 1939, we have extended the debt ceiling 89 times, and on most every occasion it has gone unnoticed because the United States has quickly extended its debt ceiling and kept its credit rating in the eyes of the world because of our timeliness. There was only one exception—a technical lapse that led to perhaps an increase in costs of government for just a brief time—but by and large, on 88 occasions this was done without any fanfare or notice.

It is interesting to look at the Presidents who extended the debt ceiling. The alltime recordbreaker when it comes to extending the debt ceiling was Ronald Reagan, who extended the debt ceiling 18 times in a matter of 8 years. So more than twice a year, Congress was extending the debt ceiling as our national debt increased dramatically under President Reagan. The same thing happened under President Bush. He holds the record—the second highest record, I believe—with eight or nine extensions of the debt in his 8-year tenure as President. On both occasions, under President Reagan and under President George W. Bush, the debt of the United States increased dramatically.

As Senator REID said earlier, under President George W. Bush, the debt of the United States of America in 8 years nearly doubled. In fact, some say it more than doubled. This was a period of time when we were doing things that, frankly, cost us a lot of money in terms of our national expenditures.

President George W. Bush waged two wars without paying for them. When we do that, of course, the cost of the war is added to the Nation's debt. President George W. Bush also did

something no President had ever done: He cut taxes on American taxpayers in the midst of a war. Most Presidents understand we have to do just the opposite—we have to raise more money to wage a war because we have the ordinary costs of government that have to be met as well. So the idea of cutting taxes in the midst of a war added even more to the deficit under President George W. Bush. Then he had this theory that there were major programs we could enact and not pay for, such as Medicare prescription Part D.

All of these things accumulated together with the basic philosophy of the Republican Party that if we just keep cutting taxes, the economy will get well. It didn't happen. Just the opposite occurred. When President George W. Bush took office, our Nation's budget was in surplus. When he left office, it faced the largest deficit in its history. Instead of giving President Obama a positive economy when President Obama was sworn in as President, we were losing hundreds of thousands of jobs each month. Now we face a deadline of August 2 on whether we extend the debt ceiling.

I see the Republican leader has come to the floor. I commend him for what I consider to be a positive and thoughtful response. He understands, as most all of us do, that extending the debt ceiling is essential for the economy of the United States and for our recovery from this recession. I asked my staff what would happen—what would happen if we defaulted on our debt ceiling and didn't pay and interest rates went up 1 percent. They are around 2.8 percent, 2.9 percent now.

What if interest rates went up 1 percent because of this self-inflicted wound of a failure to extend the debt ceiling? The consequences are real, and not just for the government but for families and businesses across America. A 1-percent increase in the interest rate, if we would default and not extend our debt ceiling—here is what the Third Way reports: Treasury rates, if it increased 1 percent, would cause deficits to increase by \$20 billion in the first year and by \$150 billion in the out-years. In other words, the debt of the United States would increase by a dramatic amount.

Increased Treasury rates would cause the gross domestic product; that is, the economic activity of America, the sum total of our goods and services, to decrease by 1 percent, according to J.P. Morgan. That would cause the U.S. economy to lose 640,000 jobs. At a time when we are losing jobs in the public sector but gaining them in the private sector, the failure to extend the debt ceiling would, in fact, increase unemployment in America.

J.P. Morgan predicts that a 1-percent increase would cause a stock market loss of 9 percent. What does that mean to the savings and 401(k) plans of American families? They would lose, on average, \$8,816—something no family would like to see. And raising mort-

gage rates by 1 percent would cause the typical mortgage to increase by somewhere in the range of \$38,000—\$38,000 in payments that need to be made.

So why would we inflict this wound on ourselves? As we sit with the President and try to find our way through this crisis, we should understand that as the business leaders reported to us yesterday, this would be a disaster—a self-imposed disaster, a failure of political leadership.

The President has called us together, and he has said: You are going to meet every single day until we get it done. That determination by the President is keeping us at the table and focusing us on the mission at hand.

I will tell you, I believe we can reduce this deficit if we are honest about the spending in Washington. To focus only on domestic discretionary spending—a part of the budget that has not increased in real dollar terms in the last 10 years—and to ignore the costs that are growing on the security side, the defense side, as well as the cost of entitlement programs, is not only being blinded to reality, it really means the cuts that are made in domestic discretionary spending are outrageously deep.

What we need to do, what the Bowles-Simpson commission told us needed to be done was painful but necessary: Put everything on the table—everything on the table. That means all spending, all entitlements, and revenue.

I find it hard to understand the Republican position that says we can impose new obligations on the families of children going to college to pay more for student loans but we cannot impose any additional burden on the wealthiest people in America to pay more taxes. To think that the George Bush tax cuts means that for a person making \$1 million in income each year—that is \$20,000 a week in income—to think that George Bush tax cut is worth \$200,000 a year in tax cuts for a millionaire and that we would blithely hear from the other side that we should allow that to continue while asking everyone else in America to sacrifice is upside down.

It is instructive to me that, when asked, people across America believe we should put everything on the table, including taxes and revenue. We can do this.

The argument that this is the wrong time to raise taxes on anybody because of the state of the economy is not borne out by history. Whenever taxes have been increased in recent times, we have seen the opposite occur. If they are increased in a thoughtful way—not imposed on working and middle-income families and lower income groups—in fact, we have seen in the past that the economy has grown. It has not stopped us from growing.

We now have a top income tax rate of 35 percent. When it was over 39 percent under President Clinton, we had the fastest and most dynamic growth in

our economy in modern time. There is no linkage between taxes on the wealthy and the growth of our economy other than the exact opposite of the Republican argument. Where taxes have been raised on higher income groups, we have actually seen our economy expand time and time and time again.

So I would hope we would have a balanced approach to dealing with this deficit and put everything on the table. I would hope that as we meet with the President, we get the job done. And we ought to do it soon. The longer we wait, the more the uncertainty, and it is not good for our economy in a world where we have a volatile economic situation, particularly in Europe. It is not good for job growth, where we know we desperately need to create more good-paying jobs right here in America. And it is certainly not good for our reputation in Congress. We were elected to lead, to make hard decisions. We have that opportunity, and we need to do it now.

Madam President, I yield the floor.

RECOGNITION OF THE MINORITY LEADER

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

BALANCED BUDGET AMENDMENT

Mr. MCCONNELL. Madam President, yesterday morning I came to the floor to announce my conclusion that, despite his repeated claims to the contrary, the President has no real intention of cutting spending or dealing with our deficits and debt. It has been my fervent hope that the President could be persuaded to view the upcoming debt limit vote as an opportunity—an opportunity—to change direction, to cut spending, to cut debt, and to preserve entitlement programs. But those hopes have evaporated as the President began to insist in recent weeks that he would only consider spending cuts later if Republicans agreed now to one of the biggest tax hikes in history. Republicans refused to be drawn into this legislative trap.

When Democrats proposed a smaller plan that they claimed, without any details, amounted to more than \$1 trillion in cuts, we refused to go along again because we knew that it really did not cut \$1 trillion. We refused to pretend that a bad idea was a good one. Our bottom line is this: The White House would have to prove that the cuts it was claiming to support were real and enforceable before Republicans would sign off on any plan to endorse them.

As it turned out, our skepticism was well founded.

Earlier this week, I asked an administration official point blank what the cuts they were proposing as part of their so-called bipartisan deal would amount to next year; that is, year 2012. He said they were talking about a \$2 billion reduction—\$2 billion—for next year. We will borrow more than \$4 billion today. That, Madam President, is not a deal in which I am particularly

interested. This is what they were planning to spin as more than \$1 trillion over 10 years. It was at that point that I realized the White House simply was not serious about cutting spending or debt. The only thing they were serious about was putting together a plan that appeared serious but really was not, and they wanted Republicans to go along with it. Well, we are not interested in playing that game.

In the end, the White House gave us three choices in exchange for a vote to increase the debt limit: a massive tax hike, smoke and mirrors, or default. And none of these options is acceptable. So yesterday I proposed a possible fourth option as a last resort if the President continues to shirk his duty to do something about our dire fiscal situation. If the White House continues to insist on either tax hikes or default, then we would send legislation to the President that requires him to propose spending cuts greater than the debt limit he requests; make the President show in black and white the specific cuts he claims to support. If he refuses, he will have to raise the debt ceiling on his own. But he is not going to get Republicans to go along with that. That way, the President cannot pretend to support cuts when he does not. He is forced to simply put up.

I understand the reluctance the American people have in concluding that a serious solution is not going to happen. I hope I am wrong. The idea of not doing something serious about the debt before August, frankly, sickens me. Like most Americans, I previously did not believe anyone in this country could seriously deny the need to rein in government spending. Like most Americans, I previously did not believe anyone could be so shortsighted as to propose massive tax hikes in a weakened economy. Like all of you, I did not think even the most liberal among us would go to such lengths to protect the expansion of government. I am sorry to report there are people who believe all of those things, and they currently reside right down at 1600 Pennsylvania Avenue. But Republicans refuse to let the President use the threat of a debt limit deadline to get us to cave on tax increases or on phony spending cuts that future Congresses could just as easily reverse with a single vote. We are not gambling our Nation's fiscal future on the promise of spending cuts tomorrow for tax hikes today.

It is time to change the conversation altogether. It is time to refocus this debate on the kinds of real cuts and debt reduction Americans are demanding of us. It is time to show there are two different versions of our Nation's future at work here. So over the next several days, Republicans will redouble our efforts to avoid all four scenarios. Americans do not want tax hikes, they do not want phony spending cuts, they do not want a debt disapproval plan, and they do not want us to default on our debts. They want real cuts and real reforms now, and that is what Repub-

licans will spend the next 2 weeks fighting for—the one thing that will ensure that Washington gets its house in order and forces future Congresses to live within their means.

The time has come for a balanced budget amendment that forces Washington to balance its books. If these debt negotiations have convinced us of anything, it is that we cannot leave it to politicians in Washington to make the difficult decisions they need to get our fiscal house in order. The balanced budget amendment will do that for them. Now is the moment. No more games. No more gimmicks. The Constitution must be amended to keep the government in check. We have tried persuasion. We have tried negotiations. We have tried elections. Nothing has worked. If the President will not do something about the debt, we will go around him and take it to the American people. We will have a real debate. Those who support endless spending and debt will vote against it. It is time we all stand up to be counted.

Madam President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Alabama.

Mr. SESSIONS. Madam President, I thank the Republican leader for his efforts in this regard. I know for a fact that Senator MCCONNELL and the leadership on our side hoped and believed it was possible to take advantage of the opportunity of the discussion over raising the debt limit to create a major alteration in our plan of spending in this country. It has been disappointing to not have been met halfway in that regard.

When Senator MCCONNELL was told the White House's plan included only a \$2 billion cut next year in spending, I found it stunning. Our deficit this fiscal year will have added \$1,500 billion to our debt. We are going to save \$2 billion next year? This is not acceptable, and I am disappointed. I appreciate the Republican leader's efforts in that regard.

I would note, as to the discussion about that the war is causing our deficit, it has been expensive over 10 years. The war on terrorism, Iraq, and Afghanistan together have cost about \$1.5 trillion. This next year, we are projecting a little over \$100 billion to be spent. So I will just say that the amount of the deficit this one year will equal the cost of the Afghanistan and Iraq wars over 10 years. The deficit this year is \$1,500 billion. The cost of the war this year is about \$150 billion. It is about 10 percent of the deficit we are running this year. Although we hope to bring those numbers down and are already projecting next year those numbers to come down to closer to \$100 billion from \$150 billion, the cause of our deficit is not the war. It represents about 10 percent of the total deficit we are running this year. That is just a fact. That is what the numbers show.

One of the few things mandated for Congress to do every year is to pass a budget. According to the Congressional

Budget Act, contained in the U.S. Code, signed into law in 1974, the Senate Budget Committee must produce a budget resolution by April 1 and adopt a conference agreement on that budget by April 15. Furthermore, a budget must include total levels of spending, expected revenue, and deficits for no less than 5 years, and frequently we do 10-year budgets.

Once a budget is in place, Congress is prohibited from passing legislation with spending that exceeds the levels that were in the budget—sort of like we do in our homes. In essence, a budget is both a concrete plan for the future, and an enforcement mechanism to help us stay within the limits we set, and to ensure honest accounting.

One of these enforcement mechanisms in the Budget Act as set forth in the code is a prohibition against the consideration of any appropriations bills in the absence of a budget. We should not move forward with spending bills until we have established a budget. How simple is that? That is why we are supposed to have it done by April 15, because the appropriations bills come along afterwards.

This is the essence of good government. We should not spend taxpayer dollars without a plan for how to officially allocate the dollars and in a way that maximizes the effectiveness of our spending and minimizes waste and abuse and fraud. We have too much of that in our government.

This point of order—and there is a point of order in the code—contained in section 303(c) of the Congressional Budget Act, once that point of order is raised, the legislation in question cannot move forward unless a majority of the Senators vote to waive the budget requirement that taxpayer money should not be appropriated without a budget—without a plan.

This is what the law dictates. I believe this is our responsibility as legislators and as Senators. This is what the organizational structure of this very Senate requires, and this is the duty the Democrat-led Senate has refused to fulfill for 805 days. Senate Democrats have failed to adopt a budget in more than 2 years, and this year they have refused to even produce a budget for public review. They claim they have one. They claim it does some good things, and they leak portions of it to the public and spin it as being a positive document. But when asked to produce it, they do not do so. When asked to have hearings on it, they do not do so.

If they are proud of it, if it will sustain public scrutiny, why do they not bring it forward? I have never imagined that I would serve 2 years in the Senate and now be ranking member of the Budget Committee, and we would not have a budget even presented. Today we are scheduled to vote on a motion to proceed to the Military Construction appropriations bill for fiscal year 2012, beginning October 1 of this year.

Regardless of my feelings about the legislation or my high admiration for

those who have worked on it, I think I have a responsibility, a duty, as ranking member of the Budget Committee during this time of extreme fiscal danger, the greatest debt we have ever seen, to oppose cloture on this measure and to raise the 303(c) point of order should cloture be invoked.

My objection does not mean I do not support the bill. To any who would suggest otherwise, let me say that this action is at its core a defense of our men and women in uniform. No one understands duty better than those who wear the uniform, and it is our duty to write a budget that sets priorities and ensures the needs of our troops are met. The military is a priority of the highest order. To protect that priority, we must have a budget, especially in these challenging economic times.

The Senate has failed those in uniform if it chooses political expedience over drafting a budget that includes a military spending plan. How can we protect the military from unwise cuts if spending plans are not even made public?

The only area of government significantly cut in the unseen Democratic budget proposal that I have referred to previously—that I have called a “phantom budget”—appears to be the Pentagon’s.

If we take the numbers that were leaked from their budget plan, it calls for \$900 billion in cuts to the Pentagon, to the government, to the military. Well, if this is their plan we ought to know it. So I do not want to hear people say that I am objecting to the Military Construction bill because I do not appreciate the military, while the Democratic majority, who is producing this Military Construction bill, claim they have a budget that hammers the Defense Department by \$900 billion.

Indeed, while that appears to be the plan, the budget submitted by President Obama earlier this year—not one produced by the Senate Democrats but the President’s own budget—calls for a 9.5-percent increase in the Energy Department, a 10.5-percent increase for the Education Department, a 10.5-percent increase for the State Department, and a 60-percent increase for high-speed rail and the Transportation budget without money to fund it.

While they are proposing major cuts in defense, we have major plans on the table to increase spending next year when we are, again, going to run a \$1 trillion-plus deficit. The authors of the Congressional Budget Act likely did not contemplate a future in which the governing party believes budgets are no longer necessary. That seems to be the case today. That is why I am also bringing forward legislation that will raise a 303(c) point of order threshold to 60 votes—no appropriations without a budget unless 60 Senators choose to waive that requirement. That is in the law.

We sometimes put requirements in the law. We do not have very good enforcement mechanisms. The danger we

face from continuing to operate this government without a clear, concrete budget is simply too great. Admiral Mullen, the Chairman of the Joint Chiefs of Staff, warned that our Nation’s debt is the gravest of all national security threats we face. It is so. We are reaching a point where our economy could enter into a financial crisis as a result of our national debt.

We owe it to the extraordinary men and women who serve this country to defend at home the way of life they have defended abroad. That means the Senate must confront the debt problem that threatens us with economic disaster. Already, as economists Rogoff and Reinhart demonstrated, we are losing at least 1 million jobs a year as a result of our high debt, which is now 95 percent of GDP and soon to be 100 percent of GDP.

In just a little over 2 months our Nation’s gross debt will be as large as our entire economy and growing larger. This year we will take in \$2.2 trillion, but we will spend \$3.7 trillion. By the end of the first 3 years of the Obama administration, we will have accumulated \$5 trillion in gross debt—new debt.

Over the next 10 years we are projected to spend \$46 trillion, adding another \$13 trillion to our national debt. That is 13,000 billion. The President proposed saving \$2 billion next year. He proposes we increase taxes on corporate jets that over 10 years would save \$3 billion, while he has a budget submitted to the Senate that would increase the debt by \$13,000 billion over the next 10 years.

I do not defend corporate jets. We can eliminate that as far as I am concerned and change our whole tax structure, which needs simplifying and more integrity and more effectiveness in it. But that is not a responsible way for a leader to suggest that we are going to fix our debt problems—by changing the corporate tax rate for jets. No nation can sustain this level of debt, nor can any nation ever raise enough taxes to cover this level of spending. The course we are on is not merely unsustainable, it is unimaginable. The American people have every right to be angry with their Congress. We are sitting here running a government and borrowing 40 cents of every dollar we spend. They should be furious with us. It is unacceptable. It is unexplainable.

We spend and borrow all we can. That is the fact. There is only one sound answer: control spending and grow the economy, not tax it into submission. For Americans to regain prosperity, Washington must regain discipline. Hiking taxes to bail out the Washington spenders who have put us in debt by increasing domestic nondefense spending in the last 2 years—not war, not Social Security, I am talking about general expenditures of our government have gone up 24 percent in the last 2 years. They have run up huge debts, and now they want the American people to pay more so they can con-

tinue to spend at this irresponsible level. I say no to that. I am not for that.

Since the Democratic-led Senate last passed a budget, we have spent \$7.3 trillion and increased the debt by \$3.2 trillion. When President Obama took office the public debt of the United States was about \$5.7 trillion. In 3 years we have added close to \$4 trillion in debt. In 4 years President Obama’s debt that he will have run up at this rate will be larger than the debt that has been accumulated in the entire history of America.

We are on an unsustainable course. This fiscal abandon has brought us to the brink of the debt ceiling that we have. We have a limit on how much debt we can run up statutorily. Yet, still, the Senate Democrats will not produce a budget, and the White House will not put together an honest plan with real spending cuts that they will stand behind and let people analyze and score. Just more gimmicks, tricks, and games. That is not acceptable. That is why we are in this fix today.

Majority Leader REID actually declared it would be “foolish” to have a budget—“foolish” to have a budget. Would you tell a family who is having difficulty with their finances it is foolish to have a budget? Would you declare to a family who is running up credit card debt and 40 percent of what they are spending is put on a credit card every month that they should not have a budget?

The United States Code requires us to have a budget by April 15. It is easy to claim deficit reduction as a priority, but if our leaders were actually to put a plan on paper it would become all too clear that their real desire is for larger taxes and only meager cuts to spending. That is the truth. That will not get the job done. Numbers do not lie. Their rhetoric creates the appearance of savings, but those savings do not exist when you look at the numbers carefully.

But while the White House and Senate Democrats may think their strategy is clever, I do not think the American people should be amused. I do not think the American people are amused. Until the majority, who asked for the responsibility to lead this Senate—that is what they wanted. They have it. Until they allow this Chamber to adopt a badly needed budget, I am going to continue to raise points of order on appropriations bills.

Now more than ever, we should fulfill our legal duties, not shirk them. More than ever today we should. We were not elected to preside over the financial decline of this country. We were not elected to shut down the committees, deny them the right to function, to shut down debate or cede our constitutional responsibility to secret meetings and closed-door proceedings.

The debt limit is not only about fulfilling our obligation to creditors, it is about fulfilling our obligation to the all of the people we serve, good Americans. We owe them a Senate that

works, that works openly and tirelessly on their behalf, which casts votes on these important matters and has to respond and be accountable to the American people. We owe the people an honest, competent, limited, efficient government. We owe them a Senate that is worthy of their faith and trust.

We are not there. We are not fulfilling that responsibility. Therefore, I expect that I will object and raise a budget point of order against movement to the Military Construction bill.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from South Dakota is recognized.

Mr. THUNE. Madam President, I want to echo some of the remarks made by my colleague from Alabama regarding a budget. He is the ranking Republican member on our side on the Budget Committee.

It is ironic that we are on the floor of the Senate this week, as we were last week, debating a nonbinding sense-of-the-Senate bill that states "those earning \$1 million or more per year make a more meaningful contribution to the deficit reduction effort."

It doesn't specify what that is. It doesn't say there should be tax increases or spending cuts that should have an impact on these high-income earners. I echo what was stated by my colleague, which is that this is no substitute for a budget. Congress's job is to pass a budget. That is why we are here. That is why the taxpayers elected us. It is to set priorities and make decisions about where we are going to allocate their hard-earned tax dollars.

The Democrats have not passed a budget for 805 days. Now, this sense-of-the-Senate bill—which is vague, ambiguous, and meaningless—does not do anything to address the fiscal challenges our country faces or achieve any level of budgetary savings.

Mr. SESSIONS. Will the Senator yield for a question?

Mr. THUNE. I am happy to yield for a question.

Mr. SESSIONS. The Senator from South Dakota is an experienced member of the Budget Committee and a member of the leadership on the Republican side in the Senate. Isn't it true that we had more interest from Members wanting to join the Budget Committee this year, particularly new Members who had gotten elected and talked to their constituents about their fear of America's debt and they wanted to be on the Budget Committee, and only a few could be selected out of the group who wanted to be on it?

What has been the Senator's observation as to how they have reacted to the fact that no budget has been presented; that the committee has never met or even marked up and held hearings as the United States Code requires? Maybe the Senator can share how they feel about this.

Mr. THUNE. My colleague is absolutely right. There was tremendous in-

terest this year. If we look at the last election, the 2010 election, a lot of the people who were elected in the House and Senate were elected because they ran on a message to their constituents of getting America's fiscal house in order, getting spending and debt under control.

Where does that start? It starts with a budget. So they got here and tried to get on the Senate Budget Committee. We have all these bright new Members of the Senate who have a lot to contribute and who have had no opportunity to do that because we haven't had a budget, a markup, and we haven't done the necessary things in order to move the budget process forward.

I am completely in agreement with the Senator from Alabama when it comes to what the priorities should be. It ought to be doing a budget that actually focuses on cutting spending and getting this debt under control.

I tried to offer an amendment to this nonbinding sense-of-the-Senate bill, but the majority is blocking amendments. That amendment would cut all nonsecurity discretionary spending for the current fiscal year by 2.5 percent. It is a nominal amount, I recognize that. It is not a big spending cut. It is a small haircut. It will not solve our problem. It would produce about \$11 billion in savings from some of these accounts that have seen, as the Senator noted, extraordinary growth since 2008.

Spending has increased in the discretionary part of the budget by 24 percent in 2 years, when inflation was about 2 percent. The government was spending at a rate of 10 or 12 times the right of inflation. It is unsustainable.

We cannot argue to the American people with a straight face that that is the kind of spending that ought to be going on in Washington, DC. Because the amendments have been blocked, we are probably not going to have a chance to vote on that. But the amendment says: Let's cut by 2.5 percent the discretionary spending, given the fact that it has increased 24 percent in the last 2 years.

These accounts started to feel downward pressure when the continuing resolution passed earlier this year, but more needs to be done. We need to put pressure on the spending side of the equation, not the tax side. All of my Republican colleagues have said it multiple times, but I think it bears repeating and explaining that our problem in Washington isn't that Washington taxes too little; it is that it spends too much. That is true.

Revenues are below their historical average, but spending is dramatically higher than its historical average. The reason we have revenues that are lower than the historical average is because we have an anemic economic recovery. If we get the economy growing and expanding and creating jobs again, we will start to see some of the tax revenue pick up. Just as a point of fact, in

2006 and 2007, we had a very similar income tax system to what we have today. At that time it raised more revenue than our historical average. Our historical average is around 18 percent of our entire economy—what we raise in tax revenues. In 2006 and 2007, in the Tax Code, the rates were similar to today. We have exceeded the average.

The issue is not that we have too little revenue in Washington, not that Washington taxes too little; it spends too much. Once the economy starts to turn around, we know we are going to be raising a substantial and sufficient amount of revenue without having to resort to tax increases. In fact, if we were to enact tax reform that was revenue neutral—and by that I mean it doesn't generate more revenue for Washington to spend—but if we were to lower the rates on people and businesses and broaden the tax base, our economy would grow and expand dramatically, and we would see even more revenue generated for the Federal Government and more jobs created, which is what everybody wants to see. We should not, however, simply increase taxes to pay for ever-increasing spending for programs that aren't sustainable.

This year Federal government spending will comprise 24.3 percent of our Nation's entire economic output. So almost a quarter of every dollar spent in this country will be spent by the Federal Government. That doesn't take into consideration spending by State and local governments. But it is 18 percent more than our historical average. We spend about 20.6 percent, historically, of our entire economy on the Federal Government. This year it is 24.3 percent. We are almost at a quarter out of every dollar being spent by our Federal Government in Washington, DC.

What happens? That means there is less activity in the private economy, which is where the real jobs are created. When the Federal Government is spending this much and borrowing this much, it crowds out private investment and makes it difficult for the private economy to create jobs that are permanent, good-paying jobs for the people of this country.

Perhaps an even more pertinent statistic is the years in which our budget has been balanced since 1969. These budgets were balanced because spending was constrained. If we look at the 5 years when the budget was balanced, the Federal Government's spending in those 5 years comprises just under 18.7 percent of our GDP, our economic output. So if we look at the problem that we are trying to diagnose in this country, our colleagues on the other side diagnose it as a revenue problem. I submit that the problem we are trying to solve is fundamentally a spending problem. Five times, when the budget was balanced since 1969, in every instance it was because we were spending less than the historical average.

This year's spending is over 30 percent more than the years in which we

balanced the budget; that is, as a percentage of our entire economy. That is how much higher it is than the years in which we balanced our budget. That is how much and how fast government spending is growing. Unfortunately, it remains above the historical average every year in the President's budget. He submitted a budget that borrows more, spends more, and taxes more. I can't think of a worse way to get out of an economic downturn and start creating jobs than to continue to spend at this uncontrollable rate, to continue to borrow more and more money, and impose higher taxes on an American economy that is already struggling.

After 2018, according to the President's budget, spending increases every single year. That is a spending problem; that is not a revenue problem. Despite that, the administration wants to take what they call a "balanced approach" and to have shared sacrifice.

Only in Washington, DC, would spending more and taxing more be considered a balanced approach. Only in Washington would shared sacrifice mean taking more of taxpayers' hard-earned money to spend on the administration's priorities.

To put a fine point on that, this week, the President said he would "rather be talking about things that everyone wants, like new programs." This is code for: I need more of your money so I can spend more.

I reject that notion. We don't need more spending in Washington, DC. We don't need more programs. We don't need to expand government. Government is too big already, at 25 percent of our entire economy.

Let's pretend for a minute that deficit reduction really was the President's priority. What has happened in the past with these "balanced budget" deals? In 1990 the budget agreement reached by President Bush at Andrews Air Force Base was supposed to have spending cuts that outnumbered tax increases by a 2-to-1 margin. Spending was supposed to be cut by \$274 billion, and taxes were going to be increased by \$137 billion.

What actually happened? Tax hikes certainly materialized, but the reality is that spending actually increased. So in the 1990 "balanced" budget approach, we got increased spending and increased taxes. In 1982, under President Reagan, the exact same thing happened.

Madam President, I simply say to my colleagues that this is fundamentally a debate about the size of our government. We believe in a debt crisis we ought to make government smaller, not larger, and not create more programs. Our colleagues on the other side have a different view. We ought to be talking about what we can do to get people in this country back to work and small businesses hiring.

There was a Chamber of Commerce survey that said 64 percent of small businesses will not add to their payrolls this year, and 12 percent will cut

jobs. Why? Because of the economic uncertainty created in Washington and because we are unwilling to deal with the spending and debt issue that is in front of us and to put policies into place that will enable job creation and economic growth.

I hope my colleagues will work with us to reduce the size of government, not grow it.

I yield the floor.

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

Mr. SCHUMER. Madam President, how much time remains?

The ACTING PRESIDENT pro tempore. On the Democratic side, 15 minutes remains, and there is no time on the Republican side.

Mr. SCHUMER. Madam President, I rise to speak about the budget and deficit issues that are facing us. The first point, which is becoming clearer and clearer to the American people, is how bad a default would be.

The bottom line is very simple: America has never defaulted on its debt—nor should any country, particularly the greatest country in the world—debt that is a promise of expenditures that have already been made. When we raise the debt ceiling, we are simply saying we are going to pay our bills.

The bottom line is that every family in America has to do that. If you own a mortgage, you can't say, after you have signed the mortgage and lived in the house: I am not going to pay my mortgage unless ABC happens.

If you have credit card debt and you have incurred significant debt, you can't say to the credit card company: I am not going to pay that debt unless you do ABC.

Yet some of our colleagues on the other side—and particularly in the House of Representatives—seem to say that. It would lead to disaster. It would lead to disaster for the government. In August America has \$306 billion—this government, this Federal Government, has \$306 billion in obligations and \$172 billion in income. If we don't raise the debt ceiling, we are going to have awful choices: Do we pay the Social Security recipients and not the veterans? Do we pay the veterans and not those to whom we owe money? Do we say we will pay veterans but not pay people who inspect food or guard our borders? The choices are awful, and choices the American people should not have foisted on them by an irresponsible Congress that says we will not raise the debt ceiling.

It will also hurt American homeowners and debtors. If you are a mortgagor, your debt will go up. If you have a variable-rate mortgage, and we don't raise the debt ceiling, you will pay perhaps hundreds of dollars more each month. If you have credit card debt, which most Americans have, the rates are likely to go up.

Overall, at a time when we need jobs and the economy is so precarious, it could send us back into a recession and

perhaps even worse, according to some economists. So not raising the debt ceiling and defaulting on our debt is not an option.

Yesterday, Senator MCCONNELL realized that. The substantive good news here is that the plan MITCH MCCONNELL offered, for all its faults, makes the likelihood of our not paying our bills, of not raising the debt ceiling less likely. However, the plan has a good deal of fault to it. It seems to be a political document. It says what we care most about is two things: It says we want to throw the responsibility of raising the debt ceiling to the other side, and it says the Republican Party cares more about preserving tax breaks for the wealthy and corporate America than actually bringing down our debt.

All the talk about deficit reduction, all the talk about getting a handle on our debt has been thrown to the wind, all in an effort to say: We know if we raise the debt ceiling there will be trouble. Senator MCCONNELL is well aware—he is very smart when it comes to the politics of it—that had the debt ceiling not been raised, the blame would have fallen on the party that has been saying they don't care about raising the debt ceiling.

Hundreds of members of the Republican Party throughout the country—scores in this Congress both in this House and the other—have said: We are not going to raise the debt ceiling. Senator MCCONNELL, realizing the consequences of doing that would fall on the party that doesn't believe it is important to do so, had to act. But at the end of the day, where is the debt reduction? Where is the deficit reduction we have heard about in speech after speech after speech from the other side?

The bottom line is very simple: Again, when President Obama offered a plan that would remove tax breaks from the rich, that would close corporate loopholes, the other side said: We can't tolerate that, even if it means debt reduction. The McConnell plan shows what the other party, the other side of the aisle, cares about: preserving tax breaks for the rich and preserving corporate loopholes much more than reducing our deficit and bringing down our debt.

Having said that, as I said, Senator MCCONNELL has at least recognized, even if partially politically, the gravity of the situation, and he joins the other leaders in Washington in doing that. President Obama has as well, and that is why he put out his \$4 trillion plan. Speaker BOEHNER has also. That is why he was willing to entertain—until the rug was pulled out from under him—a big plan. Leader REID and Leader PELOSI have constantly talked about their views and ways we can reduce the deficit and avoid default. There is only one person who hasn't come up with a plan, who hasn't compromised, and who hasn't reached out to the other side in an effort to move forward, and that is the majority leader in the House, Mr. CANTOR. He is the only one

who still says: My way or the highway. Every other leader has said they are willing to make certain concessions—even though they do not like them—to avoid default.

The Nation, and, of course, this Congress is waiting for Leader CANTOR to step to the plate in a similar way so that maybe we can come to a compromise that actually avoids default and, at the same time, gets a handle on the debt and deficit problems and reduces both of those.

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

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

The legislative clerk proceeded to call the roll.

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

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

Mr. NELSON of Florida. Madam President, I know we have a vote that is coming up momentarily, but I just wanted to say my wish for those folks who are huddling up down at the White House every day: Don't miss this opportunity for a grand bargain to do something serious about deficit reduction. That is why I am concerned about Senator MCCONNELL's proposal because it would take us off that practice.

When they look at that real opportunity for \$4 trillion of deficit reduction, they ought to look at the proposal of the Senate Budget Committee—\$4 trillion, \$2 trillion of which over 10 years comes out of the \$14 trillion of the tax expenditures—or tax preferences that special interests have. We would only have to take from 9 to 17 percent of all that \$14 trillion of tax preferences in order to produce the \$2 trillion of revenue over 10 years.

I have just put that issue to a panel of experts in a joint Ways and Means-Finance Committee meeting as to what they would recommend, and I will talk about that later today.

With that, I yield the floor.

Mr. WHITEHOUSE. Madam President, I ask unanimous consent that all time be yielded back.

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

The clerk will report the motion to invoke cloture.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on S. 1323, a bill to express the sense of the Senate on shared sacrifice in resolving the budget deficit.

Harry Reid, Richard J. Durbin, Patty Murray, Daniel K. Inouye, Christopher A. Coons, Sheldon Whitehouse, Barbara Boxer, Robert P. Casey, Jr., Bernard Sanders, Frank R. Lautenberg, Sherrod Brown, Jack Reed, Dianne Feinstein, Jeff Merkley, Benjamin L. Cardin, Carl Levin, Charles E. Schumer.

The ACTING PRESIDENT pro tempore. By unanimous consent, the mandatory quorum call has been waived.

The question is, Is it the sense of the Senate that debate on S. 1323, a bill to express the sense of the Senate on shared sacrifice in resolving the budget deficit, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The legislative clerk called the roll.

The yeas and nays resulted—yeas 51, nays 49, as follows:

[Rollcall Vote No. 108 Leg.]

YEAS—51

Akaka	Gillibrand	Mikulski
Baucus	Hagan	Murray
Begich	Harkin	Nelson (FL)
Bennet	Inouye	Reed
Bingaman	Johnson (SD)	Reid
Blumenthal	Kerry	Rockefeller
Boxer	Klobuchar	Sanders
Brown (OH)	Kohl	Schumer
Cantwell	Landrieu	Shaheen
Cardin	Lautenberg	Stabenow
Carper	Leahy	Tester
Casey	Levin	Udall (CO)
Conrad	Lieberman	Udall (NM)
Coons	Manchin	Warner
Durbin	McCaskill	Webb
Feinstein	Menendez	Whitehouse
Franken	Merkley	Wyden

NAYS—49

Alexander	Graham	Murkowski
Ayotte	Grassley	Nelson (NE)
Barrasso	Hatch	Paul
Blunt	Heller	Portman
Boozman	Hoeven	Pryor
Brown (MA)	Hutchison	Risch
Burr	Inhofe	Roberts
Chambliss	Isakson	Rubio
Coats	Johanns	Sessions
Coburn	Johnson (WI)	Shelby
Cochran	Kirk	Snowe
Collins	Kyl	Thune
Corker	Lee	Toomey
Cornyn	Lugar	Vitter
Crapo	McCain	Wicker
DeMint	McConnell	
Enzi	Moran	

The ACTING PRESIDENT pro tempore. On this vote, the yeas are 51, the nays are 49. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

MAKING APPROPRIATIONS FOR MILITARY CONSTRUCTION, THE DEPARTMENT OF VETERANS AFFAIRS, AND RELATED AGENCIES FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012—MOTION TO PROCEED

CLOTURE MOTION

The ACTING PRESIDENT pro tempore. Pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to proceed to Calendar No. 91, H.R. 2055, an act making appropriations for military construction, the Department of Veterans Affairs, and related agencies for the fiscal year ending September 30, 2012, and for other purposes.

Harry Reid, Richard J. Durbin, Patty Murray, Daniel K. Inouye, Christopher

A. Coons, Sheldon Whitehouse, Barbara Boxer, Robert P. Casey, Jr., Tim Johnson, Frank R. Lautenberg, Sherrod Brown, Jack Reed, Dianne Feinstein, Jeff Merkley, Benjamin L. Cardin, Mark L. Pryor, Carl Levin, Charles E. Schumer.

The ACTING PRESIDENT pro tempore. By unanimous consent, the mandatory quorum call has been waived.

The question is, Is it the sense of the Senate that debate on the motion to proceed to H.R. 2055, an act making appropriations for military construction, the Department of Veterans Affairs, and related agencies for the fiscal year ending September 30, 2012, and for other purposes, shall be brought to a close?

The yeas and nays are mandatory under the rule. The clerk will call the roll.

The assistant legislative clerk called the roll.

The yeas and nays resulted—yeas 89, nays 11, as follows:

[Rollcall Vote No. 109 Leg.]

YEAS—89

Akaka	Franken	Merkley
Alexander	Gillibrand	Mikulski
Ayotte	Graham	Moran
Barrasso	Hagan	Murkowski
Baucus	Harkin	Murray
Begich	Hatch	Nelson (NE)
Bennet	Heller	Nelson (FL)
Bingaman	Hoeven	Portman
Blumenthal	Hutchison	Pryor
Blunt	Inhofe	Reed
Boozman	Inouye	Reid
Boxer	Isakson	Risch
Brown (MA)	Johanns	Roberts
Brown (OH)	Johnson (SD)	Rockefeller
Burr	Kerry	Sanders
Cantwell	Kirk	Schumer
Cardin	Klobuchar	Shaheen
Carper	Kohl	Shelby
Casey	Kyl	Snowe
Chambliss	Landrieu	Stabenow
Coats	Lautenberg	Tester
Coburn	Leahy	Thune
Cochran	Levin	Udall (CO)
Collins	Lieberman	Udall (NM)
Conrad	Lugar	Warner
Coons	Manchin	Webb
Crapo	McCain	Whitehouse
Durbin	McCaskill	Wicker
Enzi	McConnell	Wyden
Feinstein	Menendez	

NAYS—11

Corker	Johnson (WI)	Sessions
Cornyn	Lee	Toomey
DeMint	Paul	Vitter
Grassley	Rubio	

The ACTING PRESIDENT pro tempore. On this vote, the yeas are 89, the nays are 11. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

The majority leader.

Mr. REID. Madam President, I would hope following the Republicans' luncheon they will allow us to move to this bill. Senator JOHNSON and staff are ready to move forward on this legislation. We would hope after the luncheon they would allow us to be on it. So it would be open for amendment. There are lots of spots open for people to offer amendments. This would be our first appropriations bill. I think it would be, especially in that we are working on these budgets, deficit-reduction programs right now here and at the White House, a good message to everybody