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## Senate

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

### PRAYER

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

Let us pray.

O Lord our God, we turn to You for strength and courage and faith. We thank You for Your promise to supply all our needs from Your bountiful reservoir of grace.

Today, empower our lawmakers to find new opportunities for service. Lord, infuse them with such hope and purpose that their labors will bring a harvest of goodness and justice that will reign in our land and world. May our Senators yield their attitudes and dispositions to Your control so that they might work effectively with each other.

We pray in Your gracious Name. Amen.

### PLEDGE OF ALLEGIANCE

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

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

### APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The assistant legislative clerk read the following letter:

U.S. SENATE,  
PRESIDENT PRO TEMPORE,  
Washington, DC, July 18, 2012.

To the Senate:

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

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

DANIEL K. INOUE,  
President pro tempore.

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

### RECOGNITION OF THE MAJORITY LEADER

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

### BRING JOBS HOME ACT—MOTION TO PROCEED

Mr. REID. Madam President, I move to proceed to Calendar No. 442.

The ACTING PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

Motion to proceed to S. 3364, a bill to provide an incentive for businesses to bring jobs back to America.

Mr. REID. Madam President, I suggest the absence of a quorum.

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

The assistant legislative clerk proceeded to call the roll.

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 Madam President, I ask unanimous consent that the order for the quorum call be rescinded.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

### SCHEDULE

Mr. REID. Madam President, the schedule here this morning is that the first hour will be equally divided and controlled between the two leaders or their designees, the majority controlling the first half and the Republicans the final half.

Yesterday cloture was filed on the motion to proceed to the Bring Jobs Home Act. Unless an agreement is reached, this vote will occur tomorrow morning.

MEASURE PLACED ON THE CALENDAR—S. 3393

Mr. REID. Madam President, I am told S. 3393 is at the desk and due for a second reading.

The ACTING PRESIDENT pro tempore. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 3393) to amend the Internal Revenue Code of 1986 to provide tax relief to middle-class families.

Mr. REID. Madam President, I object to any further proceedings on this bill at this time.

The ACTING PRESIDENT pro tempore. Objection is heard. The bill will be placed on the calendar under the provisions of rule XIV.

### TAXPAYER SUBSIDIZATION

Mr. REID. Madam President, if you want to do business in America today, your goal should be to make a profit. There is nothing wrong with that. That is good. Millions of hard-working American entrepreneurs are the backbone of our economy. And if your company boosts profits by sending jobs overseas, that is your right as a business owner. But American taxpayers shouldn't subsidize your business decision to outsource jobs, especially when there are millions of people in this country looking for work.

Over the last 10 years, about 2½ million jobs in call centers, sales centers, financial firms, and factories were shipped overseas, and American taxpayers helped foot the bill for sending those jobs overseas. Every time U.S. companies ship jobs or facilities overseas, American taxpayers help cover the moving costs. The Bring Jobs Home Act will end these disgraceful subsidies for outsourcing and would give a 20-percent tax break to cover the cost of moving those jobs back to the United States.

But Republicans are filibustering this commonsense legislation. It is no surprise Republicans are on the side of corporations—corporations making big

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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bucks—sending American jobs to China, India, and other places. After all, their Presidential nominee, Mitt Romney, made a fortune in outsourcing jobs also. So Republicans are once again putting tax breaks for big corporations and multimillionaires ahead of the needs of ordinary Americans.

What most Americans need is a good job—a job here at home—and the assurance their taxes won't go up on January 1. Democrats, Republicans, and Independents across the country agree with our plan. It is only Republicans in Congress who disagree. Yet Republicans here in the Senate are filibustering legislation to bring jobs back to America. They have twice blocked a vote on legislation to keep taxes low for 98 percent of American families.

It was Republicans who asked for a vote on the plan to raise taxes for 25 million families and a vote on our plan to keep taxes low for 135 million American taxpayers. So we offered them what they wanted. We offered them up-or-down votes on both proposals—no procedural hoops, no delay tactics, just a simple majority vote on our plan and theirs. And they refused.

Maybe Republicans refused our offer because they don't have the votes for their plan to raise taxes on 25 million Americans or maybe they have refused it because the majority of Americans support our plan to keep taxes low for 98 percent of families, while asking only the top 2 percent to contribute a little bit more to reduce the deficit. Everyone across America—the majority of Republicans—supports our plan. Yet, still, Republicans here in the Senate are holding hostage tax cuts for nearly every American family to extort more budget-busting giveaways to millionaires and billionaires.

For a year, the budget deficit was all Republicans wanted to talk about. They were willing to end Medicare as we know it, slash funding for nursing homes for seniors, investments in education, and raise taxes on the middle class all in the name of deficit reduction. But now that Democrats have a plan to reduce the deficit by almost \$1 trillion simply by ending wasteful tax breaks, Republicans have given up fiscal responsibility.

So I say this to my Republican friends: You can't have it both ways. You can't call yourself a deficit hawk and fight for more tax breaks for millionaires and billionaires while the deficit increases. You can't call yourself a fiscal conservative and fight to protect tax breaks for companies that outsource jobs to India and China.

#### RECOGNITION OF THE MINORITY LEADER

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

#### SENATE PROCEDURE

Mr. MCCONNELL. Madam President, I indicated to the majority leader before the Senate convened today that I wanted to have a discussion, the two of us, on several items.

No. 1, I understand my friend the majority leader, last night on MSNBC,

said it was his intention at the beginning of the next Congress, if Democrats were in the majority, to change the rules of the Senate by a simple majority. So I want to begin by asking my friend the majority leader if his comments at the beginning of this Congress, on January 27, 2011, are no longer operative. At that time, my friend the majority leader said:

I agree that the proper way to change Senate rules is through the procedures established in those rules, and I will oppose any effort in this Congress or the next to change the Senate's rules other than through the regular order.

So my first question to my friend the majority leader is: Is that statement no longer operative?

Mr. REID. Madam President, through the Chair, I would answer my friend the Republican leader, as I have said here on the floor. I believe what took place at the beginning of this Congress was something that was very important for this body. It was led by Senator UDALL of New Mexico and Senator MERKLEY of Oregon. They had been here a little while and they thought the Senate was dysfunctional. Well, they hadn't been here a long time, and I was still willing to go along at that time with the traditional view of let's not rock the boat here. But that was with the hope, and I thought the assurance of my Republican colleagues, that we would not have these continual, nonsensical motions to proceed filibustered, taking a week to get through that before finally moving to a piece of legislation.

So I said here in the Senate a few months ago that I was wrong. It is hard to acknowledge you are wrong. It is difficult for any of us to do, especially in front of so many people. But I said I think they were right and I was wrong, and I stick by that. I think what has happened the last few years of changing the basic rules of the Senate where we require not 50 votes to pass something but 60 votes on everything is wrong. I think we waste weeks and weeks on motions to proceed.

I had a conversation with a real traditionalist last evening—CARL LEVIN, the Senator from Michigan—where we talked about this at some length. He acknowledges the motion to proceed is a real problem here but he disagrees with me. Others can talk to him personally, but that is the way I understood him. But I am convinced something must change, unless there is an agreement to change how we focus on the motion to proceed.

I will try to end this quickly, but I think the leader deserves a full explanation. The filibuster was originally devised—it is not in the Constitution—to help legislation get passed. That is the reason they changed the rules here to do that. Now it is being used to stop legislation from passing, and so we have to change things because this place is becoming inoperable.

Mr. MCCONNELL. I gather then my friend the majority leader's commit-

ment at the beginning of the Congress, that we would follow the regular order to change the rules of the Senate, is no longer operative. So let me turn to a second area of discussion.

The principal advantage of being in the majority is you get to schedule legislation. And of course there are a number of things that can be done with a simple majority of 51. So I would ask my friend the majority leader why it is his view Republicans have somehow prevented the Senate from passing a budget, which could have been done with a mere 51 votes anytime during the last 3 years?

Mr. REID. Madam President, that is an easy question to answer. We already have a budget. We passed, in August of last year, a budget that took effect for the last fiscal year and this fiscal year. It set numbers—302(b) numbers, in effect. There was no need for a budget this year. We already had one.

So the hue and cry of my Republican friends that we need to have a budget is just a lot of talk. We already have a budget.

Mr. MCCONNELL. Madam President, I would say to my friend the majority leader, he knows the Parliamentarian disagrees with his view that we already have a budget. But let us assume for the sake of discussion we do have a budget. Then I would ask my friend the majority leader why we haven't passed a single appropriations bill?

Mr. REID. That also is an easy question to answer. The Republicans in the House—and this is a bicameral legislature—have reneged on the law that was passed last August where it set numbers. Their appropriations bills have artificially lowered the numbers and violated the law, in effect, here in this Congress. As a result, Senator INOUE has marked up his bill—subcommittee bills.

But I would also say the House is not serious about what they do. Energy and Water used to be one of the most important subcommittees—the most popular, I should say, in addition to being important—in this body. I was fortunate to serve on that subcommittee for more than a quarter of a century under great leaders—Domenici, Bennett, Johnson, and the committee chairs switched back and forth. But the House sent over here an Energy and Water Subcommittee appropriations bill that has more than 30 riders directed toward EPA-type functions alone. I mean, they are not serious about doing legislation. They are serious about satisfying their tea party and the ridiculous messages they are trying to send.

I would also say one of the other problems we have is we have to fight to get to anything—any legislation. We have to fight to get that done. As you know, we have wasted—I said weeks earlier—months trying to get legislation on the floor. So appropriations bills, I want to get these done. I am an appropriator. But it has been unrealistic with the actions of the House.

Mr. MCCONNELL. Madam President, what we just heard is that it is not the

Senate's fault, it is the House's fault that the Senate won't schedule appropriations bills that have been marked up in the Senate appropriations committees.

My concern here is that nobody is taking responsibility for the Senate itself. We are not responsible for what the House is doing. And typically these differences in what we call 302(b)s; that is, what each subcommittee is going to spend, are worked out in conference. We can't have a conference on any of the bills because we haven't passed any of the bills across the Senate floor.

So the majority leader doesn't want to do a budget. He doesn't want to schedule votes on appropriations bills. Then I would ask my friend, why don't we do the DOD authorization bill?

Mr. REID. The answer is pretty simple there too: We have spent the last many weeks working through procedural matters on bills the Republicans have held up.

We are now in a cloture situation. I spoke to Senator LEVIN last night about that. He is the chairman of that committee. I have spoken to JOHN MCCAIN several times on this matter. I know how important they feel this legislation is, and I think it is important also. But we can only do what we have to do.

One of the things I have an obligation for our country to get to is cybersecurity. I was asked to visit with General Petraeus. I did that a day or two ago. And we don't have to have a briefing by General Petraeus to understand how important it is to do something about cybersecurity. There are people out there making threats on this country every day, and we have been fortunate in being able to stop a number of them. So we are going to have to get to cybersecurity before we get to the Defense authorization bill because on the relative merits of the two, cybersecurity is more important. They are both important, but I believe that one is more important than the other.

Mr. MCCONNELL. Madam President, it is pretty obvious that the reason the Senate is so inactive is because the majority leader doesn't want to take up any serious bills that are important to the future of the country. He mentioned cybersecurity. Why isn't it on the floor? Defense authorization: Why isn't it on the floor? Appropriations bills: Why don't we call them up? These are not partisan bills. They are widely supported. They are the basic work of government, including the budget. And I understand his view is that the Parliamentarian is wrong and that we really did pass a budget. But the budget could be done with a simple majority. The appropriations bills are not partisan in nature. If there are differences in the 302(b)s, they could be worked out in conference, which is the way we did it for years.

We have followed the regular order occasionally, and when we have Senators have been involved, they were relevant in the process. I will give five

examples. The Export-Import Bank reauthorization, trade adjustment assistance patent reform, FAA reauthorization, the highway bill, and the farm bill are all examples of when Senators were made relevant by the fact that we took up bills that actually came out of committees, that were worked on by Members of both parties, that were brought up on the floor, amendments were offered, and in the end bills passed.

The core problem here is that my good friend the majority leader as a practical matter is running the whole Senate because everything is centralized in his office, which diminishes the opportunity for Senators of both parties to represent their constituents.

Look, we all were sent here by different Americans who expected us to have a voice, to have an opportunity to effect legislation.

I would say to my good friend the majority leader, we don't have a rules problem, we have an attitude problem. When is the Senate going to get back to normal?

I can recall my friends on the other side saying repeatedly that the difference between the House and Senate is you get to vote; it is not a top-down organization the way the House is, it is really kind of a level playing field in which the majority leader has a little more advantage than any of the rest of us and the right of first recognition, but really, once a bill is called up, it is a jump ball.

What my friend the majority leader is saying is that it is inconvenient, it is hard to work with all these Senators who have different points of view and want to do different things. Well, heck, that is the way legislation is passed. It is not supposed to be easy, and Senators are supposed to have an opportunity to participate.

I would argue that in the examples I just cited where Senators did participate—both in the committee and on the floor—the Senate functioned the way it used to. And all this talk about rules change is just an effort to try to find somebody else to blame for the fact that the Senate has been ruled essentially dysfunctional by 62 efforts by my good friend the majority leader to fill up the tree—in effect, deny Senators, both Democrats and Republicans, the opportunity to offer any amendments he doesn't select. That is the reason we are having this problem. So it doesn't require a rules change, it requires an attitude change. And I sense on both sides of the aisle—this is not just a Republican complaint, I would say to my friend the majority leader. I have talked to a lot of Democrats about this too. They would like to be relevant again, and the way Senators are relevant is for their committee work to be respected and to be important and to become a part of the bill coming out of committee or, if it didn't, an opportunity to offer an amendment to effect it on the floor.

Sure, we don't have rules of germaneness. We generally are able to work

that out. When we were in the majority, we got nongermane amendments from the Democratic side, and I used to tell my Members that the price of being in the majority is you have to cast votes you don't want to cast because that is the way you get a bill across the floor and get it to completion.

So I would say to my good friend the majority leader, quit blaming everybody else. It is not the House; it is not the Senate; it is not the motion to proceed. Why don't we operate the way we used to under leaders of both parties and understand that amendments we don't like are just part of the process because everybody here doesn't agree on everything? That would be my thought about how to move the Senate forward.

But at the beginning of this discussion, the majority leader made it clear that what he said at the beginning of the Congress is no longer operative. It is now his view that the Senate ought to operate like the House—it ought to operate like the House, with a simple majority. I think that is a mistake. I think that would be a mistake if I were the majority leader and he were the minority leader, which could be the case by the end of the year. And now I will probably have to argue to many of my Members why we shouldn't do what the majority leader was just recommending about 6 months before.

Let's assume we have a new President and I am the majority leader next time and we are operating at 51. I wonder how comforting that is to my friends on the other side. How does it make you feel about the security of ObamaCare, for example? I think that is worth thinking about.

The Senate has functioned for quite a number of decades without a simple majority threshold for everything we do. It has a good effect because it brings people together. To do anything in the Senate, you have to have some bipartisan buy-in.

My colleagues, do we really want the Senate to become the House? Is that really in the best interests of our country? Do we want a simple majority of 51 to ramrod the minority on every issue? I think it is worth thinking about over the next few months as the American people decide who is going to be in the majority in the Senate and who is going to be the President of the United States.

Mr. REID. Madam President, the Republican leader has asked a few questions, so I will proceed to answer.

I can remember reading with great interest George Orwell's "1984" book where, as you know, it came out that up was down and down was up. The Republican leader is living in a fantasy world if he believes what he said, and I assume he does. That is why two scholars, Mann and Ornstein, a couple months ago wrote a book. They have been watching Washington for three or four decades, and they said they have over the years been like a lot of people

who are writers—Democrats did this, Republicans did this—but their conclusion was that what has happened in recent years is the Republicans have stopped this body from working by all of their shenanigans on these motions to proceed, creating 60 votes where it never existed before.

Robert Caro, who is writing the definitive work on Lyndon Johnson, one of my predecessors, said that I had a very difficult job based on how the Senate has changed with what the Republicans are doing.

Now, we have tried mightily. We have gotten a few things done. Whenever there is a decision made that they want to help a bill get passed, we get it done—for example, the highway bill. That bill took so long to get done. We had one major piece of legislation that we waited 4 weeks before they could get it out of their system that instead of doing highways, we should be doing birth control, determining what birth control women should be entitled to. All of these extraneous issues—important legislation held up. One of the Republicans over here decides they are a better Secretary of State than Hillary Clinton, holding up major pieces of legislation.

So I can take the criticism the Republican leader has issued. I assume it is constructive criticism, and I accept that. But I would just suggest to my friend that if a Democratic Senator—as the Presiding Officer knows—has a problem about anything going on around here, they talk to me. I don't think there is any reason for them to talk to the Republican leader. But if they do that, more power to them.

There have been volumes of pieces of legislation that have been brought to a standstill here. Why do we now have a rule that every basic piece of legislation has 60 votes?

I had a meeting with Senator FEINSTEIN, Senator TESTER, and Senator LAUTENBERG. In the course of the conversation, Senator FEINSTEIN looked back and said: You know, I had really a controversial amendment dealing with what should happen to assault weapons. That passed on a simple majority vote. No one suggested filibustering that thing to death. That is new. That is new—legislation being used as an excuse to stop things.

Now, I want the record to be very clear—and I have made it all very clear in all of my public statements—about the need to get rid of the motion to proceed. I am not for getting rid of the filibuster rule. It is “1984” to suggest that I think the House and the Senate should be the same. But I do believe that when the filibuster came into being, it was to help get legislation passed. I repeat: It is now to stop legislation from passing. That is not appropriate.

So I am convinced that the best thing to do with filibusters is to have filibusters. I have been involved in a couple of them, and I am sure I irritated people on both of them, but I did

that. One of them didn't last too long, but the first one lasted 11 or 12 hours. That is what filibusters are supposed to be, not throwing monkey wrenches into decisions we are trying to make and then walking off the floor.

The rules have to be changed. I acknowledge that, and I don't apologize for it for 1 second.

As far as how I attempt to run the Senate, I do the best I can under very difficult circumstances, as indicated by the two writers Mann and Ornstein.

Mr. MCCONNELL. Madam President, most people think a filibuster is a lot of talking to stop the bill from passing. In fact, cloture is to end debate. And what we have had here on at least 62 occasions while the majority leader was running the Senate are examples of times when Senators were not allowed to talk, not allowed to offer amendments, and not allowed to participate in the process. Cloture is frequently used in order to advance a measure, but, as you can imagine, when Senators have no opportunity to have any input, it tends to create the opposite reaction.

But what is all of this really about? It is about making an excuse for a completely unproductive Senate, much of which could have been done with simple 51 votes, passing a budget, and not even bringing up bills that we all want to act on—all the appropriations bills, the Defense authorization bill. And on the rare occasions when the majority leader has turned to a measure that Senators have been involved in developing, we have come to the floor, we have had amendments, we have had votes, and the bills have passed. That is the way the Senate used to operate.

So this isn't a rules problem, this is a making-excuse argument to try to blame somebody else for the lack of productivity of a Senate that I sense on a bipartisan basis would like to be a lot more productive, which would involve the use of Senators' talents, speaking ability, voting, and debating on the floor of the Senate.

Since when did that go out of fashion?

Yes, we have a big difference of opinion about the way this place is being run. It is not a rules problem; it is an attitude problem. It is a looking for somebody else to blame game.

I say to my friend the majority leader, I think what we need to do is get busy with the serious business confronting the American people. Where is the Defense authorization bill? Where are the appropriations bills? Don't blame it on the House. Don't blame it on Senate Republicans. We want to go to these bills. Our Members have been involved in developing this legislation. In the Armed Services Committee, in the Appropriations subcommittees, Senate Republicans are involved in developing that legislation. We would like to see it brought up on the floor, debated, and considered.

What is more important than funding the government? What is more impor-

tant than the Defense authorization bill? Why isn't it on the floor? That is my question to the majority leader.

We can have the rules debate later, and apparently we will, but why aren't we doing anything now is my question for my friend the majority leader.

Mr. REID. Madam President, I think this best can be answered in my not responding directly but quoting. This is from an op-ed that appeared around the country by Thomas E. Mann and Norman J. Ornstein. “Let's just say it,” is the headline, “The Republicans are the problem.”

I am quoting:

Rep. Allen West, a Florida Republican, was recently captured on video asserting that there are “'78 to 81” Democrats in Congress who are members of the Communist Party. Of course, it's not unusual for some renegade lawmaker from either side of the aisle to say something outrageous. What made West's comment—right out of the McCarthyite playbook of the 1950s—so striking was the almost complete lack of condemnation from Republican congressional leaders or other major party figures, including the remaining presidential candidates.

It's not that the GOP leadership agrees with West; it is that such extreme remarks and views are now taken for granted.

Understand, Ornstein works for the American Enterprise Institute, a conservative think tank. They go on to say:

The GOP has become an insurgent outlier in American politics. It is ideologically extreme; scornful of compromise; unmoved by conventional understanding of facts, evidence and science; and dismissive of the legitimacy of its political opposition.

I am a legislator. I have been doing it for 30 years here and for quite a few years in Nevada prior to getting here. I have enjoyed being a legislator. These last few years, because of what we hear from Ornstein and Mann, has made it very unpleasant. For the Republican leader, with a straight face, to come and say: Why aren't we doing the Defense authorization bill? Why aren't we doing appropriations bills, everyone knows why we are not doing them. They have not let us get to virtually anything. To be dismissive of me because I say the Republican leadership in the House has been dismissive of the law we have guiding this country, I think says it all. I recognize we are a bicameral legislature. We have our own things to do. But we have to take this as a whole and look at the record—major pieces of legislation we cannot get to.

For example, we cannot get to something dealing with outsourcing of jobs. We are here filibustering a motion to proceed to that—a motion to proceed to it, not the substance of the legislation, a motion to proceed to it.

The record speaks for itself. The record speaks for itself:

We have been studying Washington politics and Congress for more than 40 years, and never have we seen them this dysfunctional. In our past writings, we have criticized both parties when we believed it was warranted. Today, however, we have no choice but to acknowledge that the core of the problem lies with the Republican Party.

The GOP—

The Grand Old Party, the Republican Party—

has become an insurgent outlier in American politics. It is ideologically extreme; scornful of compromise; unmoved by conventional understanding of facts, evidence and science; and dismissive of the legitimacy of its political opposition.

Mr. McCONNELL. The reason I am having a hard time restraining my laughter, I actually know Norm Ornstein and Tom Mann. They are ultra ultraliberals. Norm Ornstein is the house liberal over at the American Enterprise Institute. Their problem with the Senate is the Democrats don't have 60 votes anymore. Their problem is the Republicans control the House. Their views about dysfunctionality of the Senate carry no weight, certainly with me. I know they have an ideological agenda, always have, and usually admit it—although it is cloaked in this particular instance.

But I think the best way to wrap it up is nobody else is keeping the majority leader from calling up the appropriations bills, from calling up the Defense authorization bill, from calling up a budget. That is his responsibility. He has a unique role in this institution. He has the opportunity to set the agenda, and just because all 100 Senators do not immediately fall into line—and it may be a little bit difficult to go forward—is no excuse for not doing the important and basic work the American people sent us to do. It is time to bring up serious legislation that affects the future of the country that the American people expect us to act on and not expect 100 Senators to all agree on every piece of legislation from the outset.

Passing bills is inevitably difficult but not impossible. That has been demonstrated on at least five occasions when the majority leader allowed the committees to function, allowed the Senate floor to function, allowed Members to have amendments, and we got a result.

Mr. REID. Madam President, in one committee, the Energy and Water Committee led by Senator BINGAMAN—that committee alone has had hundreds of pieces of legislation held up. It can't get out of the committee. I am sorry it is an unusual thing to have Ornstein and Mann referred to as liberals, but whatever they are, working for the conservative American Enterprise Institute, one of them at least—it is very clear they view this body as being in deep trouble because of the Republicans being dysfunctional themselves.

I think it is very clear we have a situation—I understand there is a Presidential election going on. I clearly understand that. I know there are efforts to protect their nominee. We do what we can to protect the President of the United States. But that should not prevent us from legislating.

For my friend, who has been on the Appropriations Committee as long as I have, to talk about why aren't we

doing appropriations bills—it is obvious. We have 12 or 13 appropriations bills. We have simply not been able to get to the appropriations bills—

Mr. McCONNELL. Have you tried calling up any of them?

Mr. REID. Mr. President, I don't think it calls for my being interrupted. I have listened patiently to all his name calling and I do not intend to do that. But I do say this. I have tried to call up lots of things—lots of things, by consent or by filing motions, and virtually everything has been held up. The bills he is talking about, to stand here and boast about passing five pieces of legislation in an entire Congress is not anything any of us should be happy about. We should not be happy about that at all. We should be passing scores of pieces of legislation, as we did in the last Congress.

But, no, the decision was made at the beginning of this Congress—it may not be a direct quote but substantively accurate—my friend the Republican leader said his No. 1 goal is to stop Obama from being reelected, and that is what this legislation we have tried to get forward has had, the barrel we tried to get around continually. We are going to go ahead. We will have cloture tomorrow on another one of our scores of times we have tried to break cloture this Congress and move on to something else. We have had 13 cloture votes on motions to proceed in the second session of the Congress alone—13. Others just went away because we run out of time to do those kinds of things.

As indicated by the Republican leader, we passed five things. That is about one-third of the motions I have had to file to invoke cloture on motions to proceed, not on basic legislation.

Mr. McCONNELL. Just one final point on that. The reason it has been difficult to get on bills is we cannot have an agreement with the majority leader to let us have amendments once we do get on the bill. So the reaction on this side is, if the majority leader is not going to let us have amendments, if the only result of invoking cloture on a motion to proceed is that he fills the tree and doesn't allow us to offer any amendments, why would we want to do that? All this is much more easily avoided than you think.

The majority leader is basically trying to convince the American people it is somebody else's fault that the Senate is not doing the basic work of government. Regardless of the blame game, the results are apparent: no budget, no appropriations bills, no Defense authorization. We are not doing the basic work of government and that ought to stop. It is within the purview of the majority leader to determine what bill we try to turn to, and just because it may be occasionally difficult to get to a bill, particularly when the majority leader will not say we can have amendments, is no good excuse for not trying. We spend days sitting around when we could be processing amendments and working on bills. All

we would need is an indication from the majority leader that these bills are going to be open for amendment. We tried that a few times and it worked quite well. It is amazing how the Senate can function when Members are allowed to participate, offer amendments, get votes, and move forward. I recommend we try that more often.

Mr. REID. Madam President, we are where we are. I think it is very clear from outside sources—take, for example, I repeat what Caro said, writing the definitive work of Lyndon Johnson, about the difficult job I have had because of the way the Senate has changed because of what has taken place in the last couple years. We have had bills we have been able to work things out with, with Republicans. That is pleasant, and I am glad we have been able to do that. Most of the time we cannot do that. We have, for example, one Republican Senator, when we are in tense negotiations with Pakistan on a lot of very sensitive issues, who wants to do something that is outside the scope of rational thinking, which holds up legislation. We have had—we have tried very hard all different ways to move legislation in this body. For the first time in the history of the country, the No. 1 issue in the Senate of the United States has been a procedural matter: How do we get on a bill? A motion to proceed to something—that has taken over the Senate and it needs to go away. We should not have to do that anymore.

Mr. McCONNELL. Madam President, the final thing I would say is just last week the chairman of the Appropriations Committee, Senator INOUE, said his committee has been working hard to have the bills ready to go. To date, the panel has cleared 9 of 12 annual bills. Senator INOUE is quoted, on July 10, just last week, "After putting us all to work like this I expect some of these bills to pass."

I recommend that my good friend the majority leader heed the advice of the chairman of the Appropriations Committee of his party, let's pass some appropriations bills.

Mr. REID. I do not have a better friend in this body than the chairman of the Appropriations Committee. I have been one of his big fans. He has been one of my big fans. He, of course, is a national hero, a Medal of Honor winner, and great chairman of the Appropriations Committee. We work hand in glove. Everything I have said about the appropriations process will be underscored, will be and has been, by Senator INOUE. He supports what we are unable to do. He realizes that. He realizes his counterpart in the House has fumbled with the numbers and it makes it extremely difficult to get things done. We understand that.

But the main problem is we cannot get legislation on the floor because the No. 1 issue we have talked about in the Senate this entire Congress is how to get on a bill, and that is why the motion to proceed must go away.

Mr. McCONNELL. A good example of the problem is the bill we are on right now. The Stabenow bill bypassed the committee entirely. It was introduced a week ago and placed on the calendar. This is not the way legislation is normally done. It is crafted in somebody's office. Rule XIV is brought up by the majority leader. I expect it has something to do with the campaign. We spent a week on it when we could have done the DOD authorization bill. Chairman INOUE says: Where are the appropriations bills?

That is my point.

What are we doing here? Is the Senate a messaging machine or are we doing the basic work of government? We are not doing the basic work of government, but we can change. There are a vast majority of Senators of both parties who would like to become relevant, who would like to participate in the legislative process, and who would like to do the basic work of governing.

Mr. REID. Madam President, one of the most important issues facing America today is jobs being shipped overseas. Whether it is Olympic uniforms being made in China when they could be made by Hickey Freeman in New York and made here in America, outsourcing is an important piece of America that we now have to deal with. And, of course, we have the additional problem that Governor Romney has made a fortune shipping jobs overseas.

The American people care about this issue. We can sit here and point fingers and say: Boy, that is terrible. We are now going to have to deal with outsourcing. We should deal with outsourcing. We should have done it before, but we have had a problem getting legislation on the Senate floor. So I don't apologize to anyone for having the debate on outsourcing. Senator STABENOW has done a wonderful job on that. We couldn't have a better Senator to deal with outsourcing than her. Because of what we did in the stimulus bill, the American Recovery Act directed jobs back to Michigan, Detroit, and other places. With what we did with batteries, billions of dollars were saved. Instead of importing batteries, we are making most of them in America.

Governor Romney wanted to just let General Motors and Chrysler go bankrupt. We didn't do that, and as a result, that created almost 200,000 jobs in the automobile industry alone. Outsourcing is important, and it is a debate we are going to have.

Let me remind the Republican leader it wasn't Democrats who threatened to shut down government last year and took most all the time we had. First, it was the debt ceiling, and then after we got through the debt ceiling, then they weren't going to allow us to do anything for getting funding to take us through the end of the fiscal year.

It was the Republican Party last year that threatened to default the debt we have as a country. Now they are hold-

ing up tax cuts for 98 percent of the American people in an effort to satisfy this mysterious man I have never met, but he must be a dandy. He has gotten every Republican, with rare exception, to sign a pledge that they are not going to deal with the 98 percent because they have to protect the 2 percent.

We are here dealing with outsourcing because that is what we should be doing.

#### RESERVATION OF LEADERSHIP TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved. Under the previous order, the following hour will be equally divided and controlled between the two leaders or their designees, with the majority controlling the first half and the Republicans controlling the final half.

#### WIND PRODUCTION TAX CREDIT

Mr. UDALL of Colorado. Madam President, I am here on the Senate floor urging my colleagues in both parties to extend the production tax credit for wind as soon as possible. I listened with great interest to the discussion the majority leader and the Republican leader just had, and as the majority leader just said, to focus—as it should be—on jobs and the economy. This is a way in which we can enhance job creation and make sure our economy continues to grow; that is, by extending the production tax credit.

This tax credit is also critical to the maintenance of our economic leadership when it comes to clean energy technologies. Every day I have come to the floor of the Senate to talk about a different State and the efforts that are underway in those States. I look forward to talking about the Presiding Officer's State at some point in the future. Today I want to talk about the Buckeye State, Ohio.

Many families and businesses in Colorado and across our country are still struggling in this economic downturn even though we have seen some signs of improvement. This is especially true in Ohio. Over the last couple of decades, Ohio has been plagued by outsourcing and layoffs, which is one of the things we want to prevent by way of Senator STABENOW's bill. Those layoffs and outsourcing have cost Ohioans thousands of jobs. It looked as though we literally devastated the manufacturing base of one of the world's best manufacturing bases in the State of Ohio. But in recent years the wind industry has helped turn that around.

We can see on the map of Ohio that these green circles show all of the activity tied to the wind industry in Ohio. That renewal, if you will, is tied to Ohio's long history as a manufacturing powerhouse. There are dozens of manufacturing facilities that have retooled to build wind turbines across Ohio, while in the process employing thousands of hard-working middle-class Americans. We can see that those manufacturing skills easily transfer to the wind industry. PTC has been key to this and has created those incentives

that allowed the manufacturing history of Ohio to take center stage.

I wanted to specifically talk about what is happening in Ohio. When we think about the wind industry, it is not just the building of the towers, the blades, and the cells, but there are maintenance needs. They have support sectors and a supply chain that results in the manufacturing of some 8,000 parts.

In Ohio, 6,000 jobs are tied to the wind energy industry, and that is 50 different companies that have created those jobs. Here is an area that is of real interest as well: \$2.5 million in property tax payments result to local governments. That is money that helps fund schools, roads, and other basic services.

It is important to focus too on the people to whom we are alluding. I want to focus on one of the 6,000 employed Ohioans who has been a beneficiary of the tangible effect of wind PTC, and that is Jeff Grabner. He is a wind product sales manager for Cardinal Fasteners in Cleveland, OH. He was originally born in Ohio, but he left Ohio. He returned to Ohio when the wind industry started looking for talented people in the State, and he has been working now for almost 6 years in the wind industry.

Cardinal's Cleveland facility employs almost 55 people. It has been in operation for 30 years. Cardinal used to supply the construction industry, but the demand fell off in recent years. Now this growth in the wind industry presented them with an entirely new market. The factory is retooled and now supplies fasteners, which is the superglue that holds a wind turbine together. In fact, thousands of fasteners were used in every wind turbine to keep them standing and operating securely.

I don't think I have to say that Jeff loves his job at Cardinal, and because of it he is able to provide for his own growing family. In fact, he and his wife are about to celebrate their 1-year wedding anniversary this week. All of that could change if we don't extend the wind production tax credit.

Orders for wind turbines are down 98 percent from last year in large part because of the uncertainty tied to the market. Without new orders, Cardinal and other manufacturers like it may be forced to shut down and let people like Jeff go.

That is why I am back on the Senate floor today urging my colleagues to pass the wind production tax credit now. The PTC equals jobs. We should pass it and extend it as soon as possible. It is a commonsense bipartisan measure. It has strong support across our country. Not only has it shown that we can turn around manufacturing in States like Ohio, but it has shown us that we can outcompete China and other countries. If we want to continue to lead and then win the global economic race—and, specifically, the clean energy race—it is now

time for us to listen to the people of Ohio and Utah and South Carolina and New York.

This shouldn't be a partisan issue. This is an issue on which Americans expect us to work together. We must pass an extension of the production tax credit as soon as possible.

As I close, I want everybody to know I will be back on the Senate floor tomorrow to talk about wind production in another State, and I will keep pushing for this commonsense policy. Let's pass this as soon as possible.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Delaware.

Mr. COONS. Madam President, I appreciate the opportunity to speak today. I am following the Senator from the State of Colorado. My topic is also about manufacturing jobs in the United States. I thank the Senator from Colorado for coming to the Senate floor every day and reminding us of the importance of the consequences of the choices we make, whether it is the tax policy choice of failing to extend the production tax credit and the consequences for high-quality manufacturing jobs in the wind industry or the consequences for manufacturing all across our country, including the great State of New York, the State of Colorado, or the State of Delaware.

What we are on the Senate floor talking about is the Bring Jobs Home Act, which is just one of the many important ways we can and should be fighting for high-quality manufacturing jobs in our home States and across our country.

It was a very dark day when the Chrysler plant in Newark, DE, where I am from, shut its doors. It was built in the early 1950s first as a tank plant and then converted to an auto plant. This was a manufacturing facility that had sustained whole communities over several generations with high-quality, highly-skilled, and highly paid manufacturing jobs. In December of 2008, they closed their doors for the very last time, and that plant has now been torn down to the ground. It is an empty hole in the heart of the city of Newark.

We thought it couldn't have gotten any worse than the day that those thousands of workers filed out of the plant for the very last time, but it did just a few short months later when the General Motors plant—a few miles away in Boxwood—shuttered its doors.

In just a year Delaware went from having two high-performing, high-quality auto plants to none. We lost nearly 3,000 middle-class manufacturing jobs, and this was followed by a whole constellation of other plant closings from Avon, which lost hundreds of jobs to dozens of smaller manufacturers that had supported these auto plants for decades.

I know 3,000 jobs may not sound like a lot in the wreckage of the recession of 2008 to this whole country, but for Delawareans, for our small State, and for all the families who were supported for so long, it was huge.

I have an idea that I talk about all the time at home in Delaware; that is, we need to get back to "Made in America" and "Manufactured in Delaware." That means something to us. Back in 1985 when I was just finishing school, transportation equipment manufacturing—which is the fancy way of saying making cars and all the stuff that goes in them—employed 10,000 people in Delaware. Today it is well below one-tenth of that.

Made in America and manufactured in Delaware has to mean something for our families, for our communities, and for our future. Delaware was once a great and strong manufacturing State, as America was once the greatest manufacturing Nation on Earth. Some believe those days are behind us, but I do not.

I know my colleague, Senator DEBBIE STABENOW from Michigan, the lead sponsor of the bill we are debating, the Bringing Jobs Home Act, also does not believe our future as a world-class, world-leading manufacturer is behind us. I know the people of Michigan, the people of New York, and the people of Delaware do not.

I had the great opportunity this morning to visit with two leaders of Delaware-based manufacturers whom I just wanted to lift up for a moment as we talk about the Bring Jobs Home Act. Marty Miller, the CEO of Miller Metal in Bridgeville, DE, has had a little heralded program known as the manufacturing extension partnership that helps small manufacturers streamline their production processes, reduce waste and inefficiency, do their ordering and throughput far more effectively, and compete head-to-head around the world successfully. This manufacturing extension partnership has allowed Marty's company to grow by 25 jobs in just the last year and to compete head to head with Chinese metal fabricating plants in the global market, and win.

ILC Dover has been known to Delawareans for its storied history in our space program. They made all the spacesuits for NASA. But they have also made blimps that have hovered over Iraq and Afghanistan and protected our troops with downward-looking radar and real-time information, and they make the escape hoods and the masks that actually are positioned around the periphery of this Chamber and throughout this building and at the Pentagon. They have made remarkable high quality soft goods for decades and they too have a promising future and the opportunity to grow even in this recovery because they too are focused on things made in America and manufactured in Delaware.

These two companies, these two men, the organizations they lead, are, in my view, just an introduction to what can and should be a renaissance, a recovery, of manufacturing in the United States. We still produce more in dollar value in manufacturing than any country on Earth, but there has been a

downward slope in the number of jobs and in the sense of energy and investment and focus in our policy and in our priorities in manufacturing for years.

I think we can become a great manufacturing Nation again and our middle class can be stronger than ever, but we have to make smarter choices. We have to make smarter choices in our Tax Code. We have to look at our Tax Code with an eye toward fairness and investment for the future and not just short-term profitability. We need common sense and we need, in my view, to support companies that are creating jobs here, and we need to cut our support for companies that instead want to create jobs in China, in India, in Vietnam, in Thailand, by exporting jobs from the United States.

As our economy pulls back out of what has been a devastating recession, I can think of no more galling idea than this country incentivizing American companies to ship some of our best jobs overseas. Yet, as the Presiding Officer knows, our current Tax Code allows businesses to deduct the cost of moving expenses, including permits and license fees, lease brokerage fees, equipment installation costs, and certain other expenses. A company can take this deduction if they are moving from Bridgeville, DE, to Birmingham, AL, but it also turns out they can take it if they are moving to Bridgeville from Bangalore or Beijing. Can any of us think of a worse way to spend tax dollars? This is a loophole so big we could drive a car through it, right out of the shuttered manufacturing plants of Delaware.

Fixing the injustice of our Tax Code is the first half of the Bring Jobs Home Act. We say: We are not going to pay anymore for companies that send U.S. jobs overseas. We have better ways to invest our tax dollars in rebuilding the base of manufacturing and the high-quality, high-paying jobs that come from them.

The second thing this bill does is instead of incentivizing the outsourcing of American jobs, we incentivize insourcing. We say: Bring these jobs home. The Bring Jobs Home Act says a company can keep the deduction to help pay moving costs if they are moving from one facility in the United States to another. That is fine. They can still use the moving cost deduction if they are moving from a facility abroad back to the United States. That is better. But this bill takes a further step. We say: If companies bring jobs home to the United States, we will give them an additional 20-percent tax credit on the costs associated with moving that production back to the United States.

The message of this bill is straightforward: If you are an American company and you have manufacturing jobs or service jobs that could be done by Americans, we want you to bring those jobs home, and we are going to help you do it.

For my small State, I want to keep saying every chance I get that what we

want is made in America and manufactured in Delaware. Lord knows we have the workforce. There is an army of talented Delawareans, of Americans, ready to go. Ford knows it; Caterpillar knows it; GE knows it. As we have heard from Senator STABENOW, that is why they have brought jobs home. They are opening new plants in the United States and putting Americans back to work.

There is a company in Newark, DE, called FMC BioPolymer. They make specialty chemicals. They have run a factory in Newark, DE, for 50 years—in fact, exactly 50 years this year. They make a type of cellulose we find in everyday products such as foods, pharmaceuticals, cosmetics, and cleaning products. They had outsourced some of their manufacturing to China to save costs. But as we can imagine, when a company is working with these sorts of advanced products that go into consumer products, safety is key. So for performance and engineering and intellectual property and safety reasons, they brought some of their most critical jobs home. They employ more than 100 people and contribute more than \$20 million to our local economy every year, and it is an important part of our economy. So to FMC BioPolymer, I say thank you for bringing jobs home and strengthening made in America, manufactured in Delaware.

If big companies and small companies are figuring this out, when will the Federal Government, when will this Congress figure it out as well?

The best thing we can do for our economy—for millions of talented Americans looking for work, from our returning veterans to those who have searched so hard for work for the last 2 or 3 years, is to invest in them. We can pass the Bring Jobs Home Act as a smart choice to invest in American workers and their communities, to invest in their education, in their schools and in their teachers, to invest in our infrastructure and our roads and our power grid, to make smarter choices as a country and a Congress. There is no better investment I can think of than to make this phrase real, to return to Made in America and manufactured in the States of every one of the Senators of this great body.

This is common sense. But, alas, in the Senate, common sense these days rarely seems to win the day. I hope those watching and I hope those whom we represent take this seriously and recognize that the most important question before us is what are we going to do to take the fight in the global economy, on behalf of our families, on behalf of our communities, on behalf of our manufacturers, and change things in our Tax Code, in our trade policy, in our intellectual property policy, to make it possible to not just invent things here and make them elsewhere but to invent them here and make them here.

I hope this body will proceed to vote in favor of the Bring Jobs Home Act so

that for every one of our home States we can make this phrase true—that we want things made in America and manufactured in our home States.

I thank the Chair.

#### ORDER OF PROCEDURE

Madam President, before I yield the floor, I ask unanimous consent that the remainder of the majority's time be reserved for use following the Republicans' 30 minutes of controlled time.

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

The Senator from Missouri.

Mr. BLUNT. Madam President, I ask unanimous consent to enter into a colloquy with some of my colleagues on the minority side for 30 minutes.

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

Mr. BLUNT. I will yield to Mr. WICKER who I believe has a unanimous consent request as well.

The ACTING PRESIDENT pro tempore. The Senator from Mississippi.

Mr. WICKER. I thank my friend.

Mr. BLUNT. Madam President, we have heard our colleagues talking about jobs. Clearly, that needs to be the No. 1 priority in the country today, and it needs to be domestic jobs.

The private sector is not doing just fine. The answer to the problems we face is not more government jobs, it is more private sector jobs, and the numbers aren't good anywhere we look, any way we look. In fact, if we look at the last 3 months in the country, more people signed up for disability than new jobs were created. More people signed up for disability than new jobs were created. More people decided they were going to opt out of the workforce because of disability reasons than people who got jobs.

We are here talking about things that have minimal impact on the economy when we could be talking about things that have lots of impact on the economy: good energy policy, good tax policy, good regulatory policy. As long as this uncertainty continues or as long as there is substantial certainty that all of those things are going to begin to work against job creators, people aren't going to create jobs.

This week we voted twice on something called the DISCLOSE Act that had absolutely no chance of becoming law this year and everybody on this floor knew it. What we ought to be disclosing is what our budget would look like. The Senate hasn't had a budget in 3 years and the law already requires that. The law already requires a significant disclosure on the part of the Senate, and that is disclosing how we are going to spend the money. The Senate of the United States, for the first time in the history of the Budget Control Act, 3 years ago—the second time 2 years ago and the third time this year—has decided we are not going to obey the law. One of the leaders was asked: Why aren't you having a budg-

et? He said: Well, we would be politically foolish to say what we are for.

What kind of responsible position is that?

The other way we could disclose things is we could have the appropriations bills on the floor. The House has a budget. The House has passed half of the appropriations bills already. We haven't had a single bill on the floor, and the majority leader announced last week that we wouldn't have an appropriations bill on the floor before the election. Why is it we don't want to say before the election what we are for? Why is it we don't want to say before the election how we are going to spend the people's money? Why is it we don't want to say before the election what the budget would be? Even before the last election, the Senate wouldn't say what the budget would be, so we don't have one.

When we don't have a plan, we plan to fail. Clearly, the economy is doing exactly that. Statistic after statistic is not what the American people would want them to be. Housing prices are down. Unemployment is up. The labor group of people who want to be in the economy is at a 30-year low. If we had the same number of people looking for jobs who were looking for jobs and had jobs in January of 2009, the unemployment rate would be over 11 percent. The only reason the unemployment is 8.2 percent is because so many people have given up on the economy. Nobody thinks we have fewer working-aged people than we had when Ronald Reagan was President, but the labor force we are counting is smaller than at any time since Ronald Reagan was President.

There must be some big problem or people would be out looking for jobs. People would be out finding jobs. People would want to be part of an economy that they see as faltering. We are talking about little things instead of big things while the big things that affect America are dramatically affecting American families and American job creators.

The President is telling small businesses that if their business was successful, it wasn't because of them; it was because of all kinds of other factors that they happened to take advantage of. No small businessperson in America believes that. Nobody who ever opened the door to a business on the first day and put their phone number in the phone book the first day and said, "Call me; I can provide these services for you," thinks they weren't successful because of their work.

I wish to turn to my friend, the Senator from Mississippi, Mr. WICKER, to speak on these issues as well. There are so many things we could be talking about today, but clearly jobs and the economy are critical to American families.

Mr. WICKER. Absolutely. I thank my friend for leading us in this colloquy. We ought to be talking about jobs and the economy. We ought to be bringing

legislation to the floor and giving our side an opportunity to offer suggestions and hearing if the majority party in this Senate has something to offer other than the 3½ years of failed policies.

Their intentions are absolutely honorable. Everyone wants to create jobs. Everyone wants the unemployment rate to go down. But I think any fair observer would have to conclude that after 3½ years, the policies of the majority party in this body, the policies of the Obama administration, have been an utter failure—forty consecutive months of unemployment over 8 percent. The latest numbers were 8.2 percent. The last time we had a comparable sustained period of joblessness was World War II. It is absolutely unbelievable that the policies of our Democratic friends have been so unsuccessful and such a failure.

To put that in context, in September of 2008, we had a severe crisis because of the subprime loans, because of the excesses of Fannie Mae and Freddie Mac, which a lot of us who have been in the Congress for some time have tried to rein in. Because of that subprime crisis, unemployment went through the roof, the economy crashed.

The other crisis we had earlier than that, of course, was September 11, 2001, when the terrorists attacked the very heartland and soul of the United States of America—the Twin Towers, the Pentagon. In 2001 we had a spike in unemployment and our economy went in the tank.

Between that time, though, I think Americans should realize we did not have exactly everything we wanted in terms of job growth, but unemployment between 2002 and the middle of 2007 actually averaged between 4.5 percent unemployment and 6 percent unemployment. We were not happy with that then, but wouldn't we love to have that level of unemployment now rather than the 8.2 percent and the over 8 percent we have sustained for 40 straight months.

As a matter of fact, Americans need to remember this does not have to be the case, the 8.2 percent. As late as October 2007, the unemployment rate in this country was 4.4 percent. We can do that again, but we will not do it again with the failed policies the President and his party have been imposing on our country during their entire stewardship.

The Senator from Missouri mentioned it has been 8 percent or higher, and the effective rate is 11 percent if everybody who had left the job force came back trying to get a job. Actually, the unemployment rate in the African-American community is 15 percent—an astounding and shameful figure.

The Obama stimulus program failed. It cost us over \$800 billion, and we are going to have to pay that back somehow, but it failed. The unemployment rate for 40 straight months remains above 8 percent. Dodd-Frank failed.

The Affordable Care Act not only has made health care less affordable and less available, but it has failed to stimulate any jobs.

Then yesterday, as a member of the Banking Committee, I heard testimony, and this country heard testimony, from the Chairman of the Federal Reserve. Basically, he said he has lowered the economic expectations. He and the rest of the Federal Reserve now say the economy is going to get worse than they expected in January of this year, and the unemployment rate will be above 7 percent in his estimation, even at the end of calendar year 2014. That would be 6 straight years, under these current policies—unless we change our approach to job creation—that would be 6 straight years of unemployment higher than it ever was during the first 7 years even of the Bush administration.

We have some ideas about how to turn that around: an American-made energy policy; ending this regime of overregulation, which is just such a wet blanket on job creation; and ending the situation we have now of the tax burden on job creators. The tax burden on American risk takers is now higher than on any of our allies in the industrialized world. We hit job creators and risk takers and the people we want to help us with this 8.2-percent unemployment rate. We hit them harder than they do in any other country in the industrialized world.

So we have some ideas. We would like an honest-to-goodness jobs bill, and we would like the majority leader to give us a vote on some amendments. Do not just call up a bill, fill up the tree, offer every amendment you could possibly offer on the Democratic side, file cloture, and call that a filibuster. We need to go back to regular order in this Senate and let's offer some ideas. Let's have a debate again on this Senate floor about some ideas we have about job creation.

So I am glad to join my colleagues. I see my friend from Georgia in the Chamber, and I know he has been very thoughtful about this issue.

Mr. ISAKSON. Madam President, I thank the distinguished Senator from Mississippi.

I rise to talk about something I know something about, which sometimes in the Senate we do not do very often. I ran a small business for 22 years. I worked in a small business for 33 years. Quite frankly, I think I understand small business as well as anyone who has done it.

I was astounded, disappointed, and perplexed with the President's statement last week that small business did not owe its success to itself, but it owed it to government, because it is the other way around. We would not exist as a Senate were it not for the taxpayers of the United States of America. They send us our cashflow, they send us the money we invest to build the roads and bridges and highways. So it is an affront to those who

have risked capital, as Senator WICKER said, those who have taken chances, and those who have succeeded and those who have failed to build small businesses, to employ the American people, to make this great engine of America work.

But I want to just go down a litany for a second of what small business does to make us exist as a Congress and as a government. Every January 15, April 15, June 15, and September 15 businesses pay their quarterly estimate on their taxes. So do independent contractors. Employees pay it every month in withholdings. The cashflow of the United States is not owed to the government; it is owed to the American people by the contributions they make.

Social Security. Every beneficiary of Social Security for their entire life paid 6.2 percent of their income, and their employer matched it with another 6.2 percent, up to \$102,500 in income.

Medicare. With no cap whatsoever, 1.35 percent of your income from day one to the day you die goes to the Medicare trust fund.

Talking about medicine for a second, many small businesses—19 percent of American jobs are in health care now. They now have device taxes. If a small business is building an implant for dental work or something for some kind of a heart treatment or something like that, they have an extra tax because of the affordable health care bill. For those who pay dividends or pay out investment income to their investors, they have a new surtax to help pay for the Affordable Care Act. Then we have our ordinary income tax that we all pay on April 15. For our highways, when we fill up our tanks with gas, we pay the motor fuel tax to build our highways. And for our airports, we pay the passenger facility charge that goes to the government to reinvest in our infrastructure.

So it sounds to me as if it is us who owe small business, not small business that owes us. I think if we began acting like people who understood from whence comes our strength, America would begin to come back.

As Senator WICKER said about Mr. Bernanke yesterday, his downward forecast is because business is not deploying capital. People are not making investments. As one who did that, there is one simple reason. We are a nation of uncertainty. Nobody knows what the boundaries are going to be or what the policy is going to be on January 1.

Let me close with one example. On January 1, the estate tax goes back from a \$5 million unified credit and exemption and 35-percent rate to a \$1 million unified credit and a 55-percent rate. Do you know what that is going to do? That is going to close thousands of small businesses eventually around America because when a small business is owned by a family—a family farm in Mississippi or Georgia—when the

owner of that farm dies, and they go to pass their assets on to their heirs, after that \$1 million deduction, they owe a 55-percent tax on the rest. Most of their value is in real estate and land, which is depressed. They are forced to liquidate land at suppressed prices to pay an income tax within 9 months of death. That is wrong and that should not happen. But if—as Senator MURRAY said yesterday or the day before—we allow every tax treatment we have today to go back to the 2001 rates, small businesses in America will be hit again with a tax that will force them to close or to liquidate.

It is time we understood from whence we get our strength. It is the American taxpayers. As we consider them and their investment in small business, we will make better decisions, we will act faster, and America will be better, and America will be stronger.

I see the Senator from Utah is on the Senate floor. I would like to turn to him.

Mr. LEE. I thank the Senator very much.

Madam President, on Monday we heard from Democrats who insist that Congress must now raise taxes on the American people. In fact, they are so committed to this task that they are willing to take the country off the fiscal cliff in order to get their way. This is unfortunate. It is unnecessary, and it is a course of action we cannot pursue.

Mind you, they are not trying to pursue comprehensive tax reform. No. They are not trying to fix this Byzantine-era Tax Code which occupies tens of thousands of pages. What they are doing instead is just to raise taxes right now so they can get their way right now, so they can cover the shortfall that exists right now because of a chronic failure by Congress over time to set and stick to spending priorities.

Well, the vast majority of Republicans are committed not to raise taxes—not on anyone. There are some very good reasons for it.

First, the Federal Government has proven its inadequacy in this area. Congress has proven time and time again that the money it takes from the American people, from hard-working taxpayers, is not always spent carefully. In fact, it has been spending more than it takes in for so long people almost cannot remember a time when Congress routinely balanced its budget. This is a problem, and it is a problem that should not be fixed by taxing the same people who are already paying this bill even more. This is not the fault of the American people, and the job of fixing it lies right here in Congress—not with the American people.

Second, from the CBO to the IMF to the Federal Reserve to Ernst & Young, experts around the world are warning of the dire economic consequences that await us if we raise taxes. We cannot allow it to happen. We have had over \$4 trillion added to the national debt during this President's administration. At

the same time, we have had unemployment exceeding 8 percent for the last 41 consecutive months. Nearly 13 million Americans are currently out of work, and millions more are underemployed and looking for more work. We cannot allow this to continue.

I would add here that there is a certain irony in the President's proposal to increase taxes on some Americans while leaving the necessary tax relief in place for others. While purporting to help hard-working Americans, this approach would actually have the opposite effect, hurting most—many of those Americans who can least afford the hit right now.

A new study from Ernst & Young reveals that this tax hike—the tax hike that hits some Americans but not others—would kill 710,000 jobs. These are people who cannot afford to lose their jobs. These are people who are living paycheck to paycheck. These are not CEOs. These are not the top 1 percent. These are hard-working Americans who cannot afford to lose a job. We cannot let a tax hike bring about that kind of terrible consequence.

Democrats will assure you that their tax hikes are all about reducing the deficit. That is curious because their proposal would leave 94 percent of this year's deficit intact, which makes it an inherently unserious proposal insofar as it relates to deficit reduction.

Further, the President's own 10-year budget, which includes massive tax increases, by the way, still adds \$11 trillion to the national debt.

I really do appreciate the fact that the President is finally talking about these issues—issues that have long gone unaddressed and need to be addressed—but he cannot look the American people in the eyes and tell them he is doing something about the debt when his own budget, while raising taxes, nearly doubles our already sprawling national debt over the next 10 years.

Republicans have proposals. We have proposals to reform the Tax Code, reduce the deficit, and to do so in ways that will grow the economy, not cause it to contract. I have an amendment I hope will get considered in the next week or two that would permanently keep tax rates at their current levels so American families and businesses can know what to expect. It would also eliminate the death tax, and it would stop the expansion of the alternative minimum tax, which is quickly becoming the middle-income penalty tax.

These measures and others would go a long way—a long way—toward improving our economy and getting the American people back to work again. If my friends on the other side of the aisle disagree, as is their right to do, then let's come together and work to find some common ground. These election-year antics and distractions are not what the American people sent us here to do, and the longer we wait before enacting real reform, the worse the problem is going to get.

I would now like to turn the time over to my friend, the junior Senator from Missouri, who has fought long and hard on these issues, who will wrap this up for us.

Mr. BLUNT. I thank the Senator.

Madam President, how much time do we have?

The ACTING PRESIDENT pro tempore. There is 8 minutes 43 seconds remaining.

Mr. BLUNT. How much?

The ACTING PRESIDENT pro tempore. There is 8 minutes 40 seconds remaining.

Mr. BLUNT. Well, I am pleased to have the time on the floor today to talk about these issues: the attack on small business, and the idea that the private sector is doing fine, that we just need more government jobs. I just do not find anybody in America who believes that is the reality of the world we live in today.

The reluctance of the Senate to take votes—Mr. WICKER, who has served in the House of Representatives with Mr. ISAKSON and I, said we should have amendments; we should take votes; we should say what we are for; and we should not wait until after the election to say what we are for.

The reports that are out are consistent with the President's view in 2010 when he said we should not do anything to change tax policy because the economy was struggling. By any measure of the economy, it is struggling more now than it was in 2010. Growth in the economy is about half what it was when the President said: With this kind of economy, we should not raise taxes. So he agreed to extend the current tax policies for 2 more years.

But the minute we did that, we made exactly the same mistake we had made the previous 2 years: We created a big question mark out there for the American people as to what tax policies were going to be.

We already have the tax increases with the President's health care plan.

It raises the top rate to about 43 percent. The top rate goes up automatically with the President's health care plan to about 43 percent. If we go back to the old 39 rate, then we add the President's taxes in, we put an extraordinary tax on working families who, for whatever reason, decide they are not going to participate in the insurance system. The mandate—the tax on that would fall heavily—50 percent of all of that tax comes from families of four who make less than \$72,000. Between \$24,000 and \$72,000 for families of four—we decided we are going to penalize them with a tax if you voted for the President's health care plan.

What are we thinking here? Why are we ignoring all of the warnings? Last month the Congressional Budget Office, the nonpartisan Congressional Budget Office, gave a rare warning that if we let the defense sequestration go into effect and return to the tax policies of 2000, we will be in a recession, that we will see a 4-percent decline in

growth in an economy, as I said earlier, that has more people signing up for disability than new jobs being created—already the case, and we want to take another 4 percent out of that economy?

The Ernst & Young report my friend from Utah mentioned said that if we drive over this fiscal cliff one of the Senate majority leaders said this week at the Brookings Institute that the majority is prepared to drive over, that we would lose 700,000 jobs, we would shrink the economy by 1.3 percent, we would reduce investment by 2½ percent, and we would cut wages by 2 percent, and this is in a country in which middle-class incomes have already dropped by \$4,350 since the President took office. Why would we be looking for another time to cut wages? Why would we think this is a better time to slow the economy than the end of 2010?

Chairman Bernanke from the Federal Reserve was here yesterday and said that we are being held back because there is so much uncertainty. We are being held back because people are not making the investments, they are not taking the risks Senator WICKER talked about.

I would like to go back to Senator LEE and talk a little more about his ideas on taxes.

Whenever you do not reward risk, people do not take risk. If they do not take risk, they do not create opportunity for others. If we look at putting this tax on small businesses, if we are putting this tax on people who otherwise might take a chance with some of their investments, we are just not going to have the risk-reward system work the way it needs to work. If you don't want people to take risks, don't reward risk.

Government has traditionally taxed the things it wanted to discourage and subsidized the things it wanted to encourage. We appear to be subsidizing a lot of things, such as Solyndra, that don't work and taxing a lot of things that might work by constantly talking about not only today's taxes but the likelihood that if the current majority has its way and the President has his way, the current tax policies will dramatically go up. In fact, they are guaranteed to go up from the current rate even if we stayed at the current rate because of all of the health care taxes.

We would also say we want to go back to a death tax that goes back almost to a \$1 million exemption. If you are a small business or a family farm—many family farms, if you just calculate the value of your farm equipment, you are suddenly at the edge of that number that sounds so big until you realize you would have to sell the farm to pay the taxes. If you have the business that you are trying to pass along, maybe to the very people who stood by your side, your children and grandchildren, who helped you grow that business—it is almost impossible to evaluate who created that growth. But when you pass away, as the person who started the business, suddenly this

big tax obligation falls to your family. Senator LEE's proposal to eliminate the death tax would address that.

The proposal that we are for on this side to continue current tax policies as we look toward an effort to have tax policies that make more sense—we have the highest corporate rate in the world. We are seeing American companies say: Well, we think we are going to incorporate in Great Britain. We are going to move our company, our headquarters, who we are, to Great Britain because they have better tax policies.

Who would have ever thought Great Britain would have better tax policies than the United States of America, but it does today, as does every other European country. We have managed to get at the top of the list.

In return for those lower tax rates and a system that works internationally, let's eliminate a lot of the complexity of this Tax Code. We are for that. But let's not increase taxes while we are having that debate. Let's commit ourselves to that debate and not increase taxes, not move forward with all of the new health care taxes and the taxes that—apparently the majority says: Well, we are prepared to raise taxes on the middle class because then they will put so much pressure on Republicans in the Senate that we will have to eliminate some of the current tax policies that impact small businesses and other individuals.

Does the Senator want to talk a little bit more about it? I think we have now a couple more minutes to think about how these tax policies really hold back opportunity for other people. If you don't reward risk, people don't take risks. If they do not take risks, they do not create opportunity and we do not have the jobs out there in the private sector that are clearly the key.

Mr. LEE. That is right. I think that is the point that often goes missing in this debate, which is that when people talk about wanting to raise taxes on one group of Americans and not increasing them on another, that causes problems. And we are concerned about job creation. We are not concerned about any one particular group, we are concerned about Americans as a whole—most importantly, about those who are most vulnerable, those who can least afford to lose their jobs.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. LEE. I see our time has expired.

Mr. BLUNT. I thank the Chair.

I thank my colleagues for joining me.

The ACTING PRESIDENT pro tempore. The Senator from Illinois.

Mr. DURBIN. Madam President, I ask unanimous consent to speak as in morning business.

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

FINANCIAL DISCLOSURE TO REDUCE TAX HAVEN ABUSE ACT OF 2012

Mr. DURBIN. Madam President, there is an old adage that sunlight is the best disinfectant. The reason it is

an old adage is it is true. That is why I introduced the Financial Disclosure to Reduce Tax Haven Abuse Act of 2012. I introduced this months ago. It would require candidates for Federal office and certain Federal employees to disclose any financial interests they or their spouses have in an offshore tax haven. If the bill becomes law, individuals who file financial disclosure reports would be required to list the identity, category of value, and location of any financial interest in a jurisdiction considered to be a tax haven by the Secretary of the Treasury. The Secretary would be required to provide a list of those countries to filers and to consider for its inclusion on the list any jurisdiction that has been publicly identified by the Internal Revenue Service as a secrecy jurisdiction.

The American people might be surprised to know that we do not already ask whether candidates and Members of Congress are sheltering their money offshore to avoid paying taxes in America. That is because under current law those individuals—that would be candidates and Members of Congress—are not required to account for where their financial interests are held. Candidates for Federal office, including President, do not have to explicitly disclose their holdings in tax havens. The bill, which I introduced months ago with Senator FRANKEN, would change that.

Today it seems that we have a tax system with two sets of rules: one for those who are very wealthy and one for the rest of the people in America. The wealthiest Americans are able to take advantage of certain breaks, loopholes, to pay lower tax rates than working families. We should not have a political system where a candidate can claim to champion working people while that same person is secretly betting against America through tax avoidance and tax haven abuse.

Without this bill, the American people will not know whether a candidate has taken advantage of foreign tax havens to avoid paying his or her fair share. Offshore tax havens and other similar loopholes cost taxpayers in America \$100 billion a year which otherwise would be paid by these Americans who are using these offshore tax havens.

Senator CARL LEVIN of Michigan may be joining me shortly. I hope he can. He has held an extensive set of investigative hearings in the Permanent Committee on Investigations on this particular issue. No one has explored it more than Senator LEVIN of Michigan. I am hoping he can join me and share his findings.

The money that is invested in these offshore tax havens is money that could be invested in America. It could be invested in America's schools, America's roads, America's Medical research, America's jobs, and it could be paying down America's deficit. Instead, that money is headed to Swiss bank accounts and holding companies in Bermuda and the Cayman Islands.

Senator LEVIN and Senator CONRAD, who will be joining me, have both done extraordinary work to shine light on these practices and what they mean to the American economy. Those two Senators, LEVIN and CONRAD, successfully included a provision in the Senate Transportation bill that will give the Treasury Department greater tools to crack down on offshore tax haven abuse. Unfortunately, that provision was not included in the conference report, and so we have to continue to fight to put an end to offshore tax haven abuse.

The American people are rightly concerned that wealthy and well-connected Americans are skirting our laws to avoid paying their taxes. They deserve to know that the people who hope to represent them in Washington are not cheating the system.

Nothing in my bill impinges on any individual's right to hold financial interests anywhere in the world. If there is a legitimate reason for a candidate or a Member of Congress or any other individual who files a financial disclosure to hold their money, let's say, in an account in the Cayman Islands, they should not have any problem explaining that to the voters. But any individual who has or wants to have the public trust should be honest about the practices they have engaged in that, in fact, cost American taxpayers, whom they may wish to represent, literally billions of dollars every single year.

This is an important step we must take to restore the public trust. I would hope that this issue, like the one we just finished debating in the previous several days, is one most Americans will understand. It is one that should be bipartisan.

I happen to have had the good fortune of coming into politics being schooled by two people who were my mentors and inspired me, Senator Paul Douglas of Illinois and Senator Paul Simon, both of whom enjoyed positive reputations after the end of their public career for being honest people. One of the things Senator Douglas started doing—and Senator Simon followed—was to make public disclosure of income and net worth. They did it long before it was the law and always did it to a greater degree and greater detail than was required by law.

I have followed that practice, and sometimes it has been hard. I can remember coming out of law school and going to work for then-Lieutenant Governor Paul Simon in Springfield, IL. There I was, deep in student loan debt with a beat-up old car, a wife and two babies, filing an income and net worth disclosure. My first filing, because of my student loan debt, showed me with a negative net worth. I took a little bit of ribbing as a result of that. But I continued to do it every single year I served on a public staff and every year I was a candidate or elected to office.

So there is a rich trove for anyone who is summarily bothered and wants

to spend some time, if they would like to read what happens to a public official over the span of a lifetime, when they are in this business, in terms of their own personal wealth. There have been moments when the detail I have provided in these disclosures has been an invitation to the press; it makes their life easier to take a look at things that I and my family do. I can recall when, regarding my daughter Jennifer, I got a question from a reporter about what was her financial interest in Taco Bell. It turned out her financial interest was as a person working at the Springfield Taco Bell making tacos. That was it. But because we go into detail, those things are open for investigation and provide some clarity about my financial circumstance.

Paul Simon used to always say: When my career comes to an end, I want people to look at my record and say I never understood why he voted this way or that way, but he said I never want them to question my honesty in making a political decision. That has been my goal as well.

What I am suggesting is to expand the disclosure of Members of Congress and candidates for Federal office, such as President of the United States, to include foreign tax havens. I think it is an important element that people who are running for office and serving in office stand and basically explain why they felt it was a better idea to put money, for instance, in a Swiss bank account.

I have made a point of asking people—Members of Congress and business leaders—why would anybody have a Swiss bank account? I asked Warren Buffet, who is one of the wealthiest men in America. I said: You have been a successful businessman for decades. Why would you have a Swiss bank account? He said: I don't know. I have never had one. We have good banks in America, so why would I go there?

There are two reasons: One is to conceal their wealth and how they are changing, moving the money around; and second, if they happen to believe the Swiss franc is a stronger currency, a better bet than the U.S. dollar. That is it. There are no other reasons for an American to have a Swiss bank account. Yet people do. I think they should disclose it, and then they should stand ready to explain which of those two explanations stands behind their decision.

Senator CARL LEVIN has come to the floor. At this point, I will yield to him because he has done extensive investigation on the Senate Permanent Subcommittee on Investigations about these foreign tax havens. He and Senator CONRAD have probably told us more about dollars lost and tax collected and what is happening in some of these tax havens and shelters around the world. I yield to Senator LEVIN.

The ACTING PRESIDENT pro tempore. The Senator from Michigan is recognized.

Mr. LEVIN. Madam President, I thank the Senator from Illinois for his leadership in dealing with the offshore tax haven problem.

This is not a new issue. It is not a new issue for me. In fact, my Permanent Subcommittee on Investigations has been exploring the damage the secrecy of offshore tax havens has caused for the nearly two decades we have been looking at this issue trying to change the situation that exists, and it is not a new issue for Senator DURBIN. He has been on this issue a long time. Indeed, when President Obama was a Senator, he joined in an effort to bring tax haven abuses to light.

Then-Senator Obama, in 2007, was an original cosponsor of the Stop Tax Haven Abuse Act, which I introduced with our Republican colleague Senator Coleman, and he said the following:

There is no such thing as a free lunch—someone always has to pay. And when a crooked business or a shameless individual does not pay its fair share, the burden gets shifted to others, usually to ordinary taxpayers and working Americans without access to sophisticated tax preparers or corporate loopholes.

It was a bipartisan bill aimed at preventing the loss to taxpayers that results from tax-avoidance schemes that use secret tax haven jurisdictions, such as the Cayman Islands.

Those words I quoted remain just as true today as they were in 2007. There is indeed no free lunch. In 2006, our Permanent Subcommittee on Investigations estimated that tax havens cost the Treasury in the neighborhood of \$100 billion a year, and though we have had some successes in the battle against tax havens since then, tax dodgers and avoiders have continued to exploit every offshore loophole and tax haven they can find.

This has significant consequences to the rest of us. Offshore tax evasion and avoidance takes money out of the hands of our military, takes money out of programs that millions of Americans rely on for good schools, roads, health care, protecting the environment or securing our borders. When money is lost to these tax havens that belongs in our Treasury, it adds to our deficits and debt. Ultimately, the rest of us are forced to pay more on our tax bills to make up for those who shirk their tax-paying responsibilities.

As I said, we spent years in my subcommittee exploring this problem. In 2001, we heard testimony from the former Cayman Islands banker who said 100 percent of his clients were avoiding or evading taxes. In 2006, we reported on some brothers from Texas, who, over the course of 13 years, stashed more than \$700 million in offshore tax havens in a massive tax evasion scheme.

When a company incorporates in the Cayman Islands or another tax haven, with a mail drop as their only physical presence in that country, they most likely have one purpose: avoiding taxes. In 2006, we explored the history

of the Uglad House, a small building in the Caymans that, remarkably, is listed as the headquarters for nearly 20,000 different corporations. In 2005, we showed how a Seattle securities firm called Quellos devised a scheme of faked stock trades between two offshore companies, creating phantom stock losses used to avoid taxes on billions of dollars in income. In 2001 and 2002, we explored how Enron used offshore tax havens—dozens of them—as part of its deceptive schemes.

Just yesterday, in our subcommittee hearing on a global bank called HSBC and money laundering, we saw how the secrecy of tax havens, such as the Caymans, so often used to conceal income, can also be used by criminal enterprises to conceal and launder the proceeds of their crimes. HSBC's Mexican affiliate had an office in the Caymans with thousands of U.S. dollar accounts. The bank had no client information on 41 percent of those accounts, and internal documents, our investigation discovered, showed the bank was aware the accounts were being used by drug cartels and were subject to "massive misuse . . . by organized crime."

These tax havens have been a pervasive problem for our Treasury and for our economy and for our security.

We can stop them. When it comes to tax avoidance, our Federal fiscal situation demands we stop them. In the past, addressing offshore tax evasion was not a partisan issue. In 2004, Congress stopped companies from taking advantage of what was called inverting. When a company inverts, it will shift its headquarters, on paper, to a low-tax or no-tax country. It is just on paper, though. It was decided we were not going to allow that game to be played by American companies, and we stopped that practice. Since then, every year I have worked with Senator DURBIN and colleagues of both parties to ensure that these inverted companies are prohibited from receiving government contracts. If these tax dodgers cannot see fit to pay their taxes, we shouldn't be giving them our tax dollars.

Much more needs to be done. We could pass the Stop Tax Haven Abuse Act, which I have introduced again in this Congress, to address some of the worst offshore tax abuses and end the use of these tax havens that cost American taxpayers. We could pass the CUT Loopholes Act, which Senator CONRAD and I introduced earlier this year, which includes a number of provisions aimed at stopping offshore tax evasion and closing loopholes that allow companies to dodge their taxes.

The Senate, earlier this year, passed one important provision of the CUT Loopholes Act. This provision is known as the special measures provision. This would have given the Justice Department the same tools to combat tax haven abuses they now have to combat money laundering. Unfortunately, the House of Representatives succeeded in stripping this commonsense provision

from the surface transportation bill to which it was attached in the Senate. That vote by the House allows the wealthy and powerful to continue dodging the taxes they owe, increasing the tax burden on American families who abide by the law and by their tax obligations.

The bill Senator DURBIN offered is another way we can combat tax havens, and I thank him for this effort. Simply put, his legislation would bring much needed daylight to the use of offshore tax havens. It would require that officeholders and candidates for public office disclose their financial interests located in tax haven countries. Perhaps there are some who believe individuals and corporations should be allowed to continue concealing their income and their assets overseas, adding to the deficit and forcing the rest of us to carry their own share of the burden and that of tax dodgers as well. But surely we can all agree the American people deserve to know when their public officials are using offshore tax havens. Senator DURBIN's bill would ensure that Americans know when their elected representatives and candidates for office are taking advantage of the offshore tax havens.

This is not about a political campaign; this is about years of effort to make visible those who shortchange their fellow citizens by concealing their finances abroad and to argue for reforms that make our tax system more fair for the vast majority of hard-working Americans who pay what they owe.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

(The remarks of Mrs. MURRAY are printed in today's RECORD under "Morning Business.")

The ACTING PRESIDENT pro tempore. The Senator from South Carolina.

Mr. DEMINT. Madam President, I wish to thank the chairman for her hard work, as well as the staff of the committee, and Representative JEFF MILLER and others who have worked on this bill. I am very supportive of the underlying bill, and I appreciate Senator MURRAY's willingness to consider the modification to make sure the veterans who deserve these benefits get them and they are not taken advantage of by the fraud of others who don't deserve them.

I think the modification the Senator and I have talked about will solve that problem, and hopefully we can get this bill agreed to this afternoon.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Washington.

Mrs. MURRAY. Madam President, I wish to thank the Senator, and I suggest the absence of a quorum.

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

The assistant legislative clerk proceeded to call the roll.

Mr. KOHL. 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. KOHL. Madam President, I am here today to talk about the state of manufacturing in this country, how we can do better, and how we can create more jobs here at home.

The Bring Jobs Home Act is a good bill that will help keep jobs in this country, and help businesses bring more jobs back here at home. It would be especially good for manufacturing—and manufacturing, as we all know, is a critical part of our economy.

A healthy manufacturing sector is key to better jobs, rising productivity, and higher standards of living. Every individual and industry depends on manufactured goods, and the production of these goods creates the quality jobs that keep so many Americans families healthy and strong. That is why we need continued investment in the Manufacturing Extension Partnership, or MEP, as it is called.

Created in 1994, MEP is not just a Federal Government-funded program. MEP is unique in that it is funded almost equally between the States, fees paid by companies that use MEP, as well as the Federal Government. Each year, a bipartisan effort led by Senator SNOWE, Senator LIEBERMAN, and myself has worked to secure funding for this important program.

MEP is the only public-private program dedicated to providing technical support and services to small and medium-sized manufacturers, helping them provide quality jobs for American working people. MEP is a nationwide network of proven resources that helps manufacturers compete nationally as well as globally. Simply put, MEP helps manufacturers grow sales, increase profits, and hire more workers.

Throughout our country, day in and day out, MEP is working with small and medium-sized manufacturers to keep jobs here, and also helping existing businesses bring their outsourced jobs back to the United States. Let me say that again, because it bears repeating. Each day, MEP is working with manufacturers to keep jobs here, and bring their outsourced jobs back to the United States.

Our small and medium-sized manufacturers face different challenges than larger companies, especially in this tough economy. The improvements that come to a business from working with an MEP center can make the difference between profitability or shutting their doors.

You would be hard pressed to find another program that has produced the results MEP has. In fiscal year 2010—the most recent data available—MEP clients across the United States reported over 60,000 new or retained workers, sales of \$8.2 billion, cost savings of \$1.3 billion, and plant and equipment investments of \$1.9 billion.

And in a sign of how strong manufacturing is in Wisconsin, the Wisconsin MEP is opening up a third office in my

State, this time in Milwaukee. The Milwaukee region—which ranks No. 2 among the Nation's top 50 metropolitan areas for manufacturing employment—is seeing high growth in the food processing, equipment manufacturing, and industrial controls fields. These businesses want to create jobs and grow here in the United States, and they are turning to MEP, a public-private partnership, to help them compete in the global economy. Since 1996, Wisconsin MEP has helped over 1,300 Wisconsin manufacturers make nearly \$400 million in improvements in technology, productivity, and profits, helping to generate \$2 billion in economic impact, and creating or saving over 14,000 manufacturing jobs.

Many people seem to think the decline of American manufacturing is inevitable. These critics point to high wages and claim that those make us uncompetitive worldwide. I do not agree. Look at Germany and Japan, two countries with high-wage structures, and yet both have a larger manufacturing sector as a portion of their economy than we do. So higher wages are not why we trail Germany and Japan in manufacturing. We have failed to invest in manufacturing and employee training sufficiently to keep up with global competition—and that is the problem.

We do have the tools and the programs available to help grow our economy and bring jobs back to the United States. Workers in Wisconsin and across the country stand ready to get back to work. Programs such as MEP help companies do the right thing for both their country as well as their bottom line—because betting on the American worker is still the best investment in the world.

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 assistant legislative clerk proceeded to call the roll.

Mr. McCAIN. 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.

#### DEFENDING HUMA ABEDIN

Mr. McCAIN. Madam President, rarely do I come to the floor of this body to discuss particular individuals. But I understand how painful and injurious it is when a person's character, reputation, and patriotism are attacked without concern for fact or fairness. It is for that reason that I come to the floor today to speak regarding the attacks recently on a fine and decent American, Huma Abedin.

Over the past decade, I have had the pleasure of knowing her during her long and dedicated service to Hillary Rodham Clinton, both in the Senate and now in the Department of State. I know Huma to be an intelligent, upstanding, hard-working, and loyal servant of our country and our govern-

ment, who has devoted countless days of her life to advancing the ideals of the Nation she loves and looking after its most precious interests. That she has done so well maintaining her characteristic decency, warmth, and good humor is a testament to her ability to bear even the most arduous duties with poise and confidence.

Put simply, Huma Abedin represents what is best about America: the daughter of immigrants, who has risen to the highest levels of our government on the basis of her substantial personal merit and her abiding commitment to the American ideals she embodies. I am proud to know her, and I am proud—even maybe with some presumption—to call her my friend.

Recently, it has been alleged that Huma Abedin, a Muslim American, is part of a nefarious conspiracy to harm the United States by unduly influencing U.S. foreign policy at the Department of State in favor of the Muslim Brotherhood and other Islamist causes. On June 13, five Members of Congress wrote to the Deputy Inspector General of the Department of State demanding that he begin an investigation into the possibility that Huma Abedin, and other American officials, are using their influence to promote the cause of Muslim Brotherhood within the U.S. government. The information offered to support these serious allegations is based on a report, "The Muslim Brotherhood in America," which is produced by the Center for Security Policy. I wish to point out, I have worked with the Center for Security Policy. The head of it is a longtime friend of mine. Still, this report is scurrilous.

To say that the accusations made in both documents are not substantiated by the evidence they offer is to be overly polite and diplomatic about it. It is far better and more accurate to talk straight. These allegations about Huma Abedin and the report from which they are drawn are nothing less than an unwarranted and unfounded attack on an honorable citizen, a dedicated American, and a loyal public servant.

The letter alleges that three members of Huma's family are "connected to Muslim Brotherhood operatives and/or organizations." Never mind that one of these individuals—Huma's father—passed away two decades ago. The letter and the report offer not one instance of an action, a decision, or a public position that Huma has taken while at the State Department or as a member of then-Senator Clinton's staff that would lend credence to the charge that she is promoting anti-American activities within our government. Nor does either document offer any evidence of a direct impact that Huma may have had on one of the U.S. policies with which the authors of the letter and the producers of the report find fault. These sinister accusations rest solely on a few unspecified and unsubstantiated associations of members of

Huma's family—none of which have been shown to harm or threaten the United States in any way. These attacks have no logic, no basis, and no merit, and they need to stop. They need to stop now.

Ultimately, what is at stake in this matter is larger even than the reputation of one person. This is about who we are as a Nation and who we aspire to be. What makes America exceptional among the countries of the world is that we are bound together as citizens, not by blood or class, not by sector or ethnicity, but by a set of enduring universal and equal rights that are the foundations of our Constitution, our laws, our citizenry, and our identity. When anyone—not least a Member of Congress—launches specious and degrading attacks against fellow Americans on the basis of nothing more than fear of who they are and ignorance of what they stand for, it defames the spirit of our Nation, and we all grow poorer because of it.

Our reputations and our character are the only things we leave behind when we depart this Earth, and unjust acts that malign the good name of a decent and honorable person are not only wrong, they are contrary to everything we hold dear as Americans.

Some years ago, I had the pleasure, along with my friend, the Senator from South Carolina, LINDSEY GRAHAM, of traveling overseas with our colleague then-Senator Hillary Clinton. By her side, as always, was Huma, and I had the pleasure of seeing firsthand her hard work and dedicated service on behalf of the former Senator from New York, a service that continues to this day at the Department of State and bears with it a significant personal sacrifice for Huma.

I have every confidence in her loyalty to our country, and everyone else should as well. All Americans owe her a debt of gratitude for her many years of superior public service. I hope these ugly and unfortunate attacks on her can immediately be brought to an end and put behind us before any further damage is done to a woman, an American, of genuine patriotism and love of country.

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

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

#### THE ECONOMY

Mr. COATS. Mr. President, I come to the floor today to comment on a couple of things. One is the dialog that took place this morning between the majority leader and the minority leader regarding how the Senate should function. There were two different views on this between the two, and they had quite a back-and-forth exchange. I am

not sure how many people in America were watching that conversation this morning, but I watched in my office while I was trying to catch up on some other work and then found myself pretty engaged in that discussion.

It all stemmed from the fact that the majority leader announced he was not going to bring any of the appropriations bills to the floor for debate, consideration, amendment, or voting. I am a Member of that Appropriations Committee. The initial information passed on to us was that we would return to regular order; that is, the committees forming, through the committee process, how we spend our money, the limitations, where it should be sent.

We have held all the hearings. We bring in all the agencies. Everybody presents their budget, defends their budget. We make decisions, and we come up with legislation—13 separate pieces of legislation—that essentially covers the functions of this Congress and how we are going to pay for it.

So we go through all this work. We work through subcommittee, then we work through the full committee, and then the bills are ready, stacked up, waiting to be brought to the floor to be debated by Members—both Republicans and Democrats, both sides of the aisle—with amendments offered.

The same process happens in the House. We merge the two bills. We bring one product here. We make a final vote on that and send it to the President. He either signs it or rejects it. But that is a necessary procedure that is a written part of the way this Congress is designed to function.

Yet that procedure has essentially been discarded. To then hear that after all that effort by all of us in our respective committees, including the Appropriations Committee but also authorizing committees in terms of how we are going to spend the money and what direction it goes—after all of this effort, we are told: No, none of those bills will be brought to the floor.

Well, that is not the function of the Senate. The response is, well, we will put it all into one big bill at the end—13 bills, called an omnibus bill. Earlier, we had something put together called a minibus—they took three major bills, and put them together—and we were then asked to have either a “yes” or a “no” vote on the whole thing.

You know, there is a reason the public is so frustrated with the Congress. They cannot get clear answers from their respective Members as to whether they are for something or against something because when you combine all of those bills together, of course you are for parts of it and you are against parts of it, but Members are only allowed one vote, yes or no.

When I ran for office in 2010, I pledged to the people of Indiana that if I were elected, I would let my yes be yes and my no be no as it applied to a specific program or a specific spending item so that they could then evaluate their Senator in terms of how he was

representing them. And they could then make a judgment that, I want to support this person or I am opposed to supporting this person because I do not agree with his vote on this or I support him because I do agree with a vote he took. That is the clarity and transparency the American people are asking for. Of course, they are getting exactly the opposite here.

The other problem with not bringing these bills to the floor one by one and having open debate, with the opportunity to offer amendments, to adjust them—you either pass your amendment or you do not pass your amendment, but in the end the whole thing has been vetted, vetted in front of the American to see, for us to understand, and therefore, when we do vote, we know that our yes means yes and our no means no.

So it is a mystery to me why this year and in previous years under the leadership of the majority leader we have not done what the Senate, historically is designed to do and has done and what I think is a duty and a responsibility to the people whom we represent.

Now, in normal times of economic growth, maybe you can get away with something like this. But at a time when lack of action in Congress contributes to an already staggering economy—many analysts say we are heading back into recession—when we look at the situation around the world and see the slowing down of economic activity and the problems in China and Brazil and in India, the major markets, and we see what is happening in Europe, and we read from analysts their evaluation of our current economic situation and this fiscal cliff that we are driving toward by the end of the year unless we address it, how uncertainty over all of that is negatively affecting our economy and affecting those who are in a position to either buy new machinery for their plant, increase employment, do more research, or expand a business. They are frozen in time saying: I cannot make decisions because there is uncertainty about what money will be available, what our budget will be, what our tax rate will be, what our health care obligations will be, what the Federal Government will be doing with this budget and how it affects our business.

So whether it is paving roads or funding hospitals, addressing education issues or any other function that Federal, State, local governments or individuals and businesses get involved in, this cloud of uncertainty that has settled over this country has kept us from putting those policies in place that are going to restore our country to economic growth, that are going to put people back to work and get our country back on track toward fiscal health.

This is an issue that should not be dividing us on a partisan basis. Whether you are listening to a liberal economic commentator or conservative economic analyst, there is a growing consensus

that inactivity, this stalemate that exists is contributing significantly, and the failure to address the fact that we are heading toward this fiscal cliff, with all its ramifications, will have enormous negative consequences if we do not take some action.

So it is not just about the appropriations process, although I think that speaks to the dysfunction of this Senate. It is also about the larger question of some of the major issues that lie before us that the Congress is simply not addressing. We are viewed as a dysfunctional institution, either incapable or unwilling to address the critical issues facing our country—in particular, the dismal state of our economy and the fact that we have now for 41 straight months had unemployment above 8 percent.

This morning more than 12 million Americans woke up without a job and many others woke up with a job much below their abilities, much below what they had hoped to gain in a salary and a pay package that allows them to pay the mortgage, buy the groceries, save for their children's education. So the underemployed combined with the unemployed is a staggering number. That is something I believe we have a moral duty to address.

We may have a disagreement on the policies to address this crisis. I understand that. But when we are not even allowed to come down to this floor and debate those policies and have a package of legislation in front of us that we think will address some of these situations, that is simply taking a pass at a time when our country desperately needs us to be engaged.

If you looked at the Washington Post this morning, you saw the account of Federal Reserve Chairman Ben Bernanke, his testimony before the Senate yesterday, and I want to quote what he said:

The most effective way that the Congress could help support the economy right now would be to work to address the Nation's fiscal challenges in a way that takes into account both the need for long-run sustainability and the fragility of the recovery.

I think if that question was posed to a Member of this body, whether that Member is conservative or liberal, Democratic or Republican, I think most would simply say: I agree with that. I cannot find fault with what he said.

You know, we look to the Fed to solve all of our problems but the Fed has used about every major tool they have—they might have a couple of little ones left. You can only do so much with monetary policy. The problem is fiscal policy, and fiscal policy is the responsibility of the Congress and the executive branch and the President.

Look, it is clear that we are not going to get any leadership from this President, at least until after this election has taken place. He is clearly in campaign mode. He is not doing business out of the White House relative to policy. He even said months and

months ago: Well, we are not really going to do any more this year.

So that has all been put on hold. Well, in normal times, that might be what Presidents ought to be doing. These are not normal times. We are not getting the leadership we need. And everything we tried to do in 2011 was stopped simply because we did not get support from the top.

But let's set that aside right now and acknowledge that what the Federal Reserve Chairman has said will have a major negative impact on this economy if Congress does not step up and take its responsibility and do what we all know we need to do. I repeat again that statement by the Federal Reserve Chairman:

The most effective way that the Congress could help support the economy right now would be to work to address the nation's fiscal challenges in a way that takes into account both the need for long-run sustainability and the fragility of the economy.

Economists from across the political spectrum are sounding the alarm. Analysts report that the threat of the fiscal crisis in Europe is now being displaced by the threat of our country's inaction and refusal to address this fiscal cliff now. The American people and American industry and American businesses need to know what our plan is to stabilize our economy. Yes, it is important what Spain is doing and Italy is doing and Greece is doing and Germany is doing and France is doing to work on the European situation. Those of us who live in glass houses should not be throwing stones. There is a lot of criticism over what they are doing or not doing across the Atlantic. But we ought to be looking at ourselves and saying: How dare we tell them what they need to do—as some have tried to do—when we are not doing anything ourselves to address this.

The failure of Congress to act is having a negative impact, not only in my State but across the country. Household confidence is waning. Retail sales are down, according to the latest report. The manufacturing sector is taking a hit. As I said earlier, there have been 41 consecutive months of unemployment above 8 percent.

So it falls to Congress to act. Unfortunately, now we have been told that even on the regular process of how we act on a year-by-year basis to set the spending standards for the taxpayers' hard-earned money out of this Federal Government, set those standards, we are unwilling to have open debates, we are unwilling—the majority leader will not allow us to have amendments, will not even bring the bill to the floor. All of this legislation is needed to ostensibly run this Federal Government. Yet it is being run in a way that throws everything into the pot. It goes right up to the edge, and we have this drama about whether they will pass it or not pass it. In the meantime, the negative impact that it has on our economy is very troubling and not something we ought to be doing.

So here I am again voicing my frustration over our inability to step up to the responsibility that has been given to us by the American people to come here and do our very best, make our best arguments, put forward our best plan, but come to some conclusion as to where we are going in this country in dealing with this fiscal cliff.

It is not just a fiscal cliff, it is a whole range of issues that have enormous implications for our national defense, for our economy, for our budget, for going forward for our retirees, for those beneficiaries of some of the programs of the Federal Government—major implications—and all of that is left in a cloud of uncertainty.

The interesting thing to me is that whether you are a Democrat or Republican, whether you are President of the United States or a candidate for President of the United States, good policy is what the American people are looking for. Action is what they are looking for, and then putting that forward with some sense of certainty in terms of where we are going. But right now politics seems to be dominating the Presidential race. I do not think there is anything we can do about that, but what we can do here in this body is acknowledge what was acknowledged by a lot of Democrats and a lot of Republicans in 2011 but not accomplished; what we can do is what we have the responsibility to do, and that is to step into the breach and do everything we can to put those policies in place that I think there is substantial agreement on, put those policies in place that will get our economy moving again, and, most important, put some certainty into what the future looks like so that those who go shopping and those who make products and those who are part of our American economy have the certainty of knowing what the future looks like so they can make decisions.

We have a chance, Mr. President—even as recent discoveries can lead us to energy independence, given our established rule of law, given the fact that right now America is the only safe haven—even though it is getting less safe—to invest your money if you are overseas—we have the opportunity, if we step up to our responsibilities, to open a new chapter and put America back in its place as that “shining city on a hill,” that place of freedom and opportunity where you want to put your money and invest, raise your children, an opportunity to be the country the world looks at to take the lead.

We have a golden opportunity now to send that signal. I think the investment markets would respond dramatically, we would start putting people back to work, and get our economy humming again. People would then look at us and say: They are taking this debt and deficit situation seriously. They put a credible long-term plan in place to address it, and we have the confidence to go forward, knowing that America will still be the place to

live, work, raise a family, and invest. We can bring our economy back.

I am trying to end on a positive note simply by saying good policy is good politics. The people are hungry for us to stand up and basically say this is what we believe in, what we stand for. Yes, we had to modify this or that in order to get consent on going forward, but we are going forward. We know what the plan will be, and we can send a signal to the world that Congress has lived up to those responsibilities. You are not going to get it out of the White House—at least until November. This is the body where the responsibility falls. I think we all need to stand up and understand not only our constitutional duties but our moral responsibility to move forward and in the regular order address these issues that are so critical to the future of this Nation.

With that, I yield the floor.

The PRESIDING OFFICER (Mr. UDALL of Colorado). The Senator from Kansas is recognized.

Mr. MORAN. Mr. President, I ask unanimous consent to address the Senate as in morning business.

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

KC-46A TANKER BASING

Mr. MORAN. Mr. President, Kansas has a long and remarkable history of supporting our Nation's aviation industry both commercially and in support of our Nation's men and women in uniform. In Kansas, roughly 40,000 citizens support approximately 270 aviation and aerospace companies and generate nearly \$2.9 billion in exports annually from our State. Many of those workers live in Wichita, which has long been known as the air capital of the world. Not only do these workers contribute to the vitality of our State's economy, but they also strengthen our Nation's economy, and they certainly contribute to our Nation's defense.

At both McConnell Air Force Base and Forbes Field, in Topeka, members of the Active, Reserve, and the National Guard serve our country through a variety of missions. Since 1941, McConnell Air Force Base has been an instrumental part of the Wichita community, and Kansans have a proud history of standing behind the air men and women who have called McConnell home. McConnell Air Force Base employs more than 17,000 people, military and civilian, and last year it had an overall impact of more than \$520 million on our local economy.

I have come to the floor today to outline my support, strong support, for McConnell Air Force Base as the best choice for our Nation's new tanker fleet, the KC-46A. Currently, the Air Force is considering McConnell for the first home—or main operating base 1—for the new tanker, which will be put into service in 2016. McConnell Air Force Base is our Nation's best choice.

McConnell already houses a total of 63 KC-135R tankers—48 assigned and manned, plus an additional 15 for global contingency purposes, making it by

far the largest tanker presence in our country. In fact, McConnell is considered the supertanker base in the Air Force, with twice the number of tankers than any other base.

Looking at the geography of the United States, it is clear McConnell serves our country well in terms of air mobility. Strategically located in the Nation's heartland—equidistant from both coasts—McConnell's location is a great asset.

To this point, the 22nd Air Refueling Wing and the 931st Air Refueling Group at McConnell are frequently called upon for refueling missions, within a 1,000-mile "service radius" of the base, which further highlights the reliability of this location in the Midwest for domestic or overseas missions. One thousand nautical miles is a vast portion of the continental United States and includes hundreds of routes, military operating areas, and airspace reserved for various air missions.

McConnell supports all branches of the military and allied partners, refueling off of either coast and around the world every day. The Air Force has long taken advantage of the expansive airspace available over and around Kansas, so it would be natural for McConnell Air Force Base to continue its important air mobility missions with the KC-46As.

McConnell also has a clear advantage in personnel because it houses both Active and Reserve air men and women in the air mobility mission. The Air Force calls this arrangement a classic association, and McConnell is one of the only few bases in the country that can boast this level of coordination between the Active and Reserve in air mobility missions.

The 22nd and 931st are prime examples of Active and Reserve components working together, sharing capabilities, collocating in various facilities, integrating crews and providing global support to operational needs.

The 22nd and 931st have a tremendous history of conducting air mobility operations not only throughout the United States, but in places in Libya, Serbia, Turkey, Iraq and Afghanistan. Furthermore, the Air Force has indicated their strong preference for this arrangement as they choose the location for the first round of KC-46A tankers.

Another advantage McConnell boasts is a surrounding community that fully supports and embraces the air men and women and their families. Since 1960, an organization of area business leaders and residents called Friends of McConnell has supported the men and women of McConnell Air Force Base through a wide range of programs and special events on and off the base each year.

One of those programs, called the Honorary Commander Program, pairs up more than 30 squadron and group commanders with local civic leaders for 2 years to build meaningful relationships between civilian and military

leadership. When I talk with the air men and women stationed at McConnell, they often tell me how much they have enjoyed the quality of life Wichita offers them and their families.

When it comes to Air Force air mobility missions, there are four components that make a mission successful: airmen, command and control, infrastructure, and equipment. McConnell Air Force Base not only has the extremely capable airmen of the 22nd and 931st, but it also has the proven command and control to handle a myriad of operational needs and a sprawling infrastructure with enormous capacity. In fact, McConnell will soon have the newest runway in the Air Force at a length of 12,000 feet, which more than exceeds the requirements of the first round of tankers.

By locating the new tankers at McConnell, the Air Force would have the strategic flexibility and capacity needed to carry out a variety of missions both at home and abroad. Now is the time for the Air Force to replace the aging KC-135Rs with the "iron" of KC-46As at McConnell Air Force Base.

The Air Force has made clear that the acquisition and recapitalization of the KC-46A is their top priority. Air Force Chief of Staff GEN Norton Schwartz said it best when he stated:

The KC-46A tanker is a critical force multiplier and essential to the way this Nation fights its wars and provides humanitarian support around the globe.

I agree. I recently had the opportunity to speak with Air Force Secretary Michael Donley while at the Farnborough airshow, and I emphasized personally the need to base KC-46A tankers at McConnell Air Force Base in order to meet this need for global mobility.

It is often said in the military that the difference between success and failure is logistics. McConnell Air Force Base offers the instrumental, logistical muscle that is vital to successful, strategic air power. Kansans have a long history of supporting air power and air mobility, and I know McConnell Air Force Base is the best choice for our Nation's new tanker fleet.

I am hopeful that Kansas air men and women will have the opportunity to continue their tradition of service in defending our Nation with this first round of KC-46As.

Mr. President, I yield the floor and 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. SESSIONS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

(The remarks of Mr. SESSIONS pertaining to the introduction of S. 3396 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. SESSIONS. I thank the Chair, I yield the floor, and I suggest the absence of a quorum.

Mr. BLUMENTHAL. 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. BLUMENTHAL. Mr. President, I come to the floor to join the voices of my colleagues in favor of supporting strongly, and I hope persuasively, the Bring Jobs Home Act.

The Bring Jobs Home Act is a measure that contains some provisions that are hardly novel, not complex, and a matter of common sense.

They involve some of the basic ideas we have advanced and advocated in this Chamber for some time. They are measures that are contained in a proposal very eloquently argued for by my colleague, Senator STABENOW, and I thank her for her leadership, as well as for Leader REID's leadership, in bringing this measure to the floor now.

Very simply, the Bring Jobs Home Act will reshore and restore jobs to this country with two simple, straightforward provisions. This measure provides a 20-percent tax credit for the expenses incurred in moving facilities or plants—basically, jobs—back to America. It also does something that is critically vital to this country, which is to close the loopholes that right now reward companies for moving those jobs overseas. Again and again over the past 2 years I have advocated this straightforward, simple step: Close the loopholes that permit companies to deduct expenses when moving those jobs overseas.

The average American—certainly the average person in Connecticut—when told that these loopholes exist, simply is incredulous. They cannot believe the United States of America rewards companies for moving these jobs overseas. Let's close that loophole now. It will produce revenue for the United States. Literally tens of millions of dollars will come back to our country as a result of closing this loophole, and jobs will come back as well. The 20-percent tax credit, although it may not sound like a lot of money to major corporations, could well be the tipping point for executives considering what to do in terms of investing in this country. It is an incentive to invest in the United States instead of moving those jobs abroad. A 20-percent tax credit could be a critical decision point and a turning point in those decisions. The Boston Consulting Group surveyed 37 companies which have \$10 billion or more in revenues and found that 50 percent are at that tipping point.

This measure should not be partisan. It should not be a matter of geography or party as to whether one of our colleagues supports it. There should be a bipartisan coalition behind it. I have found in Connecticut, as I go around the State, regardless of party, people support this idea of bringing jobs home and reshoring and restoring jobs to our State and to our country, particularly manufacturing jobs.

In the city of Waterbury, I visited on Monday a steel plant where there are

3,000 manufacturing jobs—part of the 165,000 manufacturing jobs that we have in Connecticut. Manufacturing is alive and well. Taxpayers should not be subsidizing companies that move those kinds of jobs overseas. In the last 10 years, 2.4 million jobs were shipped overseas—mostly manufacturing—and taxpayers helped to foot the bill for it. In Connecticut, the National Bureau of Economic Research has found more than 250,000 jobs are at risk of being outsourced. People are angry and outraged that they are subsidizing that risk, that outsourcing and offshoring of jobs.

In the steel plant I visited, fortunately those jobs have stayed. But from around the country and in Connecticut, many of them have moved overseas because of the economic incentives we have created and that now we should stop. At a time when job creation is our No. 1 priority, American taxpayers deserve that these loopholes and hidden subsidies be closed and ended forever.

I hope I speak for many of my colleagues in saying shipping jobs overseas with the subsidies and incentives now provided very simply is unacceptable. Let's pass the Bring Jobs Home Act now to close those loopholes and to provide these incentives so that companies such as Otis Elevator, United Technology, DuPont, Ford, Master Lock, GE, Spectrum Plastics in Ansonia, CT, will be encouraged to continue doing the right thing, bringing those jobs back, walking the walk, and walking jobs back to Connecticut and to the United States. I will be voting yes to bring jobs home.

Again, I thank my colleague Senator STABENOW for her invaluable leadership on this issue. I am proud to join her today.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Ms. STABENOW. Mr. President, I first want to thank my friend and colleague from Connecticut for his commitment and compassion and passion on this issue. I appreciate very much his joining with me and others to come together to put forward what I think is a commonsense bill that focuses on closing a major loophole that is requiring basically taxpayers to help foot the bill when jobs are shipped overseas. So I want to thank the Senator from Connecticut for his efforts and commitment. I know he shares my belief that we need to be bringing jobs home, and that is what we intend to do.

I do want to speak today about the legislation that is in front of us. We can come together and agree we don't have to go forward and have this vote to stop a filibuster. If we could agree to bring up the bill and discuss it and pass it, it would be terrific. We know we have a majority to support this bill and be able to pass it, send it to the House, and the President will sign it in 30 seconds, I know, to be able to close this loophole. But we are, unfortunately,

engaged in something right now that we are engaged in all the time now. It used to be a rare occurrence to have an objection that triggers a filibuster. Now it is on every issue. So we find ourselves waiting to be able to vote to see whether we are going to be able to get a supermajority to be able to go to this bill. That is very concerning to me, given the fact that we do have the majority in the Senate that wants to debate and pass this bill and we have the vast majority of Americans. It is not about Democrats or Republicans. We have people all over this country who want to see us move forward on this bill as well as others that will focus on jobs and focus on bringing jobs home. We want to build an economy that lasts. The way we do that I believe is by making things—making things in America.

Two weeks ago, we passed the farm bill on an overwhelmingly bipartisan vote. As chair of the Agriculture Committee, working with my ranking member Senator ROBERTS, we very much appreciated the hard work and support of Members on both sides of the aisle to pass something that is involved in growing things. We don't have a middle class in this country and we don't have an economy unless we make things and grow things. So we showed we could come together around a major piece of legislation that invests in growing things and all of the offshoots of that as it relates to the food economy.

This is an opportunity to say “we get it” when it comes to making things and bringing jobs back from overseas so we can make more things again in America. It is unbelievable to me—and I know it is unbelievable to hard-working men and women in Michigan and I know all across the country—that companies actually get a tax writeoff for packing up shop, paying for the moving expenses, doing what they need to do to close down and move jobs overseas. It is actually astounding. And when we look at the fact that we have lost 2.4 million jobs in the last 10 years because of that, it is outrageous when you think about it that we are losing 2.4 million jobs and it continues, and, at the same time, American taxpayers are helping to foot the bill. That makes absolutely no sense.

We have heard a lot about tax reform from Members on both sides of the aisle, and I support that. I think there are some larger tax issues. As a member of the Finance Committee, I am committed to addressing a range of issues that deals with incentives and how we compete globally and our companies are able to compete globally. But this is tax reform we can do right now. We don't have to wait for something big to come someday. We are going to have an opportunity in the next day to vote on tax reform immediately. I know the Presiding Officer shares the desire to bring those jobs home. The fact is, we have something very simple and straightforward we are going to be asked to vote on.

First of all, the Bring Jobs Home Act would end the taxpayer subsidies that are helping to pay for moving costs for corporations that are closing up shop and sending jobs overseas. Secondly, we are going to allow companies to have that deduction when they bring the jobs back. So if we have a company wanting to close up shop in China and bring the jobs back, we are happy to allow a business tax deduction for that. And, on top of it, we will allow an additional 20-percent tax credit for the cost of bringing those jobs back. So we are happy to do that. But we are not paying to ship the jobs overseas.

I don't know of any country in the world right now that would have a tax policy that involves helping to pay for jobs leaving their country. If anything, we are in a situation today where we have other countries either trying to block us from selling to them or they create incentives. I have mentioned so many times but it is true, I have talked to companies that had the Chinese Government approach them and say, “Come on over, we will build the plant for you.” And then they steal your patent.

But the fact is other countries are aggressively trying to get what we have had as America, what has created the middle class of America, which is the ability to make things in this country. We don't seem to understand that if we are not vigilant, if we are not paying attention, if we are not focused, if we don't have the right policies and the right kinds of investments and partnerships with the private sector, they are going to have all of those middle-class jobs. So when we look at this, it is time to begin that process. In fact, it is way past time to do this.

Cheryl Randecker would certainly agree with that. She worked at Sensata for 33 years. She has a daughter who is ready to go to college. She is worried about how she is going to pay her bills and put food on the table and pay for her daughter's schooling. And now she finds she has lost her job. It is being shipped to China. Her employer gets a tax deduction that she is helping to pay for, for the moving expenses.

Her coworker Joyce is 60 years old and has worked at the same company for 29 years. She has given them her whole career, and in those years she has developed a very specific set of job skills that have made her a tremendous asset to the work they do at their facility. But those skills aren't necessarily transferrable to another company, and she is worried those companies would rather hire somebody half her age to save money. She is another person who must be absolutely outraged to find out that the taxes she has paid for nearly 30 years in her career are being used to help her company ship her job to China.

I have heard similar worries from my constituents all over Michigan, people who have worked all their lives—often for the same company—in their late fifties, early sixties, a few years shy of

retirement, and who suddenly find the rug pulled out from under them. It is outrageous to think that those individuals, who have played by the rules and worked hard their whole lives, suddenly find themselves in a situation where their jobs are shipped overseas and American taxpayers are subsidizing it. We can change that. We can change that when we vote to move forward on this bill.

The good news, and the reason we need to do this to keep this momentum going, is that we have a lot of companies that are now doing the math and finding it makes good business sense to bring jobs home. So we have some good news stories, and we need to keep them going.

But our Tax Code needs to catch up with that and reward those companies instead of putting them at a competitive disadvantage when we have companies closing up here and shipping jobs the other way.

Caterpillar is making major new investments in the United States, bringing jobs back from Japan, Mexico, and China.

DuPont is building a plant in Charleston, SC, to produce Kevlar. That is great news. They are making investments in Ohio, Iowa, Pennsylvania, and Delaware.

All-Clad Metalcrafters, the folks who make high-end cookware, have brought their production of lids back from China to the United States.

Keen, a shoe manufacturer, just opened a 15,000-square-foot plant to manufacture boots in Portland, OR—production that used to be in China.

Master Lock, the world's largest padlock maker, moved jobs back to their facility in Milwaukee, WI, and they now have 50 products manufactured exclusively in the United States made with U.S. component parts.

US Airways brought hundreds of jobs back to their call centers in North Carolina, Arizona, and Nevada. Today, Lori Manuel is joining me in just a few moments at a press conference to talk about how important those jobs are to her and her colleagues.

Yesterday I was on the floor talking about our American automobile industry. I am very proud that Ford has retooled. The largest plant they have is in North America, in Wayne, MI, and because of that effort and new advanced batteries, they are bringing jobs back from Mexico and, we are now hearing, from China and other places. I know GM and Chrysler are very focused on jobs here and bringing jobs back, and that is all good news.

These are companies that want to invest in America. They want to bring jobs home. Our Tax Code should be rewarding that, not rewarding those who want to leave. Our Tax Code still rewards their competitors who are not making investments in America, and it makes absolutely no sense. When CEOs are making calculations about where to move production, we do not want the Tax Code standing in the way.

It is very simple. We know we have to focus on jobs in America. We are in a global economy. Our companies are competing with countries and policies of countries and investments by other countries. We have to make sure that we are doing everything, that it is all hands on deck, that everybody is moving in the same direction, that the Tax Code works, that we are partnering in the right way in every part of our economy so that the message is sent out: Bring jobs home. "American made." We want to strengthen America.

This is about America first. That is what the Tax Code ought to focus on, and that is what this bill is all about. I am hopeful that our colleagues will get beyond the politics of the moment. I know we are in an election year. I get the partisan politics of the moment. But there are people around our country counting on us—Democrats, Republicans, Independents, folks who vote, folks who do not vote—counting on us to actually step up together and do things that make sense. This makes sense. We need to bring jobs home. This bill will help do that.

I yield the floor.

The PRESIDING OFFICER (Mr. CARDIN). The Senator from Wyoming is recognized.

Mr. BARRASSO. Mr. President, I ask unanimous consent to speak as in morning business.

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

#### A SECOND OPINION

Mr. BARRASSO. Mr. President, I come to the floor, as I do each week, as a physician who practiced medicine in Wyoming for a quarter of a century, taking care of so many families there, to give a doctor's second opinion about the health care law that has now been found constitutional by the Supreme Court. Although it may not be unconstitutional, it is still unworkable, it is unaffordable, and it is very unpopular.

Today I wish to talk about one of the specific components of the health care law; that is, the issue of Medicaid expansion.

Most of the discussion of the Supreme Court's health care decision has been focused on the individual mandate, that incredibly unpopular portion of the law that forces every American to buy a government-approved product, government-approved health insurance. The Supreme Court has ruled it a tax. It is a tax. Still, the American people know it is a mandate coming out of Washington that they buy a government-approved product for the first time ever in American history.

Today I would like to talk about another important part, which is the Supreme Court's ruling that the law's Medicaid mandate is unconstitutional. As many Americans know, Medicaid is a government program that is jointly funded between States and the Federal Government. The President's health care law contained a huge expansion of Medicaid, and more than half of the

new insurance coverage provided by the health care law was supposed to be delivered through the Medicaid Program.

The President's health care law forces States to expand their Medicaid eligibility or face the loss of all of their Medicaid matching funds. Currently, the States put up some money, and the Federal Government puts up some—it varies from State to State. In my State of Wyoming, the State puts up half, the Federal Government puts up half, and 15 States are in that 50–50 range. In some States, it goes up to 70 cents from the Federal Government and 30 cents from the State. Across the board, the average is about 57 cents from Washington, 43 cents from the home State.

Many States believed that this expansion, this forced expansion, this forced mandate on them was unconstitutional, that it was expensive, and that it would essentially leave States with no choice but to participate in the program. That is why 26 different States filed a lawsuit against the Federal Government to stop this massive Medicaid overreach.

Supreme Court Chief Justice Roberts and a majority of Justices agreed with the States. Chief Justice Roberts described the Medicaid expansion as a "gun to the head" that would leave States no choice but to participate in the program. The decision of the Supreme Court made clear that States cannot be forced by Washington—to participate in the health care law's Medicare expansion.

In response, after the Supreme Court announced its decision, a reporter asked senior White House officials how they would entice States to participate. According to Kaiser Health News, the White House officials responded with laughter. Apparently it seemed almost inconceivable to these White House officials that States would want to opt out of the Medicaid expansion. In fact, Washington Democrats have argued that it is a good deal for States since the Federal Government is paying for the entire expansion through 2017, and then it will cover 90 percent of the cost of the States. But, again, that is not of all of the people on Medicaid, that is only of these newly eligible individuals. Never mind that the Congressional Budget Office predicted that the Medicaid expansion would cost the Federal Government over \$900 billion between 2014 and 2022. Apparently Washington Democrats, who have not passed a budget—Members of this Senate—in over 3 years, believe the Federal Government has extra money to spend. It is completely irresponsible.

While this might be a laughing matter for the White House, people who work in State governments take this issue much more seriously. The concerns of Governors of both parties was recently highlighted in a Washington Post article. Not only are Republican Governors concerned about the expansion, but at least seven Democratic

Governors have been noncommittal about expanding the program in their own States as well. Governors are concerned because they know Medicaid has been the fastest growing part of the State budget for over the past decade. In fact, Medicaid spending has expanded twice as fast as spending on education, and this is according to the bipartisan National Governors Association.

In addition, State leaders worry that the Federal Government will not keep the promises Washington has made to the States regarding Medicaid's payment rates.

The Wall Street Journal referred to the matching rate this way:

This 100 percent matching rate is like a subprime loan with a teaser rate and a balloon payment.

When asked to comment about the Medicaid expansion, Jay Nixon, the Governor of Missouri, who is a Democrat, said:

This deals with hundreds of thousands of Missourians, it deals with their health care . . .

He went on to say:

. . . it deals with billions of dollars, and we will be involved in the process that defines the best fit for our state and respects the sovereignty of our state and the individuality of our state.

Brian Schweitzer, Democratic Governor of Montana, put it best when he said:

Unlike the Federal Government, Montana just can't print money. We have a budget surplus and we are going to keep it that way.

Unlike this current administration, Governors of both parties recognize the importance of controlling government spending.

Washington cannot expect States to simply trust that the money will come through in the future. States basically do not trust Washington, and they are right to not trust Washington. States and Governors across the country are much smarter than trusting Washington.

It did not have to be this way. If the White House and Democrats in Congress had actually focused on lowering costs—that was supposed to be the concern of the health care law, lowering the cost of care—if the White House and Democrats in Congress had actually focused on lowering the cost of care, States now would not be facing this bad choice.

We need to repeal this bad health care law. We need to replace it with legislation that will make it easier for States to work with Washington without going bankrupt. We need to move forward. We need to move forward with legislation that will allow Americans to get what they have been looking for, which is the care they need from a doctor they choose at lower costs.

I point out that the Republican Governors Association has a lot of questions about this Medicaid expansion. As a matter of fact, Virginia Governor Bob McDonnell, who is chairman of the Republican Governors Association,

sent a letter to the President seeking answers to a number of questions dealing with Medicaid and dealing with the exchanges that are part of this health care law. There are 30 specific questions in the letter Governor McDonnell sent. I suggest that possibly the President has not thought of these issues as they relate to the health care law and does not have answers. But these are answers Governors of both parties continue to seek because they want to know what the impact of this Medicaid expansion is going to be on their own States and their own budgets.

The health care law may not be unconstitutional. It continues to be unworkable, it continues to be unaffordable, and it continues to be unpopular. You say: How unpopular is it? In a poll done just after the Supreme Court ruling, just last week, July 9 to July 12, a Gallup Poll talked to Republicans, they talked to Democrats, but then they focused on the Independents, and what they have shown is, of Independents in this country, how they think this health care law will affect different components of our society. They think it will actually make things worse for doctors, make things worse for people who currently have health insurance, they think it will make things worse for hospitals, they think it will make things worse for businesses, it will make things worse for taxpayers and, most importantly, they believe it will make things worse for them personally.

That is where we are today, which is why we need to repeal and replace this health care law. My advice to Governors around the country would be to wait a minute until after the election to decide what you want to do about Medicaid expansion because we are continuing to work to repeal and replace this broken health care law.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from Utah.

(The remarks of Mr. HATCH pertaining to the introduction of S. 3397 are printed in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. HATCH. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll of the Senate.

The bill clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. ALEXANDER. 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. ALEXANDER. I ask unanimous consent to speak for up to 15 minutes as in morning business.

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

Mr. ALEXANDER. Mr. President, would the Chair please let me know when there is a couple of minutes remaining.

The PRESIDING OFFICER. The Chair will so advise.

Mr. ALEXANDER. I thank the Chair.

SENATE RESPONSIBILITY

Mr. President, earlier this year I came to the floor with a group of Republican and Democratic Senators to congratulate the majority leader, Senator REID, and the Republican leader, Senator MCCONNELL, as well as the leaders of the Appropriations Committee, Senator INOUE and Senator COCHRAN. The reason for the congratulations was this: They said they were going to do their best to bring all of the appropriations bills to the floor and pass them. That may not seem like such a monumental pledge or promise, but it, in fact, is, because only twice since the year 2000 has the Senate gone through the whole process of bringing all 12 appropriations bills to the Senate floor and enacting them in time for the beginning of the fiscal year on October 1.

Why is that so important? Well, we are in the midst of a fiscal crisis. We are borrowing 42 cents out of every dollar we spend. One way to deal with that is through the appropriations process. That is our first constitutional responsibility. Judges judge; we appropriate. That is the first thing we do. We have control of the people's money. The appropriations bills I am talking about, the 12 of them together, constitute a pretty big number. More than a third—38 percent—of all the dollars we spend in the Federal Government go through those 12 bills. It used to be a lot more.

So when the majority leader and the Republican leader said, Yes, we are going to do our best to bring all of those appropriations bills to the floor, I thought the Senate had taken an important step in functioning the way the American people expect the Senate to function. The American people expect us to get about the serious business of this country so that, in the words of the Australian Foreign Minister, Bob Carr, we can show the people we recognize that we are really one budget agreement away from reasserting America's preeminence in the world. We have that within our power.

The economy of the country, the economy of other countries depends, to a great extent, on our ability to govern ourselves properly. So I was very encouraged when the majority leader and the Republican leader said, Yes, we are going to do our best to bring all 12 of those bills to the floor.

I regret to say I am equally disappointed that the majority leader suddenly announced last week he won't bring any appropriations bills to the floor. The reasons he gives are very puzzling to me. First he says, Well, the House is using a different number than the Senate. What is so new about that? That is why we have the House and the Senate. They are one kind of body and

we are another kind. They have their opinion; we have ours. We vote on our opinions. Then we have a procedure called the conference in which we come together and we get a result. We have had so few conferences lately that maybe some people have forgotten we do that, but we have a way to do it.

Then the majority leader said, Well, they in the House violated the Budget Control Act. The Budget Control Act was simply something we agreed on—I voted for it—to try to put some limits on the growth of discretionary spending in the budget. If we stick to that over the next 10 years, the discretionary spending—not the two-thirds of the budget that is entitlement spending but this one-third we are talking about—will only grow at a little bit more than the rate of inflation. If our whole budget grew at that rate, we wouldn't have a fiscal problem.

Those aren't good reasons. We have a way to reconcile our differences. The Budget Control Act is only limits. The Senate actually has exceeded those limits, according to my colleague Senator CORKER, already three times in this year. So there is no excuse whatsoever for not bringing up appropriations bills on the floor of the Senate.

If we think the Solyndra loan was a bad idea, that is the place to take it out. Or, if we want to spend more money for national defense, that is the place to put it in. Or if we think we are wasting money on national parks or too much government land, that is the place to take it out. Are those bills ready to come to the floor? Yes, they are. In the Senate, we have been doing our job in our committees. Let me be exactly right about this, but I believe we have nine of our appropriations bills that are ready to come to the floor, that we are ready to go to work on right now. The House of Representatives has already passed 11 of the 12 appropriations bills through committee and 6 of those have been passed by the House. So this month, we could be debating any of those appropriations bills. We could have amendment after amendment after amendment. We could reduce our spending. We could increase our spending. We could say to the American people: We are doing our job.

That brings me to my second disappointment. I was greatly encouraged this year—and a lot of the credit goes to Senators on the Democratic side as well as some on our side—who are saying, Wait a minute. We are grownups. We recognize we are political accidents. We have been given the great privilege of representing the people of our State and swearing an oath to our Constitution of the United States so we can help lead this country. So we want to go to work. We want to go to work.

What does the Senate do? Well, the Senate brings bills up through committee, it brings bills to the floor, and then, as the late Senator Byrd used to say, almost any amendment comes to the floor and we debate it and we vote

on it, and then we either pass the bill or we don't pass the bill. That is what the Senate does.

We on our side have been saying to the majority leader: Mr. Majority Leader, let us offer our amendments. Don't silence the voices of the people in our States that we represent. So he has been allowing that to happen more. Of course, he has the procedural ability to stop that. The Senator from Michigan said: Let's try just having relevant amendments, so we said: OK, let's try that. So we began to make some progress.

There was a dispute over district judges. We resolved that. We have been confirming them. The Postal Service bill, the farm bill, the FDA bill, the highway bill—these are all important pieces of legislation that affect almost every American family, and what did we do? They went through committee; they had the expertise of the members who work on those committees; they came to the floor; we had a lot of amendments, we voted on them, and they were passed by the Senate. In other words, we did what we should do.

I thought we were on a lot better track until the last 2 or 3 weeks. Suddenly, what has happened? Suddenly, all that ends. We revert to political exercises—little bills of no real importance compared to the bills we should be debating. We have a jobs bill, the DISCLOSE Act bill, and the bill we are about to go to that the Senator from Michigan is proposing. The problem with those bills is they have not been through committee. They are not going to pass the House. Everybody knows that. So we are wasting our time at a time when we could be debating all of the appropriations bills of the U.S. Government. At a time when the U.S. Government is borrowing 42 cents out of every dollar we are spending, we are not even going to do our job and consider appropriations bills on the floor and amend them. What will the whole world think? What will our constituents think about our ability to govern ourselves if we can't pass—even consider—an appropriations bill in the U.S. Senate?

On top of that, we haven't had a budget for over 1,000 days. I remember when Condoleezza Rice, the Secretary of State, came back and met with a group of Senators. She came back from Iraq early after their government was formed and she said, They can't even get a budget over there in Iraq. Senators looked around at each other, and here we have been a Republic for a long time and we can't get one, either. So I am very disappointed by the fact that after such a promising surge of activity that was bipartisan and that got results, we have suddenly reverted back to forgetting that we have a way to deal with our differences.

It is not because we don't have anything to do. Where is the cybersecurity bill? Where is the Defense authorization bill? Where are the appropriations bills? They are all ready to be consid-

ered, at a time when we are in a fiscal crisis, looking at a fiscal cliff which, if we don't solve, according to the Congressional Budget Office and the Chairman of the Federal Reserve Board yesterday, it will plunge us into a recession in the first 6 months of 2013. Those are the stakes we are playing with.

There is also a third area in which I must express my severe disappointment. We worked hard at the beginning of this Congress to accommodate a number of Senators who felt we needed changes in the rules, and we made some changes. But we preserved the Senate's integrity as a different sort of institution—as a place where the party that has 51 votes doesn't run over anybody else.

Alexis de Tocqueville said the two greatest problems he foresaw with the American democracy—this was back in the 1830s—were, No. 1, Russia; and No. 2, the tyranny of the majority. Well, the Senate, as Senator Byrd used to so eloquently say, is the single most important institution in our country, to protect minority rights and minority points of view. Sometimes we are in the minority on this side, and we will notice there are some fewer desks. Then after an election, maybe more people vote for Democrats and they come in and they pick up the desks and they move them over to that side. Whichever side is in the minority in the Senate still has rights, and those aren't just the rights of the Senators themselves, those are their rights to speak the voices of Tennessee or Maryland or Nevada or New York or Kentucky. It is those voices that need to be heard on the floor of the Senate. And when we can't debate, when we can't offer amendments and we can't vote, those voices are silenced.

So to my great surprise, the majority leader—and as I said, I came to the floor more than once to compliment him for this—said at the beginning of this Congress that he wouldn't seek to change the rules of the Senate except according to the regular order—except according to the rules of the Senate which say we have to have 67 votes. That is what the rules say. We agreed on that. What that meant was we needed a change in behavior, not a change in the rules, to show that the Senate could function.

Last night on television, apparently the majority leader said that in the next Congress—he had changed his mind and that if he is the majority leader, he will seek to change the rules of the Senate by 51 votes. That will destroy the Senate. That will make it no different than the House. I would say to my friends on the other side, if they want to make the Senate like the House where a freight train can run through it with 51 votes, they might not like it so well when the freight train is the tea party express, which it could be. Republicans could be in control of the Senate after this session. Republicans could have a President, and then where would ObamaCare be?

Where will a whole series of things be? There will be a great many Senators on the other side who will say, Wait a minute, let's slow down the train. Let's think about what we are doing. That was the original intention of the Founders of this country. The House is majoritarian and 51 votes control. A freight train can run through it day in and day out. But when it gets to the Senate we stop and think and minority rights are protected. As a result of that, usually that forces us to have a supermajority 60, 65, or 70 votes—in order to do anything big, such as the time when finally the civil rights bill was enacted in the 1960s. Senator Russell, who led the debate against the Civil Rights Act, filibustered it. He was finally defeated. He flew home to Georgia and said, It is now the law of the land; we support it. That is why President Johnson wrote the bill in the office of the Republican leader, even though the President was a Democrat. He wanted bipartisan support.

President Johnson knew he had the votes in the 1960s to pass the Civil Rights Act without Republican support, but he had the bill written in the office of Senator Everett Dirksen, the Republican leader. I remember I was a young aide at that time. The Senators were in there and the aides were in there. Pretty soon everyone was invested in it. When it passed, as I said, Senator Russell went home to Georgia and said, it is the law of the land. We have to support it.

Now we are coming up on what the Chairman of the Federal Reserve Board has called the fiscal cliff. This is a convergence of big issues ranging from the debt ceiling to how we pay doctors to the spiraling, out-of-control entitlements we have, to the need for a simplified Tax Code, to the need for lower rates. We have been working on this in various ways across party lines for several months.

There is a growing consensus that the time to act is after the election. It will require Presidential leadership, whether it is newly inaugurated President Obama or a new President Romney, and our job will be to see that the newly inaugurated President succeeds, whether he is a Republican President or a Democratic President, because if he does, then our country succeeds.

What are the stakes? The Foreign Minister of Australia, Bob Carr, put it very well when he said in a speech here—and he is a great friend of the United States and I have known him for 25 years—he said: The United States is one budget agreement away from reasserting its global preeminence—one budget deal away from reasserting our global preeminence.

But if we cannot even bring up an appropriations bill to debate it, to amend it, to vote on it, and to pass it, if we suddenly are dealing with bills that have not gone to committee that are nothing more than a political exercise, if we are sitting around in the Senate with nothing to do of significance—and

there is only one person who can bring up issues here; that is, the majority leader—how is that going to convey to the American people we are capable of governing ourselves? I think it sends a clear message that we are failing to do that.

So having expressed my disappointment, I wish to express my respect for the majority leader and to say again how much I appreciated the efforts he made at the beginning of the Congress to say we would not change the rules of this institution, except according to the rules, and the effort he said he would make at the beginning of this year to bring up the appropriations bills and the efforts he has made to allow more amendments on a whole series of bills this year and say: Can we not go back to that, even though this is a Presidential election year?

The stakes are too high. As far as voting on amendments, that is why we are here. Why would you join the Grand Ole Opry if you do not want to sing? That is why we are here. We are here to express the views of ourselves and the people we represent to make sure their voice is heard, and then we are here to get results.

I hope my record is a pretty good record of working to get results. I sometimes say to my friends—they will say: You are being bipartisan. I am not interested in being bipartisan. I am interested in results. I learned in the public schools of Maryville, TN, how to count, and I know it takes 60 votes to get results. So anything important we do is going to require Democrats and Republicans. We are going to need a coalition of Democrats and Republicans, not 51 or 53 or 54, no matter who is in charge next year. We are going to need a coalition of 60 or 65 or 70 who will come around some of the most difficult issues we have had to face in terms of tax reform, in terms of deficit reduction, in terms of reining in entitlements—a whole series of issues. We are going to have to remember our pledge to the Constitution that we take at the beginning of each 6-year term, and we are going to have to honor that pledge.

That is the Senate I hope to see. That is the Senate I am working to create. I wish to create an environment in which the Democratic leader and the Republican leader can succeed on big issues in helping us put together results on the serious problems. I wish to make the Australian Foreign Minister—a great friend of the United States—I wish to show him we can answer his question and that we realize, just like he does, that we are one budget agreement away from reasserting America's global preeminence and that we in the Senate are perfectly capable of doing it.

By not bringing up appropriations bills, by reverting to political exercises, by leaving off the table many amendments that need debate, and by even suggesting we would change the nature of the Senate so a freight train could run through it with 51 votes,

none of that encourages confidence in the ability of the United States to govern that I think exists.

I know my colleagues pretty well. I work hard with people on both sides. I respect them all and their opinions and I do not question their motives. It is my personal judgment that 80, 85 percent of us on both sides of the aisle want a result on the big fiscal issues and on every other big issue that comes here, and I would like to do my best to create an environment in which that could happen.

I thank the Presiding Officer and yield the floor.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. BOXER. Mr. President, I am here to speak in favor of the Bring Jobs Home Act. I wish to thank my colleague Senator STABENOW of Michigan, who understands this issue because in her State of Michigan they almost lost the auto industry. They almost lost the auto industry. There were those who said: Let them go bankrupt. We know who those people are.

We supported our President. We had a majority who did so. We had tough votes, and we said: We are not going to be the only industrialized country in the world to not have an auto industry. We looked at it as not only a jobs issue—clearly, it is a jobs issue—but we looked at it as a national security issue as well.

What this bill is about, the Bring Jobs Home Act, is making sure we see the words “Made in America” again—we see the words “Made in America”—so it is not a surprise when we see those words, but we say: That is right. It is made in America because we have the best workforce, the best entrepreneurs in the world, and we need the jobs here.

What has happened over the years is that shipping jobs overseas became a trend and a lot of important voices were heard saying: That is just the way it is. It is not just the way it is. If we have policies in place that incentivize manufacturing and production here, we are not going to lose those jobs. But what happened during these years is that companies got a tax deduction for moving jobs overseas. Imagine that. We American taxpayers were subsidizing companies, giving them tax breaks for moving jobs overseas.

The Bring Jobs Home Act ends those tax breaks for companies that ship jobs overseas. What we do instead is say: We will give a 20-percent tax credit to companies that move their jobs back from overseas. So they get a 20-percent tax credit for their moving expenses. So we stop giving tax incentives to companies that move jobs overseas, and we instead give tax incentives to those who bring them back.

Let me tell you the good news. The good news is that there are some companies that are coming back home. I wish to highlight a couple companies in California.

Simple Wave, a company that makes snack bowls from recycled materials,

relocated its production to Union City, CA, from China. Simple Wave chose to complete its manufacturing in America because they said it saves time and allows for greater quality control and flexibility.

A cofounder of Simple Wave, Rich Stump, said:

Our business is growing very quickly and by having the ability to react quickly and provide just-in-time manufacturing will provide the fuel to our growth. Knowing that we are contributing to the US economy re-shoring effort is a great feeling—

Listen to that. This is a businessman who says: “Knowing that we are contributing to the US economy re-shoring effort is a great feeling”—

and we are confident that this will in turn provide a better quality product to our customers.

I say to my Republican colleagues—I do not know how they are going to vote, but they have not been very supportive of this bill—if a businessman feels great because he is bringing jobs home to the United States, why don't you feel great and do your part and take away tax breaks for companies that ship jobs overseas and give them to companies that bring jobs home?

Here is another one.

LightSaver Technologies, in Carlsbad, CA, makes emergency lighting for homes. They also moved their manufacturing back from China. They found that making adjustments to the manufacturing process is easier when the plant is only 30 miles away, as opposed to 12 time zones away.

Jerry Anderson, one of the company's founders, said:

If we have an issue in manufacturing, in America we can walk down to the plant floor. We can't do that in China.

He says manufacturing in the U.S. is 2 to 5 percent cheaper once he takes into account the time and trouble of outsourcing jobs overseas.

Again, I say to my friends, if entrepreneurs such as these feel good about bringing jobs home, why are you continuing to support subsidies to companies that move jobs overseas?

We are coming out of a very tough recession—a very tough recession—and we know we need to create jobs here at home. I truly wish to say to the people who may be watching this debate—if there are a few; I think there might be just a few—we have control over this. We know if we give incentives to companies to ship jobs overseas, their bottom line is going to be changed by that. But if we give incentives to companies to bring jobs back, their bottom line will look much better.

So we have the opportunity with this important bill to move forward and turn things around. Do not believe when people say: Oh, it is just the way it is. We are just outsourcing. That is the global marketplace. That is it.

If we take that attitude, the future is going to be pretty bleak. Because we do have the greatest workers in the world. They have the best productivity of any workers—the best. So why would we

say: It is just the way it is. We need to fight for those jobs. We need to fight. We have to stand up to the people who say: It is just the way it is. It is just the way business is.

When somebody tells us that kind of a simple statement, we should question it. It is the way it is for many reasons. One of them is, we are giving incentives right now to companies to ship jobs overseas.

A Wall Street Journal survey found that some of our largest corporations cut 2.9 million U.S. jobs over the last decade from America, while hiring 2.4 million people overseas. So they cut jobs here, and they created jobs there.

So when a politician says to you: I am for job creation, ask him, where. We want it here. We do not want it in other countries at the expense of American workers. We wish all countries well, but we have to take care of America.

People talked about the uniforms at the Olympics, and some said: Oh, I am not going to get into that. That is not such a big deal.

It is important. It is important we make a conscious effort for our athletes that they do have a “Made in America” label.

Many of us have had the experience of using, as a fundraising tool, the sale of T-shirts or purses or shopping bags or hats. Yes, it takes an effort to find the right place to go, but those can be made in America. I say it takes a little effort for a good result. As Senator REID said, we have people in the textile industry crying for work. So do not just brush it off as a nonissue. It is an important issue.

In California, more than 3,400 jobs were lost to outsourcing this year alone—3,400.

From 2000 to 2010, the United States lost 5.7 million manufacturing jobs.

But it is not just manufacturing. Science and high-tech jobs, legal and financial services, business operations are being moved overseas as well. We all know we make those calls trying to find out something, whether it is an airline schedule or information on a product, and you get the sense the person is not talking to you from an American city. Why on Earth would we give incentives to have those jobs created elsewhere?

That is what this bill is all about. With 12.7 million unemployed people and only 3.6 million jobs that we have open nationwide, we have to find ways to reverse this trend.

I think Senator STABENOW has hit on a very good way to start with the bringing American jobs home act. It is so easy. We want to say to companies: We are for your bringing jobs back, to the extent that we will give you an actual tax credit for doing that. It is very key.

So I hope we can come together across the lines that divide us, these artificial lines, and work together. We have done it on a few occasions. We did it on the highway bill. I am so pleased

we were able to do it then. The Presiding Officer was very involved in that. It was not easy. This one is easy. The highway bill had 30 different programs in it. We are talking about a very simple premise: Right now we give tax breaks to companies who shift jobs overseas, and we want to end it. Enough. It is not complicated; it is easy.

Why my Republican friends cannot join hands with us on this one I do not understand. But I have to say, we can do this for the American worker, whether they are from California or Ohio or Texas or Arizona or Maryland or Kentucky—wherever they may be. This is one we can do for the working people and the entrepreneurs of our Nation.

So I congratulate Senator STABENOW. I look forward to voting in favor of the Bring Jobs Home Act.

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

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

The legislative clerk proceeded to call the roll.

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

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

#### DEFENSE SEQUESTER

Mr. MCCONNELL. Mr. President, we know with some certainty that on January 20, 2013, regardless of who the President is, he will swear, to the best of his ability, to protect and defend the Constitution of the United States; that more than 60,000 soldiers, sailors, airmen, and marines will remain deployed in Afghanistan, and that our All-Volunteer Force will stand ready to defend American interests in the Strait of Hormuz, in the Republic of Korea, as well as defend our allies across the globe.

Our forces will remain committed on that day to denying the Taliban a return to Afghanistan, to denying al-Qaida a safe haven, to training the Afghan national security forces, and to fulfilling the operational plans of our regional commanders. As important: the troops in the training pipeline and the schoolhouse, the F-35s in production, and the basic research and development programs in progress will provide the capabilities to meet future threats.

What is not certain is whether the President who is sworn in on that day will have to attempt to manage the damage done on January 2, 2013, by across-the-board cuts to the Defense Department of roughly \$50 billion. But he will if the President and the Democrats in Congress fail to act on the cuts to defense that the President has insisted on, but which his own Secretary of Defense has said would be “devastating.”

Let me say that again. These are cuts the President is insisting on, but his own Secretary of Defense says would be “devastating.”

That is why I and my Republican colleagues call on the President to make his plans for these cuts clear right now. The President owes it to our forces around the world and to their families to put a plan on the table for all to see now rather than waiting until after the November elections pass. To keep these details secret and to leave the defense sequester in place as written would be irresponsible regardless of the outcome of the Presidential election.

Think about it. If Governor Romney is elected, he will be responsible for managing \$50 billion of programmatic cuts before he or a new Secretary of Defense has even had a chance to conduct a review of the Defense Department's plans, programs, and strategy. And if President Obama is reelected, the arbitrary spending cuts directed by the Budget Control Act of 2011 that he insisted on would eviscerate the President's own defense strategic guidance issued earlier this year.

No wonder Secretary Panetta has said these cuts would be like "shooting ourselves in the head." The weapons systems and capabilities required to provide a dominant presence in the Asia-Pacific Theater, attack submarines, amphibious ships, marines afloat and ashore, the next generation bomber, completing acquisition of the F-35, and the Ford class aircraft carriers will be required to deter and defeat aggression and to project power.

Investments in these capabilities must be made while we continue to combat and pursue al-Qaida, deploy and equip special operations forces, and, of course, seek to deter Iran. That is why the President should prepare for the possibility of a possible transition in power now and should do so with the same foresight and concern for our operations that previous administrations have demonstrated.

The last two transfers of political power, that from President Clinton to President Bush, and that from President Bush to President Obama, are instructive in how past administrations have managed the transition of the Defense Department's leadership both in peace and in war.

Early in 2001, before the Senate majority changed control from that of Republicans to Democrats, before the attacks of September 11, and before an envelope containing anthrax was sent to the Hart Building, Secretary Rumsfeld assumed his duties as the Secretary of Defense. He informed the Congress that he would conduct a strategic review of the Department's plan and programs and submit an amended budget later in the year.

That document was ultimately provided to the Congress in June 2001. Secretary Rumsfeld had months—literally months—to develop an initial plan. And this, by the way, was prior to the war on terror, or as we thought it then, during peacetime.

At the end of the second term of President Bush, Secretary Gates found himself responsible for the first Presi-

dential transition during wartime in 40 years. Secretary Gates established a transition staff and a briefing process to ensure all incoming Obama administration officials were well prepared during a time of war. He encouraged political appointees to remain in office and to help with the new administration. Ultimately, he ended up staying on as Secretary.

Just consider the plight of what a President-elect may face in January 2013. Iran has shown no willingness to end its uranium enrichment effort. A young, inexperienced, untested leader is in charge of North Korea. The Taliban patiently waits for the United States and NATO to withdraw from Afghanistan. And al-Qaida's senior leadership, though weakened, and al-Qaida and an affiliate remain determined to strike the homeland. Egypt and Libya struggle with forming new governments. The revolt in Syria threatens regional stability, and al-Qaida affiliates stay active in Mali, North Africa, and Yemen.

As the next President attempts to have his Cabinet Secretaries confirmed, he will be dealing with managing a disruption in procurement contracts and deliveries, actions that are likely to elevate the cost of weapons systems and lead to layoffs in our industrial base. Troops preparing for deployment will see training curtailed. Permanent change-of-station orders will likely be delayed. Training and maintenance readiness levels will decline. All of this will occur while a new administration is reviewing war plans in Afghanistan.

Think of what this would say to a President-elect: As you are developing your new national security strategy, attempting to seat your Cabinet, and assessing the war in Afghanistan, the sequester will slash every program under review. Welcome aboard, sir. You have your hands full.

More important is what this will say to every soldier and marine still fighting in Regional Command East: Despite the outcome of the election, you may still be fighting the Taliban, attempting to train and mentor an Afghan soldier, conducting a drawdown of forces, and handing off operational responsibilities at the same time the funding of your operational training, weapons maintenance, and operations of your base childcare center are being slashed. If you are wounded, the funding for the defense health program and the care you receive will also be cut. That is why allowing the sequester to go into effect as currently written and as demanded, demanded by the President, would break faith with the forces we have sent abroad.

To confront a new President with this level of disruption as he transitions to wartime command would be deeply irresponsible. We must deal with defense sequestration prior to the election. The sequester should be equally concerning to President Obama.

In January of this year, the Department of Defense released strategic guidance that entails a rebalancing of our forces with an emphasis on a growing presence in the Asia-Pacific Theater. The wars in Iraq and Afghanistan and the counterinsurgency strategy used in both campaigns required an expansion of our Marine Corps and Army ground forces. President Obama has announced plans to reduce the Army by 72,000 soldiers between 2012 and 2017 and the Marine Corps by 20,000 between 2012 and 2017. Yet the force structure required to conduct counterinsurgency in Iraq and Afghanistan is far different from that required to convince friend and foe alike that our presence in Asia is significant and sustainable.

We must invest in a new generation of warfighting capability. The President's budget insufficiently funds this new strategy, and that is actually before sequestration. This year's budget request delayed construction of a large-deck amphibious ship, a new Virginia-class submarine, and announced the early retirement of other ships. These reductions are envisioned without those related to sequestration. Naval, air and forced-entry capabilities to combat anti-access weapons are the capabilities required under the new strategy, and they are underfunded in the President's budget. This comes at a time when military expenditures in Asia are outpacing those in Europe.

Let me be clear. The failure of the administration to match the President's budget request to his new strategy is not an argument for growing the defense top line, it is emblematic of the difficulty our regional commanders will have in fulfilling current operational plans before you even get to the sequester.

Although the administration has emphasized that the rebalancing of our forces in Asia is not a strategy to confront the growth of China's military, if we fail to match our commitment to Asia with the requisite force structure, China's influence, military posture, and sphere of influence will actually expand. As the Pentagon's own Annual Report to Congress makes clear, China is committed to annual military spending increases of roughly 12 percent, and it has undertaken a broad-based effort to expand the capabilities of the People's Liberation Army.

Both Secretary Panetta and General Dempsey have made it clear that the ability of our Armed Forces to execute the new strategy under sequestration would be at risk. As General Dempsey, the Chairman of the Joint Chiefs, has stated, under sequestration, "it's coming out of three places: equipment and modernization—that's one. It's coming out of maintenance, and it's coming out of training. And then we've hollowed out the force."

In his new strategic guidance, President Obama articulated a commitment to our enduring national security interests; the security of our Nation, allies, and partners; the prosperity that

flows from an open and free international system; and a sustainable international order. Needless to say, those interests will be extremely difficult to maintain with a hollow force.

Just as the next President will take the oath on Inauguration Day, we too take an oath as Senators. We have a responsibility to raise and support armies and provide and maintain a navy. If we let sequestration as currently written go forward and do not act, we will have failed. That is why I am so disappointed with the President's failure of leadership on this issue and that of Senate Democrats as well.

Both House and Senate Republicans have offered proposals to replace the savings from sequestration with more thoughtful and targeted spending cuts. Both of those proposals also either eliminated or reduced the sequester on nondefense programs as well.

Last week, Speaker BOEHNER, Majority Leader CANTOR, Senator KYL, and I sent a letter to the President asking him to work with us to find a bipartisan solution before the end of the fiscal year. With a \$3.6 trillion annual budget, clearly there is a smarter, more thoughtful way to achieve at least \$110 billion in savings.

It is simply outrageous that this President and Senate Democrats are missing in action on this issue. We are committed to finding a solution on this before we recess for the election. Are they? Or are they committed to jeopardizing our national security? When will they sit down and work with us to find a solution?

The House overwhelmingly passed the Sequestration Transparency Act today by a vote of 414 to 2. This bill is modeled after a Thune-Sessions bill. It asks the President's Office of Management and Budget to submit a report to Congress on the impact of sequestration on both defense and nondefense programs. Every single Democrat in the House Budget Committee supported it—every one. Will that bill die in the Senate because Democrats not only do not want to address sequestration, they want to hide the ball on the impact of sequestration until after the November elections? If they resist this effort to get more information on sequestration out in the open, it is clear that they wish Congress to be both blind and mute when it comes to our national defense and the fate of those who volunteer to defend it.

We need President Obama to tell this Congress his plan for avoiding the sequester, for preventing the gutting of his strategy, for responsibly transitioning to a new Commander in Chief, and for keeping faith with the warriors we have sent into combat. In all of this, our overriding objective—in fact, our duty—should be to work with the President to achieve the level of savings called for in the Budget Control Act without doing harm to our national security or to our military.

I yield the floor.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. CORNYN. Mr. President, I yield to the majority whip for a unanimous consent request.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I have a unanimous consent request that when the colloquy is finished with the five Republican Senators on the floor, I be recognized.

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

The Senator from Texas.

Mr. CORNYN. Mr. President, listening to the distinguished Republican leader, I am reminded of that quotation from former Secretary of Defense Robert Gates, who said that our records of predicting when we will use military force since Vietnam is perfect—we have never been right once.

We live in a dangerous and unpredictable world. We also know the global economy is in dire straits, in some places worse than others. In Europe, relevant to the national security question, we can no longer necessarily depend on our NATO allies to step up and do what they have done heretofore because they have their own economic and budgetary problems. Talking to some of our counterparts in the United Kingdom, the British Army is being cut by 20 percent because of austerity measures. So at a time when the world continues to be a very dangerous place—and Secretary Gates said we cannot know where the next threat to America or our allies will come from—we are finding the capability to address that threat reduced because of the budgetary cuts and thus increasing the risk to not only the United States but to our allies as well.

I wish to make just one point clear. National security is not just one thing on a laundry list of the things the Federal Government can or should do, it is No. 1. It is the ultimate justification for the Federal Government to provide for the safety and security of the American people. When the Federal Government treats national security just like any other expense on the government ledger, I think it denigrates the priority it should be.

When I heard the Senator from Washington the other day speaking at the Brookings Institute, she made an amazing speech in which—I am summarizing—she suggested that she and her colleagues will be prepared to trigger a recession unless this side would agree to raise taxes. It is not just the expiring tax provisions on December 31, which would be the single largest tax increase in American history, it is this \$1.2 trillion sequester that cuts not only into the muscle but into the bone of our Defense Department and our ability to provide for our national security needs. It also has collateral impact on private sector jobs across the country. By one estimate, it is 90,000 jobs in my State alone. So why we would see our colleagues and the Commander in Chief himself wanting to play a game of chicken with our na-

tional security and our economy is beyond me.

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

Mr. CORNYN. Yes, I will.

Mr. McCONNELL. With regard to the impact on the economy, I wonder how many Boeing employees, for example, there may be in the State of Washington. Does the Senator have a number on that?

Mr. CORNYN. Responding to the question, I don't have an exact number, but I do know that by one estimate as many as 1 million private sector jobs would be affected if this sequester goes into effect as currently written.

We made it clear under the leadership of Senator McCain, ranking member of the Armed Services Committee, that we are willing to work with our colleagues to try to change the structure of this sequester. We all believe Federal spending needs to be cut. But this is something that would, as the Republican leader said and Secretary Panetta admitted, would hollow out our national security and would be disastrous. Why the President won't listen to his own Secretary of Defense is beyond me.

Mr. McCONNELL. So I say to the Senator from Texas, it is not just the impact on the military, which is devastating enough, but on our economy as well, correct?

Mr. CORNYN. That is exactly right. The consensus appears to be—I remember that Alice Rivlin, a former budget director under President Clinton, said that if the sequester goes into effect as currently written and this tax increase occurs at the same time, we will be in a recession.

This is the part I really don't understand. I think we all have been around politics enough to know that people act in their own self-interest, but how in the world could this be in the President's or his party's self-interest—it is certainly not in the national interest—to see the economy bouncing along from the bottom, with slow growth and the threat of a recession going into a national election? That makes no sense to me whatsoever.

I know we have other colleagues from the Armed Services Committee here who have something to say about this. I will reiterate something the Republican leader said. We stand ready to deal with this issue now—sooner rather than later. To ignore this until after the election, creating not only more uncertainty but the inability of our Department of Defense and our military to provide for the protection and the security of the American people, is completely irresponsible.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCain. Mr. President, may I say to my colleague that I thank him for his important words, and I thank the Republican leader for his commitment. I also point out that the Senator from Alabama, the ranking member on the Budget Committee, has some very

interesting statistics that I hope in the course of our colloquy he will talk about—how America's spending on defense has decreased over the years and how Draconian the effects on national defense will be in the case of the implementation of the sequester on our defense spending and the security of our Nation.

We need to discuss this issue in the context of what the Secretary of Defense said. He said that if this sequestration is implemented, it will place our national security in jeopardy. It will be, in his words, devastating. So I believe it is important for the American people and our colleagues to understand that the Secretary of Defense—not JOHN MCCAIN, Senator SESSIONS, or any of my Republican colleagues, but the Secretary of Defense—said it will be devastating.

We live in a dangerous world—a very dangerous world. If we cut defense the way this sequestration is headed, then there is no doubt we will have the smallest Navy and Air Force in history, with fewer ships than we have had since before World War II, and it will be a hollow force.

I would like to make one other comment as my friends join me. What is our country's greatest obligation? What is our No. 1 obligation, both the administration and Congress? It is to ensure the security of our Nation. That takes priority over every other item on our agenda. So when we start talking about sequestration, that is important in its effect, but I also think it is entirely proper—in fact, it should be our priority to talk about sequestration's effect on our defense.

I will point out that all of my colleagues here know we are facing reductions in defense. We already had \$87 billion implemented by Secretary Gates, and another \$400 billion has already been implemented. If we implement this sequestration, it will be over \$1 trillion in a very short period of time.

We need to sit down and work together, Republicans, Democrats, and the President—who so far has been completely MIA—and work this out so that we can avoid what can be Draconian cuts and jeopardize our national defense, not to mention, as I am sure my colleague from Alabama will point out, the effect on our economy—the effect on our economy of over 1 million jobs lost and a reduction in our GDP.

So this is an important discussion. This is a very important debate. And if someone disagrees with our assessment and that of the Secretary of Defense, then I will be glad to listen to their arguments. But until then, I will take the word of the Secretary of Defense that this implementation of Defense sequestration will put our Nation in jeopardy.

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

From the Senator's perspective—as the Senator has been on this committee a long time, he has served in the military, and he is the ranking Re-

publican on the committee—in the Senator's judgment, based on the obligations we have—and I know the Senator has openly and aggressively condemned waste and abuse in the Defense Department—but does the Senator think the Defense Department can maintain its responsibilities with this cut?

Mr. MCCAIN. I would respond to my friend, through the Chair, that I don't think in the dangerous world in which we live that we can afford to have the smallest Air Force in history, the smallest Navy since before World War II, and the smallest Army since before World War II. Most importantly, we have to continue to modernize and we have to continue to invest, as my friend from Alabama knows.

The fact is we have a crisis with Iran, we have a rising challenge with increasing activities of China, we have an unsettled North Africa, we have an Arab spring going on all over the Middle East, and all of these present a compelling argument for us to be prepared to meet contingencies.

If we were having this debate a year and a half ago, Ben Ali is in power in Tunisia, Qadhafi is in power in Libya, Mubarak is in power in Egypt, and there would not be a bloody civil war taking place in Syria. So where will we be, I ask my friend from Alabama, a year and a half from now? I don't know. But it seems to me we cannot afford to be cutting defense in this fashion.

Mr. SESSIONS. Mr. President, I value Senator MCCAIN's judgment because he has been engaged in these debates for many years.

Mr. President, I want to yield to Senator INHOFE because I know he wants to share his thoughts at this time.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. Mr. President, I thank the Senator from Alabama. A lot has been said, and those of us who serve on the Armed Services Committee have been watching what is going on with a lot of distress. I think it is important for us to understand how we got into this mess to start with. By his own budget, we have a President who has given us over \$1 trillion in deficit each year for 4 years, totaling \$5.3 trillion. So that is the mess we are in that we are trying to get out of. But in all that time, the one that has not been properly funded has been the military. The first budget he had he cut out the F-22, the C-17, and the future combat system—all these systems that were so important—and it has gone downhill since then.

As you project the President's budget out, as has been said, we are talking about reducing about \$½ trillion. Now comes sequestration. That is over and above. A lot of people don't realize it. They think we are talking just about the \$½ trillion that will be cut over a period of time. I will use one of the charts that was actually put together by the Senator from Alabama that

shows where this stuff is coming from. Everything seems to be exempt except the military. Food stamps, exempt 100 percent of it; Medicaid, 37 percent; and only 10 percent of the DOD base budget. So why is it we find ourselves in a situation where that is the problem?

The only thing other thing I want to mention is this. I have every reason to believe, because I have heard from people in industry, the President of the United States is trying to get them to avoid sending out pink slips until after the November 7 election. I would remind him that we have something called the Workers Adjustment Retraining and Notification Act—WARN Act—and that requires any of these companies, prior to sequestration on January 2, within 60 days, which would be November 2, to notify people of their pink slips.

But this is what I wish to remind people. They do not have to wait. If they want to do it today, they can do it. I think it is imperative the people—the workers who will be laid off work as a result of Obama's sequestration—know in advance of the November election, and we are going to do everything we can to make sure that happens.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, Senator INHOFE referred to this chart and I have now had it brought over at his request. This is something we prepared, and it dispels the myth that the reason this government is running such huge deficits is surges in military spending. That is an inaccurate event.

The base defense budget from 2008, 2009, 2010, and 2011 increased about 10 percent. Medicaid, during the same time, increased 37 percent; and food stamps, during this same 4-year period, doubled—a 100-percent increase. Under the sequester, food stamps get not a dime of cuts; Medicaid gets not a dime worth of cuts. These cuts are disproportionately targeted at the Defense Department.

The Defense Department, as the Senator says, has already taken a \$487 billion reduction under the BCA, and due to sequestration it would be another \$492 billion. That is why, I believe, it has gone from belt tightening, waste reducing, and efficiency to producing the damage to the Defense Department.

Mr. MCCAIN. Would the Senator show this other chart?

Mr. SESSIONS. Yes. Senator MCCAIN asks we look at this chart. This again shows what would happen under the sequester. Our budget staff has worked hard to correctly do these numbers. Under the sequester, the additional \$492 billion in cuts, adjusted for inflation, the defense budget over 10 years would be reduced by a real 11 percent. That is, one-sixth of the Federal Government's spending is defense. The remaining five-sixths of the Federal Government would increase 35 percent under the sequestration and current

BCA policies. So again, I think that is clear proof the Defense Department is disproportionately being asked to reduce.

Senator MCCAIN suggests another chart. He likes my charts.

How about the 50-year switch? It is so dramatic. And the American people have to know this. I wish it were not so. I wish I could be more optimistic about our financial future and the ease with which we can get ourselves on the right track, but it is not going to be easy, and this chart indicates that.

In 1963, defense made up 48 percent of the outlays of the United States—48 percent in 1963. This was not at the height of Vietnam or the Korean war or anything. The entitlements of America amounted to 26 percent of the budget. What has happened in the past 50 years? Entitlements have now reached 60 percent of the budget and the Defense Department is 19 percent of the budget.

This is a dramatic alteration of where we are. Some of this is normal and natural. But I think what Senator MCCAIN is saying is that defending America is a core function of government and we need to be sure this alteration does not put us in the position where America is not properly defended.

I thank the Senator from Arizona.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. THUNE. Mr. President, I would say to my colleagues who are here on the floor that this is a defining moment for our country. The most basic responsibility and the most important priority we have as Americans is to defend the country. If we don't get national security right, the rest is conversation. We can talk about all these other things in the budget—we can talk about all the other priorities the country has, all of which are important—but if we fail to defend the United States of America, we have failed the citizens of this country. It is the No. 1 priority we have. It is the most important responsibility and obligation we have as public servants here in the Senate—to make sure we are taking the steps necessary to keep this country strong and secure from threats both here at home and abroad.

What happened—and how we got to where we are today—goes back to the fact that we haven't passed a budget for 3 years in the Senate. I need to remind my colleagues why we are where we are today. The reason we are here is because for 3 consecutive years now the Democratic majority in the Senate has not done the most fundamental responsibility we have, which is to pass a budget that addresses our national security interests. What did we end up with? We ended up last summer with the Budget Control Act—something cobbled together at the eleventh hour to avoid a deadline on raising the debt limit—and we put in place a process where a supercommittee would look at ways to define long-term savings so we

could avoid the sequester. But the sequester was put in place as a result of the Budget Control Act, which was put in place because the Senate hasn't passed a budget now for 3 straight years. That is why we are where we are.

Having said that, we need to fix the problem. And the problem is we have defense cuts that are going to cut very deeply into our national security interests, and we even have the Secretary of Defense coming out and saying these cuts would be devastating. The President's own Secretary of Defense has made a statement to that effect. With sequestration, we would have the smallest ground force since 1940, the smallest number of ships since 1915, and the smallest tactical Air Force literally in the history of the Air Force. That is the dimension of the problem we are talking about, as has been described by the experts who are supposed to know these things. As I said, the President's own Defense Secretary has made these sorts of statements.

One of the problems we have, of course, is we don't even know what the full impact of the sequester will be because the administration hasn't put a plan forward. So we are awaiting that plan. Today the House of Representatives voted 414 to 2 to require the administration to at least submit to Congress and to the American people how they intend to implement sequestration so we can at least have a better idea about what these impacts will be, where are they going to make the cuts, by account, so we can examine that and come up with a plan, hopefully, to replace those deep unbalanced cuts in the defense budget with reductions elsewhere in the budget. But we don't know that because we can't get the administration to put forward the plan we need to move forward with our proposals here in order to do away with what we think will be a very dangerous cut to America's national security.

I hope the Senate will do something to address that. We can start by taking up the bill passed in the House, pass it here in the Senate, and require the administration to put forward a plan about how they are going to implement the sequester.

As has already been pointed out by the Senator from Alabama and others, we are talking about basically a 50-percent cut in the defense budget—or 50 percent of the cuts coming out of the defense budget on top of \$487 billion in cuts that were already approved last year. So we are talking about another huge amount of reduction, up to about another \$½ trillion on top of what already is \$½ trillion in cuts that came last year.

Remember, the defense budget, as has been pointed out, only represents 20 percent of all Federal spending, so we are going to take half the cuts out of 20 percent of the budget. Where is the proportionality in that? And as the Senator from Alabama has highlighted, what we have done essentially is we

have shielded many areas of the budget. So a lot of the things some of our colleagues on the other side of the aisle don't want to see cut are protected from this. Yet we are going to make huge, steep, Draconian, and dangerous cuts in America's national military and national security budget.

I would hope we can at least act on what the House of Representatives did earlier today by a 414-to-2 vote, pick up that legislation, and require the administration to tell us how they are going to implement these reductions. Then let's go to work on a bipartisan basis and try to come up with a plan whereby we can avoid what will be a disaster, as has been described by every national security expert out there, for our national security interests.

We live in a dangerous world. We can't avoid that. The United States of America is looked to for leadership around the world. We have to continue to ensure we can protect this country and America's interests around the world. In order to do that, we have to make sure our military is resourced in a way that enables them to protect our interests. We cannot continue to go forward with this sequester, which would dramatically and in a very dangerous way harm those national security interests.

Mr. SESSIONS. Mr. President, I ask unanimous consent that we be allowed to proceed as in a colloquy so we can address one another directly.

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

Mr. SESSIONS. Senator THUNE is in the leadership on the Republican side and he is in the Budget Committee and the Defense Committee and is aware of how this all happened. So we are at a point where it appears to me the Defense Department is being asked to take unacceptable, disproportionate reductions in spending that go so far as to create damage rather than improving its efficiency.

Isn't it true the Secretary of Defense and all the top officials under the Secretary of Defense are appointed by the President and serve at his pleasure?

Mr. THUNE. That is correct.

Mr. SESSIONS. The Secretary of Defense now has said this would be a disaster to the Defense Department for these cuts to take effect. Isn't it true that the President is the Commander in Chief of all our military forces?

Mr. THUNE. That is correct.

Mr. SESSIONS. Isn't it true that we are at a situation at this point in history where we are heading toward a sequester, and the Commander in Chief is utterly silent on how to fix the problem?

Mr. THUNE. The Senator from Alabama is correct. That is one of the remarkable things about this. The Commander in Chief, of course, is tasked with the responsibility of being just that, the Commander in Chief. Yet when it comes to the national security interests that we have and to at least spelling out how he would implement

what we believe are going to be some disastrous cuts to the defense budget, he is not even informing us about what his ideas are with respect to that so we can react to that. More importantly, he doesn't seem to be the least bit interested in addressing this.

There is a huge silence coming out of the White House—the Senator from Alabama is absolutely correct—and it has to change if we are going to be able to fix this. It starts by at least him presenting a plan, and the Senator from Alabama and I have introduced legislation in the Senate that would require that, much like what passed in the House today, and that is where it all starts.

Mr. SESSIONS. I thank the Senator from South Dakota for his leadership, and I was proud to join with him on similar legislation to that in the House. But isn't it true that we agreed last August with the Budget Control Act to reduce spending over 10 years by \$2.1 trillion; that is, reduce \$47 trillion to \$45 trillion, and there are no tax increases involved in that? Now we are discovering that late-minute deal has disproportionately impacted the Defense Department, as the President's own Secretary of Defense acknowledged.

Should we not be able to expect that the President would enter into discussions about how to deal with this? Does it not seem to the Senator, as an experienced part of the leadership in this Senate, that the President is saying: You Republicans care about the Defense Department. You Republicans care about preserving America. But I am not going to do it unless you agree to my tax increases. I am not going to do, as Commander in Chief, what I ought to be doing and providing the leadership on this because I am going to use this as leverage against you guys to force you to agree to a tax increase; is that the bottom line? I hate to be so frank about it, but that is the way I feel it is sort of developing; am I wrong about that?

Mr. THUNE. I don't think the Senator from Alabama is wrong at all. In fact, that is what much of the news stories that have been printed in the last few days and reporting on the subject have said. Some of our colleagues on the other side have essentially concluded this is leverage—leverage for them to get higher taxes.

It strikes me, at least, that there is a tremendous risk associated with allowing the country to go over a fiscal cliff—which includes not only these Draconian cuts to the defense budget but also tax increases that would occur on January 1, to go over the fiscal cliff, risk plunging the country into a recession, raise the unemployment rate which is already at historically high levels, all to prove a point about raising taxes. But that appears to be—at least by the reporting. There was a story in the Washington Post over the weekend that said: Democrats threaten going over the fiscal cliff basically to get higher taxes out of Republicans.

That, to me, seems like a terrible trade to make, to risk the country going into a recession, to risk these tremendous cuts in our national security priorities, just simply so they can get higher taxes.

Mr. SESSIONS. I think so. I would just say this—and I am so glad our colleague Senator AYOTTE is here.

One thing more I would say about it is the agreement last August was to raise the debt ceiling \$2.1 trillion and to reduce spending over 10 years \$2.1 trillion. It did not include a tax increase.

What we are saying is we need to simply reorganize how all those cuts fell so they are more realistic and the government is not so damaged, and we don't need to have agency after agency totally exempt from any cuts.

We are glad to have Senator AYOTTE here. She is a new member of the Armed Services Committee and the Budget Committee. She is a fabulous new addition to the Senate. Her husband is a military officer. She has contributed greatly to our discussion.

The PRESIDING OFFICER. The Senator from New Hampshire.

Ms. AYOTTE. Mr. President, I wish to thank Senator SESSIONS. I appreciate his leadership as the ranking member on the Budget Committee and also as a senior member of the Armed Services Committee.

This is so troubling, where we are right now with respect to our Department of Defense, our military—the most important constitutional function we have as a government to make sure the American people are safe.

Essentially, where we are is the Budget Control Act, as described, initially has cut \$487 billion from our military over the next 10 years. But on top of that, there are across-the-board cuts coming in January. I think the No. 1 lesson we learned from the Budget Control Act is when we kick the can down the road and we don't make the decisions right away or when we delegate it to some other committee to make the decisions, when we don't do a budget in 3 years, here is where we are. So we owe it to the American people to make the decisions that need to be made now.

It is irresponsible to put our Department of Defense and our military—our men and women who have fought so bravely for this country—at risk because somehow there are Members who think it is important to play roulette and to play chicken with our national security.

This isn't just from the Senator from New Hampshire. Just listen to our own Secretary of Defense. He describes what is coming with these across-the-board cuts in January as:

Devastating. Catastrophic. Would lead to a hollow force incapable of sustaining the missions of the Department of Defense.

He has compared sequestration or these across-the-board cuts to “shooting ourselves in the head, inflicting severe damage to our national security.”

To the point the Senator from Alabama made as well as the Senator from South Dakota, which is the President who is the Commander in Chief of this country, I would call upon him: Mr. President, lead an effort to resolve this. We can come up with alternative spending reductions. Yes, we need to cut spending, and I will be the first to stand in line to say we need to make sure we make those spending cuts. But let's not do it at the sake of our military.

If the Presiding Officer doesn't want to listen to me, the Senator from New Hampshire, please listen to your own Secretary of Defense and make sure we do not undermine our national security.

I serve as the ranking Republican on the Readiness Subcommittee. I asked the Assistant Commandant of the Marine Corps: What is the impact on the Marine Corps from these across-the-board meat axe cuts that are coming in January to our military?

Already the Marine Corps, under the initial reductions, is going to be reduced 20,000. If this goes forward, this irresponsible way of treating our military and our Department of Defense, the Marine Corps will take another 18,000 reduction. The Assistant Commandant of the Marine Corps said: The most shocking thing to me is actually something that keeps me up at night; that is, he said, the Marine Corps will be incapable of responding to one single major contingency.

Think about it. Think about it in terms of protecting our country. That is why it is so important that we resolve this now. It is my hope Members from the other side of the aisle will come to the table now.

To put it in perspective, we could resolve and find spending reductions to deal with not only the defense but the nondefense part of these across-the-board cuts by living within our means for 1 month within this government. It is \$109 billion. We need to do this for the American people.

Our men and women in our forces of every branch of this service are so astounding in their courage. Just one example. There was a sergeant in the Marine Corps who lost his leg in Afghanistan and he took 1 year to recover. With a prosthetic leg, he reenlisted. He actually redeployed in the Marine Corps. Those are the types of men and women to whom we owe that they don't just get pink slips because we aren't showing the courage that needs to be shown right here in the Senate to come up with the spending reductions that don't put our country at risk.

Our Commander in Chief should be leading that effort. Unfortunately, all we have seen so far from the President is punting this issue. I would call upon him and Members of both sides of the aisle to come together to resolve this.

We should resolve this before the election. If we wait until after the election, then our Department of Defense

is going to be under this cloud of uncertainty. Our men and women in uniform need to know we will not break faith with them, that we will stand with them, that we are not going to use them as a political football for other issues because, on a bipartisan basis, we should stand with them, with our national security.

In addition, one of the reasons we should resolve this before the elections is it is not just about the safety of our country, which should come first and foremost, but we are also talking about nearly 1 million jobs in the private sector in our defense industrial base, based on a report from AIA and George Mason University—just looking at defense, 1 million jobs.

Those jobs are the manufacturers, both large and small, that build the equipment, the protection, the weapons systems our men and women in uniform need to fight the wars we ask them to do to keep them safe and protected. If we lose that capacity, not only do we lose the jobs that are good jobs in this country, but we also lose capacity, which is very much a part of the defense of this Nation. Under Federal law, these companies will be required to issue, under the Warren Act, notices of layoff, potential layoff 60 days before it happens, which brings us to November.

That is why we need to address this issue before the election as well. We should not put all those Americans who work for those companies and those companies at risk.

Yesterday, AIA also issued a report looking at the nondefense implications of sequestration. If we put it all together, it is over 2 million jobs in this country that are at issue.

We should get to the table right now, resolve this, cut the spending in a responsible way that doesn't add a national security crisis to our fiscal crisis. We can do it, but we aren't going to do it if we continue to put off the difficult decisions, if we kick this can down the road again, if we use this as roulette or chicken or in some other debate in December.

This needs to be resolved right now for our men and women in uniform who have shown the courage, the tenacity, and the love of country. They have done so much for us and they deserve better from us than to use them as a political football in some other debate.

I urge my colleagues from both sides of the aisle to come to the table now. I urge the President to come and lead this effort so we can resolve this issue on behalf of the American people.

I yield my time to the Senator from Alabama.

Mr. SESSIONS. I thank the Senator from New Hampshire. She made a great series of points. One of the most dramatic, is that we should not be waiting.

This is going to cost the Defense Department tremendous amounts of money. Private contractors may well assess against the Department of Defense costs for confusion and delays.

I just want to wrap up with these three charts.

One of the myths is the reason the United States is running the largest deficit in its history is the wars, the Afghan and Iraqi wars. We ran the numbers on that. The war outlays represent only 4 percent of defense spending. That is a lot, but it is only 4 percent. It is not the biggest part of it. In 2001–2011 it totaled \$1.1 trillion during that time; 2001 through 2011 we spent \$1.1 trillion on both wars in Iraq and Afghanistan.

During that same time—this represents the rest. The red represents the remaining expenditures of the U.S. Government, 96 percent. It is not so that defense and the war have caused the deficit we are in. Indeed, last year our deficit was about \$1.3 trillion. The entire 10 years of the war effort amount to less than 1 year's deficit last year. In fact, we have averaged over \$1.2 trillion for the last 4 years in deficits. For one year, you could eliminate the entire Defense Department, all \$540 billion of it, and you would not cut the deficit in half. You can add the war costs to it, which is a little over \$100 billion, and it is still less than half. It is not so that the reason this country is in financial trouble is that defense and the war have caused the deficit.

There are other factors going on. From 2008 through 2010, this shows the growth in spending as a percentage of those budgets. Defense spending, through those 3 years, increased 11 percent. The non-defense discretionary spending increased 24 percent. That is a rate of more than twice as fast. So it is not surging defense spending that is driving up the cost of government as much as the increase in the non-defense spending.

One more chart that should make us all nervous. This is a Congressional Budget Office estimate of interest costs on the debt we are now accumulating. We are now at \$16 trillion in debt. Every penny of that is borrowed money. We have to pay interest on that \$16 trillion. We are adding \$1 trillion a year to it. We have added \$1.2-plus trillion for each year for the last 4 years. According to the CBO, in 2019, just 7 years from now, interest will exceed the Defense expenditures. The amount of money we spend servicing the debt that we have run up will exceed the Defense Department and surge past it.

If we have a situation that could happen as is now happening in Europe, and the interest rates surge faster, that number could be a devastating number to the economy. It is a matter of great concern to us.

That is why we have to contain spending. The Defense Department has to reduce spending. We support the \$487 billion in cuts they are working on today, but the additional \$492 billion is so large that it does damage to the Defense Department and actually will cost us money by making rapid reductions in spending in such a way that

cannot be accommodated in any rational way.

I believe if we work together, get this thing on the right path, be honest with ourselves about how much we can reduce the defense budget without hurting our security, I believe we can work out something before the end of the year. But I tell you, the President is going to have to get engaged. He cannot just sit back and think he is going to use this for leverage to raise taxes as it appears to me he is doing. I know others want to speak.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, for the last hour my friends on the Republican side of the aisle have had the floor, and they have presented their point of view. I would like to—and I am joined by the Senator from Vermont—I would like to spend a few moments, if I can, reflecting on what they said and perhaps making some observations that disagree with some of their conclusions.

There are some points on which we agree. The deficit is a serious national problem. Right now we are borrowing 40 cents for every dollar we spend. Whether we are spending that dollar on education, student loans, food stamps, missiles, or the paychecks for our soldiers, we borrow 40 cents for every dollar we spend. No company, no family could survive borrowing 40 percent of everything they spend. That is a fact. So we need to be serious about reducing this deficit.

We are confronted, however, with a reality in terms of our economy. Since 2008 we have had a weak economy. We have had a recession that has killed off a lot of jobs. We are coming back but slowly. If we are not careful in the way we reduce the deficit, we can make it worse. I think everybody agrees with that premise on both sides of the aisle.

So we have a massive deficit, and we have a weak economy. We have to be careful how we reduce spending and raise revenue in a way that doesn't kill off the recovery. Ultimately, we cannot have a strong American economy unless we start putting people back to work in larger numbers. I think both sides will agree on that.

Here is an area where we start to disagree. How do we achieve this? Several years ago the majority leader, Senator REID, asked me to serve on the Simpson-Bowles Commission. I sat for over a year listening to testimony about ways to reduce the deficit. At the end of the day I came to a conclusion that turned out to be bipartisan, and 11 out of 18 of the members of the Commission voted for it—Democrats, Republicans, public members.

It basically said this: Any honest approach to reducing our deficit puts everything on the table—everything. It puts spending cuts on the table for sure, but it also puts on the table revenue. And entitlements.

I can tell you, there is a great deal of pain in addressing some of these issues.

On the Republican side of the aisle when you say the word “revenue”—I wouldn’t dare use the word “taxes”—but when you say the word “revenue” they race for the door.

On our side of the aisle, when you mention the entitlements—my colleague from Vermont and I and many others share a real concern about the future of programs such as Social Security, Medicare, and Medicaid, the basic insurance policy for senior citizens of America and the safety net for the poor and disabled. So you can understand this becomes extremely difficult in terms of cutting spending, raising revenue, reducing the deficit, and not killing off an economic recovery.

What happened last year? Last year we faced what is called the debt ceiling. The debt ceiling is a vague term that not many people understand. Let me try to put it in simple words, if I can.

The debt ceiling is America’s mortgage. America’s mortgage is growing in size, unlike many home mortgages which go down. America’s mortgage is growing because our national debt is growing. Periodically, we have to borrow more money to cover what we have spent. So Members of the Senate on both sides of the aisle who vote for the spending—whether it is for a war or for education or health care—ultimately know the day will come when we have to borrow more money to cover the 40 percent of what that expenditure is that we are not raising in revenue.

The debt ceiling came up for us to consider last year, and for the first time—the first time—the Republicans in the House and Senate said: Let’s default on the national debt.

What would happen if you started missing mortgage payments at home? After a month or two somebody might give you a phone call. Then on the third month you might get a letter from a lawyer. On the fourth month you might be in foreclosure proceedings. In other words, you were not a trustworthy borrower and your credit rating is being destroyed by your failure to pay your bills.

The same thing would happen to America if we did not pass the debt ceiling, if we did not extend our mortgage, if we did not make our timely payments on our debt. But that was what the Republicans threatened. So in order to get through this crisis, the possibility that our entire economy would shut down over this default on our national debt, we came up with a plan. Here is what the plan was.

We would create a bipartisan House and Senate supercommittee. We said to that supercommittee: Come up with \$1.5 trillion in deficit reductions over the next 10 years—\$1.5 trillion in deficit reduction. We did not say to the committee how to do it, but we told them if they fail to come up with this savings of \$1.5 trillion over the next 10 years, there will be automatic spending cuts—automatic spending cuts called sequestration. We said specifically

what they would be: \$500 billion from defense spending, \$500 billion from non-defense spending. That was the alternative. Reach an agreement, cut the deficit, or face this automatic penalty.

What we have heard on the floor of the Senate today are the protests of a half dozen or more Republican Senators to what we are now facing. You see, the supercommittee could not reach an agreement. There was no agreement because basically the Republican side refused to even consider raising revenue—raising taxes on anybody over the next 10 years. So the alternatives were to continue to cut spending and/or cut Medicaid and Medicare.

It broke down. So the automatic spending cuts, sequestration is now looming. January 2 they are looming as a possibility. The protests on the floor today from Republican Senators are over the possibility of a \$500 billion cut in defense spending over the next 9 years, \$55 billion a year—not an inconsequential cut by any means.

Here is what is interesting. I asked for the transcript from the Republican Senators in describing the defense sequestration cut, and every one of them came to the floor to condemn it. The words they used in describing it are “predictable,” “devastating,” “arbitrary,” “irresponsible”—one after the other. That is how they described this.

Then I asked my staff to please get me a copy of the rollcall of Senators who voted for this option. Of the Senators—Republican Senators—who spoke on the Senate floor this afternoon protesting the defense sequestration as devastating, irresponsible, and arbitrary, the following Republican Senators voted for it: Senator MCCONNELL of Kentucky, Senator MCCAIN of Arizona, Senator THUNE of South Dakota, and Senator CORNYN of Texas. In fact, the entire Republican leadership team voted for what they are now branding as devastating, arbitrary, and irresponsible. So it is a little hard for me to understand how on this date, August 2, 2011, in the early afternoon, they could vote for this and now come to the floor and condemn it.

Here is the reality. The reality is we need to deal with our deficit in a responsible fashion. We need to keep this economy moving forward. In order to deal with the deficit in a responsible fashion, I still believe the Bowles-Simpson approach is the right approach—put everything on the table and work through it in a responsible way. I thought it was right then; I still believe it is right.

I am troubled, though, by this concept about defense spending. Let me confess my own personal family feelings. An hour ago my nephew Michael Cacace, who is in the 10th Mountain Division out of Fort Totten, NY, came to visit me upstairs. He was a sight for sore eyes. I hadn’t seen him in a long time. A little over a year ago he was a doorman letting people into the gallery upstairs, and then he enlisted in the

U.S. Army and spent a year in Afghanistan. I thought about him every single day. We sent him care packages and got notes back from him and occasional e-mails, and in he walks to my office today safe and sound. I couldn’t have been happier to see him. In just a few weeks he is off to Korea. He has 2 more years in his commitment to the Army.

I thought about him—and think about him and so many others like him—every time the issue of America and the military came up. While Michael and so many others are risking their lives for our country, we can do nothing less than to keep them safe—as Michael was able to do. I am committed to that personally, politically.

To suggest that any of us, in either party, would jeopardize the defense and security of America for political reasons I do not accept. Everyone here is committed to the basic premise of keeping America safe and standing behind our men and women in uniform. I also want to be realistic about the defense budget. It is a big budget.

The last time the Federal budget was in balance was about 10 years ago, and we hit the sweet spot when it came to taxes and revenue on one side and spending on the other. The sweet spot was 19.5 percent of our gross domestic product. That is the sum total and value of all the goods and services produced in America. So we raised 19.5 percent of our gross domestic product on taxes and that is how much we spent. We were in balance 11 years ago.

What has happened since? Senator DAN INOUE, chairman of the Senate Appropriations Committee, told us. Since the budget was last in balance, domestic discretionary spending for things such as education, health care, correction systems, highways, and all the nondefense items in our budget has not grown at all. It flatlined, zero growth. When it came to the entitlement programs, such as Medicaid, Medicare, veterans programs, and the like, they have gone up about 30 percent in costs since the budget was last in balance.

What about the defense budget? What has happened to the defense budget since we had a balanced budget? It has gone up 73 percent. Zero on domestic discretionary, 30 percent on entitlements, 64 percent on the military side. So what happened in the last 10 years? There were two wars we didn’t pay for, a dramatic buildup in the military, and the reality is all of it was added to the debt.

When we had the Simpson-Bowles Commission, we brought in experts from the Department of Defense and asked them a lot of questions about our spending over there. There were some things there that were troubling. The F-35, which is supposed to be the fighter of the future, ends up dramatically overspent. There were cost overruns in every direction. You may have heard a lot about the Solyndra energy project. The cost overrides on the F-35

project are more than 10 times the money we lost on the Solyndra energy project. There has been a dramatic overrun on some of these major weapons systems.

We then asked the Department of Defense: How many contractors do you have working for you, not including civilian employees, in the Department of Defense or uniformed employees? Their answer to us was very candid: We don't know. We really don't. We hire contractors, and they hire people. We have no idea how many people work for us. It could be a million people, it could be 3 million people. It raises a question in my mind: Can we be safe as a country and still save some money at the Department of Defense? I think we can.

What I hear from the Republican side of the aisle is: Keep your hands off the Department of Defense. Well, I don't want to cut them and jeopardize our security or endanger our servicemen, but I do believe money can be saved there. How did we find ourselves in this position where we are even considering these cuts? Because the Republicans have steadfastly refused to consider revenue.

Before you took the chair, Madam President, our colleague and friend Senator MERKLEY of Oregon sent me a note to ask Senator SESSIONS of Alabama a question. I want to read it. He said: Ask Senator SESSIONS the following: What is more important, taking care of our national security or giving bonus tax breaks of over \$100,000 a person for the richest 2 percent of Americans? What the President has proposed is that we cut the tax breaks off at \$250,000 of income, and it means the top 2 percent of Americans would pay more. They would pay the rate they used to pay under President Clinton, and the Republicans have said: No way. President Obama's tax proposal would save us \$800 billion. The Department of Defense cut over 9 years is \$500 billion. So the Republicans here, almost to a person, are basically arguing that rather than raise taxes on the richest 2 percent in America at all, we would run the risk of jeopardizing our national security. That is a false choice. We can have a strong national defense and we must, but we can also have a rational approach to reducing our debt.

Our military is the best in the world, the biggest in the world, and larger than most other nations—the next 10 combined—and it is dramatically larger than any potential enemy of the United States. It has kept us safe as a Nation, and we want it to continue to do so. The men and women who serve us in the military are the best, but we can save money in the Department of Defense. We can do it and reduce the deficit.

What we need from the Republican side of the aisle is the willingness we found in the Simpson-Bowles Commission of a few Republicans to step up and say: Yes, we need to put everything on the table. Let's avoid deep cuts ei-

ther on the domestic side or the defense side. Let's basically come up with an approach that is fair across the board, and we can do it. Let's spare those who are the most vulnerable in America, the homeless and helpless. For goodness sake, we all care for them. We should all care for America's needy. Those programs have to be protected.

When the Senator from Alabama comes to the floor and decries the fact that more people are using food stamps, I say to my friend from Vermont, who has probably seen the same thing I have: Meet these families on food stamps.

Meet them when you go to the soup kitchens and when you go to the food pantries. Many of them are working families. They can't make it on what they are being paid. They are struggling from paycheck to paycheck. At the end of the month, they are looking for something to put on the table. Sadly, families who have an income still qualify for food stamps because their income is too small.

The Senator from Alabama said the food stamp costs have gone up way too high. True, they are high, but they reflect the state of the economy and the troubling challenges that face working families and poor families across America. He also made a point of saying the entitlement payments are going up dramatically. Why? Because today in America 10,000 of our fellow citizens reached the age of 65. Yesterday was the same thing, tomorrow is the same thing, and for the next 18 years it will be the same thing: The boomers have arrived. And when they arrive at age 65, they look around and say: Well, we paid in all of our lives for Social Security and Medicare. Aren't we qualified? Aren't we entitled to our benefits?

Is the Senator from Alabama suggesting we walk away from those commitments? I don't think that is fair. We can make these better programs, we can make them more efficient, but we certainly don't want to give up on our commitment to Medicare, for example, as the PAUL RYAN budget did. I think that is a serious mistake.

To my friends on the Republican side of the aisle, I think the message is clear: You voted for this, so don't keep coming to the Senate floor and criticizing it. They knew what they were voting for. It said if you failed to reach a bipartisan agreement on the supercommittee, this is what we would face.

Secondly, we can solve this problem still. We can avoid sequestration with a bipartisan approach that considers all of the key elements to bring deficit reduction in a sensible and thoughtful way, that doesn't kill our economic recovery.

Third, I will never question any colleague's commitment to the safety and security of this Nation, and I hope our friends on the other side won't either. Everyone is committed to that, and we are committed to our men and women

in uniform. Now let's do them proud and make America's economy stronger and make America stronger. Let's invest in what we know will make us a strong Nation. In addition to our military, let's invest in our schools and education, research and innovation, clean energy projects that offer an opportunity for 21st century leadership for America, the infrastructure which serves our country from one side to the other and keeps products moving and keeps America competitive. We can make the investments in these key areas and not jeopardize our national defense. We can do that and reduce the deficit.

I yield to my colleague from Vermont, Senator SANDERS.

The PRESIDING OFFICER (Ms. KLOBUCHAR). The Senator from Vermont.

Mr. SANDERS. I thank the Senator from Illinois.

Mr. SANDERS. Madam President, I appreciate the remarks of the Senator from Illinois, and I wanted to amplify on them a little bit. But before I do, I wanted to mention something we don't talk about enough here on the floor of the Senate.

In New England, and I'm sure in Minnesota, we have a lot of sports fans. When we are interested in baseball, basketball, football, hockey, or whatever, the key question everyone always asks is: Who wins and who loses? Well, I think it is appropriate that in terms of the economy, as it currently stands, we should also ask that simple question: Who is winning and who is losing? Let me discuss that for one moment before I get into deficit reduction.

We don't talk about it almost at all on the floor of the Senate. The media doesn't talk about it terribly much either. But the reality is we have the most unequal distribution of wealth and income of any major country on Earth and more income and wealth inequality in this country than at any time since the late 1920s.

Today the wealthiest 400 people own more wealth than the bottom half of America, which is about 150 million people. We could squeeze 400 people into this room, and if they were the wealthiest people in America, they would own more wealth than the bottom half of America.

A report came across my desk yesterday which I want to share with the American people. This is quite incredible and kind of tells us where we are moving as a Nation, and that is that today the Walton family of Wal-Mart fame—the folks who own Wal-Mart—now owns more wealth than the bottom 40 percent of America. One family owns more wealth than the bottom 40 percent of America.

Today the top 1 percent owns 40 percent of the wealth of the country. I think a lot of people are very surprised by that number. The top 1 percent owns 40 percent of the wealth of America. But what people would be far more shocked at is if we asked them how much the bottom 60 percent of the

American people own. I have done this. In Vermont, I have asked people. They say: 10 percent, 20 percent. The answer is less than 2 percent. The top 1 percent owns 40 percent of the wealth of America. The bottom 60 percent owns less than 2 percent. The bottom 40 percent of America owns three-tenths of 1 percent, less than one family—the Walton family—owns.

Why is that important? It is important because it tells us from both a moral and economic perspective the direction we have to move in terms of deficit reduction. I find it a little bit amusing that some of my Republican friends come to the floor of the Senate and say: We are deficit hawks. We have got to cut, cut, cut. We are worried about our kids, we are worried about our grandchildren, and we are worried about borrowing money from China. They have a whole set of talking points. They are worried about the deficit.

I am worried about the deficit, every American should be worried about the deficit, but I have a question to ask some of my Republican friends who today are great deficit hawks and that is: Where were they a few years ago? I voted against the war in Iraq for a number of reasons, not the least of which is it wasn't paid for. The war in Afghanistan wasn't paid for. I find it kind of interesting that former President Bush, who was a great deficit hawk, and all of my Republican friends who are great deficit hawks went not just to one war, they went into two wars. And you know what. It just slipped their minds. They forgot to pay for it. We all have slips of memory. You go to the grocery store and forget to buy the container of milk your wife wanted you to buy. It just slipped their mind. They were so busy talking about the deficit, they went into two wars that cost trillions of dollars and forgot to pay for them. Today they have noticed and it has come to their attention that there is a deficit.

I voted against the war in Iraq. I am not so sure many of them did.

The second issue. If we go on a shopping spree or a gambling spree or whatever it may be and we spend a lot of money, give away a lot of money, we have less money. Our Republican friends fought for and created huge tax breaks for the wealthiest people in this country. Hundreds and hundreds of billions of tax dollars in tax breaks went to the top 1 percent, went to the top 2 percent. So our deficit hawk friends who come down here every day to tell us how concerned they are went into two wars they forgot to pay for, and, for the first time in American history, they actually gave tax breaks to the very rich while they were at war.

Furthermore, one of the major problems our country is facing now in terms of the deficit, which Senator DURBIN touched on, is that because of the recession, which was caused by the greed and recklessness and illegal behavior of Wall Street—and many of my

Republican friends and some Democrats told us awhile back when I was in the House how important it was to deregulate Wall Street, to allow the large commercial banks that have merged with the investor banks to merge with the insurance companies, and just get the government off the backs of these honorable people on Wall Street who are looking out for the American people. It turned out, of course, that they are a bunch of crooks. We deregulated them, and they did what many of us thought they would do: they began exchanging incredibly complicated financial transactions, which took this country to the verge of an international financial collapse. And our friends on Wall Street needed their welfare payment from the middle class of America—\$700-and-some billion of welfare payments for Wall Street—to bail them out. The Fed provided \$16 trillion in low-interest loans on a revolving loan basis. So in the midst of all of that, what ended up happening is that revenue is now down to 15.8 percent of GDP, which is the lowest amount of revenue per GDP we have seen in a very long time.

So we go into two wars and don't pay for them; we give tax breaks to billionaires; we deregulate Wall Street, which causes a recession; revenue declines as a percentage of GDP; and we have a serious deficit crisis, which is where we are right now. We have a \$16 trillion national debt. I think it is a \$1.2 trillion-a-year deficit—a serious situation. How do we deal with it? Everybody here recognizes that it is a problem. We don't want the younger generation to have to pick up this national debt. How do we deal with it?

Well, my Republican friends have a great idea. Let's see. We went to two wars and didn't pay for them; tax breaks for the rich; deregulated Wall Street; a recession. Oh, I know how we can deal with the deficit. Let's cut Social Security. That is a good idea. After all, we only have 50-some-odd million people on Social Security. Why don't we come up with a chained CPI? Nobody outside of Capitol Hill knows what a chained CPI is. And to any senior citizen, somebody on Social Security, who is watching this, please don't laugh, but I do want to tell you what a chained CPI is. You will think I am not telling you the truth. Check it out. I am.

There are people here in the Senate and in the House who think your COLAs have been too large; that the formula that determines COLAs—cost-of-living allowance increases for seniors—has been too generous.

Now, the seniors are saying: What is this guy talking about? How can it be too generous when for the last 2 years we didn't get any COLA? At a time when our prescription drug costs are going up and our health care costs are going up, what are they talking about?

Well, you are right, I say to those back home, they are a little bit off their rocker. The idea that they could

think that after 2 years of zero COLAs, those are too large, and that we have to create a new formula to reduce COLAs—that is what people—certainly Republicans and some Democrats—are talking about right now.

So what about Social Security? How much of the deficit did Social Security cause so that my Republican friends—all of them—want to cut it and some Democrats may want to cut it? Well, the answer is zero, and everybody in America back home understands it, because Social Security is funded by the FICA tax, by the payroll tax. Social Security does not get general fund money, it comes independently. Social Security, according to the Social Security Administration, has a \$2.7 trillion surplus—let me say it again: surplus—to pay every benefit for the next 22 years. Why do they want to cut Social Security? Go ask them. I don't know. It certainly doesn't make any sense to me. It should not be part of any deficit reduction effort. But it is not just Social Security that is under attack. They want to go after Medicare. They want to go after Medicaid. They want to go after nutrition programs for elderly people and for children. They want to go after Pell grants. You name the program that benefits working-class and middle-class families, and they want to go after it.

What about asking the wealthiest people to pay a nickel more in taxes? Oh, we can't do that, just can't do that—moral objection to having billionaires, who are doing phenomenally well and who are now paying the lowest effective tax rate they have paid in a very long time—we cannot allow them to pay a nickel more in taxes. It is far more important to cut Social Security, Medicare, Medicaid, and education.

Well, I think that set of priorities is dead wrong, and I think the American people think those priorities are dead wrong. We have to work together to make sure that doesn't happen in some kind of grand plan or whatever it is. Yes, we can deal with the deficit. We should deal with the deficit but not on the backs of the elderly.

Millions of senior citizens of this country are living on \$12,000, \$13,000, \$14,000 in Social Security—it is either all or most of their income—and people here are talking about cutting Social Security? We have 50 million people who have no health insurance. We have 45,000 people who died this year because they didn't get to a doctor on time, and people say: Let's take our kids off Medicaid. Let's take lower income people off Medicaid. What happens? Let's do away, says the Ryan budget, the Republican budget, with Medicare as we know it. Let's give people an \$8,000 check instead of Medicare. Well, a person has cancer or heart disease, and we have an \$8,000 check for them to go out and get private insurance. How many days do my colleagues think they are going to stay in a hospital with cancer on \$8,000? Not a whole long time, but that is what their plan is.

So we are now in the midst of a great philosophical and economic debate. The rich are getting richer, and our Republican friends want to give them more tax breaks. The middle class is collapsing. Our Republican friends want to cut Social Security, Medicare, and Medicaid.

In terms of defense spending, I would just say this: Everybody here agrees we want and need a strong defense. Do we really have to spend more on defense in the United States of America than the rest of the world combined? We spend more on defense than the rest of the world combined. Do we really have to do that? We spend 4.8 percent of our GDP on defense.

Our European allies, by the way, provide health care to all of their people as a right. Our European allies provide, in many instances, college education free to their young people—not \$40,000 or \$50,000 a year. Our European allies—and I say this in all due respect to them; I respect that, and it is what we should be doing—provide excellent quality childcare to their working families. Our European allies spend 2 percent of their GDP on defense.

We spend 4.8 percent.

So we are in the midst of an interesting moment. I hope the American people become engaged in this debate because I think, by and large, the position the Republican Party is taking—tax breaks for billionaires, cuts in Social Security, Medicare, and Medicaid—is way out of touch with where the American people are today.

I hope we have a serious debate on these issues. I hope the American people join us, and I hope the road we go down in terms of deficit reduction is one that is fair to working families and the middle class, and that means asking the wealthiest people in this country and the largest corporations in this country to start paying their fair share of taxes.

With that, I yield the floor and note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant bill clerk proceeded to call the roll.

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

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

Mr. BROWN of Ohio. Madam President, I ask unanimous consent to speak for up to 10 minutes as in morning business.

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

#### RUSSIA PERMANENT NORMAL TRADE RELATIONS

Mr. BROWN of Ohio. Madam President, I rise because the pending proposal to grant permanent normal trade relations with Russia must be done right. It was voted out of the Finance Committee today. There is discussion about further changes in the legislation on the Senate floor when it reaches here.

People in my home State of Ohio know too well that we cannot afford to

continue our normal, business-as-usual trade agreements that fail to hold our trading partners responsible.

We know what happened in the early 1990s with the North American Free Trade Agreement. We know what happened in the late 1990s with the permanent normal trade relations with China. Look at the most recent events around the U.S. Olympic Committee and these American athletes, with hundreds and hundreds of them soon to parade down the streets in London, England, wearing clothes made in China. If that does not tell somebody about our trade relations with China.

We need to do it right because we know what happened not too many years ago with the Central American Free Trade Agreement, so-called CAFTA. The American people recognize that.

Too often we have allowed countries to violate their trade commitments with detrimental consequences to our own industries, especially our manufacturing.

Between 2000 and 2010, we lost one-third of our manufacturing jobs in this country. More than 5 million manufacturing jobs disappeared. Madam President, 60,000 plants closed. That is not by accident. That globalization evolved that way. It was because of trade law and tax law in our country that gave incentives in far too many cases for companies to shut down in the United States and move overseas.

We know a number of large American businesses have decided their business plan is to shut down production in Sandusky or Hamilton, OH, and to move production to Shihan or Wuhan, China and sell those products back into the United States of America.

Never, to my knowledge, in world history has a large number of companies in one country put together a business plan such as that: Shut down production in the home country, move it overseas, and sell back those products into the home country. By and large, it has not worked for our country. Part of the result is a diminished middle class with stagnant wages.

That is what we need to make sure we understand as we go, with eyes wide open, into this PNTR with Russia.

Too often we compromise our values in these trade agreements, we compromise our commitment to upholding human rights.

Granting Russia PNTR status without oversight is another such deal in the making. We have a responsibility to American steelmakers and welders, the companies and the workers, the small manufacturers and the employees, the engineers, the laborers, all of them, to get it right this time.

I want more trade, and this is not just about Russia. This is about America's trade policy, America's workers, American job creation. This is about the guy in Zanesville who made big things with his hands for years and now has gone from \$17 an hour to \$11 an hour—and still has to provide for his family.

It is just this simple: enforcement and accountability must be at the heart of our trade commitments with every single country in the world.

Granting Russia PNTR; that is, granting Russia permanent normal trade relations, is important for U.S. businesses. It could be a major step toward boosting exports of machinery, aerospace products, and other manufactured goods. I get that. I support that. It could be helpful to Ohioans who produce nearly 328 million pounds of chicken. It could be helpful to hog farmers around Johnstown, OH, and pork producers throughout Ohio and throughout the United States.

But we need to ensure our manufacturers, our ranchers, and our producers are not economically hogtied, if you will, by our trading partners. U.S. workers have learned the hard way that promises about strict enforcement simply do not go far enough and are simply too often empty.

A decade of experience with China's failure to abide by its WTO commitments has provided ample evidence that we must strengthen our enforcement regime.

How many Senators who voted for permanent normal trade relations with China, how many Congress men and women who voted for permanent normal trade relations with China have come to the floor and complained about China breaking the rules? They have attacked China because China cheats. They have complained to China on the Senate floor. They have gone to the International Trade Commission saying China is not playing by the rules. Yet they voted for PNTR a dozen years ago.

But put that aside, make up for it by passing a Russian PNTR that has real commitments, has real language, not just for reporting language but for enforcement language.

After 10 years, after hundreds of thousands of American jobs lost, we are seeing the same arguments we saw for PNTR made in support of granting Russia WTO membership.

Our experience with China has shown we must ensure that our trading partners follow through on their commitments. Our workers, our farmers, our ranchers, our producers, our manufacturers should have confidence that if a trade deal is signed, it will actually be enforced.

We cannot afford another one-way trade agreement because one-way trade agreements tend to lead to one-way job movements—companies shutting down here, manufacturing somewhere else, and selling back into the United States.

That is why we must have oversight. We must have mechanisms in place to ensure that Russia adheres to its commitments.

We must learn from the Chinese case.

Our PNTR with China caused huge damage to our country and manufacturing job loss. From the implementation of PNTR—passed in 1999, begun in

2000—accession to the World Trade Organization, around then for China, we saw what happened with job loss.

I mentioned a minute ago, between 2000 and 2010, we lost one-third of our manufacturing jobs in this country, more than 5 million jobs. We lost 60,000 plants in this country—not entirely because of China not playing fair, not entirely because of PNTR, not even entirely because of PNTR with China and the North American Free Trade Agreement.

It is our tax law. It is our trade law. It is our unwillingness or inability to enforce these trade rules. All that has conspired for this job loss.

Since 2010, I might add—because of the auto rescue and some other things—we have gained back one-half million manufacturing jobs. Ten years of manufacturing job loss; since the auto rescue, 500,000 manufacturing job gains.

We have to have monitoring. We have to have appropriate consequences in place when these rules are violated. If we repeat our mistakes of the past—from the lessons we should have learned from China—we will have no one to blame but ourselves.

My bill, the Russian World Trade Organization Commitments Verification Act of 2012, would help ensure Russia abides by the schedules set out in its WTO terms of accession.

Russia said it is going to do A, B, C, D, and E. So did China. The point is, we need not just reporting language about evaluating—did they do A, B, C, D, and E—but we need enforcement mechanisms. So if they do A and they do not do B, then the administration or the House or the Senate or we individually can begin to bring some actions against Russia for not following these rules.

We accomplish this by requiring USTR to report to Congress annually on how Russia is adhering to the commitments it made as part of joining the World Trade Organization.

If Russia fails to comply—and here is what our language does differently from what we have done in the past; learning from what happened with China—if Russia fails to comply, the U.S. Trade Representative will be required—required, not an optional thing because we see how Trade Representatives, particularly during the Bush years, acted on these kinds of problems—the U.S. Trade Representative will be required to explain what the administration is doing about it. If the administration does nothing, my bill clarifies that Congress can request that the administration take action.

It is commonsense accountability. It has been lacking in our trade enforcement.

This is an American issue. We can solve it together. We can solve it bipartisanly. We can solve it because it is an issue in all regions of our country.

President Reagan once said about Russia we must “trust, but verify.” He

was actually talking about the old days of the Soviet Union. The same applies today—“trust but verify.” Bring the reporting requirements forward. Bring accountability forward. It will matter for American jobs, for American manufacturers, for a middle-class standard of living for so many in our country.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

#### SEQUESTRATION

Mr. INHOFE. Madam President, earlier today, we had a colloquy on this floor talking about the devastating effects of sequestration, and I think we covered most everything. One of the significant parts of this is how we got here in the first place.

Not many people realize that in our form of government the President of the United States, whether he is a Democrat or a Republican, comes out with a budget each year. Of course, we have not actually passed a budget in the Senate, so that becomes the budget.

In his budget, starting 4 years ago, he has had, each year, in excess of \$1 trillion of deficit each year. Add them all up and it is \$5.3 trillion of deficit.

I only mention that in conjunction with the concern we have on sequestration. How did we get here in the first place? This is something that is very much of a concern for us because it seems as if, when we look at all the increases, the deficit increases during this administration since 2008, the only area that has not been dealt with fairly, in terms of keeping up with our obligations, is national defense.

I am not too surprised this happened, but it did. In fact, I can remember going over to—let me interrupt myself.

Madam President, it is my understanding I have 30 minutes; is that correct?

The PRESIDING OFFICER. There is no time allocation.

Mr. INHOFE. Oh, fine. I like that better.

After the first budget, I can recall going over to Afghanistan, knowing this President would be disarming America in his first budget. I think he will go down in history as the most antidefense President we have ever had. But I remember going over there. I knew, with the tanks going back and forth in the background, that I would be able to respond and to get some attention of the American people.

Of course, that first budget, I remember it so well. He did away with our only fifth generation fighter, the F-22; did away with our lift capability, the C-17; did away with our Future Combat Systems, which would have been the first ground transition in 60 years. Then what I am going to talk about in another portion of my presentation this afternoon did away with the ground-based interceptor in Poland. Now that was the first budget.

Since that time, it has been deteriorating even more. So our national de-

fense has been doing everything it can to try to stay afloat, try to support our troops who are over in harm's way. It is becoming more and more difficult.

If we project what this President has done and would be doing over the next 10 years, it would be cutting the military by \$½ trillion. Now, that is bad enough, but what is worse is what would happen under sequestration.

Under sequestration, the way he has engineered sequestration, the cuts would take place—as was pointed out very effectively by the Senator from Alabama, Mr. SESSIONS—the amount of cuts that would come from sequestration would be coming almost entirely from the military. So not only is he projecting a cut of \$½ trillion in our military as it is today, but if Obama's sequestration goes into effect, it is going to be another \$½ trillion. So we know what this is going to do to jobs, we know what it is going to do to our ability, we know what it is going to do in terms of putting our troops in harm's way.

So I would only say, in my State of Oklahoma an article came out. It was by Marion Blakley, the president and CEO of the Aerospace Industries Association. She released a report, and it was covered very well by Chris Casteel in the Oklahoman in this morning's paper.

They talked about: Surely, Oklahoma could lose 16,000 jobs. Well, that is bad enough, but the figure actually is much higher than that when we throw in the uniformed presence we have and the jobs we would lose.

In my State of Oklahoma we have five major military installations. We have Tinker Air Force Base, which does a lot of the repairs on the heavy stuff, KC-135s, and so forth. We have Vance that does primary training, an excellent job. We have our depot and the ammunition depot that is in McAlester. We have Altus Air Force Base that trains people in flying the heavy stuff. And we have Fort Sill in Lawton, OK.

I have to say, this is a great compliment to my State of Oklahoma because we have had, since 1987, five BRAC rounds. It is called Base Realignment and Closure Commission rounds. These are rounds where they go through and make evaluation as to which of these military establishments are perhaps not making the contribution to our Nation's defense they should, and then they go through readjustment and realigning, and so forth.

I am proud to say in my State of Oklahoma, the five military establishments I just now mentioned all have benefited from each of the rounds in terms of numbers of missions and numbers of people. I have to say there is a reason for that. It is not political influence, as a lot of people might guess. It is community support.

I have people saying, well, every community, every State has that. No, it is not true. When there is a problem and a need, we pass bond issues such as

the very large bond issue in Oklahoma City to allow us to get the GM plant and, consequently, we have new missions going in. So I am saying that in a complimentary way.

On the other hand, with the sequestration that will be the Obama sequestration that will take place starting on January 2 of this coming year, we would have huge losses in Oklahoma. The estimate is probably closer to 22,000 jobs in the first year that we would be suffering in my State of Oklahoma.

It is bad enough what that will do to the economy in my State of Oklahoma, but what is even worse is what it does to our national defense. We have no way of knowing right now where that money is going to be coming from. I had a conversation—the first one in a long time yesterday—with Dick Cheney. Of course, we all recall not just his Vice-Presidential relationship, but he used to be Secretary of Defense.

He was one of those who was trying to make a lot of the cuts, and he did make a lot of the cuts. But he was talking about, if they do this and have these across-the-board cuts, it would be not just devastating—I mean, we all understand it would be devastating. That word was actually used by Secretary of Defense Panetta, who is under the Obama administration, saying the Obama sequestration would be devastating to our military.

But Dick Cheney was kind of pointing out some of the areas of interest. One of my backgrounds, and I still do it today, I have been a flight instructor for 50 years. I am sensitive to the need we have for pilots and how to train them. If we are to take across-the-board cuts, that would mean our pilots in the Air Force, in the Navy, and the Marines would not be subjected to the training I believe, in my opinion, would keep them as the crack pilots they are today.

The thing they would probably do is say: Well, we have simulators. We have simulators. That does not do it. Everybody knows that does not do it. So the cuts the Obama sequestration would make would be devastating to the whole country, devastating to my State of Oklahoma but more so, it would affect the lives of our troops.

You know, there is this kind of a myth out there, and the American people believe it, that the United States has the best of everything; when we send our kids into battle, that they have the best equipment always. That is not true. There are a lot of areas where we do not have the best. For example, the Non-Line-of-Sight Cannon. There are five countries, including South Africa, that have better equipment than we do.

So as we look down the road and we see these cuts that are taking place, and then come back, as I just did from the Farnborough Airshow, seeing the other countries—France and all the other countries—and their propulsion systems, they are developing vehicles

that are actually, in some cases, better than what we are doing over here.

The problem we are having is the deep cuts that have taken place in defense. I would have to say there is one thing that I am concerned about. This is kind of a warning shot for manufacturers, for defense contractors around the country that it is my opinion that the President—and I have heard this from several of the defense contractors, saying the administration is leaning on them not to send pink slips out on firing these people as a result of the Obama sequestration until after the November 7 election.

Well, I think they are overlooking that there is a law that was passed back in 1988 called the WARN law. It was the Worker Adjustment and Retraining Notification law. It says if we go through something like this, we have to send out pink slips—or the contractors have to send out pink slips to those who are going to lose their jobs 60 days prior to the time that is going to take place.

Well, if sequestration takes place on January 2, that would mean November 2, only 5 days before the election. So I just want to make sure everybody knows. The law says they must do it by 60 days. But they can do it tomorrow if they want to. I think the people of this country who are going to lose their jobs due to the Obama sequestration should be entitled to know they are going to get their pink slips before the election so that could certainly affect what they are going to be doing in an election.

#### MISSILE DEFENSE

That is not what I came down to talk about because we already talked about that before. But I would like to mention something that occurred in the last couple of days that has put us in a more dangerous position, and nobody is talking about it.

Back in December of 2002, President Bush issued a National Security Presidential Directive, Directive No. 23, announcing the plan to begin deploying a set of missile defense capabilities that would include ground-based interceptors, sea-based interceptors—land, sea, and space, kind of a triad system.

This is a system that people did not object to at that time because they remember back when people used to give President Reagan a hard time. When they talk about Star Wars, they talk about there will be a time when people have missiles that can be aimed at the United States, and they said the idea that we could shoot down a missile with a missile or shoot down a bullet with a bullet is inconceivable. They did not believe that would ever happen, but it is happening today and we all know it. We know the missile capability of countries that would like to kill all of us. So it is a very serious threat right now.

By the end of 2008 President Bush had succeeded in fielding a missile defense system capable of defending all 50 States and had security agreements

with the Czech Republic and Poland on the construction of a third missile defense site. The radar would be in the Czech Republic.

I can remember talking to one of my favorite people, who was the President of the Czech Republic, Vaclav Klaus, about this subject. This took a lot of courage for President Bush to go in there and say: Look, we have a serious problem.

Let me kind of get into the record—I want to make sure people understand this. We have great ground-based interceptors in Alaska and California. I am confident that any missile coming in from that direction we can kill, we can knock down. The problem is if it came from the other direction, such as Iran, we do not have that capability. Sure, we might get one lucky shot from the west coast, knock it down, something coming into the east coast. With 20 kids and grandkids, that does not give me a lot of comfort.

Instead, in his wisdom and the wisdom of the administration under the Bush administration, we started building a ground-based interceptor in Poland with the radar located in the Czech Republic. Russia did not like that. They do not like the idea that we are defending ourselves in—you have to use your own judgment to decide why they have come to that conclusion. But it took courage for the Poles and the Czechs to come up and build this thing, and they agreed to do it.

I remember talking to Vaclav Klaus when it first started. He said: We want to make sure if we make this commitment and we anger Russia that you are not going to pull the rug out from under us. I gave them the assurance that was not going to happen.

Well, unfortunately that did happen. When President Obama was elected, he first cut the budget for missile defense by \$1.4 billion, and he killed the ground-based interceptor in Poland. At that time—this is very significant our intelligence had said Iran will have the capability of sending a nuclear weapon over a delivery system by 2015.

Well, the Obama administration cut that program. They said: No, they are not going to have that capability until 2020. Well, guess what happened. Just 2 or 3 days ago, Secretary Panetta said on “60 Minutes” that he believes Iran would be able to procure the nuclear weapon in about a year, and then it will take them another year or two in order to put it on a delivery vehicle. That would be 2015. So now we know we were right way back in the Bush administration. We know the danger that the Obama administration has put us in. I think people are going to have to understand that is true.

For us to use the system that President Obama wants to use, we would have to have capability—it is a system called SM32B. That missile would give us that protection we would have otherwise gotten by the system in Poland and the Czech Republic and would not be developed to be able to use until after 2020.

So this is something that is probably one of the most serious matters we are dealing with right now. I remember very well when President Obama was meeting with Russian President Medvedev on Monday, March 26, of this year, President Obama said—this is when the mic was on and nobody knew that he could be heard. He said:

On all of these issues, but particularly missile defense, this, this can be solved but it's important for him to give me space.

He was talking about Russian incoming President Vladimir Putin. These are his words.

This is my last election. After my election, I have more flexibility.

What does that tell us? It tells us that not only is it bad enough what he has already done in taking out our ability to defend ourselves against an incoming missile from anywhere, specifically from Iran, but it is a crisis that we are dealing with that has got to be dealt with.

#### LAW OF THE SEA TREATY

I want to mention one last thing because it is new—it is not new; it is something they have been trying to do for a long time. I quite often criticize the United Nations. Many times they do not have our interests at heart. I am very glad we got the 34th signature on a letter we were prepared to send saying: Do not bring the Law of the Sea Treaty for a ratification vote to the Senate because we will vote against it.

Now, 34 Senators signed that letter, which means they cannot do it. They are still having the hearings and all of that because they like to talk about it, I guess. But we are not going to cede our jurisdiction over 70 percent of the Earth's surface to the United Nations, nor are we going to give the United Nations the power, for the first time, to tax the United States of America. That is what we would find in this treaty.

That is when he signed this treaty. I only mention that because these treaties that come along somehow—I don't know what it is, but there is something about the internationalists, and a lot serve in this body. They don't think any idea is a good one unless it comes from the U.N. It makes you wonder where is sovereignty anymore.

Here is another one, the U.N. Arms Trade Treaty, which they are trying to get through. Over the past 15 years, the idea of creating a global arms trade treaty has been debated at the United Nations. During the Bush administration, the United States stood in opposition to such a treaty. Yet it should come as no surprise that soon after entering the White House, President Obama reversed this position and went to work crafting and negotiating a U.N. arms trade treaty.

We all hear about gun control and what we are going to do with your ability to keep and bear arms. We hear about the second amendment to the Constitution, how it means very little to a lot of people.

It should be noted first that the treaty is currently being negotiated, so we

cannot speak with certainty about the details. However, in March the president of the conference that is negotiating the treaty released a "chairman's draft." Through the draft, we know that the treaty may seek to establish certain criteria that must be met before the international transfer of conventional weapons—including small arms and light weapons—is allowed to take place.

Here is what we are talking about. I remember that back during the Clinton administration they were saying: We have to do something about restricting arms in the United States. After all, they said, look at all of the things happening with the drug cartels in Mexico and in Central America; they are getting their weapons from the United States. That was the justification for having a gun treaty at that time. This isn't all that bad.

We don't know the details of this yet, but we know the draft treaty may seek to establish certain criteria to be met before we can sell to other countries. We have a lot of friendly countries out there to which we would like to sell.

Although we all agree that a committed effort must be made to prevent terrorists and criminals from acquiring weapons, the treaty could undermine our foreign policy and national security strategy and infringe Americans' second amendment rights. In Oklahoma, maybe people are a little more sensitive to second amendment rights, but I seem to be hearing from them, and they are dead right. The heart of the problem with the treaty is the notion that bad actors will continue to be bad actors. We have seen this time and time again. Law-abiding nations will constrain themselves to the terms of the treaty, and rogue nations and corrupt states will contravene the explicit text of the treaty that only months ago they were negotiating and wholeheartedly endorsing.

I can remember using this argument on gun control in the United States. Gun control assumes that people out there are going to obey the laws. But they are not the problem people; it is the people who are not going to obey the law. Why would they single out a law on gun control that would preclude them from having guns if they are criminals to start with? It doesn't make sense. Internationally, the same thing is taking place.

This treaty is rife with opportunities for such behavior. In fact, the draft requires that provisions "shall be implemented in a manner that would avoid hampering the right of self defense of any state party." One need look no further than the current conflict in Syria to see how ridiculous this requirement is. The arms that Russia is currently supplying to Syria obviously have a dual purpose—for its national defense against a foreign aggressor but also to be used in the oppression of its own people. We know that is happening. Just yesterday we watched this taking place. Russia would, of course, claim they are doing it for their own defense.

How, then, does anyone expect an arms trade treaty which would not have stringent enforcement mechanisms to have any impact whatsoever? The answer is, against bad actors and rogue nations, it will not. But against nations such as the United States, the arms trade treaty may have a considerable impact.

Take, for example, the requirement in the draft that arms should not "be used in a manner that would seriously undermine peace or security, or provoke, prolong or aggravate internal, regional, subregional or international instability." Does anyone deny that each and every time we supply weapons to some of our greatest allies, such as Israel, Taiwan, and South Korea, that we are, in fact, prolonging regional or international stability? The answer is no. But this is instability that is necessary for international order and the prevalence of democracy in regions where it might not otherwise exist. Yet the terms of the draft treaty could be read to prohibit such weapons sales.

We can all agree that it is a great understatement to say that we don't want American gun companies selling weapons internationally when they might be used to commit violations of human rights, but, as everyone knows, we already have laws on the books that prohibit this. The export of firearms is already subject to a very strict and complex regime.

The U.S. international trade in arms regulations—that is why I call this the foot in the door, a first step—which has been promulgated pursuant to the Arms Export Control Act, already strictly limits the transfer or sale of firearms. This regulatory regime has been in place since the 1950s. The United States has been doing this for a very long time. Other nations—our allies primarily—have mirrored our export control regime because it is so comprehensive.

This goes back to my earlier point. The United States has been very responsible in the area of exporting firearms, but other nations will not be, even as signatories to this treaty. It gets back to the nations that are the bad guys—they will not pay attention to the treaty even though they signed it.

The final point is that this treaty, even if negotiations result this month in a finalized version, is just going to collect dust in the Senate. We already have 58 Members of this body who have already signed a letter in opposition, and I feel strongly that this will meet the same fate as the Law of the Sea Treaty and so many other U.N.-sponsored treaties.

So you know the administration is in constant negotiations with international groups, such as the United Nations, and we have to go around and get people, as we did on the Law of the Sea Treaty. We have 35 Senators saying they will vote not to ratify, and that means you are wasting your time. Why are we even talking about it if it can't

be ratified because it takes two-thirds for ratification? The same thing is true here, except we have 58 Members.

Keep in mind that the collectivists who are opposed to the private ownership of firearms, opposed to the second amendment rights, are the ones who are trying to do it internationally.

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

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

The assistant legislative clerk proceeded to call the roll.

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

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

#### SEQUESTRATION

Mr. WICKER. Mr. President, it has been a tough day, a tough week. We could use a little bipartisanship in this Chamber and in this Congress. I don't understand it. We heard the Democratic leadership of the supercommittee come right out the other day and say that it was preferable to her that the fiscal cliff be encountered and that we actually bring our Nation over the fiscal cliff rather than working together in a bipartisan way to avoid it before the end of the year.

Then I was mystified today to learn that the majority leader of this great body proposes next year, if his party remains in power, to forever change the nature of the Senate in terms of being a great deliberative body and to go to the majority-rule 51-vote process that they have in the House. It worked OK in the House, but we have never done that in the Senate.

I am concerned with some of the things I have been hearing, and, frankly, I hope we can come back from the precipice of some of these disturbing proposals I have heard. One way to do that would be to address, in a bipartisan way, this issue of sequestration. So I rise this afternoon to point out to my colleagues that we are now less than 6 months away from seeing sequestration go into effect. This is a grim reality that was never supposed to happen. It is a reality that doesn't have to happen. But it will happen unless we act and unless the President signs legislation. Budget sequestration means defense and nondefense spending will be cut automatically and across the board, without regard to the priorities or the importance of programs. We need to avoid this.

How did we get here? Almost a year ago, Congress voted for the Budget Control Act as a first step toward seriously addressing the national debt. We authorized, in good faith, a supercommittee to produce a blueprint that would reduce the national deficit by \$1.5 trillion or more. Our hope and our expectation was that both political parties would come to a reasoned, long-term solution to America's debt crisis. Of course, that hope faded quickly with the announcement of an impasse by the supercommittee.

With a national debt approaching an unprecedented \$16 trillion, reining in Federal spending is imperative to our national and economic security. ADM Mike Mullen, former Chairman of the Joint Chiefs of Staff, put it simply: "Our debt is our number one national security threat." Severe, across-the-board cuts to the Department of Defense are not the way to address this security threat, and they are not the way to achieve long-term fiscal responsibility. Federal debt is a national security threat, to be sure, but so is unilaterally cutting key funding to America's men and women in uniform.

Realistically confronting the debt problem means addressing soaring entitlement costs, which are growing at three times the rate of inflation, three times the rate of our economic growth. We can't sustain that. But realistically confronting the debt does not mean gambling with the resources our military needs to protect this Nation and the skilled jobs necessary to supply today's advanced force.

Unless we act, and act soon, \$492 billion will be cut from defense spending beginning January 3, 2013.

According to Defense Secretary Leon Panetta, the effect would be "devastating"—a "meat axe." Our Secretary of Defense, a member of the Obama administration, said it would "hollow out the force." Unfortunately, Secretary Panetta and the White House, so far, have failed to identify the specific impact of these cuts. Clarity is needed as to how these automatic cuts would limit our capabilities. As of this moment, sequestration is the law of the land unless Congress passes—and the President signs—a bill to stop it. The administration needs to get specific about the results of this "meat axe."

Our military faces a diverse set of challenges and emerging threats—a nuclear North Korea, a volatile Iran that wants to be nuclear, our commitment to a Democratic Taiwan, and the competition for mineral resources in the South China Sea. All of these and more require the ability to project American power abroad.

This year we celebrate the bicentennial of the War of 1812, and the lessons of that conflict should be remembered. During that war, it was our Navy that reaffirmed America's sovereignty. The United States saw that even the border of an expansive ocean would not fully protect our Nation. The influence of sea power on national security and commerce was clear then and it remains clear today.

As ranking member of the Armed Services Subcommittee on Seapower, I can attest that the Navy Department is the Armed Forces' most capital-intensive branch, and the Navy will be particularly hit hard by indiscriminate sequestration cuts. According to civilian and uniformed Navy leaders, our capacity to deter threats, defend our priorities, and project sea power could be gravely compromised. Sequestration

would hurt readiness, fleet size, strategic investment, and the strength of America's workforce.

The projected numbers are striking. The Marine Corps would endure an additional 10-percent cut in troop strength, leaving our marines without sufficient manpower to meet even one major contingency operation. The Navy fleet would drop to 230 ships, well below the Navy's 313-ship requirement. It would drop to 230 from 313, hindering the ability of our combatant commanders to execute their missions abroad. Even now, the Navy can satisfy only half of combatant commander requests for naval support.

Sequestration could affect the quality of future investments and the long-term vitality of America's shipbuilding workforce. Experience has shown that stable shipbuilding rates have a direct impact on the acquisition and operational cost of amphibious ships, aircraft carriers, and submarines. Cuts would prevent the Navy from ensuring new ships are delivered on time and on budget.

The average age of today's shipyard worker is 45, and only 24 percent of our naval shipbuilding workforce is under 35 years of age. Sequestration would drive a generation of skilled shipbuilders from the workforce and would have a prolonged negative impact on American high-tech manufacturing.

I am proud to be from a State with a highly skilled manufacturing base. Mississippi workers produce ships, aircraft, and equipment that our troops depend upon throughout the world. Sharp cuts to defense will have a direct and detrimental impact on Mississippi's families and communities.

The stakes are high for the military and America's economy. These looming cuts are real, they are drastic, and they are just around the corner. Sequestration is real and not a hypothetical threat. It is the law unless we change it. Our national security is on the line, and it is in our interest either to prevent sequestration or prepare for it. Indeed, some defense manufacturers have already begun the process of issuing legally required layoff warning notices to shareholders and employees.

According to multiple forecasts, up to 1 million American jobs are at risk. The current unemployment rate already stands at 8.2 percent, and Federal Reserve Chairman Ben Bernanke projected unemployment rates will remain high, as he testified before the Congress yesterday and today.

There are some faint and hopeful signs this catastrophe can be avoided. Indeed, in the Congress, there has always been bipartisan cooperation to ensure our military remains the best trained, the best equipped, and most professional fighting force in the world. We argue about a lot of things, but bipartisanship has prevailed when it comes to the defense budget. The fiscal year 2013 Defense authorization bill is a hopeful example.

The bill recently passed by the Armed Services Committee, of which I

am a member, contains many provisions reflecting Congress's support of the Defense Department's top strategic priorities. It also reflects the challenges we may encounter while outlining ways to reduce spending, and we must reduce military spending, no question about it. But sequestration is not the way.

Also, with regard to the Defense authorization bill, I should mention this is the 51st consecutive year that Congress has passed such a bill. Again, that is testimony to bipartisanship with regard to DOD reauthorization. That is the good news. The bad news is the failure to address our past spending has compounded the situation we now face. Further delays only make the problem worse.

We know tough decisions will have to be made to fix our country's debt problem. All Federal agencies, including DOD, will have to do more with less in today's era of fiscal austerity. But the bottom line is this: We have an overriding constitutional obligation to provide for the common defense, to ensure our country is safe, and that our men and women in uniform are well equipped to face the challenges of the 21st century. I urge my colleagues to work together in a bipartisan fashion toward a solution that achieves the fiscal discipline we need without compromising the ability of our military to protect and defend America.

Addressing sequestration should be our No. 1 priority—this week. We should act before the August break. After Labor Day, after the political conventions, when campaigns are in full swing and we have only 2 months to go before these devastating cuts go into effect, do we truly believe the atmosphere will be conducive to solving sequestration? I don't think so. Is it truly in our Nation's best national security interest to address this during a lameduck session? I don't think so. We should not leave town for an August break if we have not answered this sequestration issue. The hour is upon us.

I yield the floor.

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

The PRESIDING OFFICER (Mr. SANDERS). The clerk will call the roll. The assistant legislative clerk proceeded to call the roll.

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

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

The Senator from Colorado is recognized.

Mr. BENNET. I thank the Chair.

(The remarks of Mr. BENNET pertaining to the introduction of S. 3400 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. BENNET. I yield the floor.

Ms. MIKULSKI. Mr. President, I rise in support of the Bring Jobs Home Act.

Growing up in a blue-collar neighborhood in Baltimore during World War II,

my father had a small neighborhood grocery store.

We were the neighborhood of mom-and-pop businesses and factories. We made liberty ships. We put out turbo steel to make the tanks. Glenn L. Martin made the seaplanes that helped win the battle of the Pacific. We were in the manufacturing business. But the blue-collar Baltimore of World War II, Korea, and Vietnam just isn't what it used to be.

The jobs are leaving now. Our shipyard jobs have left. Our steel mills have shrunk to minuscule levels. We don't make ships. And we don't make clothing.

Where did those jobs go?

Those jobs are on a slow boat to China. They are on a fast track to Mexico and other jobs are in dial 1-800 anywhere.

And why did they go?

In some cases, they went because of tax breaks that rewarded corporations for moving manufacturing overseas.

It is wrong to give companies incentives to send millions of jobs to other countries, especially when millions of Americans are looking for work. It is wrong to put companies that stay in America at a competitive disadvantage.

It is time we look at our Tax Code and call for a patriotic tax code.

We walk around the floor of the Senate. We go to rallies. We love to be in parades. We wear our flags because we want to stand up for our troops, and we should stand up for our troops. But we also have to stand up for America.

The current Tax Code is putting companies that stay in America at a disadvantage because they keep their business here, hire their workers at home, pay their share of taxes, and provide health care to their employees. We should be rewarding these companies with "good guy" tax breaks for hiring and building their businesses right here in the United States.

I have been on a jobs tour of Maryland. I visited bakeries, microbreweries, and factories of small machine tool companies. I visited Main Street, small streets, and rural communities.

I talked with business owners and their employees. These are "good guy" businesses. They work hard and play by the rules. They have jobs right here in the United States. They want to expand. They want to hire. They need a government on their side and at their side. They are harmed by thoughtless government tax incentives that reward competitors who move overseas.

That is why I am a proud cosponsor of the Bring Jobs Home Act. This bill ends the loophole that gives companies a tax break for sending jobs overseas.

There is a loophole in the Federal Tax Code that lets businesses deduct the "business expense" for costs of moving the company or its workers right out of the country.

This legislation tells these companies. If you want to export jobs out of America, you can't file a deduction for

doing it. And it ensures the Tax Code can't be used to boost corporate rewards at the expense of American workers.

This bill is about helping those "good guy" businesses who are creating jobs here. It says: If you bring jobs back to the United States, you can get a tax break for 20 percent of the cost of bringing the jobs home.

That is why I am proud to stand with my colleague from Michigan to call on us to think about economic patriotism, a tax code that rewards American companies that bring jobs back home, and a tax code that ends despicable tax breaks and subsidies to companies that move jobs overseas.

I call upon my colleagues to think about where America is going in the 21st century. Where are we going to be? Are we going to create more opportunity? Are we going to create more jobs that pay good wages with good benefits or are we going to resemble the economy of a third-world country?

I really want to have a tax code that brings our jobs back home, brings our money back home, and stands up for America. So let's pass the Bring Jobs Home Act and take an important step toward economic patriotism.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

#### MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to a period of morning business with Senators allowed to speak therein for up to 10 minutes each.

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

#### HIGH GAS PRICES

Mr. LEAHY. Mr. President, I remain concerned about the high price of gasoline that continues to disproportionately hurt working class families, especially those in rural States like Vermont. In Vermont, the average price of gasoline remains above the national average. Despite significant efforts to improve public transportation in the State, many Vermonters must still rely on their cars as the primary mode of transportation. More can and must be done to help families who are struggling to find jobs and put food on the table.

Crude oil accounts for the largest share of the price of gasoline. I am concerned that excessive speculation in the oil market has contributed to a significant rise in the price of gasoline. Congress included important protections to address excessive speculation