

to by the Democrats and Republicans. They will say to me and Senator COATS: Okay, you have X amount of money to spend. You have lots and lots of requests out there. You have lots of responsibilities. Let me list a few: Securing the entire border of the United States, all airports, all land ports, all river ports. We have to check all the cargo that comes into the country.

Our budget funds TSA, not the most popular group. But we try to keep our air travelers safe and support international commerce at every level. Every business traveler who is trying to cut a deal in Germany or in England or in Asia has to get either preclearance or global entry or travel. We support that effort. We want our businesses out there making contracts, bringing jobs to America. We cannot do that if this budget does not get done. So give us a number. We will put the budget together the best we can together. We will live within the restrictions that are given to us—or the guidelines. We will not spend one penny more than what the budget tells us.

But we cannot even get there because not everyone is being reckless. Not everyone is being unreasonable. There is clearly an identifiable group, led by the Senator from Texas. One of his colleagues or someone in the press—I am not sure who, but it was a great quote—said that Senator CRUZ has led the Republican Party and the tea party into the middle of eight lanes of traffic and walked away. Eight lanes of traffic with traffic coming both ways is a very unsafe and dangerous place to be. They are going to have to find their way to the side of that road.

Open the government, and then say yes to a budget conference where all things can be negotiated, and have been for literally hundreds of years. This is not a new process the Senate and the House have been undertaking. This is regular order.

I am going to end here. This is day 5. I want to have this printed in the RECORD, since they are in the middle of traffic now, with very few safe ways out, but we could open the government and get to the negotiating table.

I want to have printed in the RECORD that for businesses, 800,000 workers—I know they passed a bill a little while ago to say those workers could be paid. That is important to do. But, again, it is not just workers. What about the contracts they are supposed to be giving out or the projects? They still do not have authorization even if they come back to work to do that. It is going to affect business. Let me say how much.

The Federal Government spends \$400 billion in the private sector. That is \$1 billion a day. So this reckless behavior has already cost \$5 billion; every day \$1 billion gone.

Is their resolution in the House going to reinstate that \$1 billion that small businesses have lost or business generally? I do not think so. I did not read

the fine print. I do not think that is in there. Every day, if you say 25 percent of all of our contracts should go to small businesses, that is \$240 million a day for small businesses lost.

The government roughly makes about 150 loans to small businesses every day. We are in day 5. That is 600 loans gone. I could go on and on with every day how that affects businesses.

I am happy to see, in conclusion, that the House, in realizing they are in a bad, bad situation, has sent a lifeline out to the 800,000 Federal employees, their own constituents that they put on the chopping block and took these paychecks as negotiating fodder because they do not like the bill that passed 3 years ago, upheld by the Supreme Court, and being implemented in the majority of States, including States with Republican Governors.

That is foolishness, recklessness, and irresponsibility. But that is what they did. We did not do that; they did that. If we open the government, get contracts going again, stop threatening small businesses that have nothing to do with this, then we can go to the budget conference and open everything for negotiation.

Maybe we can do the medical device tax. I would like to work on flood insurance, for one. My constituents are going crazy. Flood insurance has gone up tenfold. I cannot even get to a negotiating table. We would like to pass the WRDA bill in Louisiana. I would like to see the Keystone Pipeline negotiated. I am for the Keystone Pipeline. The President is against it. But maybe we can find some way forward.

But we cannot go anywhere until we get out of eight lanes of traffic. The only way to do that is to admit you were wrong, open the government, and then go to conference and put everything on the table and let's talk.

I see my good friend from Connecticut here. I thank him for joining us on the floor today.

I yield the floor.

EXTENSION OF MORNING BUSINESS

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. MURPHY. Mr. President, I ask unanimous consent that the period of morning business be extended until 5 p.m. today, with all other provisions of the previous order remaining in effect.

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

CONTINUING APPROPRIATIONS

Mr. MURPHY. Mr. President, let me thank my great friend from Louisiana for her remarks and for all the work she has done to stand up for her constituents, but also for small businesses. I think she makes a great point, that right now there are thousands of small businesses throughout my State, the northeast, throughout the Presiding Officer's State as well, that are waiting

for loans from the SBA that cannot get them because right now the SBA is essentially out of business. That right now is having a detrimental effect on our economy.

I thank her for her great advocacy on behalf of the small businesses throughout Louisiana and across the country.

There is a lot of truth to the fact that there can be mutual blame thrown around this place very often when it comes to the reasons why we have not solved a lot of our most vexing problems as a nation. The deficit, for instance, did not get to be the size it is without both parties playing a role in the fact that we still sit back without the will to try to take on that enormous problem and burden we are leaving to our kids. That is due to both Republican and Democratic intransigence.

There are a lot of things that happen here in which you can very accurately and appropriately assess that both sides of the aisle have been part of the blame. This is not one of them. This is not one of them. When it comes to trying to figure out the reasons why our government is shut down, it is pretty simple to explain how we got here.

Yet I have heard a lot of my friends on the other side blame the majority leader and blame the President for the shutdown. I have even heard some newscasts try to suggest that it is just sort of good old-fashioned generic gridlock here in Washington that has led to this shutdown.

Mostly the American public gets it. I think mostly the American public understands that this is essentially a shutdown of the Federal Government caused by a small band of ideological conservatives in the House of Representatives called the tea party. I have sort of tried to struggle with how to explain this to the handful of people back in Connecticut who still do not understand what is going on, although there is no way to create an analogy that works.

I mean this shutdown is so ridiculous, it is so unique that there is no metaphor that works. I have tried this one. Imagine that there is a couple. They live in Boston, let's say. The wife loves living in Boston, but the husband has sort of been fed up with Boston for a little while. He wants to move to the west coast, let's say to San Francisco. But they have been living in Boston for a long time. They have this disagreement as to what to do next. They have been having it for a while. They have not sorted it out. But they chose to live in Boston, so that is where they continue to be.

Well, one day the husband comes home and says to his wife: You know what. I have had enough. I have had enough. I want to move to San Francisco. If you do not agree, I am going to call up some contractors and have them come over and take the roof off our house.

She says: What are you talking about? Take the roof off our house? I

never talked about the roof coming off our house. The roof is important. It keeps us warm. It keeps us dry. You are kidding, right? You are not going to take the roof off the house.

He said: Listen, I am going to give you 3 days. If you do not agree to move to San Francisco, then I am going to call someone and take the roof off of our house.

She says: Well, of course, I am not going to do that. Of course I am not going to move to a place that I do not want to move to. We should talk about that. We should come up with a compromise. We should discuss this. Certainly I am not going to agree to move to San Francisco if you are threatening to take the roof off the house.

Three days go by. She goes to work. She comes home, and the roof is gone. He took it off. She cannot believe it. She cannot believe it. Rain is coming in. It is the middle of winter. It is freezing cold. It is miserable.

He shows up to work on the second day, and says to his coworkers: You cannot believe what my wife did. She took the roof off our house.

The coworkers say: Well, what do you mean?

I told her we had to move to San Francisco. And when she did not agree, I told her I was going to take the roof off the house. I did, but it was her decision. She would not move to where I wanted to move. So I had to go through with it. I had to take the roof off the house.

If you were that coworker and listened to that story, you would know exactly what was going on. You would know exactly who to blame. You would associate yourself with the decision the wife made and say: Forget it, I am not moving somewhere with that threat hanging over my head. You would back her up when she said: Put the roof back on the house before we start discussing about where we are going to live next.

That is essentially what has happened here. We had always assumed that the operation of the Federal Government was not something we negotiated over, just like the woman in my analogy assumed that the roof being on the house was not something that she had to worry about disappearing.

Yet here we are. The government is shut down simply because of the demands of a small group of tea party Republicans in the House of Representatives. Their demand in this case is they want the health care law repealed, despite the fact that it was passed by two legislative bodies, signed by the President, upheld by the Supreme Court, verified in an election in which a President who said he would implement it was reelected by a huge margin. Every single Senator in the Senate who supported it and ran for reelection was reelected.

That is their demand in this case. As the Senator from Louisiana said, we should react as we would expect that woman to react. We want the government back up and operating, and then

we will talk. I want the roof back on my house before we discuss where we are going to live.

This isn't about politics any longer. This isn't about inconvenience.

We are now going into the second week of this shutdown. It has started to ruin lives, such as Melanie Rhodes' from Bridgeport, CT. A few years ago Melanie was homeless, living out on the streets. Things were very tough for Melanie. Melanie became pregnant and had a little boy, a wonderful little boy about 2 months premature, a wonderful little boy named Malachi. Malachi had some developmental issues right off the bat, but she knew her life had changed and she had to do everything possible for her little boy. She placed him into the Birth to Three System, our early screening program. They identified the problems he had. He was connected with a Head Start Program in which he was enrolled at about 9 months old.

Malachi is still behind his peers at 3 years old, but he is doing a lot better. He is beginning to finally communicate with a handful of signs. Every day he has been in that Head Start Program his life and her life have become better. Even though she has been struggling through the worst recession of her life, of my life, of most of our lives, she started to turn the corner very well. She applied everywhere over the last 3 years. She did everything we would have asked of her to try to find a job. She applied with Walmart, Walgreens, and McDonald's.

Finally, in the past few weeks she got a job as a busdriver. She had completed her training, was waiting for her background check to come through, and was to start her job in a matter of days. She stayed up all night last Monday night, past midnight, watching CNN, watching the news, to see if the government was going to be up and operating. She knew the Bridgeport Head Start Program runs on a budget that expired at the end of September. That was one of the handful of programs that would shut down immediately upon the shutdown of the government.

She woke up on Tuesday morning and hoped against all hope by calling Head Start to see if they were going to be up and operating, and they weren't. They had shut down. Bridgeport told 1,000 families across southwestern Connecticut that they couldn't show up for preschool that day. Their families had to scramble to find some kind of coverage for childcare.

For Melanie it was a double disaster because she has a child with developmental disabilities. She can't have just anybody take care of him, and she is having a hard time finding someone. She is now going to be faced with not only inappropriate care for her child, perhaps setting him back developmentally, but she also probably can't start that job she was waiting for.

If we take this situation and multiply it times 1,000 in only one city in Connecticut, then look at the fact that

that problem could be multiplied 18,000 times over the course of next week as more Head Start Programs shut down, we see this shutdown is not about politics. It is not about inconvenience. It is about people's lives falling apart.

What about the 1,500 workers at Sikorsky Aircraft, the majority of whom are in Connecticut. They have 43 employees from the Federal Government who inspect the helicopters as they go down the assembly line. But because those helicopter assembly lines are making Black Hawk helicopters for the U.S. military and they move pretty fast, if they don't have those inspectors for a handful of days, they can't continue to move the assembly line.

On Friday, 1,500 workers were furloughed from Sikorsky Aircraft, let go until those inspectors are back on the job—43 inspectors equal 1,500 private sector layoffs.

When you are laid off from a job, sometimes if you can see it coming, you can try to make arrangements. If you are on a paycheck-to-paycheck basis, where everything that comes in goes right back out again to pay your food bills, mortgage, student loans, whatever it may be—if you can see the layoff coming, then you might be able to scramble to find a part-time job or save a little bit more for the final few months of your employment. But when you get a notice in 2 days you are going to be laid off for an indeterminate amount of time, there is no way for the people who are living paycheck-to-paycheck to put their lives together.

As Senator LANDRIEU said, that results in mortgage payments being missed, in credit ratings going into the tank, and lives being ruined off of a purely political crisis caused by a handful of rightwing Republicans in the House of Representatives.

I hear my friends on the other side of the aisle and Speaker BOEHNER say, yes, but if the Democrats would only negotiate, would compromise, we could get this thing done. Before I yield the floor to my friend from Rhode Island, I wish to say two things about that insistence from Republicans that the problem is not their demands that the health care law be repealed before we open the government but it is that Democrats will not sit down and negotiate.

I think the Senator from Louisiana said it best: It makes no sense to negotiate with a gun to our head. Open the government and we will sit down and talk about anything the other side wishes to talk about.

Let us also discuss what the positions of the two parties are. Republicans want the most important achievement of President Obama's first term repealed. We want the government to continue to be operational. Republicans want a law taken off the books that will ensure 30 million more people with health care. We want the government to continue to pay its bills.

What I am trying to say is that we don't actually have demands. All we

want is what our constituents have always expected to happen to continue to happen. All we have asked for in this crisis created by tea party Republicans is for the government to be open and for the government to continue to pay its bills.

We could make a bunch of our own demands. I think it is ridiculous that we don't have background checks on the purchase of firearms in this country, but I am not saying I am going to shut down the government unless I get my way on background checks. All I want is the government to be open and for us to pay our bills.

Second, normally one negotiates when we don't have consensus. Normally, we sit down and compromise when 50 percent of the Senate and 50 percent of the House doesn't agree to the exact same thing. That is why we have to sit down and talk—because we do not have consensus.

We do. We have a bill, which is the clean continuing resolution—and otherwise just keep the government open and operating for another 6 weeks on the same rules it used to be operating under. We had, I think, 54 votes in the Senate. It is publicly supported by a majority of the House of Representatives.

Why would we negotiate when we already have a bill that is supported by the majority of the Senate and the majority of the House? The only thing that has to happen in order for the government to get back and on its feet is for Speaker BOEHNER to call a vote on that bill. It makes no sense that Speaker BOEHNER says sit down and negotiate, when there is already a proposal pending before the House that has the support of the majority of both bodies.

We don't have a lot to negotiate over because all we want is the government to open and for us to pay our bills. We don't need to negotiate because we already have a proposal that enjoys the support of the majority of this body and the majority of that body.

Tea party Republicans should stop holding this country hostage to their ideological demands. Speaker BOEHNER should call a vote on this bill tonight and this totally self-created crisis could come to an end today.

I yield the floor.

The PRESIDING OFFICER (Mr. MURPHY). The Senator from Rhode Island.

Mr. REED. I ask unanimous consent to speak up to 20 minutes.

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

Mr. REED. Mr. President, we are 5 days into the government shutdown, but unfortunately there has been no progress in resolving this issue. I disagree with some policies championed by my colleagues on the other side of the aisle, and indeed I sometimes disagree with the President and Members of my own party on specific policy prescriptions. Case in point: raising the student loan interest rate and the so-called JOBS Act. In both cases I tried

to make my best argument on the merits of the issue, and then we voted, moved on, and I am still working to try to improve both laws. I haven't given up, but I have not shut the government down because my views didn't prevail.

So I say to my colleagues on the other side, the way to change laws you do not like is not to shut down the government at the expense of your fellow Americans and at the expense of our economy; it is to try to build consensus and persuade a broad swath of the American people that there is a better way of doing things and making concrete proposals.

It has been pointed out many times before that the House of Representatives has attempted to repeal the Affordable Care Act 45 times at last count, I believe, but I have yet to hear any credible plan put forth to replace it or strengthen it or make it work better. And the American people want our constructive efforts to succeed. They would like it modified if it needs modification. But the attitude of some of our colleagues has been to just strip away the whole book of significant legislation—and replace it with what? We don't know. That is irresponsible.

This Senate and this Congress is a great institution. Our Founding Fathers, in their wisdom, set up a system with plenty of room for debate, different points of view, and checks and balances. But checks and balances are not what is happening today. The government has been shut down not because Congress can't agree on levels of funding. We agree. We have actually agreed with the House on their level. The real reason is that some on the other side of the aisle—and I do think it is just a small cadre—have a very different vision about the government itself. And this is not hyperbole. We can all recall that during the Republican Presidential primaries we had candidates seeing who could out-promise whom in terms of eliminating aspects of the Federal Government. They proposed getting rid of the EPA, the Commerce Department, the Department of Education, FEMA, and the Department of Energy—not reforming these agencies, not changing their missions, not making them more efficient or more effective, but just doing away with them—and that spirit is animated in the House today, unfortunately.

I am particularly glad that view did not prevail in the last election because these agencies are vital to all Americans. Looking back at Rhode Island, we were victims of serious historic flooding over the last several years. If FEMA had not been there to step in and help us, we would still be trying to pull ourselves together. As a small State, like Connecticut and other States, we do not have the resources to do it. We saw the same thing with Hurricane Sandy. They were there helping efficiently and effectively. And that is one of the agencies my colleagues are not allowing to operate today.

Many small business men and women in my community, manufacturers, et

cetera, have been aided immensely by the Department of Commerce. That is something else that was on the hit list during the Presidential primaries by Republican candidates.

Those of us who enjoy clean water, fresh air, and the importance of a healthy environment—i.e., every American—even if they do not notice it or admit it, their health and the health of their children would be jeopardized severely if EPA was eliminated. There are calls repeatedly to make it more efficient, more effective, make it more businesslike, and those calls have to be recognized and heeded. But the notion that we would just wipe it away and the private markets or private self-interests would ensure that our air is clean, that our water is clean, and that our health is protected is not something that is either realistic or, indeed, even something that is arguable.

There is room in this country for a range of views, and I recognize that many of my colleagues, who consider themselves members of the tea party, are simply doing their best to represent the views of those who sent them here. But I would hope everyone who has been entrusted with the responsibility of government could work together to at least make the government function—i.e., to stay open. That is a basic responsibility our constituents entrusted us with when they sent us to Washington.

There is nothing patriotic about shutting down the government, putting hundreds of thousands of people out of work, and potentially forcing our country into default. And the hundreds of thousands out of work are not just government employees. As my colleague from Connecticut pointed out, now defense contractors are beginning to furlough. These industries are the heart and soul of so many communities. When these jobs are lost, there is a multiplier effect, which affects the entire community. And this cascading series of economic problems will get worse each day we keep this government closed.

Both sides need to work together, but we have already significantly compromised on our side. Again, as the Senator from Connecticut pointed out, we are voting for a continuing resolution at the House level, not our level—a multibillion-dollar gap. We have accepted that. At least for the interim period, the 6 weeks or so of this continuing resolution, we accept the House's position. And of course, for many of us who have been arguing vociferously to end this sequestration, to increase investment, this was a significant compromise. We are not seeing that reciprocated on the other side; it is "my way or the highway,"—stop ObamaCare or nothing gets done, Government doesn't work, and we will default on our credit.

That is reckless, irresponsible, and does not serve the interest of those who sent us here.

It is time for those who are proposing the wild plans of shutting down the

government if they don't get exactly what they want to grasp the reality of the situation. We cannot keep this government closed. This closure will last as long as Speaker BOEHNER wants it to. He can, under the rules of the House, call up this bill within hours—perhaps less—or Republicans can join Democrats and sign a discharge petition to bring it to the floor regardless of the Speaker's position. Those are two paths that should be taken immediately to open this government.

We all have a shared responsibility for the government. As I sense it, one of the basic rationales of this government is to keep the lights on, keep people working. Let's get to the difficult negotiations on how we improve efficiency, how we improve operations, but we have a responsibility to keep our government open—to open it and then keep it open—and the longer this shutdown drags on, the more people will be affected. Cancer patients, young mothers, scientific researchers, Federal employees, people who take prescription drugs all are being negatively impacted. Government contractors are being laid off.

Let's work together and reopen the government for business. Let's continue to debate the issues. We have many issues we can debate but not under the sword of Damocles—of a government that is closed and an economy that is beginning to lose more and more of its momentum and strength. That harms the American people irresponsibly and recklessly for a very narrow self-interested principle.

There is another aspect here too. It is not just the government shutdown, but we are coming perilously close to a potential default on the debt of the United States. The government closure is affecting our economy dramatically, but a default on our debt could be catastrophic. There is a growing risk that this brinkmanship on the part of the Republican Party could force us to default. We are only 12 days away from a potential default because the tea party Republicans would rather play their games over the Affordable Care Act, ObamaCare, than choose to do what we have always done—pay our bills.

This is not about borrowing more money to spend more. This is about paying for those things we agreed on—Republicans and Democrats—through congressional appropriations, through legislation creating programs such as Medicare and Medicaid and Social Security.

These are obligations we have incurred, and we won't be able to pay all of them. Indeed, on October 17, unless my Republican colleagues end their obstruction, the Nation will not be able to pay its bills, causing dire consequences for American workers and our economy.

Many commentators have pointed out a default will destabilize the national and global economy. It could cause another financial crisis and over the span of a month cause an estimated \$106 billion shortfall of Federal spending that would cause a severe economic contraction.

If we can't pay our debts, then we will contract federal activity. That contraction will be multiplied in the economy. Our economic growth will slow. In fact, not only decelerate, it could collapse. Ironically, one aspect of that is it will almost overnight increase our deficit as less economic activity produces less revenue, there are more people who are laid off and eligible for unemployment insurance. It is a downward spiral.

Economists on both sides agree that it is just the specter of default that has serious economic consequences. In fact, we have already seen the 1-month interest rate of Treasuries jump over the 6-month and the year-long rates. The markets are already voting. They are nervous. They are nervous that the Republicans will carry out these threats, and you can see it in what they are demanding in order to buy the short-term paper of the United States versus the longer term paper.

We just have to look back at August 2011 to know there will be consequences. Back then, Republicans pushed us perilously close to defaulting on the debt, and that manufactured crisis set back job growth and the economy. The Government Accountability Office estimated that the 2011 debt ceiling crisis cost taxpayers \$1.3 billion in that fiscal year. It also rattled American households and created economic uncertainty. From June to August 2011, consumer confidence fell 22 percent. And I suspect that if this debate—particularly with respect to the debt ceiling—continues to pick up over the next few days, American consumers will become more and more nervous.

It took several months after August 2011 for the recovery of consumer confidence, for people to come back into the marketplace to begin to participate. The S&P index of equity prices fell about 17 percent in that period surrounding the 2011 debt ceiling crisis, and it did not recover to its average over the first half of the year until 2012. So we are going to see a market effect. We know that. That was August 2011, and indeed I am concerned that this crisis is even more perilous because the opposition seems to be more intransigent. Those people are saying there won't be any consequences to default or repeal of ObamaCare is more important than anything else, even the economic well-being of the United States.

Roughly half of U.S. households own stock either directly or indirectly through mutual funds or 401(k) accounts. So this fall in equity markets, which we saw in 2011, will cut across a wide swath of the American public. We saw in 2011, the result of the approaching deadline and debate over whether or not to pass the debt ceiling, wiped out about \$2.4 trillion of household wealth. This decline in wealth leads to a decline in consumption, and consumer spending accounts for roughly 70 percent of our gross domestic product. So put the links together: People are nervous. They pull back. The economy

pulls back. Growth begins to decelerate, in fact reaching zero—or worse. That is demonstrably the effect in some degree from what happened in August 2011, and would likely happen again—in fact, this time, perhaps worse.

Already we are starting to see some of the warning signs. We are seeing banking institutions prepare for the worst. According to the Financial Times, on October 3, 2013:

One senior executive said his bank was delivering 20-30 percent more cash than usual in case panicked customers tried to withdraw funds en masse. The move to source extra cash is a precaution to deal with an unnecessary upturn in demand, banks said. . . . Banks are also holding daily emergency meetings to discuss other steps, including possible free overdrafts for customers reliant on social security payments from the government.

But this potential consumer dash for cash is only the tip of the iceberg when it comes to entirely avoidable self-inflicted economic wounds if we get close to—and certainly if we do not raise the debt ceiling, and default.

According to The Economist, the noted British magazine, Treasuries are “more than 30 percent of the collateral that financial institutions such as investor banks use to borrow in the \$2 trillion triparty repo market.” That is the source of overnight funding for most large financial institutions and many other institutions. “A default could trigger demands by lenders for more or different collateral. That might cause a financial heart attack, like the one prompted by the collapse of Lehman Brothers in 2008.”

We are just barely understanding the inner relationships of all these different financial instruments and financial markets. But this is not the only financial instrument that could be affected. Money market funds are a prime source of investment by thousands of Americans—both institutions and individuals. According to the Federal Reserve's September 25, 2013 Statistical Release on the Financial Accounts of the United States, money market funds in the second quarter of 2013 hold \$449 billion of U.S. Treasuries.

Back in 2011, Matthew E. Zames, the chief operating officer for JPMorgan Chase and the chair of the Treasury Borrowing Advisory Committee—which offers observations to the Treasury Department on the overall strength of the U.S. economy as well as providing recommendations on a variety of technical debt management issues—wrote to at that time Secretary Geithner and expressed concern of:

. . . a run on money market funds, as was the case in September 2008 after the Lehman failure. In the event of a Treasury default, I think it is likely that at least one fund would be forced to halt redemptions or conceivably break the buck. Since money funds investors are primarily focused on overnight liquidity, even a single fund halting redemptions would likely cause a broader run on money funds.

And from the same 2011 treasury borrowing advisory committee letter:

Because Treasuries have historically been viewed as the world's safest asset, they are the most widely-used collateral in the world and underpin large parts of the markets. A default could trigger a wave of margin calls and a widening of haircuts on collateral, which in turn could lead to deleveraging and a sharp drop in lending.

What this is saying, essentially—not just in the United States but worldwide—this could have a huge, immediate, unpredictable global effect on markets, causing deleveraging, causing a sharp drop in lending, causing confusion and uncertainty. One thing we should recognize, particularly after the events of 2008, is markets do not like uncertainty. And when things are uncertain, they pull back. If the expectation is a declining market, there is a premium to the institution or individual that can get out first. When they start getting out, people notice, and then you have a stampede to the door.

The consequences that are possible are staggering, and yet we hear so many of our colleagues glibly sort of saying that, if they don't get our way on certain aspects of this bill or that bill, they are going to default on the debt of the United States. I think that approach is very, very dangerous.

We are seeing already some indications from financial markets that these factors are beginning to affect economic behavior. Again from the *Financial Times*, October 3:

Money market funds dumped October Treasury bills on Thursday, in the first sign of investor unease that Washington may not raise the federal debt ceiling in the coming weeks and risk triggering a technical default by the US Treasury on its debt.

From the Institute of International Finance this month, a well-respected organization:

Just when the global economy is showing signs of stabilization, with Europe emerging from recession, and geopolitical risks in the Middle East seem to be subsiding, consumer and investor confidence could be tested by a range of political and policy uncertainties . . . What is truly unprecedented is a possible, but still unlikely—

And I hope that is the case, unlikely—

combination of government shutdown and failure to lift the current \$16.7 trillion debt ceiling by October 17. The impact of such a failure of political leadership on business, consumer and investor confidence is difficult to say and could lead to further downgrades of the U.S. sovereign debt. Reflecting rising credit risks, 5-year CDS spreads for the U.S. have risen by 45 percent in the past 3 weeks to 33 basis points and could test, or exceed, the previous high of 62 basis points reached during the previous threat of default in 2011.

That is an indication the market is getting very nervous about what we are doing. These rising rates are not good for the United States. They mean the market is beginning to look at the default as possible and the risk is being written into the instruments that they are providing in terms of insurance, if you will, on U.S. Treasuries and other securities.

On October 17, the extraordinary security measures the Department of Treasury has had to employ since May 19 will be exhausted. The Treasury Secretary told us that. On that date, Treasury will have approximately, in their view, \$30 billion on hand to meet the government's daily expenditures which can be as high as \$60 billion. That \$60 billion represents payments for the Nation's bills on things such as Social Security, Medicare, national defense, and education.

However, some tea party Republicans have decided to dismiss this issue and say they are planning to limit the fall-out. That they should not be blamed for it because they have a plan in case of default. They call for, what they argue is prioritization, where some of the U.S. bills are paid and others are not. But their plan for prioritization is just another version of default. Indeed, the House passed legislation that would prioritize payments. However, in a letter to Speaker BOEHNER, the Department of Treasury made clear prioritizing payments "would not protect the full faith and credit of the United States" and that prioritization is "simply default by another name."

It is shocking to witness the lengths some of my colleagues on the other side of the aisle are willing to go in order to win political points and gain negotiating leverage. They are threatening the economic well-being of every American by refusing to do something, at least at this point, as essential as paying the Nation's bills. Paying the Nation's bills should be a routine matter. There is no alternative. Congress has always done so. Since 1960, Congress has acted to prevent a default on the debt 78 times, 49 of which were under Republican Presidents.

Indeed, President Reagan said in 1983 that "the full consequences of default—or even the serious prospect of default—by the United States are impossible to predict and awesome to contemplate."

Regrettably, because of some colleagues, particularly colleagues in the House of Representatives, there is a serious prospect of default, something President Reagan warned us against.

He also, I think quite rightly, pointed out the consequences are impossible to predict. The markets, frankly, are much more complicated, much more interrelated, much more driven by technology today than in 1983. Automated computerized trading was not a common feature of markets in 1983. Today it is. Today, algorithms have programs that look for declines in products and then begin to sell it's not an individual broker who says: Listen, I know this is going to be worked out in a couple of hours. It is a machine and we have seen these machines go haywire. There is a real possibility that initial reaction to a technical default on the debt could trigger some of this trading in a way that even the people who built these elaborate algorithms do not fully understand.

This is very serious, more serious today than in 1983. But President Reagan's words were prescient then and decisive then and right then and they are the same today.

This should not be a negotiating chip. Speaker BOEHNER's threat to default in order to extract dollar-for-dollar cuts to programs, to make changes in this program or that program, is risking the economic viability of the United States and indeed the world's financial condition.

Also, the Speaker suggested we have always done it this way. He said every major effort to deal with the deficit in the past years has been tied with the debt limit. That is not supported by the facts. Over the past 30 years, 77 percent of laws passed by Congress to pay for spending already accrued were not statutorily linked to deficit reductions or budget reforms; 77 percent were simply done because we have to extend the debt ceiling. We will do it. We always have.

Furthermore, several of the deficit reduction measures identified by Speaker BOEHNER as tied to paying our Nation's bills included significant new revenue. According to U.S. Treasury estimates, the Omnibus Budget Reconciliation Act of 1990 raised \$126.6 billion over 4 years and the Omnibus Budget Reconciliation Act of 1993 raised \$188 billion in new revenue over 4 years.

I do not see the Speaker coming up and saying we have a plan. We are going to make adjustments here on the spending side and on the revenue side and then we are going to tie it to the debt ceiling. No. In fact, this discussion of revenue increases or revenue positions, spending cuts, all of this is not appropriate to the debt ceiling discussion. It is appropriate for the conference on the budget. We have had a budget in the Senate since March and we have been prevented from going to conference with the House Republicans by Republican Members in the Senate.

There is a bipartisan demand, many of my colleagues on the Republican side have asked, suggested we go to conference. That is the appropriate way to deal with this—not threaten the world and the American people with default on our debts but doing a budget in regular order, taking up the budget, talking about revenues, talking about changes to programs, talking about continued efforts to reduce our deficit, talking about growing the economy. That ultimately is the best way to reduce the deficit.

You cannot expect, as the Speaker implied by citing budget reforms tied to the debt ceiling, which contained revenue, that Republicans are serious. That is not going to be the case from what I sense from the other side.

We have a real challenge before us. The challenge is that there seems to be this blase attitude in some respects, particularly in the House, among certain of their Members that: So what if—

we default. Other countries have defaulted. We saw something like it in Greece.

But Greece, for example—it is very difficult to compare the two economies. I do not want to suggest that our experience will mimic their experience. It is a much smaller economy. It does not have an independent currency. It is tied to the euro. But their debt in 2012 was basically challenged. While the intent of restructuring was to avoid default that would require payment of credit default swaps on Greek debt, the International Swaps and Derivatives Association in 2012 determined that they had technically defaulted on their sovereign debt. This would trigger credit default swaps being called. One estimate of the net notional value of the Greek credit default swap outstanding at the time was about \$3.2 billion, but in that economy it was a significant number and according to a *Forbes* article on March 9, 2012:

While no one expects the Greek settlement to have systemic implications, it does set the precedent for any subsequent restructurings, which could take on added importance if big, troubled peripherals like Spain or Italy take a turn for the worse.

The Greek situation is not identical to ours. In fact, because of the size of our economy, because of the ubiquity of U.S. Treasuries across the globe, in so many different instruments, in so many different institutions, a default could be much worse. But the Greek example does demonstrate there are consequences to default.

The *Wall Street Journal* on September 7 2013 pointed out:

... since tipping into recession in 2008, Greece's economy has shrunk more than 20 percent from its peak while successive waves of austerity measures since the start of the Greek debt crisis in 2009 have helped push tens of thousands of businesses into bankruptcy and sent unemployment to a record of around 27 percent.

The Pew Center reports that unemployment among young Greeks under 25 years old skyrocketed to 62 percent in June, 2013.

Austerity in some respects is another word for contracting government spending—contracting government engagement in the economy. This shutdown is essentially a miniausterity program for the last 5 days because we have contracted government contributions to the economy. Hundreds of thousands of Federal workers furloughed, additional private sector contractees furloughed, extraordinary measures taken to shut down the government. These measures will lead inevitably to the contraction we have seen in other places. Holding the full faith and credit of the United States hostage to appease a handful of irresponsible and reckless House members who are fighting battles that have been lost several times is not what our democracy is about.

I urge immediate action to get our government up and running again and our bills paid. Then we can focus on a more pressing need—creating jobs, op-

portunity, and prosperity for families in my State of Rhode Island and across this Nation.

With that, I yield the floor.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. REID. Mr. President, I am grateful to the senior Senator from Rhode Island for his statement. I listened to every word of it from my office. He is such a great asset to the State of Rhode Island and our country with his military background and his experience in the Banking Committee and Armed Services. Very few people have the wisdom he has.

I would also note that the Presiding Officer's presentation was also remarkably good.

Mr. President, in closing today I want to read a very brief statement from a Nevada publication. The headline is:

Nevada Residents Are Calling Their Obamacare Hotline In Tears, Desperate For Health Coverage.

Uninsured Americans in Nevada are so desperate to get health coverage under Obamacare that many are calling the state's new insurance marketplace "in tears."

Kevin Walsh, a senior Xerox official who heads the department that is helping some states maintain their online Obamacare marketplaces and call centers, told *Bloomberg Businessweek* that many people had contacted Nevada's Obamacare hotline with "just raw emotion" within the first hour that the marketplace opened on Tuesday. Nevada has an adult uninsurance rate of 27 percent—the fifth highest in the country.

"They were calling and saying, 'Can I get my coverage today so I can see my doctor this afternoon?'" said Walsh. That is in one sense moving but also frustrating because, sure, you can sign up—but the coverage can't be effective until January 1st.

Uninsured Americans and those with costly or skimpy health plans have been rushing to sign up for health coverage under the law, although technical glitches have delayed the enrollment process for some of them. Those who have successfully enrolled say that they are pleased with the new coverage they will be getting beginning in January.

Even some ardent Republicans and ObamaCare skeptics who signed up for coverage are admitting that the law will be a financial boon to them and give them peace of mind. Butch Matthews, a lifelong Republican and initial proponent of repealing the law, told *ThinkProgress* that it would end up saving him \$13,000 per year on medical costs. "I still am a very strong Republican, but this ... I'm so happy this came along."

Mr. President, it has been this way all across America this week. I learned personally from the man who started Google that they had problems when that first started. They didn't believe that many people were interested in the information they could give. There were about 9 million people this week who have gotten online to find out about ObamaCare.

This has been very successful.

MESSAGES FROM THE HOUSE

At 12:02 p.m., a message from the House of Representatives, delivered by

Mrs. Cole, one of its reading clerks, announced that the House has passed the following joint resolutions, in which it requests the concurrence of the Senate:

H.J. Res. 75. Joint resolution making continuing appropriations for the Special Supplemental Nutrition Program for Women, Infants, and Children for fiscal year 2014, and for other purposes.

H.J. Res. 85. Joint resolution making continuing appropriations for the Federal Emergency Management Agency for fiscal year 2014, and for other purposes.

At 12:09 p.m., a message from the House of Representatives, delivered by Mrs. Cole, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3223. An act to provide for the compensation of furloughed Federal employees.

The message also announced that the House agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 58. Concurrent resolution expressing the sense of Congress regarding the need for the continued availability of religious services to members of the Armed Forces and their families during a lapse in appropriations.

ENROLLED BILL SIGNED

At 1:30 p.m., a message from the House of Representatives, delivered by Mr. Novotny, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 3095. An act to ensure that any new or revised requirement providing for the screening, testing, or treatment of individuals operating commercial motor vehicles for sleep disorders is adopted pursuant to a rule-making proceeding, and for other purposes.

MEASURES PLACED ON THE CALENDAR

The following bill and joint resolution were read the second time, and placed on the calendar:

H.R. 3230. An act making continuing appropriations during a Government shutdown to provide pay and allowances to members of the reserve components of the Armed Forces who perform inactive-duty training during such period.

H.J. Res. 72. Joint resolution making continuing appropriations for veterans benefits for fiscal year 2014, and for other purposes.

MEASURES READ THE FIRST TIME

The following bill was read the first time:

H.R. 3223. An act to provide for the compensation of furloughed Federal employees.

The following joint resolutions were read the first time:

H.J. Res. 75. Joint resolution making continuing appropriations for the Special Supplemental Nutrition Program for Women, Infants, and Children for fiscal year 2014, and for other purposes.

H.J. Res. 85. Joint resolution making continuing appropriations for the Federal Emergency Management Agency for fiscal year 2014, and for other purposes.