

percent. Two years later, with unemployment still hovering around 9 percent, they are saying we need to keep up the stimulus-level spending, despite its obvious failure. Their commitment to spending and tax hikes is so deeply held, it seems they do not even recognize the state of our economy or the fact that the tax-and-spend policies of the past 2 years have made matters worse, and they have to change if they are ever going to get out of the fiscal mess we are in.

Democrats seem to think the solution to our tax crisis is to ask taxpayers and businesses to reward their economic stewardship with even more money to spend as they please. They don't seem to understand that the voters didn't elect dozens of additional Republicans to the House of Representatives last November because they wanted their taxes raised. They sent them to reverse policies that had failed. We have seen the consequences of giving Washington a blank check. It is the reason we are in the mess to begin with.

So my message to the President is quite simple. It is time for Washington to focus on fixing itself. It is time for Washington to take the hit, not the taxpayers.

I yield the floor.

RESERVATION OF LEADER TIME

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

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will be in morning business until 6 p.m., with Senators permitted to speak therein for up to 10 minutes each.

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

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

The legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.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

FISCAL POLICY

Mr. BOOZMAN. Mr. President, nearly every day we see scenes playing out in countries around the world where their financial security is in ruins. This is the last thing we want to experience in our great country, and that is why we need to reform our fiscal policy and the way we have done business. There is too much at stake not to take action.

The International Monetary Fund urged us to address our soaring budget deficits, and credit rating agencies Moody's and S&P may be forced to

downgrade our government's AAA rating.

So what is the majority doing to address this fiscal crisis? Absolutely nothing. It has been nearly 790 days without the majority in this Chamber proposing a budget, and it appears the majority isn't anxious to work on one. The majority-led Budget Committee has failed to meet this year to begin working on a resolution. We can't even have an open debate in this Chamber about the budget. Instead of voting to start the debate on budget measures last month, the majority squashed all proposals, including the President's own plan. This is failure to govern at the most basic level and the American people deserve better. We need a budget that puts us on the path to fiscal discipline.

Every week we hear warnings of why this must be done. Last week the Congressional Budget Office issued the starkest warning yet of the danger posed by our spending problems. Our Nation's debt will exceed the size of the U.S. economy by 2021 and will double the size of our Nation's GDP within 25 years. This is not the way I want to leave this country for my kids, my grandkids, and the people of Arkansas.

In his State of the Union Address, President Obama pushed for a conversation that will put us on the path to fiscal responsibility but, so far, he has been absent from the discussions. Only today, 36 days before the deadline given by Secretary Geithner to raise the legal limit on Federal borrowing, is he beginning to take leadership in negotiating for spending limitations.

Our debt is slowing the economic recovery. The simple truth is higher debt leads to slower economic growth. We have seen this with the failed stimulus, but in the past week the Senate-led majority is once again proposing this flawed strategy. This failed policy of borrowing, spending, and taxing is just what the CBO is warning us to avoid. It hasn't worked in the past and it won't work in the future.

What we need are debt reduction measures in the form of spending cuts. The CBO's last report shows that spending is the primary cause of our fiscal crisis and supports spending cuts rather than tax increases to reverse this trend. I urge President Obama to take tax hikes off the table. Let's get to work reining in the reckless spending and putting our Nation back on a fiscally responsible path.

If American families ran their household budgets the way Washington runs its budget, the utilities would be shut off and the collection agencies would be knocking on their doors. The American people are now knocking on the doors of the Capitol demanding the government limit its spending.

We must rein in our spending to protect programs such as Medicare, Medicaid, and Social Security for current recipients and for future generations. In order to achieve this, we must reform the manner in which we budget

and allocate Federal dollars. We need a mechanism to cap spending and force the government to spend within its means.

We must act now to move our country off the brink of financial collapse, and we must make tough decisions because that is what the American people deserve and expect of us.

Mr. President, I note the absence of a quorum.

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

The legislative clerk proceeded to call the roll.

Mr. KYL. Mr. 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. KYL. Mr. President, I ask unanimous consent that I may speak for up to a half an hour in morning business.

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

THE DEBT CRISIS

Mr. KYL. Mr. President, last week, three events conjoined to elevate the subject of the U.S. debt crisis in this country and should energize us in the Senate and our colleagues in the House to redouble our efforts to find a solution to this serious problem.

I wish to briefly mention those three events and then talk about the problem from my perspective, some of the potential solutions, and put an item in the CONGRESSIONAL RECORD for my colleagues' review.

The first of what occurred was a new report by the Congressional Budget Office which was a new projection about U.S. debt as a percentage of our economy. One of the things they said was that our debt could almost double by the year 2035—far larger than they thought it would be as a percent of our economy or the GDP—and they said it is going to exceed 100 percent by the year 2021. Actually, it could get to that point sooner than that. It is approaching 100 percent right now. Greece is a little bit over 100 percent. Countries that get to that 100-percent level of public debt as a percent of GDP have a very hard time ever recovering. As a result, the time is now for the U.S. Government to act on our huge and growing debt.

Secondly, we had reports by the Labor Department, the Commerce Department, and others that confirm what we already know about the state of our economy and the state of joblessness in this country.

Applications for unemployment benefits rose. It was the biggest jump in a month. We are over 9 percent unemployment now. New home sales fell in May. The values of our homes in this country have decreased more than they did during the Great Depression. That has been a horrible factor for millions of American families. Stocks fell last