

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

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

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

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

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

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

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

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

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

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

Mr. President, I thank you for your courtesy in the beginning, and I yield the floor.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2:15 p.m.

Thereupon, the Senate, at 12:32 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. WEBB).

SHARED SACRIFICE IN RESOLVING THE BUDGET DEFICIT—Continued

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

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

VETERANS AFFAIRS AND MILITARY CONSTRUCTION APPROPRIATIONS

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

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

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

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

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

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

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

I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland.

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

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

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

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