

economy. We will not be seduced into calling a bad deal a good deal, and we will not let the White House fool around with the full faith and credit of the United States.

If the President wants to threaten seniors or veterans or rattle the world economy by pretending he cannot pay our bills, he, of course, can do that. But he is not going to implicate Republicans in these efforts.

That is why I proposed, as a last resort, a plan that would force the White House to show its hand. If the President would rather default than cut back on the size and scope of government, let him explain that. If he would rather preserve his vision of Washington than protect entitlements, let him explain that. If he and the Democratic Senate would rather borrow and spend us into oblivion, they can certainly do that. But do not expect any more cover from Republicans on it than they got on health care—none.

The American people deserve to know what their elected representatives stand for in this debate. None of these proposals that have been presented up to now would do that.

If Democrats will not agree to reforms we need, then we should at least show the public where we stand. What they wanted was a deal that purported to lower the debt from \$26 trillion to \$24 trillion over 10 years, then have us give it thumbs up and call it a bipartisan victory for fiscal discipline. We were not about to call this a good deal any more than we were willing to call the health care bill real reform.

We refuse to let this President use the threat of a debt-limit deadline to get us to cave on tax hikes or phony spending cuts. It is time to change this debate altogether. It is time to make it clear to the American people where the two parties stand in this debate.

Either you are with the President and his vision of a government that continues to live beyond its means or you are with those of us who believe Washington needs some strong medicine. Either you want to simply borrow and spend our Nation into oblivion or you want to get our fiscal house in order, and the single most effective way to do that is with a balanced budget amendment.

If the President and Democrats in Congress will not agree to cut back, let's force them. Let's pass a constitutional amendment that actually requires Congress to live within its means.

It is time for the American people to contact lawmakers on the Democratic side and simply demand it. Republicans are unanimous in their support for a balanced budget amendment. We need 20 Democrats to join us.

It is an uphill climb, but if the American people speak out, we can get it done. If the President will not agree to it, it is time we go around him and directly to the American people.

Let's keep the pressure on. Let's show the administration where the

public is on this issue. Let's get our fiscal house in order.

I yield the floor.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senate will be in a period of morning business for 1 hour, with Senators permitted to speak therein for up to 10 minutes each, with the time equally divided and controlled between the two leaders or their designees, with the Republicans controlling the first half and the majority controlling the final half.

The Senator from Tennessee is recognized.

THE BUDGET

Mr. CORKER. Mr. President, I realize a scheme has been concocted on the debt ceiling that allows Democrats to go into this next election continuing to ensure that spending to many of their constituents is at levels that please them; therefore, allowing them to run successfully in 2012, and that scheme also allows Republicans to run in 2012 with spending being the issue.

I think we all understand that, look, the debt ceiling is going to be increased, and it is going to be increased in such a way that both sides of the aisle have the ability to campaign against the other respective to their bases.

But the fact is, our great Nation is in decline because of the elected leaders in Washington. Our great Nation is in decline because of this body and the way it is acting, the House of Representatives and the way it is acting, and the White House and the way it is acting.

This body, as we meet and go on to a spending bill, is helping our great Nation go into decline. Let me explain why.

Maybe the debt ceiling was the wrong place to pick a fight as it relates to trying to get our country's house in order. Maybe that was the wrong place to do it. The reason it was chosen is because this body has not passed a budget in 806 or 807 days, and I credit both sides for that. But the fact is the Senate has not passed a budget in over 806 days.

I had a dinner this week, Monday night, with six Democrats and five Republicans. I will not mention their names to impugn them in any way. But all of them expressed tremendous frustration with the way this body is being run. Basically, most Senators in this body are nothing but two-bit pawns—two-bit pawns—as a political fight is under way basically to lay out the groundwork, if you will, for the 2012

election. That is what is happening right now in this body, and I think we all know that.

Yet yesterday we voted to move to a spending bill where we, in essence, are acting as accomplices. We are accomplices to this—the Presiding Officer and myself. I voted against it. But anybody who votes to go to a spending bill without forcing the Senate to come to terms with a budget is, in essence, an accomplice to allowing the shenanigans that are taking place right now to continue. We are allowing this great Nation to go into decline by not forcing us to make those tough decisions.

The reason the debt ceiling was chosen is because there has not been any other mechanism to cause us to sit down and make those tough choices as it relates to spending in our country. Because we were unwilling to do that, many people lined up, as a matter of fact, Democrats and Republicans—there is a Gang of 6 that had been working, with three Republicans and three Democrats. It is my sense that they too had planned to use the debt ceiling vote as a place to try to cause us to come together around something that might be sensible for our country. We have not seen the details of that. I hope we will see that soon.

But my point is, both sides of the aisle actually had focused on this debt ceiling vote—or many people on both sides of the aisle—to try to cause us to have the fiscal discipline we need. Obviously, with this new scheme, that is not going to happen.

I think we all know the debt ceiling is going to be raised. Blame will be assessed to either side. Both sides will use that in the 2012 election, and then we will move on to another cycle where probably we will continue to be irresponsible.

But the fact is, by moving to a spending bill without a budget—everyone who agrees to do that, every single person in this body who agrees to move to a spending bill, no matter what it is funding or no matter at what level it is funding the things it is funding, every one of us is an accomplice in causing this great Nation to decline, every single one of us.

I would urge people in this body who would like to see us actually do our work, cause us to function the way the Founding Fathers had created this body, cause us to function in a way that no longer allows our country to be in decline, I would urge everybody in this body to not agree to go to this spending bill and to say we will not spend any more of the U.S. resources—taxpayers' resources—without first agreeing to those tough decisions.

I love seeing some of the masters of the universe on some of these financial programs in the morning. I heard one of them this morning on a particular program I sometimes turn on to see what the markets are doing in reaction to the ridiculous, undisciplined nature of this body, I heard one of them say the debt ceiling is no place—most

countries do not even vote on a debt ceiling. What they do is they vote on budgets. In this country, we do not even vote on budgets. Of course, we have figured out a way to not make any tough decision on the debt ceiling vote either, and I understand what is getting ready to happen.

But, again, I say to all those folks who are not head of this body, who are not in leadership, who in the bathrooms or in the halls or at dinner or at lunch complain about the fact that this place is dysfunctional, complain about the fact that they do not have the ability to be involved in causing us to function in the way we should, every single one of you, in my opinion, who votes to go to a spending bill today or end debate on a spending bill—in essence, allow us to pass a spending bill—is an accomplice, is an accomplice in allowing this great Nation to go into decline. That is pretty strong, but I believe it.

The fact is we make a big deal out of some items around here, but we do not make a big deal when it comes to something we can actually affect and cause us as a body to do the things we need to do.

I say to the Presiding Officer, look, I am very disappointed in the Senate. I am very disappointed in the White House. I am very disappointed in all of us. I am very disappointed in the childish behavior this body has continued to exude over the course of this entire year. I am very disappointed we would even consider going on with spending taxpayer resources and not sitting down and making tough decisions. I am very disappointed, candidly, that both sides of the aisle only want it their way.

I do not think this great country was created the way it was so one side of the aisle got it exactly the way they wanted it. I think this body was created to be “the greatest deliberative body in the country.” Yet we do not do that. We do not act that way. We do not debate tough issues. We hide—all of us—we hide and we let our leadership concoct ways to keep us from doing the tough things we need to do.

The fact that we cannot even have a budget on this floor to come out of a committee, when, obviously, there is a majority—and I am not even pointing fingers at the other side; I think both sides are equally problematic in this because both sides, it is evident to me, are going to allow us to go to a spending bill today without a budget, but the fact that we cannot even bring a budget to the floor, when committees are stacked in such a manner that one side does have the majority, to me, is incredible.

If we move to a spending bill today without a budget, if we continue to do the things we do here, just without worrying about the fundamentals of what it takes for this country to be great, this body today will move one step further down the path of causing this great Nation to go into decline, to

keep us from making tough decisions, to allow committee heads or subcommittee heads in Appropriations to be able to bring forth their fruit, if you will, the things they would like to spend money on.

By the way, I support much—I probably support everything that is in this bill. I am not sure. It supports veterans. It supports military construction. But the fact is, actually, the very people this benefits, the people who are veterans, the people who have given their limbs—some have given loved ones—probably are embarrassed by the Senate too. Even though they would like to receive the benefits at some point in time down the road—when these benefits come to fruition in this next fiscal year, they would like to receive those—they probably would prefer, first, that all of us in this body do our job, that we quit acting like the children we have been acting like this entire year; that we quit calculating what we are going to do around the 2012 elections; that we quit hiding behind our leadership and allowing them to go down and negotiate grand bargains in private; that we quit, again, hiding from tough decisions.

I hope others will join with me and that we will not end debate on this bill. Let me put it this way: If we do not do that—in other words, if we proceed with spending in this bill—I sure hope all those who vote to do so will stop talking in private about how embarrassed they are about this Senate, will stop talking in private about how they feel like little pawns in a political game, will stop talking in private about how they would like to see this body start acting in the fashion it should act.

We have not done any real business this year. We all know it. We have not done any real business this year because we have not wanted to take on those tough issues. I am embarrassed by that, personally. I am embarrassed about the way this Senate has been conducting its business this year.

I am not going to vote for a spending bill until we pass a budget. If we had passed a budget and had the tough debates about revenues and expenditures, we would not be in this no-win situation right now as it relates to the debt ceiling, and we all know that. But we want to hide behind that.

With that, I 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. THUNE. 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. THUNE. Mr. President, as we all know, in the next few weeks we are going to have to be faced with a decision about what to do with the debt limit, and of course there has been a lot of discussion around here as well as

between the White House and the congressional leadership about how best to resolve this issue.

I believe what it really comes down to is a question about what is the best way to resolve a debt crisis. I think it creates a great debate, a philosophical debate about do we need to grow government or do we need to shrink government. I would argue that is kind of the defining line in this debate, whether you believe the best way out of a debt crisis is to expand and grow government or whether you think, as I do, that we ought to make government smaller, not larger, if we are trying to figure out how to get out of this particular circumstance we find ourselves in right now.

We have a \$14 trillion debt. We are going to have to increase the borrowing authority to get to the 2012 election by \$2.4 trillion. That is the rate at which our debt is growing. I have said on the floor before that if you look at just the daily borrowing our Federal Government does, it exceeds the entire budget of my State of South Dakota for a whole year. So we will borrow more in the next 24 hours here in Washington, DC—about \$4 billion—than the State of South Dakota spends in an entire year. That is the dimension of the problem we are facing.

Many of us believe the best thing we could do in order to get ourselves on a better fiscal track is to pass a balanced budget amendment to the Constitution. Frankly, I hope we will have an opportunity to vote on just that sometime in this next week or the following week. Most States around the country, including my State of South Dakota, have a balanced budget amendment in their constitution. It requires them year-in and year-out to get their books balanced. They cannot continue to spend as if there is no tomorrow. They cannot spend money they do not have. They live within their means. That is what most Americans have to do, that is what American businesses and families have to do, and it certainly makes sense that we ought to be doing that at the Federal level.

I would urge my colleagues, as we look at the short-term issue, which is the debt limit vote, we have to figure out how we are going to get the best deal we can get in the near term, but what are we going to do in the long term to put our country on a more sustainable fiscal footing? I would argue that putting an imposed discipline on Congress, such as an amendment to the Constitution that would require us year-in and year-out to balance our budget, just makes sense. It is practical, it makes economic sense, and it certainly is discipline that has been lacking here in Washington, DC, for some time.

If you look at the States that have made hard decisions—mine is a good example of that—they had to cut spending this year significantly to balance their budgets, but at least they are doing that. They are making these

hard choices and hard decisions, and that is something we have been putting off here for way too long.

I would point out to my colleagues here that as we talk about how to get the country back on the right fiscal track, we do have to start setting priorities.

Well, we are not doing that. We haven't had a budget here now for 806 days. It has been 806 days since the Democratic majority in the Senate has allowed us to have a vote on a budget.

Many of us believe that in order to determine how you are going to spend \$3.7 trillion of America's hard-earned money, you ought to have some priorities. You ought to at least put a pathway out there about how you are going to go about spending those dollars and setting priorities for the country.

Well, we are not doing that because we have not passed a budget in 806 days. That is the fundamental responsibility we have as leaders. The people of this country elected us to do that. We are not doing that, I think that is creating uncertainty. It is creating instability out there around the country.

I met with some business owners this morning who say that in their particular industry, there are people who want to invest, they want to create jobs, and they want to make capital investments. But these are long-term investments, and they don't know what is happening, they don't know what the policies coming out of Washington are going to be with regard to taxes, spending, regulations, all of those sorts of things. There is an enormous amount of uncertainty.

There was a survey done just recently by the U.S. Chamber of Commerce in which they asked small businesses about their future hiring plans, and 64 percent of the small businesses that responded to that survey said they were not going to add to their payroll this year, they were not going to hire this year. Another 12 percent said they were actually going to cut jobs. Why? Half of the people who responded to the survey said: Economic uncertainty. They just flat do not know what Washington is going to do next. And you can't have that kind of uncertainty. What the markets want, what businesses want, what investors want is they want to know what the rules are going to be, and they want some certainty about what is going to happen next.

The kind of uncertainty we are creating reaches beyond our shores because I think that if you look at what is happening in Europe today, they are facing a debt crisis in many of those countries. What are the economic impacts of that? Well, if you look at the interest rates in the Euro zone, the 3-year government interest rates are 19.4 percent for Portugal, 28.9 percent for Greece, and 12.9 percent for Ireland. That is our future if we don't get our fiscal house in order.

What does that mean? That means that not just does the Federal Govern-

ment have to pay more to borrow money, pay more in higher interest costs, it also means that those interest costs—all interest rates in this country, whether it is for an auto loan or a home loan or a student's college loan, they all track with the Treasury borrowing rates. If those rates go up, that has profound implications for our economy. That means people across this country are going to pay much higher interest rates. Small businesses are going to pay higher interest rates to borrow money.

These are real-world impacts if we do not make the right kinds of decisions here to get this spending and this borrowing under control. So if you want to see our future, look at some of the European countries. Look at what impact this is having on interest rates and on their economies. That is something our economy could not withstand.

We are already facing 9.2 percent unemployment. We have a need to get people back to work. And what we need now is not more expanded government and more uncertainty about what Washington, DC, is going to do; we need stability, we need certainty, and we need decisions here which have a favorable impact on the private marketplace and create an inducement to hire people as opposed to discouraging it, which is what we are seeing today.

I have argued down here on many occasions that this debt is really strangling our economy because it is crowding out private investment. Anytime the government is out there borrowing money, it means there is less capital out there for private businesses to have access to. I think the more fundamental issue in this whole debate, however—and I mentioned this yesterday in some remarks on the floor—is really the size and scope of government and whether we want to see an expanded, bigger, larger government or whether we ought to try to work our way out of this debt crisis by actually reducing the size of our government.

I pointed out that in the past couple of years alone, we have seen government expand dramatically. In fact, nondefense discretionary spending in the last 2 years has grown by 24 percent. The debt has grown by 35 percent in just the time this President has been in office. The amount we spend on our Federal Government as a percentage of our entire economy has grown dramatically as well. The 40-year historical average is 20.6 percent. That is what we historically, for the past 40 years, have spent on the Federal Government as a percentage of our entire economic output. If you go back to the year 1800—hard to believe—it was 2 percent. That is what we spent on the Federal Government as a percentage of our entire economy. Of course, it has grown since that time, but it has really taken off here in just the last few years.

I pointed out yesterday as well that of the five times the budget has actually been balanced in this country since 1969, in every circumstance it has

been when government has spent less as a percentage of our entire economy than the average. So if the average is 20.6 for the past 40 years, the times when we have actually balanced the budget, we have averaged spending 18.7 percent of our GDP.

The point simply is this: If you want to solve this problem, it gets solved on the spending side of the equation. The problem we have in this country is not that we tax too little or have too little revenue, it is that we spend too much because this year we will spend, as a percentage of our entire economy, 24.3 percent. There is almost a quarter of the entire economy of this country now being spent by the Federal Government, and that will only go up over time as we see these new entitlement programs, the new health care program that was created last year, continue to consume more and more of our resources in this country. That means there is less and less out there for the private economy where the real jobs are created.

If you look at just what we pay in interest costs alone and how we would be influenced by a slight uptick in interest rates—there was a great op-ed written in the Wall Street Journal a couple of weeks back by Larry Lindsey, who is a former economic adviser to President Bush and also a member of the Federal Reserve Board of Governors. He pointed out that if interest rates return to their 20-year average, it would add \$4.9 trillion in additional borrowing costs over the next decade. So everything we are talking about here in this debate about the debt limit in terms of reducing spending really pales in comparison to just a normalization of interest rates.

If we saw interest rates go back to what is a 20-year average, we would see an additional \$4.9 trillion that we would have to spend to finance our debt. That is a staggering statistic. Again, I think it speaks to the need for us to get our spending under control because the amount we borrow, as it continues to ratchet up, and we continue to get further in debt, the likelihood is that our interest rates are going to go up in a corresponding manner, and we will end up spending more and more on higher interest.

I think the real issue is whether we as a nation are going to make a conscious decision that the way we resolve this debt crisis is either on the spending side or on the revenue side. We heard our colleagues on the other side—and we heard the President—say we need more revenue. In fact, I have not been in on the discussions occurring at the White House, but it is my understanding that one of the latest proposals on the table was a \$1.6 trillion increase in taxes. In other words, they want to add \$1.6 trillion in additional tax revenues in order to get some amount of spending reduction.

We have seen this picture before. We can go back to the 1990 budget deal that President Bush made with the

Congress at the time which was supposed to have 2-to-1 spending cuts to tax increases. The tax increases occurred; the spending cuts didn't. That is our history. That is why making a deal that involves massive increases in taxes on our economy, on our small businesses, when we have 9.2 percent unemployment is a bad idea when the problem we are trying to fix is fundamentally a spending problem. It would be one thing if we were spending at a historical rate. If we were spending at a rate that is 20 percent of our total economy, the 40-year average, that would be different. We are spending more than 24 percent. This is fundamentally a spending problem that cannot be solved on the revenue side.

The only thing that increasing taxes would do is make it harder, more expensive, and more difficult for small businesses to create jobs. That is precisely what we want small businesses to think about doing. Instead, 64 percent of them are saying that this next year they are not going to add to the payroll, create jobs. Why? Because of economic uncertainty. We need to create some certainty out there. We need them to know that tax rates will stay at a low level—taxes on investments and income. We need them to know we are committed to cutting spending and getting the Federal debt under control. We need them to know we are not going to add massively to the cost of doing business in this country by dramatically increasing the number of Federal regulations with which they have to comply.

I hear that everywhere I go, whether it is a farmer, rancher, or small business owner—everywhere. In a meeting I had with some small business owners, they said the regulations are making it increasingly costly and more difficult for them to create jobs. So if we get into the final days of this debate and these decisions have to be made, I would say that the President needs to recognize that this is not a revenue issue; this is a spending issue, and he needs to step up and provide leadership and a pathway for how we get our fiscal house in order—not by increasing taxes on the job creators in our economy, our small businesses but, rather, by getting Federal spending under control.

I think we would have an incredibly warm and favorable reception from both the House and the Senate, who are prepared to do business when it comes to reducing spending and making government smaller, not bigger, dealing with this long-term structural problem that we have of a runaway debt that is growing literally by the year at the tune of about \$1 trillion annually.

If we don't do this, as I said before, we are looking at a future that will resemble many countries in Europe. We don't want to be a country that defaults on our debt. We obviously need to address this issue of the debt limit. We need to do it in a responsible way that holds us accountable to the Amer-

ican people who spoke loudly and clearly in the last election indicating that they believe government has gotten too big and is growing too fast. They want the government reined in.

The way we do that is to rein in Federal spending. That involves not just the discretionary spending I mentioned earlier, which has grown at 24 percent in the last 2 years, but the long-term structural challenges that we face in entitlement programs—Medicare and Social Security.

Republicans in the Congress are willing to lead on those issues and are willing to step forward and put forward a plan. The only plan put forward so far has come from the House Republicans, and it has been criticized by a lot of Democrats in the House and Senate and also by the White House. We have yet to see a plan from the other side. It has been 806 days, and we haven't had a budget presented by the Democratic majority in the Senate, nor has the President come forward with a plan that actually does something to reduce spending and debt.

The President did submit a budget proposal earlier this year which dramatically would have increased spending and doubled the debt over the next decade and dramatically increased taxes. That is the wrong message to have received.

The message the people of this country are sending is that we want Washington to focus on the spending side. We want a smaller Federal Government, not a larger Federal Government. We want the Federal Government to do what we have to do—American families and small businesses—and that is to live within its means.

I hope this debt debate, as it comes to a conclusion, will come to a good outcome and result for the people of this country. We don't want to have this country in a situation where we are not making payments, where we are defaulting on our debt. But we cannot just continue this pattern of raising the borrowing authority of this country, adding to the Federal debt, without doing something to get that debt under control, without doing something to reduce the amount this Federal Government spends every single year. Spending at 24 to 25 percent of our entire economy is a trend that cannot be continued and cannot be sustained. We need to get back to more of a historical average, where the American people want us to be.

The reason the American people reacted the way they did in the last election is they saw this government growing at a rate that made them very uncomfortable and frightened. That continues to this day because there is uncertainty about the country's future and an instability that exists today.

I heard from some business owners this morning. They want stability, some certainty about what the rules are going to be. More importantly, it starts by having a Federal Government that lives within its means and doesn't

spend money that it doesn't have and that focuses intently on getting spending and debt under control and creating favorable conditions for economic growth and job creation.

That doesn't happen by raising government revenues, raising taxes; that happens by the Federal Government exercising fiscal responsibility, reducing spending, reducing debt, and keeping taxes low on our job creators so that we can get people in this country back to work. That is the correct prescription for this country. It is a prescription I hope the President will embrace.

I can say that the Republicans in the Senate—and I daresay the Republicans in the House of Representatives as well—are prepared to meet him in working together on that challenge of reducing spending and debt and creating conditions favorable to economic growth and job creation and getting American people back to work.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RUBIO. 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. RUBIO. Mr. President, I ask unanimous consent to speak for up to 15 minutes.

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

Mr. RUBIO. Mr. President, I stand here today having spent some time over the last few days thinking about this dispute regarding the debt limit, as we are hearing from our constituents across the country who are looking at Washington and asking: What is going on? What are you guys doing?

It is a difficult process for people to understand. They elect us and send us here to serve our country and to solve problems. Yet they read in the newspapers all these startling statements—the President saying a few days ago he can't guarantee Social Security payments, others saying our bond rating might be at risk. And, of course, the reality of daily life is that, more than ever, Americans are finding it difficult to find a job, and the ones who do are working twice as hard and making less.

So things have gotten tougher over the last couple of years, unfortunately, and people have a right to be upset with the direction we are heading. And that was one of the reasons I felt compelled to run for the Senate—to come up here and be part of trying to make a difference, be part of putting this country on a track that helps us to embrace all the things that make us exceptional and unique and continue to make us exceptional and unique.

When I look at this dispute, I see two things that are very clear. No. 1, we can't continue to do what we are doing now, and anyone who argues we can is

not being realistic and is doing a great disservice to the future of our country. It is this simple: You can't have a government that spends \$1.5 trillion more than it takes in every single year. You can't have a government that borrows 40 cents out of every dollar it spends.

Look what happened yesterday. Greece was downgraded. They are on the verge of being in default. Not Greece—I apologize. It was Ireland. Why is that happening in Europe? Why are these countries in trouble? It is not because they refuse to raise their debt limit; it is because people don't think they can pay back the money anymore. The people who lend the money, the people who sell the debt, they are saying: We don't know how you are going to pay us back. Your economy doesn't produce enough money. You have no plan to bring spending under control. We have lost confidence in you.

That is the message being sent to Europe today, and if we keep doing what we are doing now, that is the message that will be sent here to America very soon. The impact that will have not just on our country but on the world is, quite frankly, devastating. That is what we are facing.

The fundamental problem is twofold: We have a government that spends too much money—more money than it takes in—and we have a government that doesn't take in enough money to pay its debts because its economy is not growing. That is why I have argued from the days on the campaign trail to when I got elected that the way out of this problem is a two-pronged approach. You have to do them both.

You have to cut spending. We have to have spending cuts and spending discipline. It doesn't all have to happen overnight, but we have to stop spending \$1.5 trillion a year of money we do not have. We cannot continue to do that.

That is why I support the cut, cap, and balance plan, because it says we are going to begin to cut spending this year in a real way, we are going to cap the ability of government to continue to grow its spending in future years, and we are going to give the States the right to ratify a balanced budget amendment for our country that basically says: You cannot spend more money than you take in. States balance their budgets, businesses have to balance their budgets, families have to balance their budgets. If this Federal Government doesn't begin to balance its budget sometime in the near future, we may cross a line that is irreversible and puts us in a place similar to what we are seeing in Europe today.

So on the spending side, it has to happen. Again, to people who pretend we can do it overnight, I say: Of course not. It took a long time to get into this predicament, and it will take a while to get out, but we have to start trending in the right direction. It is critically important that some sort of spending discipline plan be put in place.

Look, I know this is a political place. The debate is always framed by politics. I, like everyone else here, fully participate in the political banter. But today, for a moment, I want to step back from that and just say this. Ultimately, I want to see a solution to the spending plan. I will welcome that solution whether it comes from the White House, from the minority leader, or from the majority leader. I just want someone to step up and offer a plan that begins to bring spending discipline under control. I know I have endorsed one. It is called the cut, cap, and balance plan. If there is a better way to do it, offer it now. What are you waiting for? Now is the time to offer it. If someone in this building has a better way to bring spending under control, now is the time to offer it. Don't negotiate in the shadows. All these negotiations going on we are hearing about in the press—where is the plan? Where is the document that tells us and shows us how we can bring spending under control? Now is the time to show it. Now is the time to do it. What are you waiting for?

That is on the spending side. Spending cuts are important. They are essential. We cannot do it without fiscal spending discipline, but that is not enough. We also have to grow. We have to grow. That is where the crux of this debate has really gotten to. You hear in the press that this fight is because certain people don't want to raise taxes on certain people. That is really not what this issue is about. I think everyone agrees that we need growth, that government needs growth in its revenue so it has a way to pay down this debt. The debate is about from where this revenue comes.

Some argue: Well, the way you get more money for government is to raise taxes on people—raise taxes on very rich people. I have two problems with that, and neither one is ideological.

The first problem is it doesn't work. You can't possibly raise taxes high enough to collect enough money to make a difference on the debt. I looked at some of the tax increases the President and others have proposed. It adds up to less than 10 days of deficit spending. Even if you raise the taxes on what they define as rich to 100 percent next year, it is still not enough money to pay for just 1 year's deficit. So tax increases don't work because they don't work. They do not generate enough money to do anything.

The second reason I can't support tax increases is because it will kill jobs. And while this debt is a huge issue—it is very important—the jobs issue is even more important. The No. 1 issue in Washington is the debt—rightfully so because it is a huge, enormous, generational issue—but unemployment is the No. 1 issue in America. We are talking about people who have worked hard their entire lives, who went to school and did everything that was asked of them, and now they go out into the job market and they can't find

a job. It is especially astonishing among young people—25, 30 years of age—who went to college and got their degrees and now they can't find a job, certainly not in the areas they studied.

We have to get that turned around. Every other problem we face in our country—the housing crisis and all these other problems—becomes easier to deal with if you have more people working, people making money, paying taxes, and spending money in our economy. So unemployment is what we have to get at, and we are not going to create jobs by tax increases. If someone in this building, if someone in Washington has a tax increase that creates jobs, I invite them to offer it. We are all ears. If someone in Washington has a tax increase that helps create jobs, right now is the time to offer it. I would submit we will not find one because there are no tax increases that will create jobs. If you don't create jobs and you don't grow this economy, there is no way out of this debt. You can't cut your way out of it, and you certainly can't tax your way out of it.

Does that mean we don't do anything about taxes, as I hear some commentators in the press saying? Of course not. Our Tax Code is broken. There are a bunch of things in the Tax Code that do not belong there, and I think there is bipartisan support—whether the media tries to ignore it or not—in the Senate, in the House, in Washington for tax reform.

Tax reform we can get done. Tax reform means we are going to look at the Tax Code, and if there are things in the Tax Code that are there because somebody hired a lobbyist and got it put in the Tax Code but it is not really good policy, it shouldn't be in there. And if we find enough of those unfair things in the Tax Code, then we can lower everybody's rates. We can make the rates flat, we can make the Tax Code simpler and easier to comply with, and that is what we should aim for because that is what job creators tell us.

I swear to you, I have never met a job creator who told me they are looking for a State with high taxes and burdensome regulations. I have never met one. There may be one, but I invite anyone here in Washington, DC, to produce for us a job creator—a company or an individual—who says that what they are looking for is to open a business someplace where the taxes are high and difficult to understand and the regulations are expensive to comply with. And that is what we have in America. You want to know why jobs aren't being created. Because that is what we have in America. So if someone knows of a job creator anywhere in the world who is looking for a high, complex tax environment or looking for a high regulatory environment, I would like to meet them because I have yet to meet a job creator who is looking for that, and that is what we have.

I will submit to you that there is bipartisan support for the idea of tax reform, of simplifying our Tax Code and

making it easier to comply with, of—if we do it the right way—lowering everybody's tax rates so that people have more money in their pockets to spend into the economy and grow their business or to start a new business because that is how jobs are created.

I know all of us would like to think that Senators and Presidents create jobs but not outside this building they do not. Jobs are created when everyday people from all walks of life decide, you know what, today I am going to open a business and operate from the spare bedroom of my home or out of the garage or when somebody has an existing business and decides: I want to grow this business, so I am going to hire a couple more people because I have a belief this business can do better.

We need to get people excited about doing that again, and we are not going to get them excited about doing that again if our taxes and our regulations are out of control. So let's begin to focus with regard to this debt limit on some of the things that there has to be agreement on, and there are two things: We must control our spending, and we must put a plan in place that shows the world how America will bring its spending under control, and we have to do something to grow our economy.

Ask any job creator in the real world, What are you looking for to grow and create jobs? They will tell you, We are looking for confidence. And we get confidence from knowing that regulations are predictable and easy to comply with, and the Tax Code is predictable, affordable, and easy to comply with.

I submit that if we focused on that and not all the other noise that goes on in the back and forth of this place, we can actually start moving toward a solution.

The last point I would make is the word "compromise" is a very popular word around here, and there is nothing wrong with compromise, so long as the compromise also happens to be a solution. Because if your compromise doesn't solve the problem, you have created a new problem.

There is nothing wrong with compromise. Maybe your ideas of tax reform are different than my ideas of tax reform, but ultimately we have to solve the broken Tax Code. So compromise is not a dirty word, unless the compromise makes it worse, not better. Too often in politics compromise leads to things that make things worse, not better. If you raise taxes in this economy, with 9 percent unemployment, you are going to make things worse, not better.

I hope we will rally in a bipartisan fashion around the concept of tax reform, of creating a Tax Code in America that encourages people to create jobs here once again, because if we can solve the jobs issue, if we can begin to solve the unemployment issue, all these other issues we face as a nation become easier to face.

Mr. President, I thank you for your attention and I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CARDIN. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BROWN of Ohio). Without objection, it is so ordered.

Mr. CARDIN. I ask unanimous consent to speak as in morning business.

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

BUDGET NEGOTIATIONS

Mr. CARDIN. Mr. President, we are getting dangerously close to the August 2 deadline. The August 2 deadline is the deadline for America to increase its debt limit or to face default on our obligations. We need to come together. We need to increase the debt limit, and this is an opportunity for us also to manage our debt.

We have been talking about this for a while, and I understand—and I think my colleagues understand—the responsible thing for us to do is to use this opportunity to increase the debt limit to also craft a game plan to manage our national debt and our spending. We need to have a credible plan. Our debt is not sustainable. We cannot continue along this path. We understand that. We have to have a credible plan to manage our deficit. Well, quite frankly, the Democrats have come up with these plans.

The proposal offered by Senator CONRAD, the chairman of the Budget Committee—and supported by all the Democrats on the Budget Committee, and I am proud to be a member of that committee—brings forward a credible proposal that has all the elements of our budget on the table. It reduces government spending. It deals with protecting the priorities that are important for America's growth. It invests in education. It invests in innovation and in infrastructure so we can create the jobs necessary for America's prosperity. That is what that budget does. It brings about more deficit reduction than the Republican budget, bringing our debt under control.

We understand we need a bipartisan budget. It is not going to be just what the Democrats want. That is what the political process is all about. Midterm elections: The House is controlled by Republicans. The Senate has a Democratic majority. We have to come together.

What many of us have said in this body is let's use the bipartisan Bowles-Simpson proposal as a starting point. That has all the elements on the table, including mandatory spending and including doing a better job on revenues. It is a bipartisan proposal. Democrats have said we are willing to work and come out with what we call the grand

deal—the deal that will manage our debt and all elements of the Federal budget will be on the table as we talk about that.

But there is one option that should not be on the table, and that option is to allow August 2 to pass without increasing the debt limit; in other words, to permit America to default on its obligations. That is one option that cannot be on the table. Quite frankly, what concerns me is there seems to be a growing number of Republicans who say that is an option; that is OK; it will be all right for us to pass August 2 without increasing the debt limit.

Let me quote, if I might, from David Brooks, the conservative columnist, who said:

... the Republican Party may no longer be a normal party. Over the past few years, it has been infected by a faction that is more of a psychological protest than a practical, governing alternative. The members of this movement do not accept the logic of compromise, no matter how sweet the terms. If you ask them to raise taxes by an inch in order to cut government by a foot, they will say no. If you ask them to raise taxes by an inch to cut government by a yard, they will still say no.

The members of this movement do not accept the legitimacy of scholars or intellectual authorities. A thousand impartial experts may tell them that a default on the debt would have calamitous effects, far worse than raising revenues a bit. But the members of this movement refuse to believe it.

I know the majority leader in the House of Representatives, Mr. CANTOR, tells us there is no compromise that can pass at the present time in the House of Representatives. I don't accept that. I think Democrats and Republicans working together in the House can pass a grand deal under the parameters that have been talked about at the White House. But what Mr. CANTOR needs to do is work with the Democrats as well as the Republicans in the House of Representatives. We have to come together, Democrats and Republicans.

The one part of the option that should not be on the table is to allow us to pass August 2 without raising the debt limit. Let me talk about the consequences. I have said I believe they are catastrophic consequences, and I do believe that. We know it is likely—almost certain—that the rating houses will downgrade America's currency from the most secure currency in the world. We would be downgraded. We run a real risk as to whether the dollar will continue to be the global currency. Right now, many international transactions are related in dollars. We know that as it relates to energy. All of a sudden, on August 3, we run the risk that the American dollar will no longer be the global currency, having a major impact on the U.S. economy.

J.P. Morgan tells us we could expect an immediate increase in interest costs of 75 to 100 basis points. What does that mean? Well, for the taxpayers of this country, it means it is going to cost