

I am told, and said: We are going to get at least 60 votes.

Please, Mr. President.

Their extreme plan would, within 25 years, cut in half every Federal benefit on the books, including Social Security, Medicare, Medicaid, military pay, veterans' benefits, and much more. Meanwhile, it would erect constitutional protections for hundreds of billions of dollars in special interest tax breaks to oil companies, corporations that ship jobs overseas, and millionaires and billionaires who are able to buy those yachts and corporate jets for which they get tax benefits.

Republicans have demanded we pass this radical proposal before they will even consider cooperating with Democrats to avert a default crisis that would rock the global financial markets. They are, in effect, holding this Nation's economy hostage and demanding the death of Medicare and Social Security as its ransom. But we all know their failed prescription will fail in the U.S. Senate. They do not have the votes to pass a plan that would balance the budget on the backs of seniors and middle-class families while protecting unfair tax breaks for millionaires and billionaires.

So we must move on, Mr. President. And I want to be very, very clear: There is simply no more time to waste debating and voting on measures that have no hopes of becoming law. We have no more time to waste playing partisan games. As the saying goes, indecision becomes decision with time. Our time is running out before this gridlock—this refusal by the other side to move even an inch toward compromise—becomes a decision to default on our debt. The markets are already reacting to our inaction. Every responsible voice, including those of my Republican colleagues—many of them, at least—has warned that much worse is to come if we do not take action and take it soon. That is a risk we cannot afford to take.

So I ask my Republican colleagues again to join Democrats in seeking common ground. The American people have demanded it of us. Overwhelmingly, they have said a national default is a serious problem—and that is an understatement—and that both parties in Congress must meet in the middle.

We all know there are talks going on between President Obama and Speaker BOEHNER. I wish them well. We await their efforts. What I am told, there will be revenue measures in that. If that is the case, we know constitutionally the matter must start in the House of Representatives.

I say to both the President and to the Speaker here on the Senate floor, representing my Democrats—and I am confident many Republicans—be very careful. Show a lot of caution as this negotiation goes forward because any arrangement must be fair to all of America, not just the wealthy.

Would the Chair announce the proceedings for this morning.

RESERVATION OF LEADER TIME

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

CUT, CAP, AND BALANCE ACT OF 2011—MOTION TO PROCEED

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of the motion to proceed to H.R. 2560, which the clerk will report.

The assistant legislative clerk read as follows:

Motion to proceed to the bill (H.R. 2560) to cut, cap, and balance the Federal budget.

The ACTING PRESIDENT pro tempore. Under the previous order, the time until 10 a.m. shall be equally divided and controlled between the two leaders or their designees.

The Senator from North Dakota.

Mr. CONRAD. Mr. President, in about an hour, we are going to vote on a package that was sent to this body by the House of Representatives.

Let me first comment on the context within which we consider this legislation. I think it is very important to remind our colleagues and remind citizens across the country who are perhaps watching and listening that our country is borrowing more than 40 cents of every \$1 we spend. That is unsustainable. It cannot be continued for long.

I think all of us know that the circumstance we are in is extraordinarily serious. Here is what the Chairman of the Joint Chiefs of Staff told us just a year ago:

Our national debt is our biggest national security threat.

I believe that is the case. Our gross debt now is approaching 100 percent of the gross domestic product of the United States. We have not seen a debt that high since after World War II. It is extraordinarily important that we take on this debt threat. It is extraordinarily important for our country's future economic well-being that we change course.

The legislation that has been sent to us by the House is one of the most ill-considered, ill-conceived, internally inconsistent pieces of legislation I have seen in my 25 years in the U.S. Senate. It has all the earmarks of something that was hastily thrown together, really pasted together.

This legislation includes an amendment to the Constitution of the United States. We are better than this. The Congress is better than this. Certainly, the country is better than this. Let me just be brief.

The fundamental problems with this balanced budget amendment are as follows: One, it restricts the ability to respond to economic downturns, having all the potential to make an economic downturn even more serious. It uses Social Security funds to calculate balance and subjects that important program to the same cuts as other Federal

spending, even though it is funded separately. It shifts the ultimate decisions on budgeting in this country to unelected and unaccountable judges. Finally, it requires a State ratification process that could take years to complete. We need a long-term debt resolution now, not in the sweet by-and-by.

The proposal before us has all of the potential to turn a recession into a depression. Why do I say that? Because it would prevent Congress from taking urgent action to provide lift to the economy in the midst of a severe economic downturn.

Here is what Norman Ornstein, a distinguished scholar at the American Enterprise Institute, said about this:

Few ideas are more seductive on the surface and more destructive in reality than a balanced budget amendment [to the constitution]. Here is why: Nearly all our states have balanced budget requirements. That means when the economy slows, states are forced to raise taxes or slash spending at just the wrong time, providing a fiscal drag when what is needed is countercyclical policy to stimulate the economy. In fact, the fiscal drag from the states in 2009-2010 was barely countered by the federal stimulus plan. That meant the federal stimulus provided was nowhere near what was needed but far better than doing nothing. Now imagine that scenario with a federal drag instead.

The Washington Post editorialized:

Worse yet, the latest version [of the balanced budget amendment] would impose an absolute cap on spending as a share of the economy. It would prevent federal expenditures from exceeding 18 percent of the gross domestic product in any year. Most unfortunately, the amendment lacks a clause letting the government exceed that limit to strengthen a struggling economy.

That has all of the potential to turn a recession into a depression.

Two of this country's most distinguished economists, Alan Blinder, former Vice Chairman of the Federal Reserve, and Mark Zandi, former consultant, adviser to Senator MCCAIN in his Presidential campaign, evaluated the government response to the last downturn. Their conclusion: Absent that Federal response, we would have had "Great Depression 2.0." The legislation before us would have prevented that Federal response.

They call this legislation cut, cap, and balance. They misnamed it. They should have called it "cut, cap, and kill Medicare" because that is precisely what it would do. Why do I say that? Because when I referred earlier to the inconsistency of this legislation, this is what I was referring to. They have two different spending caps in the legislation before us. In one part of the legislation, they say the spending cap would take spending from 24.1 percent of GDP to 19.9 percent. That is in one part of the bill before us. In another part of the bill—the constitutional amendment—they say the spending cap would be 18 percent of GDP. So I do not know who cooked this up, but you would think they would have at least gotten on the same page as to what is the limitation on spending.

What does it mean if you have a balanced budget amendment with a cap of