

S. RES. 244

Congratulating Omega Psi Phi Fraternity, Inc. for 100 years of service to communities throughout the United States and the world, and commending Omega Psi Phi for upholding its cardinal principles of manhood, scholarship, perseverance, and uplift

Whereas Omega Psi Phi is the first international fraternal organization to be founded on the campus of a historically black college;

Whereas Omega Psi Phi Fraternity, Inc. was founded at Howard University in Washington, District of Columbia, on November 17, 1911, by undergraduates Oscar James Cooper, M.D., Frank Coleman, Ph.D., and Edgar Amos Love, D.D., and their faculty advisor Ernest Everett Just, Ph.D.;

Whereas, on November 17, 2011, Omega Psi Phi will celebrate 100 years of service to communities throughout the United States and the world in many diverse fields of endeavor;

Whereas, in 2011, Omega Psi Phi has more than 700 chapters throughout the United States, Bermuda, the Bahamas, the Virgin Islands, South Korea, Japan, Liberia, Germany, and Kuwait;

Whereas Omega Psi Phi has maintained a commitment to the betterment of mankind, the enhancement of the community, and the enrichment of collegiate men through dedication to its cardinal principles of manhood, scholarship, perseverance, and uplift;

Whereas Omega Psi Phi chapters participate in activities that uplift their communities, including voter registration, illiteracy awareness, Habitat for Humanity, health awareness programs, and youth mentoring;

Whereas the men of Omega Psi Phi have distinguished themselves in the field of science, including Dr. Ernest Everett Just, an internationally known biologist, Dr. Charles Drew, who perfected the use of blood plasma, Dr. Ronald E. McNair, an astronaut and member of the flight team aboard the Space Shuttle Challenger, Charles Bolden, an astronaut and the Administrator of the National Aeronautics and Space Administration, and Dr. Fred Drew Gregory, an astronaut and graduate of the United States Air Force Academy;

Whereas the men of Omega Psi Phi have distinguished themselves in the field of sports, including Dr. Robert M. Screen, the tennis coach at Hampton University and the coach with the most wins in the history of the National Collegiate Athletic Association, Michael Jordan, who was inducted into the Naismith Memorial Basketball Hall of Fame in 2009, Charlie Ward, the winner of the Heisman Trophy in 1993 and a former guard with the New York Knicks of the National Basketball Association, Dr. LeRoy Walker, a former president of the United States Olympic Committee, and Terrance Trammell, a world champion hurdler;

Whereas the men of Omega Psi Phi have distinguished themselves in the field of government, including William Hastie, the first Governor of the Virgin Islands, Lawrence Douglas Wilder, the first black Governor of Virginia, Togo West, a former Secretary of the Army, James E. Clyburn, a Member of the House of Representatives from South Carolina and the 26th Majority Whip of the House of Representatives, Jesse Jackson, Jr., a Member of the House of Representatives from Illinois, and Hank Johnson, a Member of the House of Representatives from Georgia;

Whereas the men of Omega Psi Phi have distinguished themselves in the field of the arts, including Langston Hughes, the poet laureate who excelled as a poet, playwright, novelist, lyricist, and humorist, and William

“Count” Basie, an internationally known pianist, composer, arranger, and band leader; and

Whereas Omega Psi Phi will commemorate its history and promote its continued success at its centennial celebration to be held July 27 through July 31, 2011, in Washington, District of Columbia: Now, therefore, be it

Resolved, That the Senate—

(1) congratulates Omega Psi Phi Fraternity, Inc. for 100 years of service to communities throughout the United States and the world; and

(2) commends Omega Psi Phi for upholding its cardinal principles of manhood, scholarship, perseverance, and uplift.

Mr. BROWN of Ohio. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

THE DEBT CEILING

Mr. HOEVEN. Mr. President, I rise once again to urge my colleagues to come together and address this debt ceiling to reduce our deficit and debt. We are at the 12th hour, and it is vitally important to the American people we move forward. I believe there is opportunity to do that. I think it is important we move forward in a way that makes sure we address the root of the problem. The problem is, we have a deficit and a debt that is out of control. As we work together to reach agreement on this very important debt ceiling issue, we need to be mindful that we have taken a big step forward in reducing the deficit and debt that our country faces.

Let's start by taking just a minute to look at the numbers. Today this country has total revenues coming into the Federal Government at about \$2.2 trillion. At the same time, we have expenses of \$3.7 trillion, leaving an annual deficit of more than \$1.5 trillion. Our debt is now in the range of \$14.5 trillion. It is hard to even imagine what \$1 trillion is, let alone \$14.5 trillion. We are borrowing 40 cents of every dollar we spend, and our debt is growing \$4 billion a day—\$4 billion a day. The unemployment is 9.2 percent, and the latest GDP growth came out for the second quarter for this year. It was an anemic 1.3 percent.

We need to get our economy growing. We need to get people back to work. We need to get people working, and at the same time we have to control our spending. It is time to act.

We are faced with two different pieces of legislation at this point. One is the Boehner plan, or the Budget Control Act of 2011, that the House will be voting on very soon, I believe. Also, there is another plan, the Reid plan, in the Senate. Although they have some similarities, as configured now they are different plans and different approaches.

One, very importantly, gets us on the road to recovery. The other one doesn't. Let's take just a minute to talk about each of those respective plans to make sure we understand them. As they vote on them in the House, and as we face those important votes this evening or tomorrow or, hopefully, very soon, we can understand the differences between these approaches so we can find a way to come together on an approach that we can pass in this Chamber and also in the House, and, of course, that truly moves our country forward.

Under the Boehner proposal there is \$917 billion in savings that must be provided in order to raise the debt ceiling, and that allows the first tranche of increase in the debt ceiling in the amount of \$900 billion. Those savings have to be identified first—in fact, more than the amount of the debt ceiling increase.

Then the second tranche to increase the debt ceiling beyond that \$900 billion, an additional \$1.8 trillion in savings, has to be identified and provided—\$1.8 trillion in savings. That is \$2.7 trillion in savings to get this country back on the road to financial health in order to raise the debt ceiling. That is fundamentally important because that is the fundamental issue. It doesn't fully solve the problem, but it gets us on the right path, and we have to get going on the right path.

The second tranche of savings is done by a committee of six Members of the Senate—three Democrat, three Republican—and six Members of the House—three Republican, three Democrat—in a bipartisan committee. I think that committee offers us real opportunity. Here is why: The committee has to come up with recommendations for real savings by November. It is bipartisan, and it is a straight up-or-down vote in the House or the Senate to put those savings in place, and those savings must be identified before we raise the debt ceiling further. So it is something we have to do.

Let's think about that committee for a minute. That is a committee that can bring in the ideas of the Gang of 6. That is the committee that can bring in the Simpson-Bowles concept. That is a committee that can bring in tax reform. That is a committee that can bring in entitlement reform. These are the things we are going to need to address to get this economy going and get control of our spending. I know we have put together many pieces of legislation that have been bipartisan and have been very important for this country, and I think this committee truly offers us that opportunity. I hope it is something we in the Senate can find a way to come together on and that we can get our colleagues in the House to join us.

In my view, I do think we need to engage in tax reform. I think the right kind of progrowth tax reform—some of the concepts brought forth by the Gang of 6—can truly help us to stimulate

economic activity. I think the real way to get revenue for this country is through economic growth—not higher taxes, through economic growth. Expand the pie, the rising tide that lifts all boats.

If we can engage in tax reform to stimulate economic growth, we reduce that unemployment rate by more than 9 percent. That is good for every American, but it is also the way we create revenue to get us out of this deficit and debt at the same time that we control spending.

I absolutely believe it can work, and I think that we need to convince our Members we need to come together and make it happen.

The Boehner proposal also includes a balanced budget amendment, and I know that has been an issue of great debate in this Senate. I believe we need a balanced budget amendment. I have said it many times before. I come from a background in my State, as a Governor, where we balanced our budget every year. There are 49 States that either have a constitutional or statutory priority to balance their budget. We need that fiscal discipline in Washington, DC. I think we need it to make sure we don't get ourselves into this situation in the future years for ourselves or for these young people we see here today with us.

When we compare the approach of the Boehner plan, it is different from the Reid plan. It is important that we understand that. The Reid plan does provide that we identify \$900 billion in savings, but that provides that once we have identified that \$900 billion in savings, we raise the debt ceiling by \$2.7 trillion, unlike the Boehner proposal where we are finding significantly more savings than we are increasing the debt ceiling. This is just the opposite. We are increasing the debt ceiling \$2.7 trillion but only requiring \$900 billion in savings. That doesn't get at the root of the problem. That continues the underlying problem of too much spending and too much debt. Like the Boehner proposal, the Reid proposal does provide for a committee. That is important. That is good. Unlike the Boehner proposal, it doesn't require that committee bring back the savings and that we put those savings in place before the debt ceiling is increased. It doesn't have the teeth we need to make sure we get this job done for the American people, and that is a problem. They are different approaches, and it doesn't include a balanced budget amendment.

There has been talk that we must work together to find a way to bridge the gap and the differences, and I think that is true. We have to find ways to come together. Time is growing short. We need to get it done now. I think it is the approach identified in the Boehner plan that we need to take. We need to get our colleagues in this Chamber to join with us to do it. It is the only piece of legislation that can pass the House, but, more importantly,

it is a big step forward. It is a big step in the right direction for our country.

I thank the Chair.

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

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

Mr. GRASSLEY. I would ask to speak for 20 minutes.

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

Mr. GRASSLEY. Mr. President, while we are waiting for people to decide what the rest of us can vote on in regard to cutting down on the national debt and what we can do about being able to continue our government to function tomorrow, all of this is about uncertainty, and we read about the uncertainty every day in the newspaper because people don't know what we are going to do. That then causes businesses, small and large, not to hire, and it seems as though they have a lot of cash they would like to spend and invest wisely. Some of that would surely create a lot of jobs and get our economy moving. Of course, the situation today where the revision of the quarterly economic growth has come out even less for the second quarter than we anticipated, it brings a lot of things to mind as to what we can do to create jobs. With 9.2 percent unemployment, that has to be our concentration.

I would like to advise my colleagues that a lot can be learned from history. We must change course if we want to change jobs. The 2007 to 2009 recession was officially over during the year 2009, and here we are still with 9.2 percent unemployment.

So this month happens to be the second-year anniversary of the official start of the recovery. But what kind of a recovery, with 9.2 percent unemployment? It seems to be an unofficial recovery; in other words, a recovery in name only. We have had about 2.8 percent annual growth average per year of that 2 years; and, of course, I just said the growth of the last quarter was revised downward. When we compare what we have during this recovery from what was a very bad recession with the recovery of the last deep recession, which was in 1981 and 1982, we compare this 2.8-percent growth now with a 7.1-percent growth for the recovery after the 1981 to 1982 deep recession—of course, we can go even further because, as I said, compare 7.1-percent growth after the deep recession of 1981 and 1982 with the 2.8-percent average growth so far during this 2 years of recovery, which has now slowed down to probably 1.5-percent growth. So statistically and actually, and for the people who are unemployed, recovery has, in fact, been very stalled since its very beginning 2 years ago, as we celebrate the 2-year anniversary of a so-called re-

covery, and still with 9.2-percent unemployment.

I say we must change course. If we want to go back to comparing now with the 1983 and 1984 period of time when we had a much more vibrant recovery, people tend to blame the weak economy today, during this recovery, on high personal savings rates. But, in fact, people are spending more now than they did in the 1983 to 1984 recovery because, today, the savings rate is about 5.6 percent, and in 1983 to 1984, the other recovery, it was 9.4 percent. So we can't say people aren't spending enough is why we don't have a recovery.

Then they tend to blame it on weak housing, but if we look at the difference between now and 1983 and 1984, that doesn't seem to be a very good reason.

Net exports are less now than they were in the 1983 and 1984 recovery. The growth of consumption and the growth of investment is 60 to 70 percent less now than it was in the 1983 and 1984 recovery.

So what can we learn from this history that made the recovery of 1983 and 1984, the last great recession we had compared to this recession, better than the recovery now? Why have we stalled today when we didn't stall in a comparable period of recovery after the last great recession? If the above doesn't explain it, then what does explain it? Why, then, was the recovery of the 1980s so much more vigorous than the recovery now if we are, in fact, in a recovery—and people would doubt that.

That is the question where I think we can learn from history. Political leaders ought to learn from the lessons of the past. There are a lot of lessons that can be learned going back over a long period of time: mistakes made in the Great Depression of the 1930s, or let's say the gigantic inflation of the 1970s. The 1930s and the 1970s were tough decades, but during those tough times and remembering them—and maybe other tough times as well; I am just picking out the Great Depression of the 1930s and the gigantic inflation of the 1970s—but these lessons learned by political leaders in the 1980s and 1990s led us to very unprecedented growth during those two decades when 44 million jobs were created. If 44 million jobs were created during those decades, why do we have such small job growth now? I think the answer is that we went back to basic principles that this country was founded upon: political and economic freedom. The principles that dominated the decades of the 1980s and 1990s when 44 million new jobs were created aligned with the principles that are the foundation of our country: political and economic freedoms. Those were limited government, incentives to produce, incentives for entrepreneurship, emphasis upon private markets, and rule of law. These tended to be in ascendancy during the decades of the 1980s and 1990s and it led to monetary

policy that brought about price stability. It brought about lower marginal tax rates. Regulations encouraged competition and innovation. We had welfare decisions that were devolved down to the States where they could be handled more efficiently, and we had spending restraints that led to balanced budgets during the late 1990s, paying down \$568 billion on the national debt.

So there was great hope that what was done during the 1980s and 1990s that brought about 44 million new jobs would extend into the 21st century and that we would continue to bring market-based principles into Social Security and other entitlement programs, bring market-based principles into education, bring market-based principles into health care. Because if these market-based principles worked during the 1980s and 1990s of the last century and created 44 million jobs, the success of that ought to carry over into other government policies so we could continue down the road of creating jobs instead of stagnating as we have now.

But sometime after 2000—and that doesn't mean just after President Obama was elected, because there was a Republican President before that—but sometime after 2000 both political parties compromised—and I want to emphasize both political parties—on the principles of limited government. They did it for a multitude of reasons. Some of these reasons were that they thought government ought to control business cycles to a greater extent, that we ought to increase home ownership, and we know how that worked out: We ought to have a policy that people ought to be able to buy a house they can't afford. Now we know that is a stupid policy, but at the time we didn't know it; also the prescription drug issue, as an example, although there were some market-based principles put into that.

But, anyway, there were a multitude of reasons why we ought to compromise the principle of limited government, but it ended up more interventionist and it made the Federal Government more powerful, and we ended up with unintended consequences: the financial crisis we still remember and we are still trying to get out of; the recession, which I have already talked about, of 2007 and 2009, of which we are celebrating 2 years of supposed recovery that isn't real recovery; we have had a great amount of expanded government debt; and now we have this nonexistent recovery with 9.2-percent unemployment.

I think, looking back, how did this happen? I was here when it happened. It reminds me of the story about—well, I guess I ought to say it and then give the story. It happened so slowly, and all of these things added up to be bad to bring about the great recession, and now not a very good recovery, because each one of them happened independent of the other and without one relating to the other. So it reminds me

of the story of the frog and the water. If you throw a frog in boiling water, he will jump out and live. If you put a frog in cold water and gradually heat it up to a boil, it is going to accommodate the changes and die. So these policies slowly developed and we got into the situation we are in right now. I will say it again: Change came so slowly, it crept up on us.

Then, of course, what happened? The crash came. We had this Federal intervention in housing. I stated it before: Buy a house even if you can't afford it. We eliminated a lot of Federal Reserve accountability, particularly when they didn't have to report on monetary growth on a regular basis as they did before. Then we had these countercyclical fiscal policies that failed. We had, during periods of growth in our economy, unrealistically low interest rates by the Federal Reserve action. Then, of course, we had government bailouts. This has led to things all getting worse since 2009. We had more intervention. We had loose monetary policies, QE1 and QE2, of the Federal Reserve. We had a stimulus plan that was supposed to keep unemployment under 8 percent, and since it was passed in February of 2009, unemployment has never been below that. It has always been above 8 percent. It is 9.2 percent now, but it was even over 10 percent. We had the Cash For Clunkers Program. We had the first-time homeowners tax credit. All of these together have not brought recovery, even though the economists tell us we are in the second-year anniversary of a recovery.

What did they bring that has stalled the recovery? What they have brought is more uncertainty, and more uncertainty is bad for the economy because, as I said when I started out, there is plenty of money out there in corporations. There are plenty of small businesses that want to hire, but they do not know what we in this Congress are going to do to them so they are not moving forward. Consequently, the unemployment rate is not going down. And right this very hour, as people are trying to find something that can pass this body and the other body so we do not have default, it even brings more uncertainty, and you read it in the morning paper, this morning's paper. So you have to come to the conclusion, with all of this intervention bringing about all this uncertainty, that big government is not a very good manager.

Then, as I said, this did not happen just since President Obama became President. This happened over the period of time of this decade and maybe even going back a little bit into the other decade. But just since President Obama was elected, we have added yet more complex intervention: the health care reform bill, Dodd-Frank, the Consumer Protection Bureau.

The President this very week has been talking about increasing taxes, only he does not use the word "taxes."

We have to have more "revenue" or we have to have "balance." But it still adds up, all of these things out there, that government does not know what all these rules and regulations—do you realize that in health care reform, there are 1,690 delegations of authority to the Secretaries to write regulations? And they are not going to be written for years. But that brings so much uncertainty.

So we have more uncertainty, plus unintended consequences that come out of these, like right now, rising health care costs because of the bill, deterring new investments because of Dodd-Frank and deterring risk-taking. Risk-taking is what entrepreneurship is all about, and entrepreneurship is mostly related to small businesses, where 70 percent of the new jobs are created.

Government intervention is the problem because government intervention or government not making decisions all adds up to more uncertainty. So I think the solution is to unwind government intervention in all these regulations of EPA and all the other government agencies. Every day in the newspaper, you see some new regulation coming out. If you want to get people to hire, you ought to just shut down the printing presses for a while.

One sure thing though: We can thank God we have run out of monetary and fiscal ammunition because it has not worked anyway. We are going to probably have a great deal of inflation because of what the Fed did. We have no more spending we can do because all the spending we have done has not done the good it was supposed to do. We need no more greater debt, and we do not have any more zero interest rates to put out there because that is practically where it is right now.

Instead, what we need is spending controls, and what we need is free market principles. Historical evidence shows what works and what does not. I said what works and what does not is shown from the lessons learned from the depression of the 1930s and the gigantic inflation decade of the 1970s. So people in the 1980s and 1990s changed to policies that were market-oriented, and we created 44 million new jobs. So we ought to be learning from history. Historical evidence shows what works and what does not. And right this day, in this town, interventionists in the market control today. We need to restore less intervention, the policies of the 1980s and the 1990s to restore jobs. Remember, it created 44 million new jobs.

I yield the floor.

The PRESIDING OFFICER (Mr. WHITEHOUSE). The Senator from Indiana.

Mr. COATS. Mr. President, are we under a time agreement?

The PRESIDING OFFICER. The Senator has 10 minutes.

Mr. COATS. Mr. President, for several months now, I have been on the floor speaking, urging both Republicans and Democrats to listen to

Americans and take this unique opportunity we have before us to do what is right for our country's future.

Mr. President, 2010 sent an unmistakable message. Americans do not want us to spend beyond our means, more than we take in. They do not want higher taxes. They do not want budget gimmicks, and more smoke and mirrors. They want real, serious solutions to address our real, serious problem. We have worked several months to try to do that.

As I talk to Hoosiers all across the State of Indiana—businesspeople, retired workers, young people, and others—I sense the fear, frustration, disappointment and even anger in a growing number of people that started in 2010 and is accumulating as we continue to careen toward a potential budget default without a sensible or serious plan in place to get us back on the right track toward fiscal health.

American families are scared. They are scared, and they are frustrated, and I think rightfully so. They are worried about paying next month's bills. They are worried about getting a loan to buy a house or credit to help support a business. They are worried about being able to pay for their kids to go to school in the fall, just a few weeks away.

Our seniors are scared. Throughout this debate, they have been used over and over again as a political football for scare tactics. My phones are ringing off the hook with seniors basically saying: We have been told you are going to take away all of our benefits, but that is absolutely not true. We are trying to save those benefits. We are trying to take the reasonable measures necessary so those benefits for Social Security and Medicare are there for seniors in the future.

American businesses are frustrated. They are sick and tired of Washington's inability to act. The Washington Post reported this week that "business leaders are growing exasperated with Washington. And they say dysfunction in the political system is holding them back from hiring and investing." The markets are jittery. We have seen a pretty good drop in the markets just this week. The dollar fell to a new low against the yen, and the yen is not doing that well. We continue to see stocks tumble.

So many have asked: Why haven't we acted yet? What are we waiting for? Why haven't we passed a bill to avoid this default? Why are we in this period of uncertainty, taking it right up as the clock ticks toward August 2?

While the President refused to even put forth a plan, House Republicans have been working to pass legislation. They passed the Cut, Cap, and Balance Act. They brought it here to the Senate floor. We were not even allowed to debate or vote on it or have amendments. For those who do not like it, there would have been an opportunity to improve it, there would have been an opportunity at least to have a "yes"

or "no" vote on whether this was the path to where we needed to go. But we did not have that opportunity.

Now, even as I speak, we are moving toward another vote in the House—something similar coming forward tonight by Speaker BOEHNER and Republicans in the House. Unfortunately, it looks as if we are going to be blocked from debating that bill. There will be yet another motion to table, to deny the opportunity to move forward.

We know there are things going on behind the scenes, but this does not provide any assurance to the American people that whatever is being debated and put together is going to solve the problem. We are days away from exhausting our financial options, and we do not even allow those bills that do come before us to be debated.

Now, we have few options left in these few days remaining:

We can, No. 1, default and watch our U.S. economy be downgraded, interest rates rise, and the confidence in the United States as a place to safely invest your money deteriorate all around the world. This would be the first default in American history, except for a technical glitch some many years back.

The second option before us is we can pass legislation that is below where we need to be and where we ought to be, but we were not able to get there. Although it would avoid a default, it might not avoid a downgrade of our credit because it has not matched and met the minimal requirements of what most who have analyzed this situation have understood we need to undertake.

The third option—which has not been talked about too much, but several of us have been discussing this possibility—is to pass a short-term extension that will avert a default and allow us to continue to work for a serious fix that gets to those minimal measures necessary to make progress toward fiscal health.

That first option is not a viable option. Default has consequences we cannot begin to understand, and eventually those bills which the American people and their congressional representatives have put in place have to be paid because those promises were made.

The second measure—it may be what we are faced with, perhaps the best of the worst; is passing subpar legislation that begins the process of addressing it but is woefully short of really what needs to be done.

The third option, the short-term extension, is a way we can avoid the default and we can achieve cuts for the amount of necessary borrowing authority to get us through this period of time, whether it is 2 weeks or 4 weeks or 8 weeks. This short-term period of time would allow us to make yet one last-ditch chance to try to bring forward something that will avoid default but also put us on the road to fiscal health.

So I am urging my colleagues, if we cannot come up with something better

than what we have, to give that serious consideration. What are those minimum levels? A \$4 trillion cut over 10 years has been told to us over and over and over by anyone who has analyzed this situation as the minimal amount necessary to go forward. Others suggest quite a bit more. The Gang of 6 was working on, I believe, at least \$4 trillion cut over that period of time. Simpson-Bowles provided for \$4 trillion or more. Senator COBURN has brought out a plan, and others have suggested we need to be in the \$9 trillion to \$10 trillion range. But everyone has said you need to at least be at \$4 trillion, and we are short of that, considerably.

We are also short of having serious commitment, plan and timetable to address the structural unraveling of our mandatory entitlement systems—Medicare and Medicaid and Social Security. This has been the political football kicked around, scaring seniors and others by saying Congress is here to try to take away their benefits, when actually we are here trying to save those benefits. But without structural changes in those programs, it is driving this deficit to a point which will be unsustainable in terms of providing benefits for those who need them.

We are going forward without a commitment to balance our budget, which I think is absolutely, ultimately the only thing that will keep us from doing binge spending here. The tendency is to want to say yes to everybody and no to nobody. We need something that will force us to be faithful to the Constitution of the United States, to have a balanced budget and not spend more than we take in.

Also, we all know we need an overhaul of our complicated Tax Code to make American businesses more competitive and to spur economic growth. After all is said and done, what this is really about is getting our fiscal house in order, getting our economy moving again—there was a terrible number this morning about the virtually small, almost nothing, lack of growth in the first and second quarters of this year—but getting the economy growing again so we can get people back to work.

That is what it is all about. We are not here to have Draconian cuts just for the fun of it. We are here to get our budget in balance so we can get our economy moving so people can have viable jobs for the future, so those kids coming out of college have a place to go, so the 55-year-old worker who is laid off and may never get back to work can get back to work, and so those who are seeking meaningful employment to pay their mortgage and raise a family and buy a home and send their kids to school will have the ability to do that. That is what it is all about. We are not doing this just for the fun of it. It is no fun to tell people we have to cut this and cut that and sacrifice here and sacrifice there. But we have put ourselves in the position where we have no other choice. To spend all of this time here, 7 months of diligent work by a lot of people—

The PRESIDING OFFICER. The Senator's 10 minutes is up.

Mr. COATS. Mr. President, I ask unanimous consent for 1 more minute.

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

Mr. COATS. Thank you, Mr. President. And I thank my colleague, also, for her patience.

To send us here, after 7 months, and come up with something that is short of the minimum, that continues the uncertainty—are they going to be able to pull it together with this two-stage process and gathering Senators and Congressman together to put a plan together that we have not been able to do in the first 7 months but we will do it in the next 5 months? A lot of people have some real problems with that.

I want to close by saying we cannot give up on the process of getting America back to fiscal health. We have to keep working. I have proposed a way here to try to do something better than what we are going to be faced with in doing in order to avoid this default.

I am hoping we have the opportunity to do that. If not, I am hoping we have the commitment to go forward and do what we all know we need to do for the sake of the future of this country—the country we love and want to be prosperous for the sake of the future of American families and their children.

I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Mr. President, I rise during this very critical debate about the deficit crisis to talk for a few minutes about what this means for Michigan and for the families and the businesses I represent. I grew up in a small northern town of Clare, MI, where my family ran the automobile dealership, the Oldsmobile dealership, and my mom was a nurse at the local hospital.

My first job was washing the cars on the car lot. It was a time when people believed in America and the full faith and credit of America. I cannot imagine—I cannot imagine—my parents and my grandparents ever believing it would be possible for America to default on its obligations.

But here we are today, and that is a very real possibility. It is outrageous because it does not have to be this way. We have been through a lot in Michigan. I know you know that, Mr. President. We have had more people out of work than any other State in this recession. In fact, we have been hit harder, longer, deeper than any other State. We took the brunt of the recession, and people are now just starting to get back on their feet. They are the lucky ones.

When people in Washington talk about this deficit crisis as though it is just another political game, it is not a game. It is not a game to the families I represent. It is not a game to seniors I represent. It is not a game to the small businesses or to the manufacturers that have worked very hard to turn

things around and move forward in our State. It is not a game to the people who are worried about what is going to happen on Tuesday if we cannot come together and create a solution, which we absolutely have to do.

There are nearly 2 million people in Michigan, senior citizens and people with disabilities, who have earned their Social Security benefits and might not receive them next week. We have 1.6 million seniors, people such as my mom, who may not be able to see their doctor and use their Medicare next week.

Michigan has 700,000 veterans, men and women who have bravely served our country, and they expect us to keep our promise to them as a country. Those are the people I am thinking about today as we are trying to find a bipartisan compromise.

We have to solve this problem and we need to get it done now and there is no reason that cannot happen. I am hearing from small business owners. I have been on the phone today talking to small business owners, the people whom we need in Michigan to turn the economy around. They are doing everything they can to grow their companies and to create jobs. But now they need customers, and they have customers who are saying they are afraid to make a purchase, they are holding onto their dollars, they are afraid to buy a house or furniture.

Today, I talked to friend of mine in northern Michigan, a prominent auto dealer, who indicated he has people who normally come in every 3 years and buy a new car, and they are just sitting because they do not know what is going to happen. They do not know what is going to happen in the economy. They do not know what is going to happen to them and their families and they are waiting. They are waiting for us. They are waiting for Washington to get its act together and to solve this problem and to move on to the other challenges in front of us, particularly to focus on jobs.

Our recovery has already taken hits. We saw that in the economic numbers that came out this morning. Families from Michigan have already taken the one-two punch of higher food prices, higher gas prices, and now we have people talking seriously about letting the country default which will lead to higher interest rates for people trying to raise their families, for small businesses trying to hire new employees.

The last thing they need—that anybody needs—is higher interest rates. A default would cripple the ability of our companies to create jobs, and it is the people who are already hurting the most, the middle-class working families, who will pay the biggest price, once again. That is wrong.

Worst of all, that scenario would be entirely self-inflicted by people on both ends of this building who are not willing to come together and work together on a bipartisan basis to resolve this. There is absolutely no reason why

this country needs to default on its obligations. There is no reason.

I am hearing from seniors in Michigan who are scared that they might not get their Social Security checks next week. They are living check to check—benefits they have worked their whole lives to earn, and it is absolutely ridiculous they would have to worry about that in the greatest country in the world and all because people in Washington cannot seem to sit down and work this out.

For many seniors in Michigan, that is all they have to live on. That is all they have to pay their rent, to buy groceries, to pay for their medicine. They are worried about how they are going to live if this country goes into default.

I am hearing from veterans in Michigan, many of whom were left disabled after their service, who are angry, and rightly so, that the country they fought for might default on their payments for the first time.

I am hearing from young people who are worried about their future and the future of their generation if Congress allows the full faith and credit of the United States to come into question.

We all know it is critical to be able to cut the deficit. We also need to grow the economy. We need a full, balanced package. But we understand the critical nature and the importance of cutting this deficit that has been allowed to accumulate over the last decade. We have already cut spending. We will cut more.

The bipartisan plan that will soon come before us, and I wish to thank Senator REID for his leadership in bringing this forward and working so diligently and our colleagues across the aisle who have been working in the Senate to create a bipartisan plan. But the plan that will be before us cuts spending by nearly \$2.5 trillion, and it does even more. It creates a second step that is absolutely critical if we are going to tackle the rest of the story, the rest of the country's challenges so we can create a truly balanced approach to eliminating the deficit.

People in Michigan understand that to do that, that includes cutting the special subsidies and other special interest spending through the Tax Code and creating a fairer Tax Code, so that reducing our deficit is not, once again, put on the backs of middle-class families and senior citizens who have already paid a heavy price.

This has to be balanced, long term, fair, to solve the problem and allow us to grow the economy and create jobs. I so appreciate and have worked very hard to make sure the plan in front of us protects and maintains Medicare and Social Security. This has been a top priority for our majority.

The plan Senator REID will be offering does that. Most important, the Senate plan creates certainty for the economy and the markets until 2012. People in Michigan do not want us having this debate every month. They certainly do not want us having this over

and over and over again and we know because we have heard that the plan which will come to a vote in the House, unfortunately, will not have bipartisan support, does not solve the problem, does not stop us from being downgraded in our credit rating, does not put us in a situation for long-term problem solving.

It keeps us stuck in the mud for months over and over again by only addressing the debt ceiling for 4 months or 6 months. We will be right back here again stuck when we need to be able to solve this and move on and focus on growing our economy so businesses can create jobs. People in Michigan have had enough. I have had enough. They have had enough.

One man called my office earlier today. He said: I do not want to relive this nightmare in a few months. I could not agree with him more. We cannot be in a situation where we are not creating economic certainty, solving this problem, and then moving forward as a country in a global economy. We have a lot of work to do to be able to compete around the world and make sure our businesses are creating jobs here at home.

Families and small businesses in Michigan have been through enough. It is time to get this done. We have to do it together. It is about working together. It is about creating a bipartisan plan, and it is time to get that done. I know my colleagues in the Senate on both sides of the aisle know the seriousness of this situation. I certainly know our leader does, and I am grateful for his persistence and focus in bringing people together to solve this.

We have a serious debt crisis that we can and must solve, and the House must join us in a bipartisan solution. We also have a jobs crisis in our country. We need to resolve the current impasse and then focus like a laser on growing our economy so companies can create jobs, so we can get out of debt, and we can stay out of debt.

I would strongly urge my colleagues, my colleagues on the other side of the aisle in this Chamber, to continue to work together to find a solution, to come together, to get this done in the Senate. I would urge my colleagues, on behalf of the hard-working men and women of the State of Michigan, it is time to come together to get this done. We know what needs to be done. We know it has to be bipartisan, and we know we have to work together. People in Michigan are saying enough is enough. It is time to get this done.

I yield the floor.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. REID. Mr. President, I ask unanimous consent that morning business be extended until 6:45 p.m. today, with Senators permitted to speak therein for up to 10 minutes each, and that at 6:45 I be recognized.

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

The Senator from Utah is recognized.

Mr. HATCH. Mr. President, I ask unanimous consent that I be permitted to give my full speech.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

THE DEBT CEILING

Mr. HATCH. Mr. President, according to President Obama and Treasury Secretary Geithner, the Federal government will default on its obligations in 5 days, on August 2, 2011.

It is clear that some Democrats, including President Obama, want to use this fiscal crisis to raise taxes.

Under the guise of closing loopholes, the administration wants to set the stage for tax increases to finance historic levels of government spending.

When this President came into office, he saw himself as the second coming of Franklin Roosevelt. He was going to finish the work that LBJ was unable to complete. And a fawning media was happy to encourage his grandiose vision for national economic reordering.

I get a big kick out of this "Time" magazine article entitled "The New New Deal."

Using the financial crisis of 2008 and 2009, he was going to transform the United States into a European-style social democracy.

Businesses, and the individuals who start them, would no longer be free entities with property rights. They would be arms of the state that exist for the purpose of funding ever expanding welfare programs.

Taxation would no longer be a necessary evil, with citizens and businesses recognizing a legal duty to pay what was owed, but understanding that they were ceding their property rights to the government to provide for certain public goods.

Instead, businesses and taxpaying citizens would be obligated to share their wealth with the state.

Because the progressives running the administration do not believe in natural rights to liberty and property because they think everything a family or business makes is in fact due only to the largesse of the state paying taxes is no longer something that must be done, but something that people should want to do.

They owe it to the government to pay taxes, since that money is not really theirs anyway. In this new progressive political community that the President hopes to create, taxation becomes shared sacrifice, and taxpayers become gleeful participants in "spreading the wealth around," as the President once put it.

But the President and his party have hit a brick wall. The spending part was easy. The taxing part is hard.

For all of the talk about how Republicans are divided on the issue of raising the debt ceiling, you only have to scratch the surface to see the deep divisions among Democrats.

The reason that the President has offered up no plan to reduce spending,

and the reason Democrats have not passed a budget in over 800 days, is because they are badly divided.

They all want the massive levels of new spending that the President pushed through in his stimulus and ObamaCare. But not all want to pay for it.

They all want to maintain existing levels of entitlement spending. But not all want to raise the taxes necessary to pay for it.

They know that some of their constituents like all this spending, but they know that the vast majority of Americans reject the President's funding of his leviathan state through higher taxes.

So they do nothing.

The President has no plan.

I want to repeat that again.

The President has no plan.

Maybe if we shout it from the rooftops, the media will start to take notice.

The President has no plan. And Senate Democrats don't either; certainly not one that addresses our current fiscal crisis.

The critical issue we face is more than imminent default on our obligations. That is unlikely to happen. It certainly should not happen. In my opinion, it will only happen if the President wants it to happen. On Wednesday, I asked the Financial Stability Oversight Council, which is chaired by Secretary Geithner, to provide me and the rest of this institution with an assessment of the cash position of the United States. As Congress considers options for raising the debt ceiling, it needs to know precisely how Treasury plans to pay its bills, and when it is going to fall short of cash to do so.

I asked that the Secretary respond to this reasonable request by yesterday afternoon. The Secretary chose not to respond. I want to be clear that this unresponsiveness by his Treasury Secretary is unacceptable. President Obama needs to understand that this failure to provide the Senate with critical information is not tolerable and will not be forgotten.

Still, I am confident that the Nation will get through this immediate crisis, and there will be no default. But that is only part of the problem. The real issue remains. The United States cannot support the level of spending President Obama has given us and that Democrats from the New Deal onward have bequeathed to the Nation in the form of ever expanding entitlement spending programs.

That is the real issue. And the majority leader's proposal does not address this, any more than the President's White House bromides about a balanced solution address it.

The real threat to this Nation is not the threat of a downgrade due to default.

The real long-term threat is a downgrade of the Nation's credit rating because President Obama has written checks that this country can't cash.