



FOR IMMEDIATE RELEASE
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**Floor Statement of Senator Max Baucus (D-Mont.)
Regarding America's Financial Promises**
As prepared for delivery

Benjamin Franklin once said, "Promises may fit the friends, but non-performance will turn them into enemies."

We should be clear about what the debt limit means, and what it doesn't. Raising the debt limit does not authorize new spending. It does not mean an increase in future spending. It simply means the United States will be able to meet its obligations.

Increasing the debt limit only permits the Treasury Department to pay the bills we have already incurred, and it allows our country to meet our promises to our citizens. It recognizes the laws we've passed, and it allows us to pay those bills. It means there will be money to provide the benefits millions of seniors, veterans and families depend on every day to help make ends meet.

We should remember why we're taking today's vote. Last August, Congress enacted the Budget Control Act of 2011. This legislation reduced spending by \$2.1 trillion, and it provided a plan to raise the debt limit by the same amount. It did that so the federal government could meet its financial obligations – so we could keep our promises. Today's vote would reverse that agreement in August.

Voting to disapprove an increase in a financial limit is unusual. It would be like your bank increasing your line of credit unless you tell them not to. Nonetheless, that is the issue we are debating and voting on in the Senate.

Passing this resolution would mean there would be no money to keep our promises. The United States would default for the first time in its history. It would send a message to the world that the United States does not keep its promises.

Default would bring about disastrous consequences for our economy. Our GDP could shrink by as much as one percent, or more than \$150 billion.

Default would compromise our credit rating, causing interest rates to skyrocket. That would stop the recovery dead in its tracks.

Yearly prices for food, gas and utilities would increase by hundreds of dollars, and Americans could lose thousands in their retirement savings as a consequence of default.

U.S. businesses would not be able to meet payroll, much less expand. Millions of Americans would not be paid, and millions more could lose their jobs.

Americans would be unable to access credit to buy a home or car or take out loans to attend college.

The economy would fall into another recession, or even a depression. At a time when our economy is starting to show signs of recovery, now is exactly the wrong time to risk a contraction. American workers, families and small businesses can't afford that chance.

And if today's vote succeeds and causes a default, the federal government would not have funds to pay troop salaries, Social Security benefits or Medicare bills. These programs would be in danger, and that would hurt the families and seniors that rely on them.

We need to be doing all we can to help families make ends meet in this economy, not putting their jobs and paychecks in danger.

There is no doubt that we need to work together to reduce the deficit. We need to make changes to both the revenue and the spending sides of the budget.

We need to do so in a way that doesn't put jobs and our economic growth at risk. And we need to do so in a balanced, fair way. As we do that, we can't refuse to meet our country's obligations. We need to show the world that the United States keeps its promises.

So I urge my colleagues to keep our promises. I urge my colleagues to vote no on the motion to proceed.

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