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Contact: Communications Office
(202) 224-4515

Floor Statement of Senator Max Baucus (D-Mont.)
on Living up to the Nation's Fiscal Responsibilities
As prepared for delivery

Mr. President: Thanks in part to filmmaker Steven Spielberg, there is renewed interest today in America's 16th President – Abraham Lincoln.

A century and a half ago, during one of the most critical times in American history, Lincoln faced a nation divided by ideology and war. Only through fierce determination and moral courage was Lincoln able to preserve the Union.

Today, we again are in an ideological divided time. Too often, Congress fails to agree on key social and economic issues. Politics is winning out over progress. Like the America of the 1860s, the unwillingness to compromise has crippled our ability to move forward as a nation.

As we discuss America's fiscal responsibility today, I'd like to share the words of Lincoln. One of my favorite quotes is: "You cannot escape the responsibility of tomorrow by evading it today."

As a nation, we have a responsibility to fulfill existing commitments and to pay our bills, and it is a responsibility we cannot evade.

As we know, the federal government officially hit its current authorized spending limit — also known as the debt ceiling — on December 31, 2012. Over the past month, the Treasury Secretary has been using "extraordinary measures" to continue funding the government and sending out Social Security checks and veterans benefits.

Treasury's actions only bought limited time. The debt limit deadline was moved from December 31 to mid-February or early March.

Needless to say, a feeling of uncertainty spread across the nation. However, on January 23, the House of Representatives approved a plan to ensure America can meet our obligations through May 18.

The bill — H.R. 325 — which we have before us today, also provides an incentive for action on a federal budget. The legislation includes a provision that would withhold the pay of lawmakers in either the House or the Senate if their chamber fails to pass a budget blueprint by April 15.

Since 1917, Congress has always taken appropriate action to avoid defaulting on America's bills. We must continue to fulfill our responsibility. We must not fail now. There is too much at stake.

Failure to pass this bill will set off an unpredictable financial panic that would plunge not only the United States but much of the world back into recession. Every single American would feel the economic impact. There would be radical cuts in military salaries, veterans' programs, Social Security benefits and education.

Tax refunds may not be issued, and our country's credit rating would almost certainly be downgraded. I understand the concern over America's deficits and debt. I share those concerns, and I strongly believe we must develop a long-term plan to cut the debt and get America's fiscal house in order.

But let me remind you, over the past two years we have made real progress cutting deficits and debt. And we've done so working together across the aisle.

In 2011, we passed $1.4 trillion in spending cuts, and earlier this month, Congress passed legislation that reduced the deficit by another $600 billion. Together, with interest savings, these actions will cut the deficit by $2.5 trillion over the next ten years.

Add to this the savings from winding down the wars in Iraq and Afghanistan and the savings to America's federal budget reach almost $3.5 trillion over ten years. That is real progress.

In the coming weeks, we will have to confront the deficit issue again when sequestration of spending programs starts on March 1. March 27, the day the continuing resolution for appropriations expires, brings tough choices. But that is why we are here— to make the tough decisions, to do the hard work.

Mr. President: The threat of defaulting on our fiscal obligations is dangerous. It puts America on unstable ground. We all remember how political brinksmanship in 2011 led to the first-ever downgrade of our country's credit rating. It sent shock waves in stock markets across the globe and nearly crashed the American economy.

We have the opportunity today to avoid that calamity. We have the opportunity today to avoid another destructive budget battle. H.R 325 ensures America can meet our obligations through May 18 and provides the Congress with a necessary calm between fiscal storms.

The House of Representatives adopted the bill by a bipartisan vote of 285 to 144 and it is supported by the administration. This bill is necessary to remove the threat of default that would throw the U.S. economy into chaos.

It gives us time to continue to work together on a sensible, balanced solution to our nation's fiscal challenges without undermining the nation's economy. It deserves our support in the Senate.

I congratulate Speaker Boehner on his leadership with regard to this issue, and the House for its bipartisan approach to a tough but necessary vote.

Let us pass this legislation today and move on to the debate over what further deficit reduction options we need to keep America's economy moving forward.

In the words of Lincoln, "The occasion is piled high with difficulty, and we must rise with the occasion."

Thank you and I yield the floor.

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