amount of revenue generated from that tax increase January 1 will fund the government this year for less than a week—less than a single week.

This is not a revenue problem. This is not a tax problem. This is a spending problem. It is time for some leadership. It is time for the President to quit campaigning, to come back here, and to start governing. But here we are—Friday, the day it is all set to take effect—we have a $16 trillion debt. The Congressional Budget Office says at the end of the next 10 years it is going to be $26 trillion. We are adding $1 trillion a year. We are borrowing 40 cents out of every $1 we spend. Revenues coming into the Treasury, according to the Congressional Budget Office, are going up, actually; and by 2015 they are going to be 19.1 percent of our entire economy, which is more than a percentage point higher than the 40-year historical average.

Revenues are going up, and for the next decade, according to the Congressional Budget Office, revenues will exceed, by about a percentage point, the 40-year historical average. So revenues are coming up to above historical averages, and yet we continue to run trillion-dollar deficits as far as the eye can see.

Well, we have to get our spending under control. We have to get the economy going again. The Republican staff on the Joint Economic Committee put out a study that suggested if we had revenue growth like we have had—average revenue growth—for the past 60 years, if we had that in the past 4 years, the deficits today would be half of what they are. That is the impact of economic growth. That is why growing at 1½ to 2 percent is not enough. We have to grow at 3 to 4 percent. But to grow at 3 to 4 percent, we have to have policies that promote growth, that allow the economy to expand. We cannot keep piling on new taxes and new regulations and making it more difficult and more expensive for people who create jobs in this country to create those jobs.

So the economy will continue to grow at a sluggish, anemic rate. We will continue to have these high deficits, particularly if we do not get our spending under control. It is about exercising fiscal discipline and responsibility when it comes to our spending. It is about putting policies in place that promote job creation and growth in this country. That is what it is going to take to get this country back on track. Yet the President is out campaigning around the country. He comes back now at the eleventh hour, and on March 1 he decides to have a meeting at the White House to talk about something we have known was going to happen now for 18 months—18 months.

We have the most predictable crisis, according to the Simpson-Bowles Commission, we have ever seen—the spending and debt crisis that is in front of us. We have known about it for a long time. You can see it. It is like a slow-moving train wreck out there. You are just watching it. You just know it is going to happen, and yet nobody is doing anything to turn off the engines.

It is high time we did that. I hope the President will engage. I hope we will get for the first time now in almost 4 years, 1,400 days, a budget in the Senate that puts a plan in place—a real plan, not a fake plan, not a phony plan, not a plan that has a bunch of tax increases, but a plan that actually addresses what drives Federal spending and debt in a way that will put us on a more sustainable fiscal path and ensure that future generations of Americans have a higher standard of living, a higher quality of life than what previous generations have had, not a lower and a less one. That is the path we are headed on today if we do not change course.

Madam President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAUCUS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

UNANIMOUS CONSENT AGREEMENT—EXECUTIVE CALENDAR

Mr. BAUCUS. Madam President, I ask unanimous consent that the Senate proceed to executive session to consider Calendar No. 26, the nomination of Jack Lew to be Secretary of the Treasury, with 8 hours for debate equally divided in the usual form; that upon the use or yielding back of time, the Senate proceed to vote without intervening action or debate on the nomination; that the motion to reconsider be considered made and laid upon the table, with no intervening action or debate; that no further motions be in order; that the President be immediately notified of the Senate's action, and the Senate then resume legislative session.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

EXECUTIVE SESSION

NOMINATION OF JACOB J. LEW TO BE SECRETARY OF THE TREASURY

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to executive session to consider the following nomination, which the clerk will report.

The bill clerk read the nomination of Jacob J. Lew, of New York, to be Secretary of the Treasury.

The PRESIDING OFFICER. Under the previous order, there will be 8 hours of debate equally divided in the usual form.

The Senator from Montana.

Mr. BAUCUS. Madam President, America's first Treasury Secretary, Alexander Hamilton, once said:

> The confidence of the people will easily be gained by a good administration. This is the true touchstone.

Hamilton's words take on new prominence today as we task our next Treasury Secretary to gain the trust of the American people and restore confidence in our Nation's economy.

Nineteen of twenty-four Senators on the Senate Finance Committee voted yesterday on a bipartisan basis in favor of Jack Lew's nomination. Senators on both sides of the aisle spoke to his character and to his integrity. He is well qualified to be the Nation's next Treasury Secretary and will work to build the people's confidence and restore trust and certainty in both our government and in our economy. That will be his touchstone.

I am certainly not alone in supporting Mr. Lew for the crucial role as the administration's top adviser on economic policy. Yesterday's overwhelming support for Mr. Lew came after one of the most thorough reviews of any candidate for the position—a process that included hours of interviews with Mr. Lew, the examination of 6 years' of tax records, and more than 700 questions for the record.

In comparison, the committee asked Secretary Geithner 289 questions, Secretary Paulson 81 questions, and Secretary Snowe 75 questions. Mr. Lew has met personally with more than 40 Senators since being nominated for Treasury Secretary last month, answering questions and addressing any concerns. Throughout the confirmation process, Mr. Lew has been open and transparent. And, as I hope a vote in the Senate will soon show, he has gained the trust and the confidence of many in this Chamber.

Mr. Lew has a long and distinguished career focused on public service, with experience in both academia and on Wall Street. Most recently, he was the White House Chief of Staff. He has also served as Budget Director of the Office of Management and Budget in the current administration and under President Clinton, where, I will note, he helped guide our Nation through one of the greatest periods of economic growth in America's history.

Mr. Lew has also served in the U.S. Department of State as Deputy Secretary for Management and Resources. Mr. Lew has demonstrated time and again that he has the experience and knowledge to help get the Nation's economy back on track.

We need a strong man at the helm to help tackle the many fiscal challenges facing our Nation, and I believe Jack Lew is that man. Just 2 days from now, on March 1, across-the-board budget cuts known as the sequester will hit. Madam President, $85 billion in Federal spending will be sliced from thousands of programs, including Medicare, rural development, and early education. The nonpartisan Congressional

Budget Office predicts the cuts could slow the economic recovery and result in another year of sluggish growth and high unemployment.

I firmly believe we need to cut our debt and get our fiscal house in order. We know there are places to trim the fat. The American public knows that, certainly. But we need to take a scalpel to waste and inefficiency, not allow a hatchet to hack into American jobs.

Our economy will be put to the test again in just weeks when the continuing resolution expires on March 27. We face the threat of a government shutdown. And on the horizon, the Federal borrowing limit will be reached in late May. That will require another extension of the debt ceiling.

This is no way to run a country. Congress has been lurching from one fiscal showdown to the next, leaving the Nation with uncertainty. The only way we will be able to get past these budget battles is by working together. We all know that; we just have to start doing it—Republicans and Democrats, Members of the House and the Senate. We need to work together to put in place policies that create more jobs and spark economic growth.

It is deeds, not words. We have enough words about working together. We have to actually start performing the deeds and working together.

We will need to work with Mr. Lew and with the administration to put the Nation's economy back on track. We need to get off this roller coaster ride. It is like a yo-yo. There is no stability. There is no certainty. Going from one fiscal crisis to the next is undermining our economy.

To give families and businesses certainty, we must agree on a balanced comprehensive plan to cut the debt that includes both revenue and spending cuts. The math will not work any other way. A long-term balanced plan will bridge the budget battles and make real progress toward solving our deficit problem. A balanced plan will also encourage businesses to invest, enable investors to return to the markets with confidence and, most importantly, put Americans back to work in a growing economy. That is the bottom line, more jobs, more good-paying jobs. We need more certainty and predictability so businesses may hire, expand, and people are able to get those good-paying jobs.

Over the past 2 years I had a standing weekly call with Treasury Secretary Geithner. Every week we would go to the phone at 9:45 on Wednesdays, and about once a month we personally visited, would get together to go over issues. No matter where we were, what we were doing, we would always try to pick up the phone once a week to check in. I will tell you, it was on the minute, 9:45. Each of us knew the other was going to be there.

Secretary Geithner and I grew to become friends and trust each other. Our families started to have dinner together, do things together. It is that trust and confidence that is so necessary and which is necessary to work together to make things happen. The conversations proved invaluable as we worked to overcome numerous economic challenges.

I continue the outreach with Mr. Lew. I have been having a standing weekly call with him in anticipation he will soon be Treasury Secretary, and I am going to keep it up. I know he wants to also. It is very heartening, frankly. He has been very open and receptive and is eager to work with all of us here in the Congress to strengthen America's economy and create more jobs. He wants to do a good job. He knows he must talk with us and communicate with us in order to do that. Working together will be key to promoting economic growth and stability.

If confirmed by the Senate, one of Mr. Lew's first acts as Treasury Secretary will be affixing his signature to all new Federal Reserve notes. I am not sure if people will be able to read his loopy signature. It is an inside joke that sometimes people have a hard time reading his handwriting. His signature will be on the Federal Reserve notes, and that loopy signature is described as looking more like a scratched-out slinky than a name. That is Mr. Lew. That is the way he signs. Mr. Lew promised the President that if confirmed he will work to make at least one letter legible in order to not deface America's currency, and we will hold him to that promise.

In addition to the signature of America's Treasury Secretary, the front of every U.S. dollar bill has the seal of the United States Treasury. Look closely and you will see the symbols of balancing the scales to represent justice. There is a chevron containing 13 stars which represents the 13 original colonies. Underneath the emblem is a key which notes Treasury's official authority.

If confirmed, we will be trusting Mr. Lew with the authority to oversee America's financial system and economic policy. He will play a critical role in the upcoming debates on priorities and spending cuts. We will be relying on him to ensure our government and finances are sound. We will be asking him to work with us to return some stability and confidence to our economy. We will be asking him to work with us to ensure the United States remains a great world power in this competitive global economy. It is a great responsibility he has, one which I believe Mr. Lew will live up to.

Two hundred twenty-four years ago, this body, the U.S. Senate, approved the first Cabinet position for this young Nation when it unanimously approved Alexander Hamilton to become first Secretary of the Treasury. I ask my colleagues to confirm Mr. Lew today to be our Nation's 76th Treasury Secretary, to enable him to begin work helping to strengthen our economy.

I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Madam President, I rise today to speak on the nomination of Mr. Jacob Lew to be Secretary of the Treasury. This is an important nomination. With our still-struggling economy and our growing fiscal problems, the next Treasury Secretary is going to have a lot on his plate. That being the case, we have worked on the Finance Committee to vet Mr. Lew, to examine his background credentials, and provide a complete picture of his qualifications for this post.

I wish to offer a few comments about our review process, what we have learned, and the reservations about the nominee that remain with me now that this process is complete.

Let me begin by saying a few words about the process itself. For well over a decade, the Finance Committee has followed a specified procedure when considering executive branch nominations. Sadly, that procedure was not followed in the case of Mr. Lew.

After publicly announcing Mr. Lew's nomination, the White House waited 16 days before submitting any of his paperwork. That was an atypically long delay and, in addition to slowing the vetting process, it ensured Mr. Lew would not be confirmed in time to prevent a vacancy at the Treasury Department. A nomination hearing was scheduled to be held only 12 calendar days after the paperwork was received, even though the nominee had not answered all of the questions submitted to him.

That is simply not the way our process has worked in the past, and the undue haste seriously hampered our ability to thoroughly examine Mr. Lew's background and his qualifications.

Once the hearing was completed, as is customary, members of the Finance Committee submitted written questions for the record. Since that time, anonymous administration sources have decried the very notion that members of the Finance Committee had the audacity to ask hundreds of questions of Mr. Lew as part of their constitutional advice-and-consent responsibilities.

Let me be clear. I will vigorously defend the right of any Member of Congress, regardless of party, to ask questions of nominees until they are satisfied they have obtained all the relevant information, and especially in the case of the Treasury Secretary, which is one of the most important assignments in our government today and always has been. If we go all the way back to the time of Alexander Hamilton, we know what he meant to this country by establishing the financial system of this country as the Secretary of the Treasury.

In the case of Mr. Lew, there were several reasons why he ended up being asked numerous questions. First, the nomination process, as I mentioned, was abbreviated due to the haste of the administration. That meant the questions which through the course of ordinary business could have been resolved

through discussion had to be asked in written form.

Second, due to the general unresponsiveness of the administration to requests for information over the last few years, there is a pent-up demand for information and any semblance of responsiveness from the executive branch.

Third, Mr. Lew's responses to many questions have been opaque. He has dissembled often. That being the case, it seemed the only way to get answers to straightforward questions was to continue to ask for clarifications in an attempt to break through the wall of obfuscation Mr. Lew had constructed. I have no doubt he could have answered most of these questions in much less numerical form than he did.

Even after extensive questioning, there remain several serious concerns with Mr. Lew's background, his lack of responsiveness, and the evasive manner in which he answered many questions which were posed to him. Unfortunately, many of these concerns will go unaddressed, as Mr. Lew seems to be following the standard stonewalling strategy used by so many officials in the Obama administration.

For years now administration officials have gone out of their way to be unresponsive to information requests from Congress, and that is simply unacceptable. Far too often, legitimate inquiries submitted to the executive branch go unanswered for months at a time. Requested deadlines are discarded. Indeed, in some instances information requests are ignored entirely. When responses are given, substantive and direct questions are given meaningless political answers. This has gone on far too long and it needs to stop.

Mr. Lew, for his part, has promised me that he would be responsive to inquiries submitted by Members of Congress. While his answers to questions throughout the confirmation process give me reason to doubt his commitment to being responsive, I intend to hold him to that process moving forward. I believe he is an honorable man and I believe he will try to do this.

I wish to take a few minutes to address some additional substantive concerns I have about Mr. Lew, his background, and his qualifications for this post.

Let's consider Mr. Lew's Citigroup years. At Citigroup Mr. Lew was managing director and chief operating officer of two units, Global Wealth Management and Citigroup Alternative Investments. Mr. Lew claimed repeatedly while managing, directing, and operating those Citigroup units he essentially undertook back-room operations such as firing people, moving office space, integrating computer systems, eliminating redundancies, and things of that nature.

Mr. Lew has also repeatedly stated he did not design financial products at Citigroup, make portfolio decisions or, in his words, opine on investments. In fact, when asked about investment products which were marketed and sold by the Citigroup units he oversaw, he could not remember any specific details.

It needs to be noted some of those investments ended up generating enormous losses for investors. For example, funds called MAT, ASTA and Falcon, which were marketed, sold, and managed by the Citigroup units Mr. Lew oversaw ended up being the subject of lawsuits and successful arbitration claims, where success was based on investors convincing arbitrators the funds were misrepresented and mismanaged by Citigroup. The losses to investors from these funds numbered in the billions. In fact, some financial advisers at Citigroup protested internally the misrepresented securities caused enormous damage to Citi's reputation.

One of Mr. Lew's bosses at Citigroup argued on behalf of the investors and against Citi's stock price and bottom line by saying the investors had been wronged and should be made whole. She was subsequently fired.

From all information I have seen, Mr. Lew did not similarly stand up for wronged investors while on Wall Street. Perhaps it is because he did not know what was going on in the firm or at his firm. We don't really know. Despite the fact the funds in question led to probably the largest losses in the history of the units Mr. Lew oversaw, Mr. Lew claims that he cannot recall anything about them. If you ask anyone familiar with the funds and controversies surrounding them, they will say you would need to have been away on a desert island to not have heard about the problems that these funds faced. Yet, once again, Mr. Lew continues to deny having any memory of them.

At the same time Mr. Lew claims while he was at Citigroup he learned a lot about financial markets and the dangers of risk. Indeed, he cited his experience at Citi as a qualification to be Treasury Secretary, even though he appears to have little recollection about any of the actual details of his work at that time, or at least his financial details.

The question remains: How could Mr. Lew operate, manage, direct units and also be in charge of staffing decisions without having any knowledge of the financial products that were marketed, sold, and managed by these very same units? It remains unclear.

Had there been a traditional vetting process, perhaps we could have gotten to the bottom of this mystery. As it is we are only left to speculate, as you can see.

In addition to Mr. Lew's lack of knowledge about some of the high-profile failures of the units he was overseeing, there are legitimate concerns relating to his compensation while at Citigroup.

On January 29, 2009, President Obama made remarks about Wall Street, saying that institutions were ''teetering on collapse and they are asking for taxpayers to help sustain them.''

The President also remarked on Wall Street bonuses at the time, saying:

> That is the height of irresponsibility. It is shameful.

About Wall Street executives, he said:

> There will be a time for them to get bonuses. . . . Now is not the time.

Elsewhere he referred to Wall Street bonuses as ''obscene.''

In late 2008 and early 2009, American taxpayers provided over $45 billion—that is with a ''B''—in direct assistance to Citigroup and backed hundreds of billions of Citigroup assets. At the same time, in January 2009, Mr. Lew reportedly received over $940,000 in compensation, most of which was a bonus for work performed in 2008 when Citi was on the verge of collapse. The bonus came a day before Citi received yet another infusion of billions of dollars of taxpayer money to prop up the company. That was the day before Citigroup received the infusion of billions of dollars that he got that bonus.

There is, at the very least, a contradiction between the President's rhetoric with regard to Wall Street and his decision to appoint Mr. Lew to be Treasury Secretary. However, rather than acknowledging any such contradiction, Mr. Lew has simply repeatedly told us all that his compensation was in line with what other similarly situated executives received.

As I have said before, that justification seems a bit like saying: Gee, Dad, everyone was doing it. Unfortunately, that type of reasoning is exactly what led to the financial crisis.

In addition, an employment agreement Mr. Lew had with Citigroup had a clause stating that his guaranteed incentive and retention award would not be paid upon his exit from Citigroup. However, there was an exception indicating that he would receive that compensation ''as a result of his acceptance of a full-time high-level position with the United States government or regulatory body.'' It remains unclear how this exception is consistent with President Obama's efforts to, in his own words, ''close the revolving door that carries special interest influence in and out of the government.''

Of course, as has been widely reported during the course of our vetting process, we found that while he was at Citigroup, Mr. Lew actively chose to invest in a hedge fund that served as a venture capital-like fund that invested primarily overseas. The fund Mr. Lew invested in was based in the Cayman Islands at the infamous Ugland House that so many Democrats have viciously decried as a tax haven. In fact, in 2008, while campaigning for President, then-Senator Obama said that the Ugland House was ''either the biggest building in the world or the biggest tax scam in the world.''

Throughout the 2012 campaign, President Obama repeatedly attacked Mitt Romney for having funds invested in the Caymans. If I recall it correctly, Mitt Romney's funds were in a trust he

had no control over. In making such investments, Governor Romney was, in the words of the Obama campaign, betting against America. One can only wonder whether while serving as White House Chief of Staff for President Obama, Mr. Lew supported this line of attack.

Once again, Mr. Lew has repeatedly refused to acknowledge any contradiction or hypocrisy between the President's rhetoric and his own actions, defending himself only by saying that this investment was done legally and transparently. I think the same probably could have been said about Governor Romney's investments as well, which were in a blind trust.

The contrast between the President's past vilification of certain financial activities and individuals and Mr. Lew's very participation in those activities is striking. Yet we are now essentially being told that people should do as administration officials say, not as they did.

In addition to concerns about Mr. Lew's record, I have serious disagreements with him when it comes to policy. For example, in response to written questions, Mr. Lew backtracked from the administration's previous positions on the need for entitlement reform. At one time, commonsense reforms, such as raising the Medicare eligibility age, were on the table for the Obama administration. Such ideas have apparently been discarded by the President, and Mr. Lew has made it clear he shares that discarding position.

As a Social Security and Medicare trustee, the Treasury Secretary cannot simply wish away the problems with our entitlement programs. If he is confirmed, and I believe he will be, Mr. Lew will be tasked with addressing these problems. Sadly, it appears he will be just another voice in the Obama administration against taking meaningful action on entitlements and in favor of higher taxes—a repetitive theme at least all of us Republicans are getting very sick of. The use of the word ''balance''—my gosh, what a perversion.

I think I have made my concerns about the Lew nomination very soundly and very clear. That being said, I have always believed that whoever is President, including our current President, whom I like—any President, regardless of party—is owed a certain degree of deference when choosing people to work in his administration. Therefore, though I personally would have chosen a different person for this position, I intend to vote in favor of Mr. Lew's confirmation.

Obviously, my vote in favor of Mr. Lew comes with no small amount of reservation, and I don't fault any of my colleagues for choosing to vote against him. Indeed, I share many of their same concerns. As I mentioned earlier, Mr. Lew has promised to be responsive to Members of Congress and their requests for information. I expect him to be responsive to the Senate Finance Committee and to the Republicans on the Senate Finance Committee as well as the Democrats.

He has also promised to work in a bipartisan manner to address the problems facing our Nation. I believe Mr. Lew can, and hopefully will, do that. My hope is he does not view these promises as merely boxes checked off on the way to confirmation.

If confirmed, Mr. Lew will be the Secretary of the Treasury of the United States and not the Secretary of the ''Obama treasury,'' although indirectly he will be. His first job is to the United States of America, and he might have to argue strenuously against some of the White House positions on financial matters and Treasury matters. He has to work for all the American people and not simply one political party.

If he does those things, I will be willing to work with him all the way, and I have to say I expect him to. I expect him to be the honorable man he has told me he is and that I believe him to be; otherwise, I couldn't vote for him, especially under these circumstances.

However, I have to say, if he fails to live up to the promises he has made, if he becomes just another Obama acolyte using his high-powered position in the administration to attack political opponents, I will personally be sorely disappointed and hurt by it. If that ends up being the case, he will have no greater adversary in the Senate. I don't want to be an adversary. I want to help him turn this country around. I want to be an asset to him up here, and I want him to be an asset to our country down there—and up here when he comes.

Given my many reservations and concerns about Mr. Lew, I hope he and the President take note that I am bending over backward to display deference to the President's choice of Treasury Secretary. This gesture, I hope, will not be in vain.

I can contrast Mr. Lew's positions when he worked in the Clinton administration. Many Republicans felt he was a straight-up guy, and I was one of them. I have suggested to him that we would like to see that type of person manage our Treasury rather than the partisan person we have seen in the last couple years. True, the position he had at the White House was a partisan position, and I make a great allowance for that.

I personally like this man. I personally believe he is a good man. But I also believe sometimes we can get so caught up in politics that we don't do what we know we should do. I am hoping he will. I believe he will. If he does, he is going to have a lot of support from me.

I wish to thank my chairman of the committee. He has always been very honorable and very straightforward. I understand a lot of the pressures he has had throughout this process, having been chairman a number of times myself in the Senate and experienced that stress. I want everybody to know this is an important position, this is an important human being, and I hope he lives up to all he has the capacity to live up to.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

VETERANS UNEMPLOYMENT

Mr. BAUCUS. Madam President, I would like to take a moment to speak on a topic that is very important to me, to Montana, and our Nation; that is, our veterans.

The Veterans Jobs Caucus has organized a day of action today to draw attention to veterans unemployment, and I am very proud to help shine a light on that.

Jobs must be our No. 1 priority. There is no better place to start than with our veterans. With the war in Iraq coming to an end and Afghanistan winding down, we have a responsibility to make sure every single one of these men and women returns home to a paycheck, not an unemployment check.

I urge my colleagues to join me in declaring war on veterans unemployment. Let us work together to make sure every American veteran has the good-paying job they deserve.

I yield the floor

The PRESIDING OFFICER. Who yields time? If no one yields time, time will be charged equally to both sides.

The PRESIDING OFFICER (Ms. BALDWIN). The Senator from Alabama.

Mr. SESSIONS. Madam President, I have made it clear that I oppose the confirmation of Jack Lew to the most serious Cabinet position of Secretary of the Treasury. The President's Cabinet nominees should be given substantial deference; that is not in doubt. But our Constitution makes clear that appointments to high government office may only be made by and with the advice and consent of the Senate. Certainly, the Senate is not a rubberstamp or a potted plant.

I believe a decent respect for the seriousness of this occasion, for my colleagues and for their opinions, for the President and for the nominee, requires, in this case, that I set forth my objections to the appointment. They are serious, and I believe what I say is important; important for the institution of the Senate and important for our country.

I have not had a personal relationship or extended meetings with Mr. Lew. My objections arise primarily and first from his performance as Director of the Office of Management and Budget. It is, in many ways, a key position in our government. That is the office through which the President controls all the departments and Agencies of our government which he is required to supervise.

Normally and necessarily, the OMB Director is the single office that drives efficiency and demands accountability on behalf of the President and the American people throughout our great

bureaucracy. In that aspect of his job I have seen little leadership, and at this time of surging debt, I would rate that performance as an F. I have never seen a consistent, determined effort from Director Lew to reform and make more productive the government of the U.S. Indeed, his primary effort consistently has seemed to be to defend any program under attack, scrutiny, or question rather than examining vigorously to save every single dollar that can be saved for the taxpayers of the country.

If the OMB Director will not insist on efficiency and good government, who will? The Secretary of Energy, pushing out failed Solyndra programs? Is that whom we look to? Or the GSA leaders who host hot tub parties in Las Vegas? This government of ours has never been more poorly managed. It has never had, for a number of years, the serious oversight and management from the top supervisory agencies.

Congress is not empowered to daily manage the agencies of America. That is the Chief Executive's job, and the primary person in his administration, President Obama's administration, charged with this duty is the Director of the Office of Management and Budget. At least, historically, that has been the case.

But, my concerns go even deeper. I believe every public official in this Nation owes an absolute loyalty to the United States, to the betterment of this country and its government, and to the institutional processes that lead to the governing of America. There can be no doubt that every government official, from the President on down, is accountable to the institutions of our government and to the people ultimately.

Without doubt, the Director of OMB has such a duty. He is required to meet that duty with honor, honesty, efficiency, and responsiveness. He serves us; we don't serve him. He serves the American people.

The American people send their money to Washington, and they expect it will be honestly and openly managed—accountable. They have every right to demand high performance from all officials, but particularly the Director of the Office of Management and Budget.

Surely, there can be no higher duty for such an important official than to periodically report to the people truthfully on the important affairs of state—specifically to report the financial condition of the Nation and to produce a budget plan that will fix it. Without doubt, the great challenge of our time is how to confront effectively the unsustainable debt course we are now on. That is clearly the greatest threat to our Republic.

Admiral Mullen, former Chairman of the Joint Chiefs of Staff, has said debt is the greatest threat to our national security. We are heading toward a financial crisis if we do not change. All have told us that, including Simpson and Bowles of the President's debt commission. They said this Nation has never faced a more predictable financial crisis. They jointly gave that statement to us in the Budget Committee.

Federal Reserve Chairman Bernanke, when asked to make comments about some of the long, great projections of debt out into the future, said: That will never happen. You will never get that. In effect he said: You will have a crisis before that ever happens. We are on an unsustainable debt path.

Even the most current Secretary of Treasury, Secretary Geithner, made the same comments about Director Lew's budget. He acknowledged that that budget left the country on an unsustainable financial path. Therefore, the report of the Nation's top management official on budget and management to Congress on these issues must be absolutely accurate. It must be true. His budget that he would set forth as director of the budget each year, as required by law—the President submits a budget—must put the Nation on a sound and sustainable course, not keep us on an unsustainable course.

If changes in the operating methods of the country are needed, he should say so and help lead that reform effort. He is the one who keeps the books. He is the one who must, along with the President, rally the Nation, as mayors and county commissioners and Governors have done all over America to rein in reckless spending and unacceptable debt in their jurisdictions. Why is it not happening here, now, at this time of national crisis?

In February 2011, as Director of OMB, Mr. Lew produced a budget for the President, and he presented it to the people and to the Congress. That was February, 2 years ago. He was the budget director.

The budget he prepared utterly failed to meet the needs of the Nation. It just did. As Mr. Bowles said right after the budget was announced by Mr. Lew—he said with great disappointment, the White House budget request ''goes nowhere near where they will have to go to resolve our fiscal nightmare.'' This is the man President Obama appointed to head the debt commission, and he said this budget came nowhere near where they will have to go to avoid our fiscal nightmare. This budget was a disaster.

Instead of making our debt problem better, it made it worse. It taxed more and spent more. I was shocked and amazed.

Please remember, this was in February 2011, not long after the midterm congressional elections in which the American people rose up and shellacked a lot of big spenders and demanded that we get our financial house in order. The American people were shocked by the explosion of debt and the surge of big government, and they demanded more accountability. They insisted on it. Presenting a budget that did not do what the public demanded, control spending and debt, would not have been popular.

Imagine what went on in the White House. I am just a Member of the Senate. I observe these things like all of us. The question was, Would the President of the United States now, after the midterm elections that gave the majority to the House of Representatives—would at that point a policy, a budget, set forth a sound, sustainable path for America that could lead the country out of this fix?

I know they discussed it. Surely, they did. It was the most important issue they faced. Would they back down from spending and investment and taxes? Would they opt for a more limited growth in spending in America?

They made their decision. Actually, it is pretty clear two decisions were made. I do not think this is unfair to analyze it in this way. First, they decided that despite the election, they would not curtail spending or lay out a plan that would alter the debt course of America; that they would not fix and save and strengthen our entitlement programs, such as Social Security; and they would lie in wait, I guess, for anybody in the House of Representatives, particularly, and criticize their plan. They would not lay out any plan in their budget, which is the time that you would normally lay out your plan. They would set up a method to attack the Republicans when they produced their budget, as required by law, and their budget would have to deal with these things and propose real cuts in spending, and they would criticize that. Apparently, that is a decision they made.

But this presented a problem. To announce a budget that did not do what the public had just demanded—control spending and control debt—would not be popular. So what do you do then? It is pretty clear to me how the conundrum was decided.

Mr. Lew would go before the American people and Congress and just declare that the budget he had put forth did put the Nation on a sound financial course; that it would end deficits and put us in a position to pay down our debt. They just decided that Mr. Lew would go out, despite what was in the budget, and declare that it would do those things. Thus, the statements of Mr. Lew amounted to what I have called—and will explain—the greatest financial misrepresentation concerning the finances of this Nation ever made.

If somebody has something different, I would like to see it. I would like to see somebody say, when we finish talking about this, that they have other examples of this kind of misrepresentation.

These statements were made carefully and deliberately calculated and for the political purpose, I have to say, of misleading the public. You may say: Surely not, Jeff. You are exaggerating this situation. Surely, he wouldn't do that.

Let me tell you what happened. The day before the budget was to be released, on a Monday, Mr. Lew went on

the Sunday news programs to report on the budget that the President would be submitting to explain what was in it. This is what he said on CNN on a Sunday morning program.

I will put this up because the words should live in infamy. This is how he described the budget he laid out:

> Our budget will get us, over the next several years, to the point where we can look the American people in the eye and say, we're not adding to the debt anymore; we're spending money that we have each year, and then we can work on bringing down our national debt.

That is exactly what the American people want to hear. There was no qualification placed on this statement, none whatsoever. He was speaking directly to the American people on a Sunday morning news programs. He said other things on several of the other programs that he participated in on February 12, 2011.

There were no qualifications. How could it be heard other than the way those plain words would suggest? It suggests that we had a plan, that the President had a plan, and that Mr. Lew was producing a budget—which his office produced—that would make sure we were on a sustainable financial course and we would not be adding to the debt anymore. ''We're not adding to the debt anymore.''

What else did that suggest? It suggested we can relax. We didn't need to talk about real spending reductions because we had a plan. Just follow the President's plan. Everything is going to be okay; relax. Don't get too excited as they did in this last election because we have everything under control. Our plan fixes it.

That is essentially what happened, but the budget documents Mr. Lew submitted revealed the opposite. The question is: Did his own documents confirm this analysis? Did it come close to it? Well, these documents will reveal the truth. Actually, his documents revealed a rosy scenario of the truth. The numbers I am going to give of what his documents reveal turned out to be less positive than even they predicted.

In his own accounting table, Mr. Lew's 10-year budget got nowhere close to the point where we could not say we are adding to the debt anymore or that we were in a position to pay down the debt. To anybody who has the slightest concern for the meaning of words—or who believes in the most basic concept of an objective truth—this statement must be condemned. Even though the Lew budget documents made calculations more favorable than the rosy projections of CBO, it still unequivocally showed that over the 10-year budget window there was never a year—not one year—when we would be able to pay down the debt or balance the budget or not add more debt.

Indeed, over the 10-year period his budget covered, which he was referring to in this document, we would add $13 trillion to the total debt of the United States. It would almost double it. It would be $9 trillion to the public debt and $13 trillion to the gross debt. The year with the single lowest deficit out of 10 years was $600 billion in debt. In other words, the lowest single annual deficit in 10 years was $600 billion. President Bush's highest deficit was less than $500 billion over 8 years. This is a huge debt, $600 billion, but would average almost $1 trillion a year. On average it would be $1,000 billion a year, which clearly leaves us on the same unsustainable path we had been on.

On Tuesday Mr. Lew appeared before the Budget Committee. I am the ranking Republican on the Budget Committee. I was amazed at what he was saying on television. After we scrambled around and looked at the documents, it became clear this was not close to correct. How could the Budget Director of the United States of America go on national TV and make these kinds of statements? How can we have any expectation of the truth in Washington when the Budget Director tells us we are on a sound path when it didn't appear to be so? And, indeed, it wasn't so.

He came before the Budget Committee, and I quoted this CNN statement to him. I read it back to him and directly asked whether his statement was accurate, and this is what he replied:

> It's an accurate statement that our current spending will not be increasing the debt . . . We've stopped spending money we don't have.

Further, let me note that outside the 10-year window—based on the financial plan that that budget set forth—the deficits got worse. They were going up in the outyears. The lowest year was $600 billion, but they were going up every single year, by his own accounting. CBO's numbers were much higher as far as the debt that would be added to the country.

For me this was a most stunning development. I don't believe it could be explained away. It is obvious he determined that he was going to stand pat with his story, which was a political narrative that they wanted to spin. They wanted to spin a political narrative, but it was not accurate, and that is important for us. The chief budget person in America needs to tell the American people and the Budget Committee of the U.S. Senate the absolute truth about the financial condition of this country. He is not entitled to sugarcoat it, and he is absolutely not entitled to totally misrepresent it.

I examined him. He said we are going to have a primary debt. We are going to have a primary deficit. So what is this, a primary debt? Well, we don't count interest. I kid you not. The Budget Director of the United States of America said the statement—as I interpret it, and it was not inaccurate—that he was not counting the interest on the debt. Did he qualify that when he told the American people that? No, he did not. Did he make any kind of representations as to that? No. I would suggest the numbers clearly show that even if we have the kind of bogus accounting where we don't count our interest, who could possibly write a household budget, a city budget, or a State budget that didn't account for the interest they have to pay every year? How ridiculous is that? That is the kind of phony, gimmicky accounting that puts this country on a path to financial crisis. But that is what he said. Even by that definition it was not true, and this would not be true, and it is false. Well, phony accounting procedures, budget manipulations, and gimmicks such as this primary balanced idea are the way politicians have maneuvered us into a situation where our path is so dangerous.

The American people are not happy about it, and they should not be happy. There is no reason we have placed this country at such risk because of debt and spending—no reason we should do that. They sent us here to this Congress for a lot of reasons, but the primary reason is to properly manage their money.

I see my colleague from Vermont, and I think we might get there a different way, but I think we may share some of the views about this nomination. I respect his independence and gumption, as we would say in Alabama, to express his views openly and directly.

I will talk some more because this is an important matter, and I don't intend to let it go lightly. I believe this Congress and the American people are entitled to honest, sober, serious commentary and information from our leaders, and we are not getting it. It makes it hard to get the American people together to figure out how to tighten our belts and how to handle the financial crisis we are in if we have top officials who say: We don't have a crisis, don't worry about it, we have a plan that fixes it.

I don't see any reason to extend for a longer period of time the Lew nomination. He has come out of committee and he has bipartisan support. He is going to be in a position to be confirmed, but I am not going to vote for him. I wish to talk some more about some of the additional problems we have with his nomination but will do so later. I believe it is my responsibility to do so, and I intend to fulfill it.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. SANDERS. Madam President, I say to my friend that he is right when he said that I oppose the Lew nomination also. I oppose his nomination for different reasons than he does, and I will speak later on that issue.

From my perspective, at a time when the middle class is disappearing, when we have 46 million people living in poverty, when we have the most unequal distribution of wealth and income since the Great Depression, we need a Secretary of Treasury who is going to

stand up for working families and be prepared to take on Wall Street. He needs to be prepared to change our disastrous trade policies, be prepared to defend Social Security, Medicare, Medicaid, and the safety net that is so important to tens of millions of Americans. That is my objection to Mr. Lew.

I agree with my friend from Alabama that deficit reduction is a serious issue. Where we disagree is that I don't believe we balance a budget on the backs of the elderly, the children, the sick, and the poor.

I ask my friend to take a look at the Cayman Islands and Bermuda. Take a look at all the corporations making record-breaking profits and stashing their money in the Cayman Islands. For what purpose? To avoid paying taxes to the U.S. Government.

The Senator and I have met with the parents of young men and women who have died in Iraq and Afghanistan, and that is called patriotism. It is not called patriotism when corporations run to the Cayman Islands to avoid paying their fair share of taxes.

Mr. SESSIONS. Madam President, would the Senator yield?

Mr. SANDERS. I will.

Mr. SESSIONS. With regard to the Senator's views, I am concerned that working Americans are not being fairly recompensed for their work on the American debt. We have gone a long time with no real net improvement in the income, inflation has been higher than wages, and Wall Street is doing fine. It seems as though they win whether things go up or down. I don't have any brief for that crowd. I think the Senator is right to be skeptical about how things are handled on Wall Street, and I salute my friend for being aggressive in that pursuit.

Mr. SANDERS. I thank my friend from Alabama, and with that, I yield the floor.

The PRESIDING OFFICER. The Republican whip.

BUDGET MALPRACTICE

Mr. CORNYN. Madam President, I come to the floor today to mark another lamentable milestone in the long record of deadlines and misgoverning that might be called malpractice over the last 4 years. As we can see, today is the 1,400th day our colleagues across the aisle, who control the agenda on the floor of the Senate through the majority leader, have failed to produce a budget or even bring one to the floor so we could vote on one. For 1,400 days this body has been truant from one of the most fundamental obligations to the American people.

When they look to see what is happening in Washington, DC, they are incredulous. No family, no small business, no local government, no State government, no one except for the Federal Government, could actually operate without a budget. For nearly 4 years the Democratic leadership of the Senate has failed to put forward a fiscal plan to break our economy free from the lingering effects of the Great Recession. And the consequences of that are pretty clear when we look at trillion-dollar annual deficits and when we look at $16.5 trillion of debt which has threatened our economic recovery and job creation. That is the bitter fruit sown from the negligence of failing to produce a budget for 1,400 days.

I realize none of this is maybe as easy as it looks, and I know our Democratic colleagues have been under constant pressure from the White House. Indeed, the White House itself has long reinterpreted the role of its annual budget submissions to Congress from the governing documents they once were to now really no more than political posturing. As evidence of that, I would point to the fact that the President's last budget he submitted got zero votes out of 99 Senators voting. No Member, even of the President's own political party, would support his budget proposal last time because they believed it was not a governing document they could support instead of just a political statement.

These are some of the reasons I can't vote for Jack Lew for Treasury Secretary. After all, it was on his watch that most of this happened.

I am also deeply troubled by the fact that in my office as well as in the hearing before the Senate Finance Committee, Mr. Lew would not commit to any limit—to any limit—on Federal spending. Traditionally, over the last 40 years or so, the Federal Government has spent roughly 20 percent of our gross domestic product. It has been as high as 25 percent under the Obama administration. When I asked Mr. Lew what is the right figure we ought to be shooting for, he wouldn't even mention any figure. So he would not commit to any limit on Federal Government spending.

He also would not commit to the administration complying with Federal law requiring it to submit a blueprint for reforming Medicare, known as the Medicare trigger. It is a complex formula. But if Medicare is in trouble, Federal law requires the administration to submit a plan to fix it. Mr. Lew said: We didn't do it, and we are not going to do it.

I can't support a nominee who refuses to commit to tackling one of the biggest drivers of our debt on the eve of another manufactured fiscal showdown that was actually the President's and the White House's idea—this sequester people are hearing so much about which is now being used as a means by which to extract more money from the American taxpayer. So instead of the Federal Government doing what every family and every business has to do when there is not enough money coming in the door, the White House and the Democratic leadership are insisting on more from hard-working Americans, after a $600 billion tax increase in December.

Unfortunately, it is hardly surprising that President Obama would nominate someone who cannot simply commit to following the law. This administration has a record, sadly, of flouting the law of the land, and I will give some examples.

This administration, of which Mr. Lew has been an essential member, has, for example, during the government-run automobile bankruptcy process—the company's secured creditors, who were supposed to get paid first, found they were given less than unions were because of politics and flouting the rule of law.

As Solyndra was going bankrupt, we know the administration, rather than letting the private lenders pay for their bad judgment, decided to make the taxpayers subordinate to those private lenders.

We know that last year, because the circuit court of appeals in the District of Columbia has told us so, the President made unconstitutional appointments to the National Labor Relations Board and to now the Consumer Financial Protection Bureau. That case hasn't been decided, but it is impossible for me to see how the rationale would be any different from the court of appeals' decision in the NLRB case.

We also know that last year the President waived key requirements of the 1996 welfare reform law. And to help implement ObamaCare, the Internal Revenue Service has announced that it will violate the letter of the law and dispense health insurance subsidies through Federal exchanges in those States that do not create State-based exchanges.

We know that when the 2,700-page behemoth known as ObamaCare began to be implemented, when some of the supporters—and some of the President's own supporters—complained about it, they were issued waivers even though the rest of the American people had to simply take it.

Finally, the President has again missed the legal deadline for submitting his own budget for this year. That was on February 4. In fact, four of the last five budgets have been late.

Simply put, we can't keep living like this. We can't allow this to become a precedent for future Presidents and future majorities, regardless of party, to rely on. We can do better. We must do better. And my 26 million constituents in the State of Texas demand that we do better.

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. SESSIONS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. SESSIONS. Madam President, just to follow up further on the situation we face, I talked earlier about the critical importance of having honest numbers. We can disagree on certain numbers. Mr. Lew predicted that under

his budget, last year's deficit in the 10th year would be about $800 billion. The Congressional Budget Office, using the same numbers, the same analysis, says it would be 50 percent higher. They said it would be $1.2 trillion. He was using rosy scenarios. The nonpartisan Congressional Budget Office came out with greater debt numbers and more danger for America.

I am not so much complaining about that, although I think they deliberately tried to make their numbers look rosy. What I am complaining about is a fundamental mischaracterization of the budget he presented and what it would do according to his own analysis contained in the budget documents he submitted with his budget.

This is a very important matter. People say: Why don't you get together in Congress? Why don't you all reach an agreement? Well, it is kind of hard to reach an agreement when the lead negotiator for the President, Mr. Lew—some call him Dr. No—goes around saying:

> We don't need to do anything; our budget we submitted will get us over the next several years to the point where we can look the American people in the eye and say, We're not adding to the debt anymore; we're spending money that we have each year, and then we can work on bringing down our debt.

He implies bringing down our total debt because we are going to have surpluses, enough money to pay down the debt. However, according to his own numbers, the lowest deficit he had was over $600 billion, and they were going upward the last 6 years, getting worse, and the Congressional Budget Office said the last deficit would be $1.2 billion. Unbelievable. So I wanted to continue to discuss that.

According to the budget numbers he put out, his plan would add $13 trillion in new gross debt to the United States in 10 years, by 2021. That was in 2011. Single-year deficits will never drop below $600 billion. In 2015 they would start climbing back up to $774 billion. Over the 10 years total spending would increase—not be reduced at all, of course, but increase—by nearly 50 percent, with mandatory spending alone—not in any way controlled or reformed or fixed by the Lew budget—mandatory spending would increase by more than 80 percent. And mandatory spending makes up more than half of all the spending in our government. So on his track, by his own budget, by his own projections, by what he believes should happen, it increased by 80 percent. In fact, entitlements are growing at about three times the rate of GDP growth, the rate of the growth in the economy. That is unsustainable.

Do we ever hear that from the President or his chief budget guy, Mr. Lew, who is now expecting to be the Secretary of the Treasury, the primary, premier economic leader for America? If one can't be honest about what the situation is, one ought not to be promoted. That is the way I feel about it, and I feel strongly about it. I have never seen anything like that in my entire time in the Senate, to have this kind of statement made that is so utterly unconnected to reality.

It wasn't long after Mr. Lew came to the committee—2 days or 3 days after this statement—when I asked him about that. I asked him if that was accurate, and he said:

> It's an accurate statement that our current spending will not be increasing the debt . . . We've stopped spending money that we don't have.

And the lowest deficit is $600 billion.

But Mr. Geithner came after this exchange, and I am sure Mr. Geithner was well aware of what happened in the Budget Committee. Mr. Lew dug his heels in and insisted this statement was true. What did the Secretary of the Treasury, Mr. Geithner, say at that point? I think this is the difference between Mr. Lew and Mr. Geithner. Mr. Geithner was former head of the Federal Reserve in New York, a man of some seriousness and gravitas, and he wasn't going to go in there and say something that wasn't true before the Budget Committee, although he didn't give it up easily. I had to use all the skills I had to pin him down, but when I did, this is what Mr. Geithner said. Even if the budget Mr. Lew put forward were passed and enacted, Mr. Geithner said that ''we would still be left with a very large interest burden and unsustainable obligations over time.'' In effect, he said we would be left with an unsustainable debt path, when Mr. Lew says: Don't worry, my budget fixes it. And Geithner was talking about this very budget.

Writing in the New York Times, writing an article, an op-ed in the New York Times, Mr. Lew said:

> The President's budget is a comprehensive and responsible plan that will put us on a path toward fiscal sustainability in the next few years.

He wrote that in the New York Times—totally inaccurate. Does he not respect the American people? Does he think he can just go and make CNN statements and write in the New York Times and say anything he pleases about the financial condition of our country—a financial condition that represents the greatest threat to our national security, more than any other threat we have in this world today?

That same month, Mr. Lew stated in an interview with National Public Radio:

> If we're able to reduce the deficit to the point where we can pay for our spending and invest in the future, that is an enormous accomplishment. This budget has . . . proposals that would do that.

And it did not. The budget did not have anything in it that would have had us pay for our spending. We are borrowing 36 cents out of every $1 we spend today. We are adding debt to our Nation every single hour—and to say we are going to be paying down the debt.

At no point did Mr. Lew's own estimate show that the President's 2012 budget was coming close to a point where we could pay for our spending. Excluding interest payments on the national debt—excluding the interest—the plan would have resulted in $1.5 trillion in deficits over 10 years, and even more than that when you consider the full interest cost of $7.2 trillion. The long-term outlook, with annual interest payments approaching $1 trillion and mandatory spending consuming over three-quarters of the budget after 10 years, and growing—entitlement and mandatory spending absorbing three-quarters of the budgets—Mr. Lew's comments were not merely misleading, but I believe qualify to be described as the greatest financial misrepresentation in the history of the American Republic. If someone has a better analysis of it, I would like to hear it. If somebody comes down and says this is a true statement, I would like to hear them say it. I invite all my colleagues—members of the Finance Committee; lots of them voted for Mr. Lew—do you think it is OK to say this? Do you think this is accurate? And if it is not accurate, do you want to promote him anyway? Why would you want to do that? I do not understand it. I am not going to support that. Mr. Lew made these representations over and over again.

The President's next year's budget in 2012, for the 2013 fiscal year, was formulated while Mr. Lew was still the President's Budget Director and delivered while he was the President's Chief of Staff. It similarly was extreme and irresponsible, and it was part of a continued campaign to mislead the American people about how it operated, to say it was so much better than it really was.

Although the White House claimed $4 trillion in savings, according to the Office of Management and Budget's own data, the 2013 budget would only have reduced the deficit by $197 billion over 10 years. They claimed they saved $4,000 billion—$4 trillion—but, in fact, it would only have reduced the budget by $197 billion over 10 years—virtually not changing the debt course of America. And all of those savings—virtually every one—were from tax increases. The spending was not reduced.

The White House also pushed the idea that the budget contained $2.50 in budget cuts for every $1 in tax hikes, while in reality there was a net spending increase above the policy baseline we were operating under. It spent more, not less. They claimed there were $2.50 in cuts for every $1 in tax hikes. That is not true. Overall, from current budget levels, spending would have increased by more than $2 trillion.

The net result of the proposals contained in the 2013 budget was to bring the Federal debt up to $26 trillion by 2022—an increase of $11 trillion. The proposed $4 trillion in savings simply did not exist. It was a complete fabrication. Mr. Lew understood that. He helped write that budget. He was the Chief of Staff at the White House when it actually came to the Senate.

Once again, a Lew-designed budget was presented to the American people in false terms designed to create the impression that we were putting America on a sound financial path, while we were doing the opposite—if it had passed.

And, of course, you say: Well, SESSIONS, that is your view. You are the one who is mischaracterizing the President's budget. This is all partisan. Maybe you would think that. I hope not. But let's see what some of the other observers around the country said about it when it was released. I am not talking about the budget that was described by Mr. Lew in these wonderful terms. If we had a budget that would do that, the American people would jump up and down and shout hallelujah. We are not close to it, however, as independent observers noted.

Look what these honest observers said about it.

The Washington Post, the largest paper here in Washington, said this:

> The larger problem with the budget is the administration's refusal to confront the hard choices that Mr. Obama is so fond of saying must be faced.

The title of that editorial: ''President Obama's budget kicks the hard choices further down the road.''

What about USA Today, a nationwide paper?

> President Obama likes to talk about those ''Sputnik moments'' when the nation rises to difficult challenges like the one posed by the Soviet space program in the 1950s. On Monday—

The day this budget was released—

> he had a chance to turn his . . . budget proposal into his own such moment. He whiffed.

The title of that editorial: ''Obama's budget ducks tough choices.''

What about the Financial Times?

> President Barack Obama has unveiled a hugely disappointing budget, cutting only a few percentage points . . . in projected US federal deficits over the remainder of this century. . . . If Mr. Obama will not make this case, who will?

The title of that editorial: ''Obama's budget shows failure of leadership.'' That is absolutely true. It was a failure of leadership.

Another from the Washington Post:

> White House budget director Jacob J. Lew has told advocates of reform that the White House thinks any significant plan offered by the president would simply become a target for partisan attack.

Then it goes on to quote Alice Rivlin:

> ''I would have preferred to see the administration get out front on addressing the entitlements and the tax reform that we need to reduce long-run deficits,'' said Alice Rivlin, a commission member [on the deficit commission] who served as budget director in the Clinton White House.

That was Alice Rivlin, a wise commentator, a Democrat, but a wise commentator. She went on to say:

> But they clearly made a tactical decision.

She meant a political decision.

That was the Washington Post. The title of that was: ''Obama spending plan criticized for avoiding deficit commission's major proposals.''

Another from the Washington Post:

> Erskine Bowles, the Democratic chairman of the fiscal commission, said the White House budget request goes ''nowhere near where they will have to go to resolve our fiscal nightmare.''

He is referring to this. This was on February 14—2 days after Mr. Lew made those ridiculous statements.

This is Mr. Erskine Bowles, a man chosen by President Obama to head the fiscal commission and spent a year studying our debt problem.

How about Investor's Business Daily, a prominent business publication?

> The White House's new budget is far worse than merely bad. By not attacking the underlying cause of our debt explosion and by raising taxes, it will lead inevitably to a weaker economy and perhaps even default.

The title of that editorial: ''Obama's Gutless Budget Proposal''—a proposal written by Mr. Jack Lew.

What about the Wall Street Journal? This is entitled: ''The Cee Lo Green Budget.''

> After three years of historic deficits that have added almost $4.5 trillion to the national debt, President Obama was finally going to get serious about fiscal discipline. Instead, what landed on Congress's doorstep on Monday was a White House budget that increases deficits above the spending baseline for the next two years. Hosni Mubarak was more in touch with reality last Thursday night.

The Wall Street Journal, the premier business publication in America.

The Orlando Sentinel:

> Count us deeply disappointed by the $3.7 trillion budget that President Obama unveiled Monday. . . . To really tackle the national debt, Mr. Obama needs to get off the sidelines, and start leading.

The title of that: ''President Obama's budget plan falls short''—Jack Lew's budget plan.

The New York Daily News:

> But the bottom line is that [President Obama is] figuring on reducing the deficit by $1.1 trillion over 10 years while his blue-ribbon commission said cutting four times that amount is critically necessary.

The title of that editorial: ''Deficit of courage.''

This is another one:

> President Barack Obama rolled out a $3.7 trillion budget Monday that promises $90 billion in reduced spending for fiscal 2012, but it would still produce a whopping $1.1 trillion deficit. The best that can be said is that we've started to frame the national debate.

So said the Chicago Tribune.

The Indianapolis Star:

> Obama has all but ignored the recommendations of his own deficit reduction commission.

The headline of that editorial: ''We ignore 'red menace' at our peril.''

How about the Los Angeles Times, a major western newspaper of liberal political views:

> President Obama's budget for fiscal year 2012 landed with a thud Monday, laying out short- and long-term tax and spending plans that disappointed lawmakers on both sides of the aisle. The proposal was a remarkably tame response to Washington's fiscal problems, not the bold statement about belt-tightening that the White House had suggested was coming.

The Denver Post, another large and liberal newspaper, states:

> Obama called the proposal one of the ''tough choices and sacrifices,'' yet it does not confront entitlements and continues to act as if government spending is the way to prosperity.

That is true for sure.

The San Francisco Chronicle, an important newspaper:

> In a crucial way, it lacks honesty.

The Dallas Morning News, a big newspaper:

> But taken as a whole, his proposals represent the third time in 2 months he has walked up to the challenge of curbing the deficit and more troubling long-term debt and turned away on leading the Nation back from an impending fiscal nightmare.

The Philadelphia Inquirer:

> The shortcoming in Obama's spending proposal is its lack of strategy for sustained, long-term deficit reduction.

That is correct. It had none of that in it. It goes on to say:

> Cutting deficits by $1.1 trillion over a decade might sound significant. But the nonpartisan Congressional Budget Office has projected deficits rising $12 trillion over that time.

The title of that editorial is ''Still missing the mark.''

The Minneapolis Star Tribune:

> The flurry of deficit-reduction plans released late last year were supposed to kick off a national ''adult conversation'' about the Nation's metastasizing long-term debt problem.

When is that conversation going to begin? It certainly didn't happen on Monday when President Obama released his $3.7 trillion budget request for 2012. The title of that editorial is ''Slinking away from U.S. budget reality,'' written by Mr. Jack Lew, Director of the Office of Management and Budget, who declared it was a wonderful budget, totally misrepresenting what it would do.

The Washington Post, Dana Milbank:

> Obama's budget proposal is a remarkably weak and timid document. . . . The President makes no serious attempt at cutting entitlement programs that threaten to drive the government into insolvency.

What about Senator Conrad, who was the chairman of the Budget Committee at that time, a distinguished Democratic Senator who retired from Congress and is no longer in the Senate. This is what Kent Conrad said, my friend, with whom I served on the committee:

> But we need a much more robust package of deficit and debt reduction over the medium- and long-term.

Well, our Democratic leadership in the Senate refused to bring up a budget. Today marks the 1,400th day this Senate has violated the law of the United States and not produced a budget. It is unthinkable at a time when the debt represents the greatest threat to our country.

The House has passed a budget each year. That was part of the strategy.

That was part of the gimmick. Senator REID, the Democratic leader, says we don't need a budget; it is foolish to have a budget. That was his comment: It is foolish to have a budget even though the law explicitly requires the Senate to produce a budget.

What did he mean, ''foolish''? He meant if you pass a budget, somebody could criticize you. Somebody could look at your spending and taxes, evaluate it, and say: We don't like that. He doesn't fix the debt. It raises taxes too much. It doesn't cut spending. Or it increases the spending too much. Why do that? It is foolish. Let's don't pass one, and we will criticize PAUL RYAN, the young, dynamic chairman of the House Budget Committee who wrote a budget that passed the House and would have fixed our debt problem and put us on a sustainable course.

This was a budget that was complimented by Alice Rivlin and Erskine Bowles. They may not have agreed to everything that was in it, but they complimented him on having integrity and doing what it said in laying out a plan for the future of America. The House passed it.

What did the Senate do? Nada, nothing. It was one of the greatest acts of irresponsibility, I submit, in Senate history. There are a lot of them out there. This is one in the top group, in my opinion. How could you possibly, at a time of crisis, not bring up the budget? The President submitted a budget, as he is required to do by law, and every President always has. The Senate just decided not to even move one. They say: We will have one this year. I am looking forward to that. It is behind time, as was the President's submission of a budget. He was late, according to the law, in submitting that.

As time went on and the tension rose over the budget and our future spending program, the Democratic leader in the Senate thought he would be clever and would bring up Congressman RYAN's budget and make all the Republicans vote for it—virtually all did; maybe two or three didn't—and then they would attack them because it had cuts in spending. They are going to say: You don't like old people. You don't like children. You don't like education. You don't like this in health care, and this will be great.

As I said, most Republicans, virtually all, voted for it.

Senator MCCONNELL said: All right, let's bring up the Obama budget. Let's bring up the budget Jack Lew prepared to the floor.

He forced a vote on the Lew budget. How many votes do you think it received? Zero. Every Democrat voted against it and every Republican voted against it. It was brought up in the House of Representatives. Every Democratic Member of the House voted against it and every Republican voted against it. It happened the next year in the 2013 budget.

Not a single person voted for this budget because it wasn't worthy of a single vote. It would not do anything to change the debt course of America, and they were totally misrepresenting what it would do. It was a sad moment. That is where we are.

My question simply would be, Where was Mr. Lew in this? He was the architect. He was the architect of the budget, but he was deeply involved in the political activities that were going on at this time. It fell to his lot—I am not sure if he asked for it—to come and testify before the Budget Committee and say these kinds of things about it, these words that will live in infamy. Did he just volunteer to do it? Was he so much a part of the Obama political interest he would say whatever it takes to promote a budget that wouldn't work?

Secretary Geithner, President Obama's own Secretary of the Treasury, would not say so. He wouldn't say these kinds of things. He tried not to embarrass the administration, tried not to embarrass Mr. Lew. When I pinned him down, he said this still leaves us on an unsustainable debt course; not fixing our problem as was represented.

Now we want to replace Mr. Geithner, a man who was frank in his testimony about the dangers we faced, with a man who stood by this kind of testimony and statements.

I do believe our country is a bit confused. I believe we are to the point where in politics people think they can say almost anything and nobody cares. Just say this or say that; if it is not true, well, so what. I guess it is just politics.

If we continue in that way, this is a very dangerous trend. It places the entire democratic Republic of America at risk. The whole concept of American Government is based on finding the truth. This is why you have debate in the Senate; open, public debate. The truth, the theory is that it will somehow rise to the top, and it normally will when you have honest debate. You have negotiations on issues, you advocate for your side, and you may begin to reach consensus, sometimes at least.

How can you reach consensus when the person you are negotiating with is insisting his budget does things it absolutely does not do? He is doing that for political reasons, not for the interests of America. How are you able to deal with that?

I think this Senate—as a matter of its own integrity to defend the integrity of the Senate, and, perhaps, more importantly, to defend the integrity of the American people—has a firm and clear duty to insist that high public officials tell the truth when they come before Congress or when they go on national television. He is being paid by the American people. Was he paid to misrepresent the budget or to tell the truth about the budget?

He didn't tell the truth about the budget. Is there a consequence? We just promote him to some other high office because he helped the President win his election by spinning the debt situation in America in a way that is not correct.

Make no mistake, I don't have proof of this. And maybe it is wrong. But it seems to me this was a campaign decision made in early 2011 that they were going to say their budget fixed our debt problems. Why do I state this? Because it was continued periodically off and on and was repeated again in a national television ad by the President of the United States in September 2012 to win reelection. ''Our plan pays down the debt,'' I believe, was the phrase they used in that television ad.

That wasn't true. He didn't have a plan that paid down the debt or didn't add to the debt or put us in a position to pay down the debt. He never had a plan to do that. He didn't.

You say: That is not correct. I will ask my Democratic colleagues—this is a free country, a free Senate—you come down and say if I am incorrect on this. Show me if I am wrong. If I am wrong, I will apologize; but I don't think I am wrong. I have looked at it hard, and I don't think anybody is going to come down and dispute what I have said fundamentally on the details of this budget document.

I thank the Chair for indulging me.

I yield the floor and would note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SESSIONS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. SESSIONS. Madam President, the Lew nomination has not received an enthusiastic response in many quarters, that is for sure—maybe from the hard left, where he has been an advocate of some very hard left views and some inflexibility when it comes to dealing with some of our entitlement programs and welfare programs that have been surging out of control. But this is what some others have said about the nomination.

Larry Kudlow, a commentator on CNBC—who was an economist for the Federal Reserve System of the United States and a former chief economist at Bear Stearns and an employee at the Office of Management and Budget, where he was a chief economist—said this on the radio not too long ago. I guess this was written about by Jeff Poor, a reporter for the Daily Caller.

Larry Kudlow explained why President Obama's nomination of Jack Lew as Timothy Geithner's replacement to head the Treasury Department was a ''nutty appointment.''

If you keep up with business issues and stuff, you will see Mr. Kudlow on TV regularly, and he, like a lot of our commentators, enjoys stirring the pot sometimes, but, as I say, he was a chief economist at Bear Stearns and at the Office of Management and Budget and

an economist at the Federal Reserve. He knows a great deal about the economy. His instinct is what led him to call this a ''nutty appointment.''

Continuing Mr. Poor's quote:

Kudlow pointed to Lew as part of the problem.

Part of the problem as to why we don't have a budget. He said he is part of the problem.

Once again citing the Poor article:

Kudlow cited Lew's lack of qualifications as another reason that President Obama's appointment was ''completely irresponsible.''

Quoting Mr. Kudlow, the article went on to say this:

''You know, this whole thing is kind of centered around the Senate, which hasn't done a budget in 1,351 days—so whatever that is, four years,'' Mr. Kudlow said.

And I will just add that today is the 1,400th day.

Continuing the quote:

''Now the White House might not even submit a budget, and now the White House had taken the budget director and chief of staff and put him over the Treasury, where Jack Lew is completely—and I mean completely unqualified to be Treasury Secretary.''

He is talking about Lew, and sending him to be Secretary of Treasury.

Mr. Poor goes on quoting Mr. Kudlow, who explains:

''He has no financial experience. He has no international experience. He has no currency experience. He ripped off Citibank for a couple million dollars. He was there for one year. I mean, there's about a million people—give me a phone book, and I'll find somebody more qualified for Treasury Secretary than former OMB director Jack Lew. This is all of a piece. It is completely irresponsible.''

Well, that is pretty clear, what he expresses there, what he believes. And I think that is valuable insight.

Are we just making this up? This staffer for Tip O'Neill, the Budget Director of OMB before and now Chief of Staff at the White House, is he really qualified to lead the United States of America in addressing the challenges of our time?

What about the Secretary of the Treasury position? Is that a matter of great importance? The Treasury is one of the four great senior Cabinet positions we have—Attorney General, Defense Secretary, State, and Treasury. The credibility of the Treasury Secretary is his greatest asset, and, as I have said, this statement raises the most grievous doubts about his credibility.

We have had great Secretaries. Albert Gallatin early on, who was a Swiss immigrant, helped create the House Ways and Means Committee and instituted the development of the Treasury. Simon Chase from Ohio stood as one of Lincoln's top aides and was responsible for the civil system of federally chartered banks. William McAdoo, a distinguished businessman, helped create the Federal Reserve System. Andrew Mellon, a brilliant Pennsylvania businessman, served as Secretary of Treasury. Henry Morgenthau, Jr., served as FDR's Secretary from 1934 through 1945. William Simon, a successful businessman, served as Secretary under Nixon and Ford. He supervised the Nation's economic policies in crisis times.

So this nominee doesn't have the kind of background one would normally look for in a Secretary of Treasury, particularly when we are doing so poorly economically. We had a big recession, and we are coming out of it at a slower rate than we perhaps have ever seen other than the Great Depression.

Mr. Malpass testified at the Budget Committee yesterday about the Lew-Obama-Paul Krugman theory of borrowing money and spending money to stimulate the economy and get us out of the recession. All you have to do is look at it and see it didn't work. How much more evidence do you need?

So that is the advice we have been getting there. And this good staffer quality is what our Democratic chairman of the Finance Committee, Senator BAUCUS, seemed to see in Jack Lew during his recent confirmation hearings. He seemed to call into question the necessary stature the position requires and whether Jack Lew met those standards. This is what Senator BAUCUS said to Mr. Lew:

I'm going to ask you—it's clear you'd be a great staffer. I'm not talking about being a great, courageous staffer and telling the President what you think and don't think. I'm talking about something else. I'm talking about the public perception, the public demeanor, representing the United States across the country and around the world, be able to influence policy in a way that makes sense—most of us would tend to agree with. We may differ along the edges, but most everybody in this room agrees that needs to be done.

So even the chairman of the Finance Committee, a Democratic chairman, Senator BAUCUS, with great experience, certainly raised some questions about the nomination.

Madam President, I appreciate the opportunity to speak, and I look forward to Senator KAINE's remarks.

I yield the floor.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. KAINE. Madam President, I ask unanimous consent to speak as in morning business and that the time count against the nomination.

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

ABNORMAL TIMES

Mr. KAINE. Madam President, it is an honor to stand here for my first speech on the Senate floor. I am honored to be part of this body and to speak where hundreds have spoken before and thousands will speak after me.

A normal first speech for a Senator is usually a proactive, forward-looking speech. We are not in normal times. A normal first speech for a Senator usually happens much later, after a Senator has been around for a number of months. We are not in normal times. A normal first speech for a Senator is often in connection with the introduction of a piece of legislation. We are not in normal times. So I am speaking a bit earlier than I would have thought likely when I took the oath of office on January 3, but I am speaking in particular because we are not in normal times, and the abnormality of the times has a huge effect on the Commonwealth I am proud to represent.

In the summer of 2011 Congress passed a bill we are now talking about, a bill dealing with the sequestration cuts of the Federal Government.

There is no precedent I am aware of in congressional history for what is about to happen in 48 hours.

Congress designed a set of punishing, nonstrategic, ugly cuts designed to hurt the economy and hurt individuals and all—however they voted on that bill—did not want these cuts to come into place. So those who voted for the package in the summer of 2011 did not want the sequester cuts to occur and believed we would find, through compromise, an alternative; and those who voted against the package in the summer of 2011 largely voted against it because they did not want these cuts to occur.

So the abnormality of the times is this: Never, to my knowledge, in the history of this body, has Congress designed a punishment that would hurt the lives of regular individuals and that would hurt the economy. It was designed with that knowledge, fully. All hoped it would not happen. Yet we are within 48 hours of allowing it to happen.

The effects this sequester will have on the country and the effects it will have on my Commonwealth are so significant and severe that I do feel compelled to speak a little earlier than I otherwise might have. I would also add I think the effects of these cuts on this institution and the credibility of this institution are equally severe.

What I wish to do in this speech is basically a couple things. I want to talk about the effect of these sequester cuts, if they happen, on regular people. I just returned from a tour around my State and I am just going to share some stories. I want to talk, with some data, about the short-term impacts of these cuts on the broader economy. Third, I want to talk about some long-term impacts, some impacts we are not necessarily thinking of right now but should cause us significant concern. Fourth, there is a way to avoid this, and I want to talk about how we can avoid allowing this self-inflicted wound to occur. Finally, I want to talk about the fact that there is an upside in this moment for us. This is not just about avoiding harming people, hurting the economy. It is not just about avoiding negatives. I think there is an upside for us and for this institution and for this Nation if we do this right.

Let me begin with my tour around Virginia. I am now a brandnew member of the Armed Services Committee, and I sit in a wonderful seat following John Warner, who was there for 30 years, and

Jim Webb, who was there before me. I am no replacement for either of those individuals and I have big shoes to fill. So I decided to take a tour around my State last week and visit the various touch points in the Commonwealth where we interact with our military and our national security.

The map of Virginia is a map of the military history of this country: Yorktown, where the Revolutionary War ended; Appomattox, where the Civil War ended; the Pentagon, where we were attacked on 9/11. We are the most connected State to the military. One in eight Virginians is a veteran—not one in eight adults, one in eight Virginians, from birth to death. Over 100,000 Active-Duty Guard and Reserve, DOD civilians, DOD contractors. By the time we add up all of those and their families and military families, we are probably talking about one in three Virginians.

I went to the places where Virginians work every day, as ship repairers in private shipyards, as Active Duty on naval bases, as DOD civilians working as nurses in Army hospitals, as young officer candidates training in ROTC programs, at VA hospitals. I went around the State, and let me tell you what I heard.

A few miles from here is Fort Belvoir Community Hospital, one of the preeminent institutions that treats wounded warriors. A wounded warrior still on Active service being treated there, his wife sitting right next to him, we talked, and she ventured this: Let's talk about these furloughs of these DOD civilian employees. My husband's nurses are all DOD civilians, and while the sequester protects Active Duty, it doesn't protect the civilians. What is it going to mean to my husband's medical treatment as he comes back from being wounded, injured defending this Nation, if the nurses and health professionals at this hospital are furloughed 1 day a week?

In the same roundtable, another wounded warrior said to me: Boy, the economy is really going to suffer if we have this sequester. We are going to lose jobs, and the economy could shrink. I am a reservist.

He was a wounded warrior as a reservist, waiting to go back into the civilian workforce into a job with a Federal agency that does national security. What is that going to mean to me? Is there a hiring freeze? Is there a pay freeze? Is this a furlough? This wounded warrior was wondering about his economic future.

At the shipyard at Newport News—what a good news story. We Americans, we Virginians, we manufacture the largest items that are manufactured on planet Earth—nuclear aircraft carriers—in that shipyard. What a wonderful American example of ingenuity that is. Yet in looking at these sequester cuts, as repairs and other projects and programs are being scaled back, the workers of that shipyard are asking about the stability of their work and about whether the ships we put out and we put our people on will be truly ready to do the work they need to do.

At another private shipyard, the owner, a small businessman that has a shipyard in Hampton Roads, said: I have 50 employees. The way the Navy plans to deal with sequestration is to dramatically reduce maintenance in the third and fourth quarters of the year. I am going to issue WARN notices to tell 300 of my 450 employees they are not going to have a job. I just don't see how I can run this business without them, but I don't have the business to keep them if these sequestration cuts go through.

At a VA hospital in Richmond, the VA Corps services are protected under the sequester, but they are under hiring freezes. They compete with private sector hospitals to hire nurses and physicians, and they say that is getting tougher and tougher to do. They do research in Richmond about traumatic brain injury, and that research money is not protected from sequestration. So this research that will help us treat our wounded warriors better is in jeopardy if the sequester goes through.

It is not just military cuts. In Head Start, I talk with teachers who are facing significant cuts in programs for at-risk kids, even at a time where, because of the economy, the number of at-risk children in their classrooms is growing and growing and the number of children total in their classrooms is growing and growing.

On Monday a number of us were at National Airport to talk about the effect of sequester on something that is fairly basic, the experience of the Americans by the millions and millions who travel every day in the air: longer lines, potentially higher prices.

This is what Virginians were telling me as I went to talk to them about what we were doing in Washington and the likely consequences they were going to see in their lives. Again and again, what they said to me was go up and find a solution.

I went to a bluegrass concert on Saturday afternoon. I was wearing blue jeans and a Carhartt jacket and I was taking an hour off to listen to a set of music. I sat next to a guy who appeared to be about 80 years old, ramrod straight, energetic. He was a veteran wearing a cap from his Navy service. About halfway through the set he leaned over to me and he said: Now, I know you are here for music. You didn't come here to politic. I said: That is right. I am here for music. He said: So all I am going to say is this. There is not a single thing you are going to do, plus or minus—or not do—that will affect my quality of life. I am fine. But I am telling you, for the good of the country, you ought to go up and figure out a way to get people to work together and find some deal.

So that is what my citizens were saying to me on this trip, just in the last 2 weeks, at every stop: find a deal, work together. Not a single person said: Protect my job, protect my program, protect my priority by making the cuts in other areas worse. Not one person said that. They were asking for a balanced approach, where there would be pain, where there would be a balance of cuts but also revenues, and we would try to tackle this in a targeted way.

Some statistics and thoughts. These are stories from individuals. Now let's look at the immediate impact on the Virginia economy and on other important goals: our military readiness and defense posture.

A couple weeks ago we heard at an Armed Services Committee meeting from Secretary Panetta and General Dempsey as Secretary Panetta was exiting in that role. They had just announced that CENTCOM—the portion of the military that controls the space including Afghanistan—wants to have two carriers in the Middle East to project American force to try to prevent or reduce any dangerous, provocative activities by Iran or anyone else and to protect our men and women in service, if the need should happen. Their military judgment was we needed two carriers and that force there to protect them. But about 2 weeks ago, the DOD Secretary said: We are not going to have two carriers; we are just going to have one.

Thousands of sailors who were on the verge of deploying, many of whom had sublet their apartments, put their cars in storage, sold their cars, cancelled their cell phones, sent families back to other places in the country to stay with their parents, learned within just a very few days it was all being turned topsy-turvy.

Having only one carrier in the Middle East, maybe nothing bad will happen. But when the military leadership of the country suggests we should have two and we decide, because of budget indecision, let's only have one, that sends a message. It sends a message to our friends, it sends a message to those we would be protecting that our commitment is wavering, and it also sends a message to our adversaries that our commitment might be wavering.

We heard many bits of testimony that day from General Dempsey and Secretary Panetta about how our readiness, our ability to respond with flexibility, gets compromised if we don't get this right.

On the National Guard side, I visited a National Guard Army called the Stonewall Brigade in Staunton, VA. Here is something interesting. This National Guard combat brigade, the Stonewall Brigade, their first action as a brigade was 20 years before the French and Indian Wars. Their first action as a brigade was in the 1740s. Since then, they have deployed again and again to protect Americans. Yet they were talking about sequestration affecting their ability to train their people.

One of the individuals who was the commander of that brigade said in a

very powerful way: I am going to send my people, and they are going to do their best, but I would rather send them 100 percent trained than 80 or 85 percent trained. If we act now after we sequester and reduce training, we will be sending people into service 80 or 85 percent trained.

Our DOD civilians, the Pentagon has announced it would take steps to furlough 800,000 civilian employees for up to 22 days a year. In Virginia alone—one State—90,000 individuals, beginning at the end of March, early April, will face the beginnings of furloughs 1 day a week for up to 22 weeks.

There aren't many towns and cities in Virginia that have more than 90,000 people. Yet we would take all those people and put their economic livelihood at risk for the foreseeable future as we try to figure this out. Let me tell you who some of these folks are. These are the nurses who treat our wounded warriors. These are our air traffic controllers who keep us safe in the air. Think of those individuals and the fact that they are trying to make a living for their families and they are trying to do good service for their fellow Virginians and fellow Americans and then multiply that by 90,000, and that is just one State's worth.

We all want a vibrant private sector. We all think the private sector being strong is the key to economic growth. The estimate of most economists is that Virginians, because of sequestration and reductions to private contracting, would stand to lose up to 200,000 jobs, 137,000 on the defense side and nearly 70 on the nondefense side.

The Newport News Shipbuilding company that I announced earlier, the largest industrial employer in Virginia, is preparing to shrink; facing smaller ship repairs and having to issue WARN notices to their employees. We see this all over the Commonwealth.

Educators. Virginia stands to lose $14 million in funding for primary and secondary education, and this is funding that is targeted. It is targeted to funding to the most disadvantaged students, title I funding. One hundred ninety teachers' jobs are at risk and about 14,000 fewer disadvantaged students will receive these services. In a particular passion of mine, Head Start and early childhood education, 70,000 students nationally will lose their spaces in early childhood education Head Start because of the sequester; about 1,000 of those are in Virginia.

The statistics are grim, and these aren't just numbers on a page or numbers in a budget book. These are parents who are sitting at a kitchen table already worrying about how to make ends meet and finding that they are going to have 1 less day of work every week, potentially, for the next 20 weeks or people who spent their lives in shipbuilding and they are going to be given WARN notices, with no clear indication of when their company or other companies might start hiring again.

Those are the short-term impacts. Let me talk, for a minute, about some long-term impacts because these are the stories that aren't necessarily in the newspaper. But as I listened to my constituents last week, they made this case, and they made it in a way I found to be pretty compelling.

When the decision was announced about the USS *Truman* not being deployed, there was a 20-year-old airwoman aviator on the carrier who was quoted in the newspaper as saying: I was so excited to be on my first deployment for my country. I want to have a military career, but I am starting to think that might not be realistic.

We have a whole generation of young people who serve in the military, and they are our future generals and Joint Chiefs of Staff and future Deputy Secretaries of Defense and Secretaries of Defense in that leadership corps. They have decided they want to devote their future to protecting the Nation. But what is happening in this building is making them believe maybe this is not a realistic career choice.

I spoke to ROTC students at the University of Virginia. These are folks on the verge of commissioning as officers in all four primary service branches—Army, Marine, Air Force, Navy—and I spoke to them last week and one of them said this to me. I found this very chilling.

> I am training to be an officer because I want to serve my country and guess what, I am willing to put myself into harm's way to known hostilities and unknown hostilities in the world, to serve my country. But I have to ask myself, am I willing to put my career at risk by making a career choice to pursue a path when I do not have confidence that the civilian political leadership of the country has a commitment to me and to my colleagues?

Being willing to face hostilities and enemy fire—they signed up for that. But as they think about their military careers, whether they would do their 4 years and leave or whether they would make a career out of it, the message we send from this building and this Capitol about whether we are committed to them is one of the factors they utilize to try to make their decisions.

Similarly, students around this Commonwealth and country who are thinking about being early childhood educators would wonder about the future of early childhood or Head Start programs. In a really funny interchange with some welders and the president of the shipyard, the Newport News Shipyard, which is run by Huntington Ingalls, he said: If we do layoffs or scale back and we lose nuclear engineers for the subs and carriers, they can find other jobs. In fact, the president, Mike Petters, a good friend, said: It is easier for this company to replace me, the CEO, than it is to replace a nuclear engineer.

But if our commitment to shipbuilding and ship repair and ship refurb is questionable and a nuclear engineer has other career options and they have to analyze which career option they should pick, or a welder has other career options—and all do—and they have to decide which career options they pick, we will find it down the road increasingly difficult to have the kind of talent we need to do the jobs that need to be done to protect this Nation if we are not sending them a signal that we can find compromise, find agreements, and provide funding in an appropriate way for these critical services.

Here is the good news. The good news is we can avoid this. In fact, we have an obligation to avoid this. I was a little bit surprised when I came to the Senate to learn some things I did not know. I thought I was an educated observer. I was a little bit surprised, for example, that in the Budget Act that deals with how budgets are written, the budgets do not even go to the President. It is purely congressional. When the House and Senate pass a budget and then when it is compromised, it is purely congressional. Appropriations acts of course go to the President for signature, but they never get there unless Congress does them.

So while everyone has a responsibility to try to make this right, and the President and his team definitely have a responsibility, this is a congressional constitutional responsibility. There is a unique legislative prerogative for us to get this right and for us to avoid the self-inflicted damage to the economy and to people that every last person who voted was sure would not occur. Again, I say we are in a unique situation where we have designed a punishment and we would allow that punishment to affect individuals and our economy. I do not think there is a precedent that would be similar in the history of this body.

In order to address it, we have to find a balanced approach, as my citizens were telling me, and not gimmicks. No more sequester or supercommittee, no more continuing resolution. There is a process. We should follow that process. The process involves compromise. The process involves listening. And we need to do it.

I will say one more thing about why it is important that we do it, and not just for the economy. A lot of people think we are broken. I was struck in talks to some of my citizens that for as many people as do not like the current President, no one says to me that the Presidency as an institution is broken. For as many people as do not like this or that decision of the Supreme Court or the judiciary, no one says to me they think the judiciary is broken. But the third branch of government—really the first branch of government, we are first in the Constitution, the legislative branch—many people look at this potential sequester and other similar things and they worry about whether we are broken. So we not only have a constitutional obligation to fix it, we really need those of us, and all of us who care about this institution in the Capitol, we have to do our part to fix it.

The good news is that we can. Let me show you what we have done already by way of dealing with our fiscal challenges, and especially tackling deficits so we can try to get our balance sheet more in control. I have three very simple charts that are pretty easy to follow.

Congress, both Houses, and the President, have taken thus far, 2010 to now, steps that have reduced the deficit going forward over a 10-year period by about $2.4 trillion. This is how this has been done. I get no credit for this because this all happened before I got here. This is what Congress has done over the last couple of years to reduce our deficit path and bring us closer to balance to the tune of $2.4 trillion. We have done spending cuts of about 60 percent of the total. Because of some of these other actions, we have been able to project a savings in interest payments of another 14 percent. And with the decision at year end on the expiration of the Bush tax cuts and the bipartisan compromise that resulted, we have put in new revenue of about 26 percent of this total. All you have to know from looking at this chart is it is balanced.

We could argue the ratio. We might like it more red, more green, more blue. We could argue about the ratio. But it is a balanced approach of revenue, of spending cuts and of interest savings. That is what we have done already, and I give praise to the Members of Congress and the President who have been able to take that step.

But we all know we have more to do. So now that test is before us and that challenge and chore is on our table. We have more to do and there are two alternatives we will likely be debating and voting on within the next couple of days in this body, a Democratic approach and a GOP approach to how do we do more. That is because most would agree if we have done about $2.4 trillion of deficit reduction already that we need to do about another $1.5 trillion or so over the course of the next 10 years. We will be voting on one proposal tomorrow that has been advanced by the Democratic majority. That says we will additionally close our deficit over the course of this year. We will do it in a way that will push us forward to finding a bigger solution. And we will do it in a balanced way: 50 percent through new revenue, closing some corporate tax loopholes that have outlived their usefulness, raising rates at the top end for a very few Americans who can afford it. I talk to Virginians and they know we can afford it. So 50 percent of our additional deficit reduction would be on the new revenue side and 50 percent would be on spending cuts—spending cuts, many of which have already been agreed to in this body.

One of the core kinds of spending cuts—and it is important here—the spending cuts in the proposal we will vote on tomorrow are not across-the-board pain for everybody equally because everything is not worth everything else. They are targeted spending cuts, the right kind of spending cuts. So, for example, this body last summer voted on a farm bill to reduce significantly farm subsidies. It was bipartisan, Democratic and Republican votes. That bill died on the House side, but that notion that we can save money and that we should, that had bipartisan support, that is in the spending cuts component of the package we will talk about tomorrow, and that is the Democratic approach.

Is it magic? No, it is not magic. You might argue about the ratio. You might argue about the items. But the key to it is, just as what we have done so far to reduce the deficit by $2.4 trillion has been a balanced approach, the approach we will vote on tomorrow on the Democratic side is a balanced approach.

There is also a Republican approach, or approaches. It was a little bit unclear as I took the floor whether there will be a single bill or multiple bills. But the GOP approach to this, which they laid on the table and which we will also debate and vote on, is, as you will see, all spending cuts. They might be different spending cuts from those in the sequester. In the context this will emerge. But there is no revenue in this approach. It is not a balanced approach, and I argue, based on what we have already done with the $2.4 trillion, the right way to do this is to do it in a balanced way. That is the right thing for the economy. It is the right thing to soften the effect of these cuts. It is the right thing to make sure that people's lives are not needlessly turned topsy-turvy.

Can we save? Sure we can, and we should. But you cannot fix a balance sheet on just one side of the balance sheet. You have to look at both sides of the balance sheet, and I think that is what we will be debating over the next couple of days.

I have been thinking about this, and the last thing I will say before I close and talk about an upside is, when I was home in Richmond over the weekend after this week-long tour, knowing we would be coming here today to debate about these proposals, something happened in my hometown that I want to recommend to the contemplation of my colleagues here in the Senate. Virginia had been wrestling for two or three decades about what to do about transportation because it would be good for the economy for us to invest in transportation.

I will be candid and even sheepish. I was the Governor of Virginia and I strived for 4 years to get my legislature to do something meaningful, to invest in transportation, and aside from a few modest wins here or there I never was able to convince my legislature to do what I thought needed to be done.

Saturday in Richmond, 90 miles from here, 4 days ago, my Republican Governor, Bob McDonald, a friend, a Republican House of Delegates, overwhelmingly Republican House of Delegates, 2 to 1, and a Republican Senate—it is a split Senate 20–20 but there is a President who breaks ties who is a Republican Lieutenant Governor so it is a Republican majority body—Republican Governor and Republican legislature decided to do something to benefit the economy and here is what they did. They did a package of $880 million of revenue for transportation, annually when fully phased in, and 80 percent of the package is new revenue and 20 percent is spending cuts in general fund programs that would be repurposed to transportation.

For them to do that, they had to make a hard decision. For them to do something that was balanced, because an individual whose name is often mentioned in Washington, Grover Norquist, said can you not do this without violating your pledges, and others said it would be anathema to ever raise a tax or fee and it will be politically damaging and it will be economically wrong, and a Republican Governor and a Republican legislature looked at them and said: The right thing to do to benefit our economy is to take a balanced approach. And by an overwhelming majority in both Houses, supported by Republicans and Democrats and celebrated with excitement by a Republican Governor, this is what happened, 90 miles from here a few days ago in order to benefit the economy.

A transportation package is not a precise analog to what we are wrestling with here, but it is pretty close. This was a step that was taken to benefit the economy. It was done in a balanced way. We are faced with a fundamental decision about whether we are going to benefit the economy or whether we are going to intentionally allow something to happen that will hurt the economy. I think the lesson for what happened in Richmond is the economy benefits from a balanced approach and an imbalanced approach is not going to be the way we get to a solution that is good for the economy and good for people.

The last thing I will say is this. Much of my discussion has been about trying to avert bad things—people being furloughed, people losing their jobs, small ship repair yards potentially having to close, wounded warriors not having the nursing care they need, students eligible for Head Start not being able to go into classrooms, Guards men and women not receiving the kinds of training they need to go into the field and be fully prepared—much of what I have described has been about trying to avert negative consequences.

But the best part of all is I think we are in a unique moment where it is not just about averting the negative. I think we can do something that will have a positive effect, that will avert negative consequences, certainly, but by getting some certainty and by showing a spirit of compromise and cooperation, we will be sending a message from

this body that will have a positive effect on the economy.

There are some who see signs of the economy showing some strength. The stock market is doing pretty well. It is a bit volatile every day, but where are we on the stock market? We are doing pretty well. There was news about the housing prices and housing market coming up. Consumer confidence has been stronger than expected. These have not yet congealed into the trends we hope to see, but there are signs and there is evidence that we have an economy that is ready to achieve some lift.

If we look at our global competitors, we see that there are some weaknesses. This is a lesson I heard preached again and again by my senior Senator as he talked about global economies around the world. Senator WARNER talks about how Europe and the Euro Zone has its challenges, the Japanese economy has its challenges, and the Chinese economy has not been quite as strong as it had been. Our major global competitors are not just clicking on all eight cylinders.

If we do something right now, it will send a message throughout the economy that we are not only open for business, but there is a balanced approach that can be reached by a Senate and a Congress that is willing to work together and put country first and do what is right for the economy. I think we have every reason to believe we will not only avert the negative consequences I spent the last half hour talking about, but we will take those positive trends in the economy and put some more healing into the economy.

We will see some more lift that could be significant. We will see more of that cash that is in bank accounts invested back into the American economy. We will put some distance between ourselves and some of our other global competitors. This is what is at stake for us if we get this right.

It should be enough for us to do the right thing and find a balanced approach to avoid hurting people and to avoid hurting the economy. We will not only get an additional benefit if we act in a balanced way—because I believe we will avert those consequences—but we will see our economy lift in a more accelerated way.

I will conclude by saying this: This is a moment where we have a choice to make. I was with Leader REID an hour or two ago, and we sat through a beautiful ceremony where a statue was unveiled of Rosa Parks. One of the speakers talked about a very humble and pedestrian setting where she had a decision to make. The decision was, Do I just do what has always been done? Do I just kind of keep drifting into a situation that I know is unjust and unequal or do I decide to do something different?

We are drifting toward something that is very bad, something that Members of Congress believed strongly when the bill was first put in place should not happen and would harm people and would harm our economy. That is the moment we are in right now, a moment to make a decision.

The decision is, Do we allow ourselves to drift in a way that hurts people or do we choose a balanced approach that will help people, strengthen the economy, strengthen our budget, strengthen our ability to create jobs, and strengthen the reputation of this body?

Thank you.

I yield the floor.

The PRESIDING OFFICER (Mr. HEINRICH). The Senator from Virginia.

CONGRATULATING SENATOR KAINE

Mr. WARNER. Mr. President, I rise very briefly to commend my friend of 33 years for his maiden speech and thoughtful exposition of the challenges which face our country. I have had the opportunity to know and work with TIM KAINE since we were in law school together. There is no one who is brighter; there is no one who brings more relentless optimism to any challenge. He is going to be a great addition to the Senate.

I know so many colleagues from both sides of the aisle have come to admire his intellect, his fairness, and his willingness to always do the right thing. I just wanted to rise briefly to commend my good friend. I know it is his first speech, but it will not be his last.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. I would like to add my congratulations to the junior Senator from Virginia for his maiden speech. We knew when he decided to run that he would be an outstanding Member. As his speech showed, he is living up to those high expectations. His speech was thoughtful, relevant, and showed both sides of the issue. That is the kind of trademark the junior Senator from Virginia has, and we look forward to working with him in the future.

I yield the floor.

The PRESIDING OFFICER. If no one yields time, the time will be charged equally to both sides.

Mr. SESSIONS. Mr. President, I wish to continue to share my concerns about the appointment of Mr. Jack Lew to be the Secretary of the Treasury of the United States, one of the four senior Cabinet positions that are so important to America.

I have delineated how he proposed the budget in 2011. He announced on CNN and several other Sunday morning shows—this is when he was going to introduce the budget the next day, and he was giving a preview of it.

> ''Our budget will get us, over the next several years, to the point where we can look the American people in the eye and say, we're not adding to the debt anymore; we're spending money that we have each year, and then we can work on bringing down our national debt.''

Now, that would be a thing to celebrate. But I am convinced that he and the White House officials had met and they decided they weren't going to change the tax-and-spend and deficit policies of the United States, but they knew that wasn't going to be popular after 2010's shellacking of big-spending politicians. So what did they decide to do? They decided to prepare a budget that made no real change in the spending trajectory of America, continuing us on, as Secretary Geithner said just a few weeks later, an unsustainable course, while telling the American people they did what they wanted.

As I indicated earlier, this budget he presented never had a single year in the 10 years of that budget in which the deficit fell below $600 billion. That is larger than any deficit President Bush ever had in his 8 years, and it was going up during the last 5 years.

They said the deficit would go up $740-some-odd billion in the 10th year. The Congressional Budget Office took their very same proposals—the independent CBO—and concluded that it would be $1.2 trillion in the 10th year, in debt—a totally unsustainable debt course and getting worse in the outer years.

So I am very much of the belief that this Senate should not accept a man for the Secretary of the Treasury, to promote him to that august position, who makes this kind of representation about the budget he prepared as Director of the Office of Management and Budget. The budget got zero votes in the House twice and zero votes in the Senate twice. It has been panned by editorial boards all over America. He has been at the center of the political financial maneuvers of the Obama Administration from the beginning.

A lot of people are wondering why an agreement hasn't been reached around here: Why don't you agree? It is hard to agree if the man you are negotiating with is as out of contact with reality as the Wall Street Journal said of Hosni Mubarak shortly before he fell in Egypt. So I am baffled by it.

I wish to share now a few more thoughts about how this sequester we are talking about so much now happened, how it came about, and Mr. Lew's role in it. In fact, he designed it. He proposed a budget later in February 2012 that would eliminate it, and now he denies ever creating it in the first place. From Bob Woodward's book—he studied this carefully and talked to people, and I saw him on television this morning being quite firm about this. He has written a recent op-ed piece explaining the situation.

This is what Bob Woodward said in his book ''The Price of Politics'':

> Lew, Nabors, Sperling and Bruce Reed, Biden's chief of staff, had finally decided to propose using language from the 1985 Gramm-Rudman-Hollings deficit reduction law as the model for the trigger . . . It would require a sequester with half the cuts from Defense, and the other half from domestic programs.
>
> Later in the negotiations, Obama adviser David Plouffe reportedly said that he couldn't believe that Republicans were going to agree to any deal with sequester as a trigger.

Who started this? According to Mr. Woodward, no doubt about it, it was Mr. Lew.

In a recent op-ed in the Washington Post, Bob Woodward quoted Lew in saying this:

There was an insistence on the part of the Republicans in Congress for there to be some automatic trigger . . . [it] was very much rooted in the Republican congressional insistence that there be an automatic measure.

Woodward went on to say:

The president and Lew had this wrong.

That is what I just read about him saying the Republicans insisted on it. Mr. Woodward said in his piece:

The president and Lew had this wrong. My extensive reporting for my book ''The Price of Politics'' shows the automatic spending cuts were initiated by the White House and were the brainchild of Lew and White House congressional relations chief Rob Nabors.

Was Mr. Lew correct in insisting somebody else did it, or he and the White House?

Furthermore, on Senator BURR's questioning of Lew at the February Finance Committee confirmation hearing, Woodward says:

[Senator] Burr asked about the president's statement during the debate, that the Republicans originated it.

That is, the sequester.

Mr. Woodward writes this:

Lew, being a good lawyer and a loyal presidential adviser, then shifted to denial mode:

''Senator, the demand for an enforcement mechanism was not something that the administration was pushing at that moment.''

That is how he handled that in the committee. Did he give a straight answer? No.

Then, during the negotiations for compromise that people had been hoping would happen for really the first 4 years of President Obama's administration because we are on an unsustainable path, and it is not going to be fixed without leadership from the President—if he opposes it, the Democratic majority in the Senate will not pass it. You can put that down. They have not bucked him one time and won't buck him on a comprehensive financial settlement to put America on a sound path. We have seen that the whole time. We have Senators meeting and talking and indicating they might agree, but fundamentally they are looking over to 1600 Pennsylvania Avenue. They don't want to break rank with the President. That is just the way it is.

So Lew was now the top negotiator for President Obama. He has been called an ''obstructer of compromise.'' Reportedly, more than any other person in the room, Lew sabotaged agreement. Jack Lew has a long history of showing a failure to compromise on the drivers of the debt, the kinds of spending programs that are out of control, and we have to look at them. We can't have fundamental, large programs growing at three times the rate of the GDP, three times the rate of the economy.

Going back a long time ago, when Speaker Gingrich and now-Ohio Governor John Kasich—Kasich chaired the Budget Committee, and Mr. Lew was a deputy in President Obama's OMB office. Mr. Kasich reportedly told President Obama's economic adviser Gene Sperling at the White House that Lew ''did not know how to get to yes.'' That is Kasich's view of it.

A recent National Journal article on Lew quotes former Senator Judd Gregg, who chaired and was ranking member on the Senate Budget Committee, of which I am ranking member today. Judd Gregg, a highly respected Senator who didn't seek reelection and remains a very valuable contributor to the national discussion on debt and spending, said this:

''He's like a labor-union negotiator. He's not going to give you an inch if he doesn't have to . . . He's a true believer in the causes.''

Well, that is apparently what we have been having because we can't ever get to an agreement that would do something significant.

The same National Journal article went on to say:

By causes, Gregg means Medicare and the rest of the social safety-net. These are the progressive ideals close to Lew's heart, friends and former colleagues say . . .

So Medicare, Medicaid, and food stamps have been growing at very rapid rates, and they are very large programs. And all of them, every program, can be examined, looked at, and we will find waste, abuse, fraud, mismanagement, and they can be reduced. But Mr. Lew said no.

When it came to the sequester, let me remind my colleagues that food stamps, which have gone from $20 billion in 2001 to $80 billion in 2012—11 years—went up four times. There is no way to make that program better? We have the inspector general finding fraud in some of these programs. Medicaid has been rising well above the economy's growth rate, and it definitely has the potential to be reformed and made more efficient. Not a dime was cut from food stamps. Not a dime was cut from Medicaid. Only 2 percent was obtained from Medicare, but it was taken in a way that just cut the payments to doctors and hospitals, which is not going to be able to be maintained much longer, experts tell us.

What kinds of examples do we have from Bob Woodward's book ''The Price of Politics''? This is what he says:

[Brett] Loper [House Speaker John Boehner's policy director] found Lew obnoxious. The budget director was doing 75 percent of the talking, lecturing everyone not only about what Obama's policy was, but also why it was superior to the Republicans'.

That is Woodward's take. He goes on to say:

[Barry] Jackson [Boehner's chief of staff] found Lew's tone disrespectful and dismissive.

He goes on to say:

Lew was incredulous when he considered the Republican proposal as a whole. The changes they were considering sounded simple. But the speaker's office was laying down general principles and looking to apply them to extremely complex programs. The devil was always in the details.

Boehner was sick of the White House meetings. It was still mostly the president lecturing, he reported to his senior staff.

The other annoying factor was Jack Lew, who tried to explain why the Democrats' view of the world was right and the Republicans' wrong.

Look, when you are in a negotiation, it is not the time to have an argument over what your world view and my world view is. What you have to try to do is find out: Aren't there some things we can agree on that are consistent with both our world views and get us in a position so we can reach an agreement to save the Republic from financial disaster.

Why would not the Office of Management and Budget Director, unless he believed this bogus, phony statement—which he does not; he knew it was not accurate—why would he not want to do something historic and try to get America on a sound course? It was within the grasp.

So Mr. Woodward goes on:

''Always trying to protect the sacred cows of the left,'' Barry Jackson said of Lew, going through Medicare and Medicaid almost line by line while Boehner was just trying to reach some top-line agreement [on what they could do].

It was a very unsatisfactory situation. An agreement that could have been reached, I think, was not reached. And you keep looking around for fingerprints about how it fell apart, and it looks as though Jack Lew was the person doing that.

Mr. Lew is ideologically driven very strongly. That has become more clear as I have looked at the data and researched his background.

During the 2011 debt ceiling negotiations, Lew reportedly would not entertain even an idea by Senate Republicans that included any reforms to Medicaid. Everybody knows Medicaid has to be reformed. This is a health care system for poor people. Governors all over America are up in arms about Federal regulations and restrictions. The program had been surging in cost. It needs to be evaluated and improved. It has to be. It had no changes whatsoever in sequester because Jack Lew said no.

The publication Politico reported that ''Democrats and progressives''—progressives are, apparently, not liberals. Progressives are folks who—I do not know. One of the things progressives do is they tend to be postmodern and they pretend not to pay much attention to the meaning of words. They have an agenda, in my observation, and they interpret the Constitution or the laws of the United States—well, they are more flexible. What do you want it to mean today? They are not into the plain meaning of words so we can have a common understanding of what people mean when they sign an agreement or pass a law.

Anyway, Politico reported that ''Democrats and progressives'' were ''cheering Office of Management and Budget Director Jack Lew's promotion to White House chief of staff, saying he has a decades-long history of protecting entitlement programs—especially Medicaid—

It goes on. Politico reported that:

Lew played a crucial role in protecting Medicaid from the across-the-board cuts that would take place if the supercommittee didn't get a deficit deal—which it didn't. When Senate Minority Leader Mitch McConnell's aides pressed for including Medicaid as part of the sequester during a last-minute conference call, Lew shouted, ''The answer is . . . No, no, no!''

So this has not been a healthy situation. This country is now in a fix. We have the sequester that is hammering us and disproportionately and unwisely mandating cuts on the Defense Department.

We can do better than that. Mr. Lew wanted that. He got that. Maybe he knew all along the White House was not going to agree to the things that would make this system work better and maybe, therefore, put us on a sound path and, he was quite happy to have the Defense Department—one-sixth of the government—get half the cuts and happy to protect huge segments of the government from any cuts.

Well, you cannot cut our interest payment. We do not want to cut Social Security, but need real reform that puts the program on a sound basis.

So that is how we got into this fix.

I would say to my colleagues, if you believe the President's budget that Mr. Lew submitted on CNN on February 12, 2011—if you believe he was correct to say: ''Our budget will get us, over the next several years, to the point where we can look the American people in the eye and say we're not adding to the debt anymore; we're spending money that we have each year, and then we can work on bringing down our national debt,'' then you should vote for him. If you think that is a true statement, I would like to have somebody explain to me how it is true. And if it is not a true statement, should not the Congress of the United States, the U.S. Senate, stand up and say we cannot accept high government officials giving us this kind of answer?

With his budget, the lowest deficit we would have had is $600 billion. We would have added $13 trillion to the national debt over 10 years and maintained, as Secretary Geithner said, this Nation on an unsustainable debt course.

Mr. President, I see my colleague, the assistant Democratic leader, Senator DURBIN, and I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I thank my friend from Alabama for yielding the floor.

SEQUESTRATION

I rise today to join many colleagues who are expressing concern over the impact that sequestration is going to have on America and on my State of Illinois.

We are just days away from a budgetary perfect storm that we created. We have to come together to have a more balanced and sensible approach to reducing the deficit. I was on the Simpson-Bowles Commission, nominated by Majority Leader HARRY REID. I served with 17 others—6 by the President, and 6 each from the House and the Senate, Democrats and Republicans equally divided. We considered the deficit crisis facing America. And it is serious. We borrow 40 cents for every $1 we spend. That is unsustainable. No family could continue with that kind of a regimen, no company could, and certainly no nation can.

So we have to have deficit reduction, but we need to do it thoughtfully.

First, we do not want to do it too quickly. I just met downstairs with a group from Illinois. They are civic and business leaders from the Quad Cities area in western Illinois. We talked about the fact that we are in an economic recovery but a slow one, one that is taking hold but slowly. We need to take care that whatever we do does not jeopardize economic recovery.

Right now, downtown the Federal Reserve Board is trying to keep the economic recovery moving forward and jobs created. The way they are doing that is keeping interest rates low, so it is cheaper to borrow what is needed for a home or a car or a business. That is not good news for senior citizens on fixed incomes who want to see higher interest rates. But what they are trying to do is fuel capital and business expansion. That is the Federal Reserve.

Meanwhile, what is going on in Washington, not too far away from the Federal Reserve—a few blocks away at the Capitol—is the opposite message. What we are hearing from Members of Congress is that we need to cut spending.

Cutting spending at this moment in time means cutting jobs at this moment in time, which means fewer people paying income taxes and more people drawing government benefits. That is not the recipe for economic expansion.

So at opposite ends of Washington, we have contrasting approaches to the current economy. We are neutralizing all of the work being done by the Federal Reserve and by our austerity program here when it comes to our budget. And what is about to occur on Friday is an across-the-board spending cut. People say: Fine, cut spending. But it is also a cut in jobs—jobs in the civilian sector as well as the public sector. And that, to me, is short-sighted.

We need a deficit reduction plan that is sensitive to the state of the economy, that invests at this moment when we need it, but makes certain we are going to be reducing spending in the outyears. We are doing just the opposite. We should build on the $2.5 trillion deficit reduction we have accomplished in the last several years with President Obama. But we need to do it thoughtfully, to ensure that all the national priorities—such as defending our Nation, education, and health care—can succeed in the 21st century.

As the new chairman of the Defense Appropriations Subcommittee, the looming impact of the sequestration on the Department of Defense will be significant. Indeed, contractions in defense spending are already impacting the national economy and are affecting operations for our men and women in uniform at home and overseas.

For the first time since the spring of 2009, the Department of Labor reported that the U.S. economy actually shrank by one-tenth of 1 percent. That is largely due to a 22.2-percent decrease in national defense spending.

The Department of Defense has already implemented a civilian hiring freeze and is eliminating 46,000 temporary jobs.

Last week, the Congress was notified that the Department of Defense will notify 800,000 civilian workers they are about to be laid off. These workers will not be paid one day a week for the rest of the year. That equates to a 20-percent reduction in their income.

These civilian and temporary workforces are not just bureaucrats at the Pentagon. In fact, 86 percent of the workforce I am describing resides outside of Washington, DC. These are civilians working for our Department of Defense who literally fix the equipment in our depots and arsenals. They are teachers for our schools, training the children of military families, counselors, police officers, medical professionals, blue-collar wrench turners and maintainers at our military bases.

The impact of sequestration is already being felt not just here in this country but overseas. I just returned last week from a whirlwind tour—I am still recovering—over to Africa to visit Uganda, Djibouti, and then into the gulf into Bahrain.

I saw firsthand the men and women in uniform who are defending our interests, pursuing our missions, and the impact of sequestration. In Uganda our U.S. military is currently training Ugandan military forces to take down a notorious leader of the Lord's Resistance Army, Joseph Kony. They are making significant progress; however, their mission is so important to increasing stability in a difficult portion of the world, and it could be sacrificed to a sequester.

In Bahrain, home of the Navy's Fifth Fleet, I met with ADM John Miller. He took me on these ships, and I met with our great sailors, the men and women in our naval forces who are keeping America safe and watching some of America's most threatening enemies. They have already cancelled deployment of a second aircraft carrier to the gulf. We were going to have the Truman come to the gulf and supplement our naval forces in the Fifth Fleet. It has been cancelled because of sequestration. Why? Because the Navy had to hold the Truman in reserve to save the money. This is just one example of how you can't contain the effects of sequestration. So there will be one carrier out there protecting our men and women in uniform. There should be two; that is the safest thing to do. Due

to the budget cutbacks that will not be possible.

As Secretary Panetta stated recently, the Pentagon is facing a perfect budget storm—sequestration nearly halfway through a fiscal year coupled with a potential yearlong continuing resolution. If sequestration isn't averted—it goes into effect on Friday—it will impose senseless across-the-board cuts on almost every account in the Department of Defense as a result of Congress's inability to devise a more responsible solution.

The second issue in the continuing resolution we have had for the last 5 months—and the threat of the Pentagon having to do so for another 7 months under a potential yearlong CR. What is a CR? The CR is a snapshot of last year's budget bill applied to this year. Does that make sense?

Last year we were building a ship. This year we completed it. This year the budget says keep building the ship. It is finished. To merely replicate the same budget from last year and say we are extending the CR is wasteful. It doesn't make any sense whatsoever.

The Pentagon's fiscal year 2012 budget is a lot different than what they need in 2013, particularly in readiness funding. When we hear the Pentagon tell us the first thing we have to do is cut back in readiness, let's translate that into language that average people would appreciate.

Right up there is a door to the gallery in the Senate Chamber. A few years ago a nephew of mine named Michael had a summer job working that door. I like Michael a lot. The reason he worked that job for a few weeks was he just enlisted in the Army, and we wanted to give him a few bucks in his pocket before he took off. He is a great kid. A big smile on his face and off he went. He became part of the Mountain Division out of Fort Drum, and he was assigned to Afghanistan.

The whole family—and we have a pretty big family—was waiting, hoping, and praying for Michael's safe return. We had one thing going for us: not only the fact that he was young, strong, and determined, but he had been trained. Readiness equals training equals survival. The Pentagon has told us sequestration will cut back in readiness and training.

What if it were your nephew, your son, husband, wife, or daughter? Would you want the best training before they were sent into action? Of course you would. Readiness and training are essential for a military ready to respond when it is called on. When we cut back in these areas, we jeopardize the chance of success of a mission, and we reduce the likelihood of their being ready and surviving any combat they might face. It is very shortsighted.

General Dempsey, Chairman of the Joint Chiefs of Staff, stated: ''Readiness is what's now in jeopardy. We're on the brink of creating a hollow force.''

That is sequestration. In the operations account alone, the account associated most closely with a hollow force, the combined effect of sequester and a yearlong CR will leave a shortfall of over $40 billion in the last 7 months of this year.

As the department protects warfighter needs in Afghanistan and troop pay, as they should, the impact necessarily falls disproportionately on the rest of the Department, no matter how important their mission.

For our troops, sequestration will mean an immediate impact on training and readiness. Eighty percent of Army combat units will have to delay their training. Fifty-five percent of Marine Corps combat units will have unsatisfactory readiness ratings. Navy ship deployments will be cut by nearly 25 percent.

Sequestration would also mean significant cuts to family support programs. It isn't just the soldier who goes to war; it is the soldier and the soldier's family who go to war. The Pentagon provides mental health, suicide and financial counseling, and critical services to military members and their families. While the Department is going to try its best to protect these programs, these services are going to be sharply reduced under sequestration.

Let's not come to these hearings and lament the incidence of suicide in the military, as horrific as it is, and then turn around and say: Well, you will never notice the sequestration cut when it comes to counseling for PTSD and mental issues facing our military. Yes, we will. We need to be sensitive to these military members and their families.

The Defense Health Program will face a shortfall of $2.5 billion under sequester. The Department is projecting there may not be enough funding to cover health care access for some military retirees. We are also looking at significant job loss in the industrial base. They are going to be felt in high-tech defense industry as well as blue-collar workforces across the country. The Navy estimates 30,000 private sector workers will be laid off or reduced in pay, and repair of ships, aircraft, and maintenance of facilities and equipment will be affected. The Army has estimated 5,000 layoffs at its own depots.

These are just preliminary. The list goes on. From those workforce reductions in the intelligence community, we don't know the overall impact of our Nation's safety. As we meet in the comfort and safety of this Chamber, there are Americans—men and women, some of them civilian contractors—who are working for our military and intelligence agencies who are watching the threats to the United States every single second, every minute, every hour, every day.

We don't want to shortchange them because in doing that we shortchange our protection, our defense. Every State is going to feel these job losses.

The day before yesterday I was at Scott Air Force Base near Belleville, IL. At that base, the Rock Island Arsenal in the Quad Cities and Air Guard units across Illinois—Springfield, Peoria—the effect is going to be significant: 15,000 civilian personnel in Illinois will be furloughed for 22 days over the next 7 months, essentially a 20-percent pay cut. That means $52 million is coming out of the pockets of those working families in my State who are trying to get through the worst recession we have had in decades.

About 1,500 of these civilian furloughs are Guard technicians. These people are the backbone of the National Guard in every State with critical maintenance and training responsibilities. There might have been a day in the distant past when we could say, well, it is just the National Guard. We have learned better. When it came to Iraq and Afghanistan, it was America's Reserves and National Guard who stepped up. Time and time again, deployment after deployment, they went into action, and we were proud of what they did. To shortchange them when it comes to this basic maintenance and reliability is shortsighted.

The loss of Guard and Reserve training in Illinois is equivalent to almost $20 million lost. Delaying or canceling necessary military construction means it will cost more in the future to the tune of about $27 million. In the Quad Cities, the Rock Island manufacturing hub could lose $197 million in workload. These cuts don't make sense—not for Illinois, not for America.

I want to talk about what sequestration means for civilian families in my State of Illinois. The across-the-board cuts that are scheduled to begin on Friday will work a real hardship on families, children, and the elderly. Seventy thousand young kids across the country will be kicked out of Head Start. Head Start is the pre-K program which gets young kids off on the right foot, to enable them to learn when they arrive in kindergarten and school. Mr. President, 2,700 preschoolers in Illinois will be eliminated from the program because of sequestration.

Loan guarantees for small businesses are way down. That is the engine of our economy, one of the best job creators. They are going to be cut by $540 million nationwide. Fewer jobs, less innovation, less economic growth. In just a single recent year, more than 2,300 small businesses used these loan guarantees in Illinois, and now there will be a dramatic reduction.

If sequestration takes place, the food we eat is going to be at least threatened, if not slowed down; 2,100 fewer food inspections will occur, putting our children at risk and costing many jobs in the food production industry and definitely slowing down production.

The Centers for Disease Control estimates each year roughly one in six Americans, about 48 million people, get sick; 128,000 are hospitalized; and 3,000 die of foodborne diseases. Is food inspection important? You bet it is. It is clear we need more food inspection in

the United States, not less, as the sequestration would cause.

Up to 373,000 mentally ill adults would be prevented from receiving necessary treatment, putting them at risk of hospitalization, crime, and homelessness.

Cuts to medical research would mean delays in finding cures to heart disease, cancer, and Alzheimer's, which are so important to every family in America. Illinois alone will lose $38 million in funding for medical research and innovation as a result of the sequestration.

How badly will it set back research and innovation? This is how the head of NIH under President George W. Bush described it:

> We are going to maim our innovation capabilities if you do these abrupt deep cuts at NIH. It will impact science for generations to come.

The National Science Foundation would issue nearly 1,000 fewer research grants and awards. This translates to $20 million less for scientific research in my State.

A recent National Science Foundation grant helped build and support the National Center for Supercomputing Applications at the University of Illinois. What a dynamo of job creation this is, and now we are cutting it back.

This center hosts several supercomputers which are used to model and solve some of the most serious engineering challenges facing us in the world. Health and nutrition services would be dramatically reduced putting women, children, and the elderly at risk.

I know what the other side said. Peggy Noonan, the great speech writer who appears on television regularly—and I disagree with her politics, but I admire her writing skills immensely—says: We are living in a government of ''freak out'' and the President is trying to freak us out by telling us all the terrible things that are going to happen as a result of sequestration.

I have news for Ms. Noonan. These are real cuts. They will be noticed. They will have a long-term impact. If the President didn't speak out about what these cuts meant, he would be derelict in his own important responsibilities. I am glad he is telling us. I am glad the American people see it coming, and I hope, as they see it coming, they will join us in a way of trying to avoid it and find a better approach.

As many as 376 fewer Illinois women will be screened for cancer because of these cuts; 5,576 fewer children will receive lifesaving vaccinations; $764,000 less will be spent to provide seniors with basic Meals on Wheels. The list goes on.

That is the bad news. Is there a way out of it? There will be. The Senate will get a chance to vote tomorrow. The House has decided in a very curious move to basically leave town and ignore this. They passed two bills last year which have expired. They don't even apply anymore, and Speaker BOEHNER announced earlier this week, well, it is now up to the Senate.

I am not sure if things have changed. I was paying pretty close attention, but under the Constitution I believe we have a House and a Senate. Unless we have gone to some Nebraska model, a unicameral model, there is nothing we can do in the Senate to cure this problem alone. We need to have the cooperation of the House. The Speaker can't wash his hands of this and walk away, which, apparently, he suggested he could earlier this week.

We are going to come up with a balanced approach, one that makes a lot more sense than what I have just described. It is going to be a combination of spending cuts—yes, there will be some—and increased revenues. We are going to close some loopholes which benefit wealthy individuals and big corporations. We can replace sequestration, which I have just described, and avoid the damage and cuts and still achieve deficit reduction.

In January, Congress agreed to use a balanced mix of spending cuts and new revenues to delay sequestration to March 1. Congress agreed on a bipartisan basis to split it 50–50 between taxes and spending cuts. Leader REID voted for it, as did Speaker BOEHNER. Senator MCCONNELL, the Republican leader, voted for it, as well as Leader PELOSI. Senate Budget Committee chairman PATTY MURRAY voted for it, as did House Republican Budget Committee chairman PAUL RYAN. This bipartisan approach of equal cuts and tax increases apparently had the wholesome bipartisan support in both Chambers.

The American people agreed, incidentally, that it makes sense. Those who have been successful in America—God bless them. They have done well. Many of them have created big businesses and jobs. It is not unreasonable to ask them to pay back some, particularly if they happen to be in those income categories like a man I know named Warren Buffett, one of the wealthiest people in America. He has said over and over again there is something wrong with the tax system when he pays a lower tax rate on his income than his secretary. I think he is right.

The change we are making to come up with revenue basically is to apply the Buffett rule. The money you make over $1 million is going to be subject to higher taxation, up to $5 or $6 million. That money will be captured over the next 10 years to enable us to reduce the deficit and reduce the impact of sequestration. It would close that loophole, a loophole which I think needs to be closed and is long overdue, and the American people agree we should close other loopholes—oil and gas company loopholes, for example, offshore tax haven loopholes.

In line with these priorities, the Senate Democrats tomorrow will put forth a balanced approach to avoid sequestration for the rest of this year and give Congress more time to pass a long-term budget agreement. Our bill would ensure that millionaires are not paying a lower tax rate than the people who work for them or the janitors who clean their offices. The Buffet rule is an important step in reducing the inequality in the Tax Code.

Even as our economy has recovered, this inequality, unfortunately, has grown. A recent study found the top 1 percent of income earners captured 121 percent of the income gains in the first 2 years of the recovery. They were the first to get well in a big way. What about the rest of America? The top 1 percent captured 121 percent of the income gains, and the other 99 percent fell further behind. Let us reverse this once and for all. This income inequality is inconsistent with balanced economic growth. The Senate Democrats' plan also closes tax loopholes that actually cut taxes for companies that move factories overseas. I cannot imagine why there would be a reward in the Tax Code for a company in America that decides to offshore its production and lay off American workers. If they want to do that, if that is a corporate decision to make more money, it shouldn't be with the incentive or the reward of our Tax Code. That is a tax policy that should be put to rest once and for all.

On the spending side, our bill cuts wasteful direct payments in our agricultural programs, and I come from an agricultural State. Those direct payments should come to an end. They are made to farmers in good times and bad. This is not a safety net. In many instances, it is a windfall. We made this a part of the farm bill—the bipartisan bill that passed the Senate—and we include it in this approach for deficit reduction.

The Pentagon has to play a role in further deficit reduction, and they know it. I have long said we need to make smart cuts in defense programs, not the sequestration approach. The Senate Democrats' bill includes these smart defense cuts and, importantly, delays them until after we have ended the war in Afghanistan next year.

This choice should be an easy one for every Senator and every American. We simply have to choose. Are we for national security, education, infrastructure, and innovation or are we for special interest tax loopholes, subsidies and giveaways? That is what it boils down to.

For over 200 years, our national values have reflected that we want to stand together when it comes to keeping America strong, educating our children, leading the world in research, and building the infrastructure for the 21st century. Our votes tomorrow will be an indication of whether we still believe that.

We were never supposed to be at this moment in time. We weren't supposed to face this sequestration. It was supposed to be such a parade of horribles we would do everything we could to avoid it. We voted for it on a bipartisan basis, sent it to the President, and he signed it into law. I know he felt—and

he said it publicly—it would never reach that point. Well, it has reached that point. Now the question is, Are we going to throw up our hands and say that is the way Washington works now?

We lurch from one crisis to the next. The crisis this week is sequestration. Three weeks from now it will be the continuing resolution. This is no way to run a government and it is no way to run a nation. I implore the Speaker and all the leaders on both sides of the aisle, for goodness' sake, don't say it is the other guy's responsibility. We have to come together and solve this problem. That is why we were sent here.

I yield the floor.

The PRESIDING OFFICER (Mr. COONS). The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I rise to speak on the nomination of Jack Lew to be the Secretary of the Treasury. Am I in order to do that?

The PRESIDING OFFICER. The Senator may proceed.

Mr. GRASSLEY. Mr. President, the problem we face with Mr. Lew's nomination is that the Senate does not have answers to very basic and factual questions about Mr. Lew. How can we make an informed decision on his nomination if we don't have answers to basic questions?

Let me provide several examples, starting with New York University. He worked for this tax-exempt university and he was given a subsidized $1.4 million mortgage. Mr. Lew claims he cannot remember the interest rate he paid on his $1.4 million mortgage the tax-exempt New York University gave him.

Does that pass the laugh test? I asked Mr. Lew to provide details on the mortgage to Congress. He refused repeatedly to provide full details and documentation of this taxpayer-subsidized mortgage. The explanations he did provide were needlessly complex, making it almost impossible to understand the structure of his loan.

What is he hiding? Why can't Congress get a straight answer out of this nominee to be our next Secretary of Treasury?

When Mr. Lew was executive vice president of New York University, the school received kickbacks on student loans from Citigroup. Then Mr. Lew went to work for that same Citigroup. When I asked Mr. Lew if he had any conversations with Citigroup about these kickbacks while he was at New York University, he once again ''could not recall.'' I asked for any documents related to his involvement in the kickbacks and he refused to search for them.

Did those conversations occur? We don't know.

On Monday, the New York Times uncovered a $685,000 payment that New York University gave Jack Lew on his way out the door. The New York Times called the payment ''unusual.'' It is a shame Mr. Lew failed to provide these details as part of his confirmation process, leaving us to rely on the press to dig out the details.

He told the committee he received ''severance pay'' from New York University but did not disclose the amount. The dictionary defines severance pay as: ''A sum of money, usually based on length of employment, for which an employee is eligible upon termination.''

Was Mr. Lew terminated? If so, why was he terminated? If not, was the severance package truly a parting gift from the university? I don't know the answers to those questions because Mr. Lew was not forthcoming with the answers.

When it comes to questions about investments in the Cayman Islands, things get even less transparent. Mr. Lew claimed he did not know Ugland House was a notorious tax haven. He claims he did not know he had his money in the Cayman Islands. He claims he was not aware of any Citigroup Cayman Islands account.

Again, this does not pass the laugh test. President Obama and Chairman BAUCUS have highlighted Ugland House as a problem over a long period of years. When Mr. Lew was at Citigroup for years he signed documents which disclosed the fact that he was investing money in the Cayman Islands.

This is his distinctive signature, right here; the Ugland House description here, and the Grand Cayman name here. It is very obvious this signature doesn't belong to anybody else. It has been highlighted, and there have been a lot of newspaper articles about it. How are we going to have that signature on the dollar bill if he gets to be Secretary of Treasury?

So everybody knows to whom that belongs. Yet with all this information, he is telling the committee he doesn't know anything about the Cayman Islands or where his money was going.

We have so many more questions for Mr. Lew.

This is what the Wall Street Journal said last week in reference to Mr. Lew's past:

> Investor in Cayman Islands tax haven? Check. Recipient of a bonus and corporate jet rides underwritten by taxpayers at a bailed-out bank? Check. Executive at a university that accepted student-loan kickbacks toward a favored bank? Check. Excessive compensation with minimal disclosure? Check.

Mr. Lew's eagerness and skill in obtaining bonuses, severance payments, housing allowances, and other perks raise very serious questions about whether he appreciates who pays the bills. How will he approach the burden on taxpayers to pay the government's bills? Will he act as cavalierly toward the taxpayers as Treasury Secretary as he did at Citigroup and New York University?

But despite all these questions, we are right now, this very day, rushing ahead to a vote on this nomination. Clearly, these questions don't matter to Mr. Lew's supporters because they are confident they have the votes. Unfortunately, they even have some assistance from my side of the aisle. But transparency and sunlight are essential for Congress and for the American people because with transparency and sunlight comes accountability.

Those supporting Mr. Lew today better not expect any real answers out of him in the future if he will not answer these questions before confirmation. Whether we serve on the Finance Committee or on any other committee, we must do our constitutional job of oversight. We pass laws and we appropriate money and so we have a responsibility as Senators to make sure the laws are faithfully executed, which means we have to get answers from Cabinet people or people generally in the executive branch of government. If there are questions about the seriousness of faithfully executing the laws, faithfully spending the money we appropriate, we must ask questions. Do you think we will get answers from Mr. Lew after he becomes Secretary of the Treasury if he will not answer questions before his confirmation?

The larger problem, though, may be that when Mr. Lew actually does try to answer a question, he confirms our concerns. For example, when Mr. Lew was caught with the Cayman Islands bank account, he said: Well, I didn't make any money. Apparently, there is now a brandnew standard. It is OK to invest in ''the largest tax scam in the world''—and those are the President's words about the Cayman Islands and Ugland House, the largest tax scam in the world—so long as you don't make any money. That is the new standard.

When Mr. Lew was asked about New York University's investment in Cayman Island investments, again he could not recall them. Mr. Lew received over $1.2 million in his final year at New York University. He was hired specifically to run the business side of New York University. Yet despite all this, he claims he had no specific knowledge of where NYU's money was being invested.

When I asked Mr. Lew if he could explain morally his decision to take almost $1 million from an insolvent company supported by taxpayers, he could not answer. He said this to me: ''I will leave it to others to judge.'' Mr. Lew refused to explain why he thought the bonus was justified. Since Mr. Lew could not answer that question, today I answer it for my colleagues, as they consider a ''yes'' or ''no'' vote on this nomination.

It is important we hold members of this administration equal to the standards they set for everyone else. When it comes to oversight, I don't think anybody is going to question this Senator is an equal opportunity overseer, because I raise these same questions about oversight whether we have a Republican administration or a Democratic administration. I believe it is important to hold members of this administration equal to the standard they set for everyone else.

Let's look at that standard. In the past, the President has railed against

the ''fat cats'' on Wall Street. Today, the President nominates a man who took a bonus from a bailed-out, financially insolvent bank. The President has constantly complained about the high cost of college tuition. While Mr. Lew was at NYU, the university increased tuition nearly 40 percent while he was getting paid more than the New York University president.

In the not-so-distant past, the President has called the Ugland House ''the biggest tax scam in the world.'' Today, he nominates a man who invested there. In fact, the President has repeatedly railed against the Cayman Islands and Cayman Islands investments.

Mr. Lew is a serial Cayman Islands investor. On his watch, Citigroup invested money there, New York University invested money there, and he invested his own money there.

I believe it is essential to hold everyone to the same standards they set for others. For these reasons, I vote NO on this nomination.

Mr. President, 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. SESSIONS. 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. SESSIONS. Mr. President, as we review the Lew nomination—I think all of us should ask a number of questions about any nominee. One of them deals with their professional competence, their proven integrity, and their good judgment.

Senator GRASSLEY has invested a good deal of time working on and understanding some of the things that happened when Mr. Lew was at Citigroup, the bank that apparently had the largest losses of any of the Wall Street banks, and it was not a good tenure there. He was a financial adviser; and it shows that, to the extent he has had any real banking experience, his experience has proven not to be successful. It is like the football player who might have played some games but he lost.

In early 2008, Mr. Lew became a top executive in the Citigroup Alternative Investment Unit, which houses hedge funds and private equity investments. News reports indicate that massive losses in this department played a role in leading to a Federal bailout of Citigroup—his department.

One troubling aspect of Mr. Lew's department was that he was betting against the taxpayers. That is what the experts conclude: Citigroup, under Mr. Lew's leadership, was betting on the collapse of the housing market.

Simon Johnson, an economist at MIT and a liberal, testified before our Budget Committee and said this about the crisis:

> This mismanagement of risk was comprehensive in that organization.

He was talking about Citigroup, their mismanagement of risk was comprehensive. On January 16, 2009, Citigroup announced a loss of $18.7 billion, the same day that taxpayers bailed out Citigroup with $301 billion in loan guarantees. What a dramatic event that is, and was.

Mr. Lew's previous experience as an adviser at Citigroup provides a pretty good indication that he was in the wrong place and didn't perform well under these circumstances.

The day before the taxpayers came to Citigroup's rescue, Mr. Lew received a bonus. The President has been vigorous in attacking those who received Wall Street bonuses. He said it was wrong and it shouldn't happen. And in this case, he is exactly right: Mr. Lew should not have gotten this bonus. But it doesn't seem to bother the President to promote this man to Secretary of Treasury.

Here is what happened: Mr. Lew received a bonus, for the mismanagement that occurred there, in an amount exceeding $940,000. Almost a $1 million bonus. How many people do you know who get a $1 million bonus? The bonus was in addition to the $1.1 million salary he was paid for his work at Citigroup.

One news account of this event, citing that Securities and Exchange Commission filing, states this:

> His unit lost billions of dollars in 2008 as its bets turned sour. In the first quarter of 2008 alone, the unit lost $509 million. The company stopped publicly disclosing the unit's individual numbers thereafter, but the part of the company that absorbed alternative investments lost $20.1 billion in 2008.

We should be concerned about Mr. Lew assuming the role as America's top financial adviser and economic advocate. He has told us to be concerned about this, if we would listen to him. During his confirmation hearings before the Budget Committee in 2010 to be Director of Office of Management and Budget, Mr. Lew was asked his views on the Wall Street financial collapse which he was smack dab in the middle of. What did he say about that?

Well, he said, Senator, when we discussed it, I mentioned to you I do not consider myself an expert on some of these aspects of the financial industry. My experience in the financial industry had been as a manager, not as an investment adviser. I would defer to others who were more expert in the industry and parse it better than that.

In other words, he disclaimed any real knowledge of the business. If so, how did he get the No. 1 job? Was it because of his political connections to the Clinton administration? And when he got a bonus to leave Citigroup, he only got that bonus if he was going to the Federal Government—the kind of crony capitalism that Larry Kudlow has so raised questions about.

Mr. Kudlow's question: Why did Citigroup allow him to have a bonus when he departed the bank, when he led one of the worst divisions in the history of any banking department—any bank, ever—and he only got that if he was going to work for the government?

And Mr. Kudlow knows Wall Street. He knows people all through Wall Street. You have seen him on television nightly. He was an economist for the Federal Reserve, an economist for the chief economist for the Senate Budget Committee at one time, and worked for the Office of Management and Budget. He raises the question of crony capitalism. Why?

Maybe Citibank, and the Wall Street financial community in desperate straits, thought: Wouldn't it be nice to have our guy move over to the White House, be right in the President's office and be Director of Office of Management and Budget? We are glad to see him go over there and we are glad to pay him $1 million. Maybe he will take our phone calls.

That is what Mr. Kudlow was talking about. And the Wall Street Journal—the Wall Street Journal believes in a free market. They are not opposed to people making a bonus. The Wall Street Journal sensed in his maneuverings an unhealthy crony capitalism deal, where people move back and forth from businesses and they use their government connections to advantage the business they left or they might return to. It is unhealthy. It is not free market capitalism; it is crony capitalism. It is not good.

The President was against all these bonuses and he is against a lot of this, and we are going to have an open administration, but he doesn't seem to worry about that.

So, such experience as Mr. Lew had demonstrates a lack of financial success, dramatic failures, in effect, $20 billion in losses in 2008 alone; but yet he got a $1 million bonus.

There is another matter of great importance. I remember when it happened. Judd Gregg from New Hampshire, former chairman of the Budget Committee, former ranking member of the Budget Committee—long-time member of that committee—worried about the future debt and unsustainable financial path of America and came up with an idea. In 2003, he proposed legislation, which was enacted, that placed a legal requirement that the President of the United States submit legislation if Medicare trustees—the people who run the Medicare Program—issue a funding warning for the program as part of their annual report. If America's trustees see they are on a funding path that is unsustainable and dangerous for Medicare, they shall formally notify the President of the United States. This would require the President to analyze the problem and submit legislation to Congress to see if we can't put Medicare on a sound path.

That is a simple event. Shouldn't we thank Judd Gregg for that? This provision has been commonly referred to as the Medicare trigger, and it is intended to ensure that steps are taken to shore

up the program's finances before it is too late.

President Bush was the first one to receive that warning when he was in office, and he submitted legislation to deal with the Medicare crisis. He complied with the law.

The law states this:

> If there is a Medicare funding warning made in a year . . . the President shall submit to Congress, within the 15-day period beginning on the date of the budget submission to Congress under subsection (a) for the succeeding year, proposed legislation to respond to such warning.

This is in the United States Code. When I say it is in law, it is in the United States Code. It requires that to occur. And it makes ever so much sense, does it not? Shouldn't we be worried about a program as important to Americans as Medicare? Shouldn't we be honestly dealing with it? Wouldn't Congress want to know what the President's plan is to fix it? He doesn't get to dictate that, but he gets an opportunity to lay out a vision to how to place it on a sound path.

Why wouldn't he want to do that? What objection should he ever have to that? He ''shall'' submit this, according to the law. President Bush did. But by contrast 2012—last year—marked the fourth consecutive year the Obama administration failed to submit such a legislative proposal despite the clear and unambiguous legal obligation to do so.

They say: We think we offered something with our Patient Protection Act—ObamaCare—and we do not have to do it.

They don't get to decide. The question is Medicare trustees—they said the warning is in effect. They sent the notice to the White House. And this is when the President's action is triggered. Mr. Lew, if he is confirmed, will be chairman of the Medicare trustees, as Secretary of Treasury of the United States. That is one of his top responsibilities.

So for 2 of those 4 years, 2010 through 2011, Jack Lew was the Director of the Office of Management and Budget. He also served in that office in part of 2012. As Director, he was the person responsible for drafting and submitting fiscal proposals and complying with budget law under 31 U.S. Code, section 1105. That is his duty, legally.

The House and Senate Budget Committees as well as a strong majority of the Senate Republican conference have written letters asking the Obama administration to respond to the Medicare trigger, the Medicare warning, and submit legislation to Congress dealing with Medicare's funding shortfall, as the law requires. But to this day they have not complied, just refused, just as the Senate majority here refused to produce a budget in 4 years even though the U.S. Code calls for a budget to be submitted.

Meanwhile, the nonpartisan Medicare Actuary, who is a person who is really good with the numbers on Medicare and has great respect in the Congress, projects that on its current course, Medicare faces a $36.9 trillion unfunded obligation over a 75-year period. Yet the President's most recent budget submission would actually increase Medicare spending relative to the current law, putting the program in an even more unsustainable position.

Yesterday I joined with Senator CORNYN and 20 other Republican Senators in sending another letter to the President on this matter. We wrote this:

> During his testimony before the Finance Committee, Mr. Lew was asked about your administration's failure to abide by federal law while he served as OMB Director. Mr. Lew stated that the decision not to comply with the law was made prior to his service at OMB. We find it stunning and noteworthy that so far Mr. Lew has not provided adequate responses to congressional inquiries on the matter. Congress needs a clearer understanding about his role in the violation of this law, including exactly when Mr. Lew became aware of this legal requirement and what counsel, if any, he provided the Administration on whether it should comply with the law.

That is what was written, and of course they have not responded. I suspect they have no intention of responding. They have not responded before. I ask, should we not consider this before we advance him from the position of chief of staff to the Chairman of the Board of Trustees of Medicare, who has a duty to protect the program? And he will not even respond to the legal mandate that they lay out a proposal to fix Medicare when it is in a dangerous, unsustainable path, as it is today.

There are other matters I would mention, but I see my good colleague Senator SANDERS here.

I will be pleased to yield at this time.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. SANDERS. I thank the Senator from Alabama for yielding. I also intend to vote against Jack Lew to be our next Secretary of the Treasury but, in fact, for very different reasons than my colleague from Alabama.

Let me begin by stating that I have had the opportunity to speak with Jack Lew in my office on several occasions. It is very clear to me that Jack Lew is a very intelligent person. He is a very serious man. I applaud his many years of public service to our country. Furthermore, I believe that this afternoon he will be confirmed by the Senate. But I have to say that he will not be confirmed with my vote. The reason for that is that at this particular moment in American history, we find ourselves in the most difficult economic moment since the Great Depression.

The reality is—and we do not talk about it too much, the media doesn't talk about it too much, but most people understand—the great middle class of this country is disappearing. Poverty is extraordinarily high. Over 46 million Americans are living in poverty. At the same time, while the middle class collapses and poverty is extraordinarily high, the wealthiest people in this country are doing phenomenally well and we are seeing record-breaking profits for large corporations.

The question is—given the fact that the Secretary of the Treasury is one of the most important positions in our Government, having enormous powers unto himself in addition to being a key adviser to the President, the question is, Is the new Secretary of Treasury prepared to take on the increasingly powerful oligarchy that controls the economic and political life of our Nation and stand with the working families of America who are being battered and beaten up every single day? I do not believe by any stretch of the imagination that Jack Lew is that person.

This is the economic reality we are confronting today, and this is the economic reality we need a Secretary of Treasury to work with the American people to improve. We have the most unequal distribution of wealth and income of any major country on Earth, worse than at any time since before the Great Depression. Today the wealthiest 400 Americans own more wealth than the bottom half of America—150 million people. Four hundred to 150 million. Do I believe Jack Lew sees this as a serious problem he is going to address? I do not.

Today one family, the Walton family—one of the major welfare beneficiaries in America because they pay their workers such low wages and provide such poor benefits that many of their workers are on Medicaid, food stamps, assisted housing—that one family owns more wealth than the bottom 40 percent of American families. Do I believe Jack Lew is going to say: Wait a minute, that doesn't make sense, we have to change those policies. No, I do not.

Today the top 1 percent owns 38 percent of the wealth in America, which is incredible unto itself. But even more incredible is that the bottom 60 percent own less than 3 percent of the Nation's wealth. This is not only a moral issue, it is not only an economic issue because when you have that kind of wealth and income disparity, working families are not going to have the money to spend to buy goods and services to create jobs, it is also a political crisis because as a result of Citizens United, this 1 percent can now spend unlimited sums of money to elect those candidates who support their agenda and to create terror on the floor of the Senate on the part of any Member who is going to vote against their interests. Gee, should I vote to deal with the greed on Wall Street if Wall Street is going to pour millions of dollars against me in my reelection campaign?

Do I believe Jack Lew as Secretary of Treasury is going to begin to address the issues of income inequality and wealth inequality in this country? Not for a second do I believe he will do that.

While the wealthiest people are doing phenomenally well, the Federal Reserve reported last year that median

net worth for middle-class families dropped by nearly 40 percent from 2007 to 2010. Can you believe that? It dropped by 40 percent. That is the equivalent of wiping out 18 years of savings for the average middle-class family.

This is even more incredible, and it is absolutely important. I get tired of being one of the very few people up here who talk about it. I hope there will be some other Senators who will talk about what is, in fact, one of the major issues facing this country—income and wealth inequality.

In terms of income, here is a fact that is literally beyond comprehension. The last study on this subject showed that from 2009 through 2011, 100 percent of all new income went to the top 1 percent. All of the new income generated went to the top 1 percent, while the bottom 99 percent—those include some pretty wealthy people—actually saw a loss in their income. What that tells us is that it almost doesn't matter that economic growth now is obviously low. It is not as high as we want it, but it almost doesn't matter because all of the new income generated by this economic growth is going to go to the top 1 percent. Do I think this is an issue Jack Lew is going to address? No, unfortunately, I do not.

Real unemployment in this country is not what the papers report—7.8 or 7.9 percent. Real unemployment is over 14 percent if we count those people who have given up looking for work or who are working part time when they want to work full time—some 23 million people. Have I heard one word from Jack Lew about the need to come up with programs to put millions of people back to work immediately, including the young people whose unemployment rate is higher than that of the general public or people of color who are also economically suffering? I have not.

Millions of people are still underwater on their mortgages, and millions more have seen the American dream of home ownership turn into a nightmare of foreclosure.

The next Secretary of Treasury will be facing enormous challenges. Let me mention just a few. The next Secretary of Treasury will play a central role in regulating and overseeing Wall Street and large financial institutions. Let's never forget that as a result of the greed, recklessness, and illegal behavior on Wall Street, millions of Americans lost their jobs, their homes, their life savings, and their ability to send their kids to college. That is all attributable to the greed and recklessness and illegal behavior on Wall Street.

We need a Secretary of Treasury who does not come from Wall Street but is prepared to stand up to the enormous power of Wall Street. We need a Treasury Secretary who will end the current business model of Wall Street, which is operating the largest gambling casino this world has ever seen, and demand that Wall Street start investing in a productive economy where businesses actually produce real goods and services and create jobs. Do I believe Jack Lew is going to be doing that? No, I do not.

In my view, we need a Secretary of the Treasury who will understand that when the largest banks in this country have become even larger, it is time to break them up. Do I believe Jack Lew will work to break up these huge financial conglomerates? No, I do not.

Today the 10 largest banks in America are bigger than they were before the financial crisis began. You may remember that we bailed out Wall Street because they were too big to fail; that if these banks went under, they would take a significant part of the American and world economies with them and the taxpayers of this country had to bail them out. Now we find that every single one of the top 10 financial institutions today is larger than they were when we bailed them out some years ago because they were too big to fail.

Today the six largest financial institutions in this country—JPMorgan Chase, Bank of America, Citigroup, Wells Fargo, Goldman Sachs, and MetLife—have assets equal to two-thirds of the GDP of this country—over $9.6 trillion. Six financial institutions have assets equal to two-thirds of the GDP of the United States of America. These six financial institutions issue two-thirds of all of the credit cards, half of all of the mortgages, control 95 percent of all derivatives, and hold nearly 40 percent of all bank deposits in this country.

Do I think this issue—this concern—is something Jack Lew will address? Not in a million years. While millions of Americans continue to struggle through the worst economic crisis since the 1930s, Wall Street is doing phenomenally well today. They caused the recession, we bailed them out, and now they are doing phenomenally well. Financial institutions made over $143 billion in profits in 2012. It was the most profitable year on record with the exception of 2006, just before the economic meltdown. Incredibly, the financial industry now makes almost half of all nonfarm corporate profits in the United States—up from about 10 percent in 1947.

As someone who has worked hard to elect Barack Obama on two occasions, I remain extremely concerned that virtually all of his key economic advisers have come from Wall Street, and Jack Lew is no exception to that.

Let me be clear. It is not just because Mr. Lew served as a chief operating officer at Citigroup during the financial crisis; it is not just because Citigroup awarded Mr. Lew a $940,000 bonus as he was leaving to join the State Department; it is not just because Citigroup received a total of $2.5 trillion in virtually zero-interest loans from the Fed or that the Treasury Department provided Citigroup with a bailout of more than $45 billion during Mr. Lew's tenure at Citigroup; I am opposed to Mr. Lew's nomination because of the views he now holds about Wall Street and the financial bailout.

On September 22, 2010, when I asked Mr. Lew at a Budget Committee hearing if he believed deregulation of Wall Street significantly caused the crisis—something that almost all economists agree with—here is what he said:

> I don't believe that deregulation was the proximate cause. I would defer to others who are more expert about the industry to parse it better than that.

At his confirmation hearing at the end of this month, Jack Lew called the Glass-Steagall Act ''anachronistic,'' and said that the Dodd-Frank Act had ''effectively'' dealt with the issue of too big to fail. I could not disagree more.

In my view, we don't need another Treasury Secretary who thinks that the deregulation of Wall Street did not significantly contribute to the financial crisis. We need someone who will stand up to these huge financial institutions on behalf of the American people, small businesses, and working families and say enough is enough: Wall Street, you cannot continue to operate the way you are.

The next Treasury Secretary will be the lead negotiator for the President on how to reduce the deficit, an issue we are all concerned about. Here is the issue: Do we balance the budget by cutting Social Security, Medicare, Medicaid, education, nutrition, and programs that middle-income and working families depend upon? We could do it that way. PAUL RYAN, chairman of the House Budget Committee, will come up with that proposal, and it will mean huge suffering for tens and tens of millions of families who are already hurting. That is one way we could do deficit reduction.

First of all, I think that approach is way out of touch with what the American people want. The American people have been very clear: They do not want cuts in Social Security, they do not want to cut veterans programs, and they do not want to cut Medicare or Medicaid.

The American people have also been clear that at a time when the wealthiest people and largest corporations are doing phenomenally well, when their effective tax rates are the lowest in decades, when they enjoy huge loopholes that enable them to avoid paying their vast share in taxes, the American people say: Those guys have got to start paying their fair share.

All of us will remember a few years ago when Wall Street was on the verge of collapse because of their greed and recklessness. They came crawling to the Congress and the taxpayers of America and said: We are Americans; we love America; bail us out. Congress—against my vote—bailed them out.

Now these same corporations that told us how much they love America are not only shipping our jobs to China and other countries, they are stashing their profits in the Cayman Islands,

Bermuda, and other tax havens and avoiding their responsibility as taxpayers. Offshore tax schemes have become so absurd that one five-story office building in the Cayman Islands is now the home to more than 18,000 corporations. Everybody knows what that is about. All that is is a mail drop for corporations. They don't exist there; they are just using that address as a means to avoid paying taxes to the United States and other countries.

Let me give a few examples of some of these large corporations and what they have done to avoid paying American taxes at a time when revenue today, as a percentage of GDP, is almost at the lowest it has been in decades. The choice is to cut Social Security, Medicare, and Medicaid, or ask enormously profitable corporations to stop using loopholes to avoid paying taxes. I will give just a few examples, although I could give many examples.

In 2010, the Bank of America—one of the largest financial institutions in this country, an institution bailed out by the working families of this country when they were on the verge of collapse—set up more than 200 subsidiaries in the Cayman Islands, which, by the way, has a corporate tax rate of zero, so they can avoid paying U.S. taxes. How is that? We bail them out, they run to the Cayman Islands, set up 200 separate subsidiaries in order to avoid paying taxes to America. It is time for Congress and it is time for the Secretary of Treasury to address that issue. In a million years do I think Jack Lew is prepared to do that? No, I don't. We need a Secretary of Treasury who will do that.

Not only did the Bank of America pay nothing in Federal income taxes, but in 2010 it received a rebate from the IRS worth $1.9 billion that year. They pay nothing in taxes, they are enormously profitable, they were bailed out by the American people, and then they get a rebate from the IRS for almost $2 billion. Then people say: We don't have enough revenue; we have to cut Social Security; we have to cut nutrition programs for hungry children. Yet when one of the largest financial institutions in the country gets a rebate and doesn't pay any taxes, at least for some of my colleagues, that is okay.

In 2010, JPMorgan Chase operated 83 separate subsidiaries incorporated in offshore tax havens to avoid paying some $4.9 billion in U.S. taxes. That same year Goldman Sachs operated 39 subsidiaries in offshore tax havens to avoid an estimated $3.3 billion in U.S. taxes. Citigroup—where Mr. Lew actually worked—has paid no Federal income taxes for the last 4 years after establishing 25 subsidiaries in offshore tax havens. On and on it goes.

Wall Street, which was bailed out by the American workers, caused the recession, is now enormously profitable. Its CEOs get huge compensation packages, but when it comes to paying their taxes, suddenly they love the Cayman Islands. My suggestion is that the next time these crooks destroy their banks and need to be bailed out, let them go to the Government of the Cayman Islands to get their bailout and not the taxpayers of the United States of America.

Let me conclude by talking about trade for a moment because the Secretary of the Treasury gets involved heavily in trade issues. Trade is not a sexy issue, but it is an enormously important issue. I think it is important for all of us to understand that our current, unfettered, free-trade policy has been an unmitigated disaster for the working people of this country. Last year our trade deficit was more than $540 billion. Permanent normal trade relations with China—remember when that came up? Oh, my goodness, we are going to open up the Chinese market, we are going to create all kinds of jobs in the United States, we are going to sell all of our products to the large population in China. Well, not quite. Not quite. PNTR with China led to the loss of nearly 3 million American jobs, and the NAFTA agreement led to the loss of nearly 1 million American jobs as large multinationals continue to throw American workers out on the street and move to China, Mexico, and other countries where workers are paid pennies an hour.

In 2008, I supported then-Senator Barack Obama when he told the AFL–CIO in Philadelphia the following:

> What I refuse to accept is that we have to sign trade deals like the South Korea Agreement that are bad for workers. What I oppose—and what I have always opposed—are trade deals that put the interest of multinational corporations ahead of the interests of American workers—like NAFTA, and CAFTA, and permanent normal trade relations with China. And I'll also oppose the Colombia Free Trade Agreement if President Bush insists on sending it to Congress because the violence against unions in Colombia would make a mockery of the very labor protections that we have insisted be included in these kind of agreements. So you can trust me when I say that whatever trade deals we negotiate when I'm President will be good for American workers, and they'll have strong labor and environmental protections that we'll enforce.

That was Barack Obama, candidate for President in 2008. Unfortunately, President Obama signed those bad trade deals into law while Mr. Lew was the Director of the Office of Management and Budget. As a result, more American jobs have been lost and our trade deficits for all of those countries have gone up. In my view, we need a Secretary of Treasury who will work to fundamentally rewrite our trade policies to ensure that American jobs are no longer our No. 1 export. Do I believe Jack Lew will be that person? Not a chance.

I will conclude by simply saying this: This country faces the most difficult economic times since the Great Depression. Tens of millions of working families, seniors, and children are struggling every single day to keep their heads above water while the wealthiest people are doing phenomenally well and large multinational corporations are enjoying record-breaking profits.

Because of all the money Wall Street and these large profitable corporations have, they are investing in the political process, putting in huge amounts of money—hundreds and hundreds of millions of dollars—to elect candidates who will represent their interests and not the interests of the average American.

Now is the time to have people in the Obama administration who are going to stand with the American people, stand with workers, stand with seniors, and have the courage to take on the big money interests that are causing so many problems for our Nation. In my view, Jack Lew is not that person and I will vote against him becoming our next Secretary of Treasury.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, I will just say that I share some of the views of Senator SANDERS. I believe he said we need to stand up to the oligarchy that controls our economy and is involved in depressing wages. I would say most businesses like to pay their employees all they can, but it is better to not pay them more and they look for good workers at lower wages and that is the way they work and that is their interest. We can't look at the big corporations for objective analysis on how to create an economy that serves working Americans. If one thinks that, one is not truly a free market person as I like to see myself. I guess Senator SANDERS sees more of a government-dominated economy and would have the same skepticism about how it works.

So I think we do need to ask ourselves a good deal about what is happening when working Americans have not seen their wages increase. Their wage increases, if at all, have been short of inflation. This has gone on for a decade and something is unhealthy and we need to do better. Mr. Lew did come from that crowd and, apparently, for what he knows about it is a part of it, and I think skepticism is certainly warranted, as I have indicated.

I believe unemployment is high, and higher than people think, and we need to work together. Senator SANDERS talks about trade deals. The Presiding Officer and I have worked together. We got a bipartisan piece of legislation passed that tried to equalize currency differences between the United States and China which would begin to level the playing field rather significantly in favor of American workers who are now being unfairly competed against via currency manipulation by China. That has to be confronted, and I am prepared to do that.

I also hope my colleagues will give some thought to the problem of immigration. There is no doubt that large amounts of immigration, low-skilled, medium-skilled workers pull down the

wages of American working people. So we need to have an honest, effective, lawful system of immigration that serves the American interests as a whole and part of that is to ask ourselves: Is it pulling wages down? In one sense, I would say immigration is the other side of the coin of trade. It is one thing to take a plant and move it to a country and place it down and they work for less; it is another thing to bring the workers from that same country to the United States to work for less, and then the manufacturer may not be hiring American people, may not be able to do so at wages they would need to work. So I would just make that point.

With regard to Mr. Lew, he has made a number of very serious false representations. I am going to put this up one more time. These are words that should live in infamy. They should be an example to anyone in the future who thinks they can come before the Congress and make false representations or make them to the American people. The budget Mr. Lew produced as Office of Management and Budget Director in 2011—he brought it out in February. The day before he produced it, he made this statement on CNN. He also made similar statements on other television programs that Sunday morning. The budget was officially to be produced on Monday. This is what he said:

> Our budget will get us, over the next several years, to the point where we can look the American people in the eye and say we're not adding to the debt anymore; we're spending money that we have each year, and then we can work on bringing down our national debt.

That was Candy Crowley on CNN that morning. Was that true? Should we consider a man to be Secretary of Treasury, an august position that requires great credibility and integrity, knowledge about how to manage a government and a business and the world economy, if he is not correct on that?

I have asked my colleagues throughout the day: Does anybody defend this? Will anybody come forward and say this is an honest statement of the condition of America at this time when he made that statement, that we are not going to be adding to the debt anymore?

When Mr. Lew submitted that budget the next morning, Monday morning, he made press statements, but he submitted a stack of documents that came with the budget; it was 6 to 8 inches high, and it had tables and accounting from his office. They are his numbers from the Office of Management and Budget where he was a Director. Those numbers show this: They show that there was never a single year in 10 years in which there was a budget surplus. The lowest single deficit in that 10-year period was $600 billion, in 1 year; the lowest, $600 billion. The highest deficit President Bush had in his whole 8 years was under $500 billion. This is the lowest in 10. The 5 years, according to his own numbers, the deficits went up to $740 billion, $750 billion in the 10th year, going up. Truthfully, they were going up even more so in the next 10 years.

The Congressional Budget Office came in and they analyzed the same numbers and they take assumptions and policies. They use the same framework and the same policies, but they traditionally make more realistic assumptions. They concluded that in the 10th year, the deficit wouldn't be $744 billion but 1,200 billion, 1.2 trillion. They say Mr. Lew's assumptions were too rosy. He projected more growth than was likely to occur and got better numbers than were likely to occur.

But, regardless, I am not basing my complaint on the fact he had too rosy a scenario; I am basing my concern on the fact that Mr. Lew misstated what was in his own report, even his rosy numbers. How can he say we are spending only money we have each year, when the lowest deficit is $600 billion?

He came before the Budget Committee and I asked him about it. I was flabbergasted. How could he say that? We looked at the budget he submitted and had a full—as much time as we liked, but the numbers were clearly not sustaining what he was saying publicly. So I asked him: Is it an accurate statement? Is this an accurate statement? I read it right back to him. This is what he said:

> It's an accurate statement that our current spending will not be increasing the debt.

He went on to say:

> We have stopped spending money we don't have.

I would just say if we are going to have a compromise around here, if we are going to discuss rationally how to get this country on a sound path, we can't have the budget director saying basically he has a surplus when he doesn't come close to having a surplus. Erskine Bowles, the man President Obama appointed to head the debt commission, said a few days after this, I think the 13th or the 14th: This budget goes nowhere close to where they will have to go to avoid a fiscal nightmare. That is President Obama's expert who spent a year heading, cochairing the Simpson-Bowles deficit commission—nowhere near. Yet what did Mr. Lew say about it? Don't worry, American people. You don't have to tighten your belt. No agencies have to make cuts. If those mean Republicans make any suggestions of reducing spending, we will just attack them because they are hurting old people, children, schools, and so forth.

That is the game that was played. I don't appreciate it. It is not right. We do not need to have high-ranking officials coming before this government misrepresenting the most fundamental facts about our future on the most critical issue of our time.

Admiral Mullen said the debt is the greatest threat to this Nation's national security. If the Office of Management and Budget Director can't tell the truth, he doesn't need to be promoted to be the Secretary of Treasury, one of the great Cabinet positions in the United States; the top, primary economic position in our country—and the world, for that matter.

What does this prove? It proves he has a political staff mentality, not an august, independent personality of leadership. I hate to say that. I don't know Mr. Lew personally. I have met him, but that is about it. I haven't been involved in these negotiations where he has been the ''heavy'' according to Mr. Bob Woodward in his book, and the people who were in there whom he obstructed and refused to allow compromises to go forward. He was the point man for the failure of the discussions that had been going on for several years between the White House and the Congress to try to reach a plan that would put America on a sound course.

What is particularly amazing is that at the same time he was announcing the President's budget—later on that year Congressman RYAN and the House Republicans passed a 10-year budget that would change the debt course of America, tighten spending across the board, alter tax rates in a way to create economic growth, reduce the deficit dramatically, and put us on a sustainable, long-term path. I wouldn't agree with everything in it, but it was a very solid effort. Erskine Bowles praised the effort. Alice Rivlin, President Clinton's OMB Director, also complimented the effort. But President Obama and Jack Lew trashed it and politically spent 2 years campaigning against it while the Members of this body refused to bring forth a budget at all—not the Senate Democrats, oh no. Senator REID said it would be foolish for us to bring forth a budget. Today marks the 1,400th day since this body has passed a budget. Passing a budget in the Congress is required by the United States Code. Unfortunately, it does not put people in jail if they do not do their duty. But it is in there, and it was not done.

So Mr. Lew has been very loose, made statements that are not justifiable. They are just not justifiable.

For example, on February 15—2 days after this—being interviewed by National Public Radio, he said:

> If we're able to reduce the deficit to the point where we can pay for our spending and invest in the future, that is an enormous accomplishment. This budget has specific proposals that would do that.

It does not. It does not bring us to the point where we can pay for our spending and invest in the future. We have nothing but unsustainable deficits each year.

He goes on to say, in a different CNN interview: It takes real actions now so that between now and five years from now, we can get our deficit under control so that we can stabilize things so that we're not adding to the debt anymore.

Again, there is not a single year in Mr. Lew's budget that the deficit was lower than $600 billion.

Oh, later, at ABC, he said:

This budget has a lot of pain—

It did not have much cuts, that is for sure.

[But] it does the job, it cuts the deficit in half by the end of the president's first term.

Give me a break.

The fourth year in President Obama's term, the deficit was $1,200 billion. That is what it averaged all 4 years. President Bush's average deficits were probably $250 billion, $300 billion maybe. The highest he ever had was $450 billion.

So when he says he is going to cut the deficit in half—no, not so. He did not come close to cutting the deficit in half. He went on the say:

It's going to take a lot of hard work just to take us to the point where we're not adding to the debt.

He did a White House blog on February 13—the same day as this:

Like every family, we have to tighten our belts—

That is true—

and live within our means while we are investing in the things that we need to have a strong and secure future. . . . We know that you have to stabilize where we are going before you can move on and solve the rest of the problem. This budget does that.

So I think those descriptions of his budget are stunningly erroneous, and I do not believe it was a mistake. He served in the Office of Management and Budget under President Clinton. He was not the boss, but he was one of the top ones. He knew the budget continued to add to the debt every single year in an unprecedented and unsustainable amount.

He produced a budget that made no change in America's debt course of any significance—virtually none—and then announced it solved all our problems. He basically told the American people: Well, don't you worry. Stick with us. We have a plan. You do not have to have all those cuts. You do not have to have those cuts. These people just want to get your money. Follow us. Relax. Cool it. It is OK. We have a plan. Our plan will solve this problem.

It was not true, and I am very unhappy with that. I think we cannot allow that to continue.

He did other things. He served as one of the top people in the OMB during President Clinton's term for a period of time. He knows how the budget process works. He, in my opinion, was totally on board with the majority leader in the Senate, Senator REID, in his decision not to bring up a budget. They did this jointly. They talked about it. There is no doubt about that. This was all a planned strategy not to expose Senate Democrats to any real reduction in spending but to attack anybody who had the gumption to lay out a real plan that might change the spending in America. That was the campaign strategy. So he worked on that. That is where he was.

So we began—and I was the ranking Republican on the Budget Committee—we had all these young Senators who got elected in 2010. They wanted to be on the Budget Committee. They wanted to be involved in fixing this country's financial problem. They campaigned on it. They talked about it all over their States. It was the most competitive committee here. We had a long list of people who wanted to get on the committee. They all could not get on. But we got some very good, talented people to join the committee and we do not have a budget. We have not had a budget in 1,400 days.

So Mr. Lew was asked: Why doesn't the Senate do a budget? Do you know what he said? This is a quote on CNN.

. . . we . . . need to be honest. You can't pass a budget in the Senate of the United States without 60 votes. . . .

Yes, we do need to be honest. Let me read the quote again:

. . . we . . . need to be honest. You can't pass a budget in the Senate of the United States without 60 votes. . . .

Surely, he knows we cannot filibuster a budget. Surely, he knows a budget is passed by a simple majority. That is why a budget is so important. That is what the Budget Act did. It said the country needs a budget. It should not be filibustered. You should be able to pass a budget with 51 votes, and it cannot be filibustered. It has been that way since 1974. It is in the United States Code—the Budget Act.

He said that twice. Mr. Lew has to know better than that. Everybody knows that. We cannot filibuster a budget. And yet he was defending the inaction in the Senate and did not seem to care whether his words were true, I would suggest, and that is not good.

So we get into problems with integrity as it comes to spending in America. Time and time again, we have estimates that underestimate the cost of a program and at the same time overestimating the revenue for the program.

Just 2 days ago, I asked for and received—actually, 1 day ago, yesterday—from the Government Accountability Office an accounting of the President's health care proposal. As you remember, the President said: I will not sign a bill that adds one dime to the national debt—not one dime. Everybody said: How are you going to add all these people into government health care and it not cost money? Oh, we are sure this is not going to happen. Trust us. Trust us. Do it. But we just got back a report. They conclude that there are several parts of the bill that project savings that will not occur, resulting in a shortfall of revenue over the life of the bill. They indicate it would add more than $6.2 trillion to the primary debt of the United States. In other words, with an unfunded liability of that much, it would take $6.2 trillion being deposited today and paying out over 75 years to supplement this program to keep it from failing. It will cost more than a dime. It will cost $6.2 trillion. It is another unsustainable program. It does not have dedicated revenue. It is going to cost more than this, frankly. But this is the latest report that hammers this idea that it is not.

So I guess what I am saying is, this is truly serious. Our total budget today is less than $4 trillion. This is going to add $6 trillion. Our budget this year is about $3.5 trillion. That is how much we spend. We take in about $2.5 trillion. We spend $3.5 trillion. Thirty-six percent of what we spent last year was borrowed money because we do not bring in enough money to pay for our current expenses.

We just got a report yesterday from the Government Accountability Office—an independent group that does good work—saying it is going to add $6.2 trillion to the deficits. That is why we have to have integrity here. This is how we go broke. This is how we are getting this country in a position we do not need to be in.

During my remarks today, I have exhaustively documented the case against the confirmation of Mr. Lew. I do not do it for personal reasons. I do it simply because I think it is the right thing for our country. I have detailed his disastrous budget plans that were rebuked by editorial boards across this country and unanimously rejected by Congress. Remember, his budget was brought up in the House. It got not a single Republican or Democratic vote. It was brought up in the Senate—not a single Republican or Democrat voted for the budget. What a rejection. This is the man we are going to promote to Secretary of Treasury?

I have discussed his repeated, knowing, and deliberate false statements about those budget plans—most notoriously his claim that ''our budget will get us, over the next several years, to the point where we can look the American people in the eye and say we're not adding to the debt anymore. . . . ''

I have discussed his curiously enriching time at a failed division of Citigroup, the bank that had the greatest difficulties, perhaps, of any bank, and he headed the division where some of the worst problems were. He got a big bonus just about the time they got a $310 billion bailout loan guarantee—$310 billion.

As I close my remarks, I would appeal to my colleagues to oppose Mr. Lew. I would appeal to my colleagues to defend the integrity of the Senate, to defend the right of our constituents to hear the truth from government officials through CNN or whatever program they are hearing, and to defend the idea—the very concept—of truth itself as an objective matter.

I would also like to place this in a wider context. Today is the 1,400th day since Senate Democrats have passed a budget. They say we will have one this year. Maybe we will. Why has this gone on so long? Because they decided it would be better to offer no solution, no plan, to help struggling Americans and,

instead, tear down anyone who dared offer a plan to solve our Nation's economic problems. This is the heart of the problem in Washington right now. We have one political party that sees the budget debate as an exercise in political warfare, to advance power, not problem solving.

At the center of this strategy is the White House, and at the center of the White House is Mr. Lew. In his campaign for reelection, President Obama repeatedly said he had a plan to ''pay down our debt.'' If he did, he never submitted it to Congress. He did not have one. He even ran a campaign ad, late in the campaign, saying:

> I believe the only way to create an economy built to last, is to strengthen the middle class—asking the wealthy to pay a little more so we can pay down our debt in a balanced way. So we can afford to invest—

More, I guess—

> in education, manufacturing, and homegrown American energy, and for good middle class jobs.

But did he have such a plan? Not Mr. Lew's plan, at that point his Chief of Staff, supervising the OMB Director, who followed him. Again, this was the strategy: offer a plan that does nothing to alter our dangerous debt course while pretending it does just the opposite. Then, once you have done that, attack anyone who dares to propose to reduce the size of the bureaucracy, attack anyone who suggests Washington is too powerful—attack, attack, attack, while never offering anything that would actually work to help Americans who are struggling every day. After the White House budget was submitted in 2011, this budget I have referred to that he announced, President Obama, if you remember, spoke at George Washington University in your area, with Congressman PAUL RYAN, the House Budget chairman in attendance, sitting right before us.

Congressman RYAN, as you remember, had laid out a plan which would fix the financial future of America, if adopted, and put us on a sound course.

President Obama responded:

> One vision has been championed by Republicans in the House of Representatives. . . . It's a plan that aims to reduce our deficit by $4 trillion over the next 10 years. . . . But the way this plan achieves [that goal] would lead to a fundamentally different America than the one we've known throughout most of our history. . . . This is a vision that says up to 50 million Americans have to lose their health insurance in order for us to reduce the deficit. And who are those 50 million Americans? Many are someone's grandparents who wouldn't be able to afford nursing home care without Medicaid. Many are poor children. Some are middle-class families who have children with autism or Down's syndrome. . . . These are the Americans we'd be telling to fend for themselves.

This is our level of debate in Washington: when Congressman RYAN deals honestly with the challenges we face to tighten the belts across the board, create mechanisms to enhance American growth and job creation, this is what the President said—with him sitting right there.

Senator REID produces nothing, brings out no budget, because he says it is foolish to do so? He meant foolish politically. He didn't mean foolish for America not to bring forth a budget. How could it possibly be foolish for America, the United States Senate, to comply with U.S. law that says we should bring up a budget?

Majority Leader REID said of one Republican reform effort that it was ''a mean-spirited bill that would cut the heart out of the recovery that we have in America today. It goes after little children, poor little boys and girls. We want them to learn to read.''

This is the level of debate we have in this country. This is why we have a sequester that can't be fixed, this kind of ridiculous talk. Somebody needs to stand up and say we are tired of it.

My plan, my view for America, is to help poor people be prosperous, rise out of poverty. We don't judge that by how many checks we send out, how much deficit we run up, and leave our country in danger. The Republicans, candidly, have not done enough to stand up to these egregious attacks. We need to defend ourselves more effectively and aggressively. Voting against Jack Lew would be a vote against dishonest tactics, misrepresentation of facts.

Every Republican ought to ask themselves, should I vote to advance a man to a top position he is not really qualified for, who is loyal to the President's political agenda, and places that above telling the truth?

The painful truth is to some extent this political strategy has been successful up to now. President Obama and his Senate majority have blocked fiscal reform and continued on our path to fiscal disaster. It is time we pointed out that the establishment they are shielding from cuts, the big government apparatus they continually defend, is hurting people every day. It is bloated, it is inefficient, it is duplicative, and fraud occurs every day.

Their policies, their endless support of the bureaucracy has created poverty, joblessness, and dependency. It has created low wages, low growth.

In cities such as Baltimore, Detroit, and Chicago, governed almost exclusively by Democrats and Democratic policy at every level, the good, hardworking people are hurt every day by these leftist policies. They do not work.

In the city of Baltimore, one in three children live in poverty. One in three Baltimore residents are on food stamps. Imagine that, the great city of Baltimore.

In Chicago, where roughly 500 homicides occurred in 2012, 51 percent of the city's children live in a single-parent home.

In Detroit, almost one in three households had not a single person working at any time in the last 12 months. Almost one-third of them hadn't had a single person working. The city's violent crime rate is among the worst in the country. More than one-half of all Detroit children live in poverty.

This should not happen. What is the response? Borrow more money and send out more checks. This is not the way to help people. These are the consequences of leftist policies. We are opposed to those policies. They do not work. They hurt the people, they pretend and assert that they are helping.

We are fighting for policies that create jobs, create rising wages, create opportunity, help more people earn a good living and care for themselves, be independent and prosperous and get on the road to higher wages, supervisory positions, health care and retirement benefits. This can be possible in this country. We are trying to lift people out of poverty and strengthen family and community. We are trying to protect the good and decent people of this country from a debt crisis.

Erskine Bowles and Alan Simpson told us this Nation has never faced a more predictable financial crisis. They said if we don't get off this course, this unsustainable path, we may have another one, and it may be worse than the 2007 one.

Where does Mr. Lew stand? Where does the White House stand? They did everything they could to defend the bureaucracy, no matter the cost in wasted dollars or lost jobs. Mr. Lew submitted an indefensible budget plan that would have caused further social and economic devastation. They deliberately misled the Nation about that plan, deliberately misled the country about it. He knew this wasn't true, and then he participated in a strategy that shot down any efforts from the Republican side to reform the situation.

I urge my colleagues to reject these tactics from the White House. I urge them to stand up for the good and decent people of this country who work hard every day, try to do the right thing, want to get ahead, and want to see their wages rise instead of stagnate. I urge them to vote to hold high government officials accountable by putting politics ahead of policy or sacrificing truth for political gain. I urge them to oppose Mr. Lew.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. COBURN. I ask to speak as if in morning business.

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

SEQUESTRATION

Mr. COBURN. I want to spend a few minutes this afternoon talking about what is going to happen on March 1, something we have known is going to happen for 18 months. Nobody really wanted it to happen this way, but I want to make the case if we give the administration the flexibility, we can easily swallow $85 billion a year in reductions.

I am going to go through a small set of oversight reports I have actually done in the last year or so talking

about waste within the Federal Government.

We looked at the urban area security grants of the Department of Homeland Security. We looked at the Department of Defense, the programs that were in the Department of Defense which don't have anything to do with defense; that is $67 billion a year.

Let me say that again: $67 billion a year is spent in the Department of Defense which has nothing to do with defending the country.

We outlined the 100 most wasteful projects, we put that out in December of this year, a treasure map. We looked at the Market Access Program and what it is actually doing to some of the wealthiest agricultural businesses in this country. It is subsidizing their export of sales. Money for nothing, all of the money that we spent that hadn't actually accomplished anything. We did a report on that.

Next we did a report on the subsidies for the rich and famous because we do have a mixed-up Tax Code, and over $30 billion a year in benefits goes to a very small number of people in this country inappropriately through our tax cuts. The discussion and disagreements we are going to have on that will be about what do you do with that. Everybody agrees we probably ought to fix that. Do you fix it by just raising taxes or do you fix it by reforming the Tax Code and actually getting greater taxes coming into the Federal Government?

The other point I wanted to make is there are a lot of things we may sequester that I have been talking about for years, which actually haven't gotten any traction, but I suspect right now will be getting some traction. The first one is the grant programs in the Department of Homeland Security.

In one area, the Urban Area Security Initiative, which is a component of the Homeland Security grants, we spend $170 million a year on one grant program. What we did when we looked at it is we found tremendous amounts of waste that have nothing to do with increasing the security in the communities where this money was spent.

Let me give you a few examples: domestic drones that have limited capability, can't fly over anything that is populated because they are not reliable enough. Also, underwater robots, snow cone machines, security upgrades for spring baseball training programs and stadiums, color printers, BearCat vehicles for communities of 20,000 people who will never have a need for that piece of equipment. Yet we spent it because the people making those pieces of equipment are so good at helping cities get grants whether they need them or not, they apply for them.

Columbus, OH, bought an underwater robot, $98,000. They don't have a facility, a true natural lake or other lake in which they could actually utilize this piece of equipment, but they bought it anyway.

Spring training in Arizona, $90,000 to install video surveillance at the Peoria Sports Conference Complex. The Seattle Mariners and San Diego Padres have their spring training there.

Here are Urban Area Security Initiative grants which are supposed to be spent on security. What we found is a large portion of the money across the country is not being spent on security; it is being used to augment aspects of what communities need.

This is a good way to trim $700 million through these grants. While I am at it, what we do know is the Department of Homeland Security, 6 months ago, had $8 billion in unobligated balances. Secretary Napolitano made a decision—and her basis was for stimulus, economic stimulus—she would take the requirements off of those grants and push that money out the door. They were only able to push $3 billion out the door, so there is still $5 billion sitting in Homeland Security in unobligated money from last year alone that hadn't been spent. This addresses many of the issues that we are talking about in terms of the sequestration.

The Department of Defense, in terms of the ''department of everything''—let me outline for you a minute. Not all this money could be saved because they are doing some things, but they have no business being at the Department of Defense, with $67.9 billion over 10 years in nondefense spending; nonmilitary research and development, $6 billion a year. And education, the average cost to educate a child on base in America—not our foreign bases, not where we actually need private schools—is over $51,000 per year per student.

We could consolidate that program, as we do at all but 16 bases, and over 10 years save $9 billion.

There are STEM programs, 103 different STEM—science, technology, engineering, and math—programs within the Pentagon alone. Consolidating those would save $1.7 billion over the next 10 years. These are programs not necessarily initiated by Congress either, I might say. They do have the flexibility on a lot of these programs to make those changes.

The Department of Defense tuition assistance program totally duplicates our veterans assistance program. So you can do in-service, have access to tuition while you are in-service and then have the identical access to tuition afterward, and you can claim them both.

So we have multiple duplications there. And there is nothing wrong with wanting to give an educational benefit to our troops, but we don't need to do it twice. That is a significant $5.4 billion.

Alternative energy. We have a Department of Energy. Their whole goal is to work on alternative energy and renewable energy and efficiency within energy. The Department of Defense is spending $700 million a year on research in alternative energy that totally duplicates everything we are doing everywhere else. So there is $700 million we should not be spending at the Pentagon for something that is already being done somewhere else.

We also know we have a benefit for our military families called the PX and commissaries. But when we go out and price products, what we find is you can actually buy at retail stores at a lower price than you can at the commissary. For the cost of running all those organizations, we could give every troop an additional $1,000 a year and save $5 billion over the next 10 years. We could give them $1,000 more, and they would be able to buy at lower prices from a commercial vendor versus a commissary.

Overhead support and supply services. Over 300,000 military members are performing civilian-type jobs. In other words, these are Army, Marine, Navy, and Air Force personnel trained as warfighters, and we have them doing nonmilitary jobs at the Pentagon. We could put civilian employment in place and have these military people available to be warfighters and save $37 billion over the next 10 years just in the differential in what our total costs are for the two different types of employees.

So when we talk about a sequester taking $85 billion, I have just cited over $85 billion over 10 years just by looking at a few programs. So we hear the number, and we think about the Federal Government being twice the size it was 11 years ago and that we are 27 percent higher in terms of discretionary spending in nondefense and that even if the sequester goes through, as it is now planned for the military, the military expenditures will actually still be greater next year than what they are this year. So it is important that we talk honestly with the American people about where we are on these projects.

Let me just for a second talk about a report called the ''Waste Book.'' We put it out every year. We gave 100 examples of the most egregious ways tax dollars were wasted last year.

Examples include $450,000 for an unused airport in my State and $325,000 for robotic squirrels. This was a grant issued to study what we already know about robotic squirrels and their interactions with rattlesnakes. I can't see that as a priority for us. At a time when we are running $1.2 trillion deficits, we don't need to be spending money on that type of research.

We spend $91 million a year giving—you won't believe this one—charitable status to the NFL, the PGA, and several other sports entities. So on the profits they make, the PGA defers taxes coming to the Federal Government in terms of $91 million a year. Now, I don't know of a pro sports team that isn't in the business of being profitable, yet the organizations they send a lot of this money through we are allowing to hide that money through the Tax Code. That is $91 million a year. Why are we doing that?

Another example: $27 million was spent by the State Department on pottery classes in Morocco. The whole

project was an abject failure, but the real question is, Why are we spending $27 million on pottery classes in Morocco? Could we spend $27 million and have a better effect for the Moroccan people than a failed pottery class program? The answer is, certainly.

The size of the State Department is twice the size it was 5 years ago—twice the size in terms of total expenditures.

The other thing we talked about is the subsidy for the rich and famous in terms of what is out there. On average, we found $30 billion a year that millionaires—people who make at least $1 million a year—enjoy in benefits from tax giveaways and Federal grant programs. That is $30 billion a year. That is $300 billion. That is over one-third of what we are talking about on the sequestration. Yet we have done nothing on that.

This has been out for a year, by the way. Here are some more examples. We have $74 million spent on unemployment checks that went to millionaires last year. That is right, $74 million went out to people who made $1 million, but we still paid them unemployment. We spent $316 million on people who are making more than $1 million a year farming. We sent them $316 million worth of subsidies and $89 million for preservation of their ranches and their estates. These are people making an adjusted gross income above $1 million a year. We sent them $9 billion in retirement checks, we sent them $75.6 million in energy tax credits for their homes, we sent them $7.5 million for costs and damages due to emergencies, and we also gave them a writeoff on their gambling losses in excess of $3 billion.

The other thing I found very unusual as we looked at this is that people making an adjusted gross income in excess of $1 million were given $16 million in government-backed education loans. That is right, $16 million in government-backed education loans.

One of the other areas we did a study on was the Market Access Program. We have all heard of Sunkist and Welch's and Blue Diamond. In 2012 we paid them $6 million from the taxpayers to help them sell their products overseas. These are hundred-million-dollar corporations, minimally. They are billion-dollar corporations. We don't do that for the rest of all the corporations in this country, but because they happen to be associated with an agriculture program, we decided to subsidize the overseas products of the very well-to-do corporations. That may be a laudable goal, but at a time of tight priorities, it is not a laudable goal. Over $2 billion has been spent on this program, which has indirectly subsidized their advertising costs. So $2 billion has gone to very profitable agricultural companies that, if we were to look at their 10–Ks, their SEC reports, they are doing just fine. They don't need the Federal taxpayer to do this.

The California wine industry, which had domestic sales of $18 billion in 2009—it is higher than that now—got $7 million, and the American cotton industry received $20 million and received another $4.7 million from a separate USDA market access program.

Finally, I wish to talk for a minute about more than $70 billion in Federal funds that has been left unspent years after it has been appropriated. We have $70 billion sitting out there in accounts that has been obligated but not spent, now older than 5 years old, which means it is never going to be spent. So that money is sitting in a bank account somewhere that we could pull back, if we had effective management, because people didn't use the money in a grant, they didn't use the money in a program, and yet we have failed to do that. So we are borrowing an extra $70 billion every year to fund the government when we have $70 billion out there in accounts that should revert back to the Treasury.

At the end of this year the Federal Government had $2 trillion in unexpended funds. This is according to OMB, not the Congressional Budget Office. The Office of Management and Budget says that two-thirds of this money was obligated, but a third of it wasn't obligated. So you have $650 billion in unobligated balances sitting in the Federal Government accounts that we are not shuffling around to direct to the things that are most important.

Let me finish, but first I would like to make one other point. I got a letter this week from the mayor of a medium-sized town in my State. It is from the mayor of McAlester, OK. I am going to enter this letter into the RECORD because in this letter we see a demonstration of the kind of leadership that is needed when there is a financial problem in front of you.

Let me read this.

> The City of McAlester is currently working hard to rebalance our budget after a sudden downturn in our revenues over the past two months. As you know, municipalities in Oklahoma are required by statute to maintain a balanced budget.

In other words, it is a law in Oklahoma that you have to have a balanced budget. So what has he done?

Continuing to read:

> The first step we took was to implement a hiring freeze.

So they reassigned workers. And with a revenue shortfall projected at $1.2 million, they took every other expense account category, including supplies, repairs and maintenance, fuel, utilities, travel and training, consulting services and legal services, and reduced their budgets. In other words, they responded.

The mayor continued in his letter:

> None of these cuts are without pain. But all will be accomplished while maintaining essential city services.

Now, for McAlester, a $1.2 million budget cut is a bigger hit than we are talking about with sequestration. If the mayor of a community of 25,000 people can make the adjustments to serve his constituency without decreasing services, why can't we?

Mr. President, I ask unanimous consent to have printed in the RECORD the letter to which I just referred.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MCALESTER, OK,
February 26, 2013.

Hon. TOM COBURN, M.D.,
Russell Senate Office Building,
U.S. Senate, Washington, DC.

DEAR DR. COBURN: The City of McAlester is currently working hard to rebalance our budget after a sudden downturn in our revenues over the past two months. As you know, municipalities in Oklahoma are required by statute to maintain a balanced budget. With sales tax receipts abruptly falling by ten percent compared to the prior year, we have had to act quickly to reduce costs.

The first step we took was to implement an immediate hiring freeze. The budgeted positions that are currently open include two street maintenance workers, a full-time and a part-time administrative assistant, a water plant operator, a police officer, an animal control officer, a firefighter, an accounting manager, a meter reader and a planning director. We will reallocate work among other employees wherever we can. If we determine that an unfilled position will affect the safe operation of the community, only then will the position be filled.

With a revenue shortfall projected at $1.2 million, we are also making budget reductions In virtually every other expense category including supplies, repairs and maintenance, fuel, utilities, travel and training, consulting services, legal services, etc. Of course, we have also zeroed out any contingency amounts we had included in the budget for the unexpected. However, we have been careful to retain budget items for long-term infrastructure projects as we consider it unwise to risk damaging our city's future.

None of these cuts are without pain. But all will be accomplished while maintaining essential city services. By reducing our spending in these areas, we anticipate we can finish the fiscal year without having to dip into emergency fund balances.

Prompted by what we see as an economic situation likely to continue into the next fiscal year and potentially beyond, we are also taking this opportunity to thoroughly review our local government cost structure. The goal is to organize in a way that is more efficient and more effective. By stretching each revenue dollar to the max and by prioritizing our needs and wants, we hope to narrow or eliminate the gap between what citizens expect from their government and what they are willing and able to pay for.

Best regards,

STEVE HARRISON,
Mayor, City of McAlester.

Mr. COBURN. The final point I would make is the following: A little more than 3 years ago we passed an amendment that I offered that forced the Government Accountability Office—the government's accounting office—and the Comptroller General to identify every program in the Federal Government, and not only to identify it but to outline where we have duplications and overlaps. And they have done a wonderful job. We are going to get the last third of that report about a month from today, April 1, but what do we know so far? We know we have

about $370 billion in the first two-thirds of this where they say there is massive duplication. There is $370 billion worth of expenditures a year.

I have talked with the President, and he disagrees with me on this, but when you think about it, we have 47 separate job training programs, of which all but three overlap. They are highly ineffective in total. So why don't we have two or three? We spend almost $19 billion on those programs. We could spend $9 billion, cut it down to three programs, put metrics on it, and make sure it is working. The reason I know it is not working is I looked at every job training program in my own State, and the ones that are most successful are the ones that are totally State run without any Federal Government interference. The ones that are federally run—and some are good, I will give you that, but most are not—most are not successful in efficiently and effectively giving somebody a life skill and getting them into employment.

We have 253 different, duplicative Department of Justice grant programs spending $2 billion a year. If you are needing a grant, you might apply to DOJ in one of these 253 areas and then you might apply again over here in another area for the same thing. And the fact is that the Government Accounting Office says: We don't know if people are double- and triple-dipping. As a matter of fact, what did we find? We have people getting the same amount of money from different grant programs from the same grant application. So what we have is a tremendous problem.

We just discovered in the State of Oklahoma that we have a housing administrator for a city that has no houses. There are 3,700 housing administrators in the United States—probably closer to 4,000 because we are still counting. Some of those have very big responsibilities. I don't mean to diminish them at all. But couldn't we consolidate those, especially in areas such as rural Oklahoma and the other rural States so we spread that overhead and have fewer housing administrators?

We have 56 financial literacy programs. Think about that for a minute, 56 different programs for the Federal Government to create a program to make you financially literate.

First of all, there is a problem with that because we are not financially literate, borrowing $1.2 trillion a year. No. 2, we don't know what the words efficiency and effectiveness mean in the Federal Government—or, at least, have limited knowledge of that. And, finally, why do we have that many financial literacy programs? There is no sane answer to that question.

As I outlined in some of the others, 160 housing assistance programs, $170 million a year. We have 53 programs across 4 agencies to help entrepreneurs. The Federal Government is helping entrepreneurs? Our entrepreneurial spirit is not very active and not very successful in terms of what we are doing within the government, and yet we spend $2.6 billion on it.

We have 15 different separate unmanned aerial aircraft programs within the Federal Government. We are going to spend $37 billion on that. Why do we have 15? Maybe two or three, because we have different requirements, but 15?

So we have the massive amount of duplication that is going on within the Federal Government which implies massive amounts of duplicative administrative and overhead costs. I would bet that one-third of what is happening in the sequester, if you consolidated programs—didn't eliminate any, just consolidated the management—you could save one-third of what the sequester is just from the administrative overhead associated with those.

So when you hear discussions about we shouldn't be doing the sequester, that the sequester is going to be painful—and it is; I don't deny that. But it doesn't have to be. All it takes is a small drop of common sense, both in Congress and the executive branch, to work our way through these problems.

My hope is the President will work with us on giving him flexibility in terms of managing this.

Remember, $85 billion really isn't 85. It is only going to be about 44. That is what we are talking about. It is disproportionately heavy on the defense. I have a lot of colleagues on my side who disagree with me on the waste that is in the Pentagon, but I have seen it, I have looked at it, and I have had a lot of people inside the military call and talk to me about the waste that is there. We now have an admiral for every ship we have in the Navy. Nobody else has that anywhere else in the world, and with that comes an average of 200 other employees per admiral.

The question is, Can we do this? Should we do it? And can we do it in a way that is best for the American people? We are going to cut this money one way or the other. It is not because a Republican wants to cut it or because the President wants to cut it or because a Democrat wants to cut it. We are going to cut it because the math in our future is going to force us to cut it. I know people don't think discretionary programs are much of the problem with what we are spending money on, but I would surmise that well over 15 percent of everything we do in discretionary spending—including the Pentagon—is not effective or efficient.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. BLUMENTHAL). The Senator from West Virginia.

Mr. MANCHIN. Mr. President, I ask permission to speak as in morning business.

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

CONGRATULATING DR. FRANK CLECKLEY ON HIS RETIREMENT

Mr. MANCHIN. Mr. President, I rise to pay tribute to Dr. Franklin D. Cleckley, one of the true giants of the legal system of West Virginia. I do so because Frank is getting ready to retire after nearly half a century of service to our great State—as a lawyer, as a professor, as a judge, and as an unwavering champion of justice. I wish to congratulate him for the extraordinary job he has done and to thank him for his countless contributions to the betterment of West Virginia.

Dr. Cleckley's stellar and pioneering legal career began in 1965 when he earned his law degree from Indiana University. It will end next week at West Virginia University with a retirement ceremony that so many of his family, friends, and colleagues will be attending to celebrate this great man. I only wish I could be there because I have valued and appreciated his friendship for so many years.

Frank Cleckley joined the faculty at West Virginia University College of Law in 1969, after serving as a lawyer in the U.S. Navy Judge Advocate General's Corps at the height of the Vietnam war. Not only was he the first African American on the staff at the West Virginia University College of Law, he was also the first full-time African-American professor in the history of West Virginia University.

As a law professor at West Virginia University, Frank literally wrote the book on practicing law in West Virginia. He authored two you will find in every courtroom and every lawyer's office in West Virginia—the ''Handbook on Evidence for West Virginia Lawyers,'' and the ''Handbook on West Virginia Criminal Procedure.'' These two books are continually updated and are, in the words of the West Virginia Supreme Court, the bible for West Virginia's judges and attorneys.

Of course, for the generations of West Virginia law students who have passed through Dr. Cleckley's classroom, the fact that he wrote those two books is a source of great amusement for them, whenever they hear him quoting himself in his lectures. ''As it says in 'Cleckley,' '' Professor Cleckley would say with a smile.

Also, as a member of the West Virginia Supreme Court of Appeals, the first African-American justice in our State, Frank Cleckley would pay special attention when lawyers stumbled over evidence in their arguments. And on more than one occasion, Justice Cleckley would quietly quip to one of his colleagues: There's one lawyer who didn't take my evidence class.

Frank Cleckley grew up in Huntington, WV, the youngest of 11 children. At one point, his ambition was to play pro football. But after working for former Indiana Congressman J. Edward Roush in the 1960s, he found his true calling—to be a lawyer and champion of civil rights.

Throughout his legal career, he has been an exceptional trial lawyer, not only in antidiscrimination lawsuits, but also in representing clients who couldn't pay him. In fact, he came to be known as the ''poor man's Perry

Mason.'' He has been a one-man legal aid society.

He also was instrumental in reviving the Mountain State Bar Association, the oldest minority bar in the United States. In 1990, he established the Franklin D. Cleckley Foundation to help former prisoners with education and employment opportunities. Two years later, he set up another organization to bring civil rights leaders to the West Virginia University as lecturers.

Last fall, as he reflected on his long legal career, Frank said that when he was a kid in Huntington, he wanted to do something with his life that was meaningful and important in West Virginia. Well, he did. But it turns out it wasn't the NFL, as he once thought. It was WVU. Frank Cleckley is a true Mountaineer. He helped West Virginia University become the nationally respected institution it is today.

The Reverend Martin Luther King, Jr. once said that the arc of the moral universe is long but it bends toward justice. And, in my view, one of the reasons it bends toward justice is there are people such as Frank Cleckley bending it with their honesty, their integrity, and their commitment to what is right.

It fills me with great pride to stand here today and tell the Senate about the accomplishments of Prof. Frank Cleckley and his service to West Virginia. He is a great lawyer, he is a great man, and a great West Virginian, and Gayle and I join his family and friends in celebrating his long and distinguished pursuit of justice.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. CARDIN. Mr. President, shortly, I hope, we will be voting on the confirmation of Jack Lew to be the next Secretary of the Treasury, and I urge my colleagues to support that nomination. He is the right person at the right time to be Secretary of the Treasury. He has devoted his entire life to public service. I thank him for that, and I thank him for his willingness to continue to serve his Nation. He has a great record of accomplishment.

I have known Jack Lew for 26 years. I have served with him on common issues, and I want to bring to the attention of my colleagues some of the things he has done. He first served in the House of Representatives as a staff person for Speaker of the House Tip O'Neill. In that capacity, one of the responsibilities he had was to be the liaison to the commission that was working on Social Security reform when President Reagan was President of the United States. I mention that because I think we all point to that time when a Democratic-controlled Congress and a Republican administration were able to deal with one of the most difficult challenges of the time, the solvency of Social Security, and they were able to come together with a bipartisan product. Jack Lew's fingerprints were involved in that transaction. He was able to bring us together. We need that type of person as Secretary of the Treasury today, a person who will bring together our Nation with the type of fiscal policy that Democrats and Republicans can rally behind as we look for a solution to our fiscal issues.

He was President Clinton's OMB Director, and during that time we balanced the Federal budget. We were able to do something that has only been done once in my lifetime; that is, we actually balanced the Federal budget. Jack Lew was the architect of bringing us together to balance the Federal budget. We need that type of leadership in the Treasury today—a person who understands fiscal responsibility and understands how to do it in a way where you can create job growth. During those years, let me remind us, we created millions of jobs.

He then returned to public service as the OMB Director for President Obama and as Chief of Staff. He has the experience we need to be Secretary of the Treasury, and he has the political know-how to bring us together—Democrats, Republicans, Americans—to do what is right for this country.

I am proud he is willing to step forward. I urge my colleagues to support his nomination. He is the right person at the right time to lead our Nation on fiscal policy.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I ask unanimous consent that there be 10 minutes remaining for debate, equally divided in the usual form, on the Lew nomination; that following the use or yielding back of time, the Senate proceed to vote.

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

Mr. BAUCUS. Mr. President, earlier today I spoke in support of Jack Lew's nomination to be the next Treasury Secretary. Over the last 6 hours or so some have come to the Senate floor to question Mr. Lew's character, claiming he has not been forthcoming throughout his confirmation.

Let me remind my colleagues that Mr. Lew participated in one of the most thorough reviews of any candidate for this position: a process that included hours of interviews and the examination of 6 years of tax records and more than 700 questions for the RECORD. In comparison, the committee asked Secretary Geithner only 289 questions—only; Secretary Paulson 81; and Secretary Snowe 75 questions. Remember, Jack Lew was asked over 700 questions.

Throughout the confirmation process, Mr. Lew has been nothing but open and transparent. I believe he has gained the trust and confidence of many in this Chamber. In fact, 19 of 24 Senators on the Senate Finance Committee yesterday voted on a bipartisan basis in favor of Jack Lew's nomination.

Many recognize that Mr. Lew is well qualified to be the Nation's next Treasury Secretary. He has demonstrated time and again that he has the knowledge and policy expertise to help get the Nation's economy back on track. He is a very smart man and a very dedicated, total public servant.

If confirmed by the Senate today, Mr. Lew has said he is eager to work with all of us here in the Congress to strengthen the American economy and create more jobs. That is the key, work together to create more jobs. The only way we could get past these constant budget battles is by working together, Republicans and Democrats, in the House and the Senate, and we need to work with Mr. Lew and the administration to craft policies that create more jobs and spark economic growth.

If confirmed, we will be entrusting Mr. Lew with the authority to oversee America's financial system and economic policy. It is a great responsibility, one which I believe Mr. Lew will live up to. I think he has what it takes.

The Treasury Secretary is obviously the top economic adviser to the President. He works for the President and he works for the country. So the second role of the Treasury Secretary is to speak to the Nation about our Nation's finances. It is a dual role. He is working for the President and he is also working for all of us, the people of the United States of America. It is a very prestigious, very important position. When he speaks, he is speaking for America on financial matters and also on economic matters. It is a separate role that all Treasury Secretaries perform, the good ones, and I think Jack Lew is going to be a very good one.

I ask my colleagues to confirm Mr. Lew today as the Nation's next Treasury Secretary so he can get to work and help strengthen the economy.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, I will wrap up here with a few thoughts before we vote. I spent a good deal of time today delineating a series of serious, deep problems with this nomination, why I truly believe he should not be confirmed. I suppose maybe there are votes to confirm him. We will see as that goes forward. I do not see any need to delay any further, but it is time for the American people and the Members of this Senate to consider where we are with this nomination.

On February 13 of 2011, a day before the President submitted the budget, the budget Jack Lew wrote, he went on CNN and other TV stations and said these words, words that will live in infamy if we care anything in this body about respectful treatment from the executive branch, if we have any commitment to the plain truth. He said:

> Our budget will get us, over the next several years, to the point where we can look the American people in the eye and say we're not adding to the debt anymore; we're spending money that we have each year, and then we can work on bringing down our national debt.

How unbelievable a statement could that be, since his own numbers—not somebody else's, his own numbers when he submitted the budget on Monday, the next day—showed that the lowest single deficit in any one of the 10 years was $600 billion. He would have added $13 trillion to the gross debt of the United States over 10 years and the numbers, the deficits were going up in the last 5 years—a totally unsustainable course.

Erskine Bowles, the head of the fiscal commission, was in shock, I think, when he saw this. He was appointed by President Obama to head the commission. He said this will take them nowhere near where they have to go to avoid the Nation's fiscal nightmare—nowhere near. And he was absolutely right about that.

Then he also said, on CNN on a different day, another interview, the budget ''takes real actions now so that between now and 5 years from now, we can get our deficit under control so that we can stabilize things so we're not adding to the debt anymore.''

It had never come close to that. It is a horrible thing. He said this. I asked him about it before the committee. I read that very quote to him before the committee 3 days later and this is what he said. I asked him, is it an accurate statement, this statement right here? And he said:

> It's an accurate statement that our current spending will not be increasing the debt. . . .

He went on to add:

> We've stopped spending money that we don't have.

First of all, this Senate, this Congress, should defend the integrity of our process. We should not have high government officials come before our committees and before the American people and misrepresent in such a dramatic way the financial condition of our country. I called it then and I repeat now that this, I believe, was the greatest financial misrepresentation in the history of this Republic. If anybody has one that is bigger, let me hear it, but I don't think they will. I said that earlier today. You tell me—$13 trillion added to the debt and they say we are not going to be adding to the debt anymore.

The budget was a terrible budget. It was a terrible budget. Editorial board after editorial board—the Washington Post, the Los Angeles Times, the Denver Post, the Dallas Morning News—there must have been 40 editorial boards that hammered this budget for failing to lead—the Wall Street Journal, Financial Times, Investor's Business Daily—they all hammered this budget because this was early in 2011, after the 2010 elections, after the shellacking of the big spenders, and there was a hope somehow that we would be able then to get the administration to come around and change some things. But they stayed right with their big spending policies. They stayed right with it and they decided not to tell the truth, that we are not backing down, we are going to continue to spend, we are not going to cut spending. They would not say that. This is what they said. Whereas their budget did just the opposite.

I feel strongly about this. This is not right. We in Congress should not have this kind of misrepresentation before us and we should not reward people who participate in such misrepresentation. He is the architect of the administration's calculated plan to misrepresent the budget, to not have a budget in the Senate, to not expose themselves any more than possible, to attack Republicans such as PAUL RYAN in the House, who actually laid out a plan that would change the debt course of America. That is what the plan was, and Mr. Lew was the architect of it and he executed it. Boy, what was it like, do you think, for him to be in the Senate, in the White House, and have to be told or asked: Would you go out and say this?

Mr. Geithner, Secretary of the Treasury—I ask consent to have 1 additional minute.

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

Mr. SESSIONS. Mr. Geithner—and this is important, colleagues—Treasury Secretary Geithner came before the committee. He would not repeat these words. I questioned him. Of course he tried to avoid it but eventually when asked directly he honestly said: Senator, this budget will not put us on a sustainable path, exactly opposite of what Mr. Lew was saying.

I ask my colleagues to consider this. I ask them not to award the person who participated in so calculated a plan to misrepresent the financial condition of America and cause the American people to believe we had some sort of time that had the country on a sound path when we remain to this day on an unsustainable path that endangers working Americans.

I yield the floor.

Mr. CARDIN. Mr. President, I yield back all remaining time. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be. There is a sufficient second.

The question is, Will the Senate advise and consent to the nomination of Jacob J. Lew, of New York, to be Secretary of the Treasury.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Alaska (Mr. BEGICH), the Senator from New Jersey (Mr. LAUTENBERG), and the Senator from Colorado (Mr. UDALL) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 71, nays 26, as follows:

[Rollcall Vote No. 25 Ex.]

YEAS—71

Ayotte	Graham	Murkowski
Baldwin	Hagan	Murphy
Baucus	Harkin	Murray
Bennet	Hatch	Nelson
Blumenthal	Heinrich	Paul
Blunt	Heitkamp	Portman
Boxer	Hirono	Pryor
Brown	Hoeven	Reed
Burr	Isakson	Reid
Cantwell	Johanns	Rockefeller
Cardin	Johnson (SD)	Schatz
Carper	Kaine	Schumer
Casey	King	Shaheen
Coats	Kirk	Shelby
Cochran	Klobuchar	Stabenow
Collins	Landrieu	Tester
Coons	Leahy	Thune
Cowan	Levin	Toomey
Donnelly	Manchin	Udall (NM)
Durbin	McCain	Warner
Feinstein	McCaskill	Warren
Flake	Menendez	Whitehouse
Franken	Merkley	Wyden
Gillibrand	Mikulski	

NAYS—26

Alexander	Enzi	Risch
Barrasso	Fischer	Roberts
Boozman	Grassley	Rubio
Chambliss	Heller	Sanders
Coburn	Inhofe	Scott
Corker	Johnson (WI)	Sessions
Cornyn	Lee	Vitter
Crapo	McConnell	Wicker
Cruz	Moran	

NOT VOTING—3

Begich	Lautenberg	Udall (CO)

The nomination was confirmed.

The PRESIDING OFFICER. Under the previous order, the motion to reconsider is considered made and laid upon the table.

The President will be immediately notified of the Senate's action.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will resume legislative session.

MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent the Senate proceed to a period of morning business with Senators permitted to speak for up to 10 minutes each.

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

The Senator from Tennessee.

Mr. ALEXANDER. Mr. President, I think the Senator from West Virginia is preparing to speak, but I will speak if he is not ready.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. WHITEHOUSE. Mr. President, I understand the Senator from West Virginia is going to have the floor, followed by the Senator from Tennessee, and I wish to be recognized to make some remarks following the Senator from Tennessee.

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

The Senator from West Virginia.

Mr. MANCHIN. Mr. President, are we in morning business?

The PRESIDING OFFICER. The Senator is correct.