

Mr. CORNYN. I do remember Chairman CONRAD insisting that closing a portion of the tax gap—in other words, collecting unpaid taxes that are owed—would give us about \$300 billion in revenues to pay for all this new spending. How much was recovered?

Mr. GREGG. Actually, none. The Democratic Congress last year passed up an opportunity to close the tax gap, failing to fund IRS enforcement efforts, and passed bills that would actually expand the tax gap.

Mr. CORNYN. Well, as a member of the Budget Committee, I have heard a lot from Chairman CONRAD on the state of the gross Federal debt. I have heard lots of press-friendly sound bites from him like “the debt is the threat.” Surely Democrats took some action to reduce the debt?

Mr. GREGG. No, again, no action. The fiscal year 2008 budget allows the gross debt to grow dramatically, by \$2.5 trillion over 5 years, and spends all of the Social Security surplus, which is more than \$1 trillion.

It is important to remember that this debt will be paid back by our children, so that a \$2.5 trillion increase basically adds another \$34,000 to the amount already owed by every American child under the age of 18.

Mr. CORNYN. What about budget enforcement mechanisms? For example, Democrats have claimed their pay-go will ensure fiscal discipline, and I have heard Budget Chairman CONRAD say that it is working. Is that true?

Mr. GREGG. No, it is not true. Democrats have waived, gimmicked or ignored their own pay-go rules to the tune of \$143 billion in deficit spending.

Mr. CORNYN. I would like to learn more about this. To go back, when the Democrats took the majority, one of the first things they did was to restore tough pay-go, correct?

Mr. GREGG. It started out that way, but took a left turn. Democrats in the Senate ended up with a watered-down version of pay-go: no first-year deficit-neutrality test; no deficit-neutrality test for the second 5 years—all about spending now, paying much later.

Mr. CORNYN. But I thought that the Democrats were congratulating themselves for the hard choices they had to make in order to comply with pay-go.

Mr. GREGG. They did congratulate themselves. They even boasted about the “pay-go surplus” on the pay-go scorecard.

But they shouldn’t congratulate themselves for hard choices—they should congratulate themselves for thinking up gimmicks and machinations to fool people into believing they made hard choices.

Mr. CORNYN. I have heard about a gimmick where the Democrats were able to increase mandatory spending for free by including it in an appropriations bill.

Mr. GREGG. Can you believe that? They included a 1-month extension of the mandatory MILC program in the 2007 emergency supplemental. Then the

chairmen of the Senate and House Budget Committees told CBO to put the spending into the baseline—which covers 10 years of the program—to the tune of \$2.4 billion.

The topser: They included an enforcement mechanism in their budget resolution that prohibited this practice, but they exempted the 2007 supplemental.

Mr. CORNYN. I have also heard about early sunsets as a gimmick to avoid pay-go. How does that work?

Mr. GREGG. In the SCHIP bill, the Democrats reduced funding from \$14 billion per year to \$3.5 billion in the last year, 2012. The gimmick hides \$45 billion in spending.

The farm bill in the Senate also used this early sunset tactic to hide \$18 billion in costs.

Mr. CORNYN. Wow. Are there more tricks?

Mr. GREGG. You bet. The student loan reconciliation bill phased down interest rates to 3.4 percent in 2011, then snap them back up again to 6.8 percent in 2012. This kept \$17 billion in costs hidden.

The student loan bill turned off mandatory Pell Grant spending in 1 of the 10 years—hiding \$9 billion in spending.

Mr. President, \$10 billion in farm bill spending is pushed out beyond 2017—totally escaping pay-go enforcement.

I haven’t even mentioned all of the corporate estimated tax shifts they have used, which move revenues from one fiscal year into another. Even Budget Chairman CONRAD himself called this “funny-money financing” during debate on the last highway bill.

Mr. CORNYN. Sounds like these gimmicks and violations add up to a pretty hefty total.

Mr. GREGG. Mr. President, \$143 billion—quite a chunk of change.

Mr. CORNYN. Is there anything we can do about it?

Mr. GREGG. We can try and reinstitute a first-year deficit test, and we can try and reinstitute a second 5 years deficit test. We can adopt a scoring rule that prohibits shifts such as the corporate estimated tax shift from being used to satisfy pay-go.

But I am not confident they will accept such changes. They seem determined to keep up what the Wall Street Journal called “a con game from the very start.”

Mr. CORNYN. This is very disheartening. Are there other examples of Democrats weakening budget enforcement rules?

Mr. GREGG. Yes, in last year’s budget, the Democrats failed to protect Social Security for seniors. Democrats, in their fiscal year 2008 budget, threw out both the bipartisan Social Security “circuit breaker” and the bipartisan “save Social Security first” budget point of order contained in the Senate-passed version, thus removing crucial tools to eliminate the practice of spending the Social Security surplus on other programs. Under the Democrats’ fiscal year 2008 budget, every

dollar of the Social Security surplus, or \$1 trillion, was spent.

They failed to protect workers against tax increases. Democrats, in their fiscal year 2008 budget conference report, threw out a bipartisan budget point of order against raising income tax rates that had been included in the Senate-passed version.

They failed to protect the integrity of the reconciliation process. Democrats threw out a bipartisan point of order in the Senate-passed version that would have limited any new spending in response to reconciliation instructions to 20 percent. By converting reconciliation to a spending exercise, Democrats allowed new spending that was 2,900 percent larger than the savings instruction in their budget.

They failed to protect State and local governments from expensive mandates. Democrats threw out a Senate rule requiring a supermajority to waive the unfunded mandates budget point of order, thus making it much easier to burden State and local governments with costs from Federal Government requirements.

They failed to protect the firewall between mandatory and discretionary spending. Democrats weakened a budget point of order against mandatory spending in appropriations bills, and exempted the 2007 supplemental appropriations bill from the requirement altogether, thus allowing no enforcement protection against the \$2.4 billion MILC program enacted last year.

Mr. CORNYN. Well, I certainly hope that we do not see a repeat of this outrageous tax-and-spend budget this year, and that there is a great deal more honesty and transparency about what the Government is spending and how. I hope to see a return to fiscal discipline, with an eye on how today’s budget will impact future generations.

Mr. GREGG. I completely agree. As Republicans, our top priority is to pass on prosperity and a strong economy to the next generation. We need to keep spending in check, take the needed steps to address entitlement reform, and keep the economy growing with a fair, progrowth tax system in place. It is unconscionable to leave behind this kind of fiscal mess the majority is making.

Mr. CORNYN. Mr. President, I thank the Chair and I thank the Senator from New Hampshire.

The ACTING PRESIDENT pro tempore. The Senator from Washington.

#### AIRBUS FALSE CLAIMS

Mrs. MURRAY. Mr. President, I come to the floor this morning to spend a few minutes talking about the future of our Nation’s global aerospace leadership, because, frankly, I believe it is in serious jeopardy.

Now, for any of my colleagues who have not heard, last Friday, the Air Force awarded one of the largest military contracts in history. It is a \$40 billion contract. But the Air Force picked



a group led by the French company, Airbus, over an American company, Boeing, to supply our next generation of aerial refueling tankers.

I think I speak for many of us when I say it is deeply troubling we would turn our aerospace leadership over to a foreign company. If the contract had gone to Boeing, it would have meant 44,000 American jobs. So now Airbus is arguing that this contract isn't outsourcing jobs because it teamed with Northrop Grumman, and they have their supporters on the radio and TV talking about how excited they are about the work that will come to the United States because of this deal.

I think we better step back and take a good hard look at what Airbus is planning before anybody pops the champagne. The reality is, we don't know what Airbus is planning.

The Air Force has already said it did not consider jobs a factor when it awarded the tanker contract, so all we have to go on is Airbus's word. We have seen Airbus's slick marketing campaign before, and we have very good reason to be worried. Airbus has a history of bending the truth to try to convince Congress that it plans to invest in the United States, but when you examine their claims, they don't hold up.

Five years ago, when Airbus was first working to unravel Boeing's tanker contract, Airbus and its parent company, EADS, hired a small army of lobbyists to come out here and assert to us that their business was good for America. Well, at the time I was very skeptical of their PR campaign, so I asked our Commerce Department to investigate. Guess what I found. Airbus had claimed they had created 100,000 jobs here, but the Commerce Department looked into it and it wasn't 100,000 jobs; it was 500. Airbus said it had contracted with 800 U.S. firms, but the Commerce Department came back and said it was only 250.

At that point, Airbus did something very funny. They changed their numbers, decreasing the number of contracts from 800 all of a sudden to 300, but they increased the alleged value of those contracts from \$5 billion to \$6 billion a year. So I said at the time: You cannot trust Airbus's funny numbers.

What is interesting is, if you peel back the veneer on Airbus's promises this time, you start asking similar questions. Airbus had said it will build an assembly plant in Alabama. The Air Force says the planes will be American. A plant doesn't exist in America, and the only thing we know about the jobs it will create is that most of that work is going to be done overseas. If you don't believe me, read the British newspapers.

An article in a newspaper in Britain reported Monday that:

Airbus will build the planes in Europe, and fly them to a plant in Mobile, Alabama, for fitting out.

Supposedly, this allows them to call them "made in America." That is like

shipping a BMW over from Germany, putting new tires on it, and calling it America's newest luxury car.

As I have said before, you can put an American sticker on a plane and call it American, but that doesn't make it American made.

I think we have to take some cues from the reaction of the French and German leaders about what this contract means for Boeing and the American industry, and it is not good. German Chancellor Angela Merkel called the deal "an immense success for Airbus and the European aerospace industry."

That is what they are saying in Europe.

A spokesman for French President Nicolas Sarkozy called this deal a "historic success." That is what they are calling it in Europe.

Four years ago, I stood on this floor to raise an alarm to my colleagues about Europe's attempt to dismantle the American aerospace industry, and I have spent years warning the administration and Congress that we have to defend our industry and demand that Airbus play by the rules. For decades, Europe has provided subsidies to prop up Airbus and EADS. Airbus is, to them, a jobs program in Europe, and it has led to tens of thousands of layoffs in the United States because of their illegal tactics, which I have been out on the floor a number of times over the past years to delineate for all of my colleagues. The U.S. Government now has a WTO case pending against Airbus—against the exact company the Air Force has now awarded a \$40 billion contract to.

So I think we have even more reason for concern because this contract now gives Airbus a firm foothold as a U.S. contractor, and it is one that is going to hurt our U.S. workers for years to come.

It took us 100 years to build an aerospace industry in the United States. But once our plants shut down, the industry is gone. We can't just rebuild it overnight. So let's set the record straight. With this contract—this Air Force contract—Airbus is not creating American jobs; it is killing them. With this contract, we can say bon voyage to 44,000 U.S. jobs and bon voyage to \$40 billion of our taxpayer money.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. CARDIN. The Senator from Louisiana is recognized.

Mr. VITTER. I ask unanimous consent to be recognized for 5 minutes as in morning business.

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

#### BORDER SECURITY

Mr. VITTER. Mr. President, I address the Senate today to announce the organization of a new caucus: the Border Security and Enforcement First Caucus. I am very proud to be joined today by several Members in this endeavor;

specifically, Senators DEMINT, SESSIONS, INHOFE, BURR, DOLE, CHAMBLISS, ISAKSON, and WICKER. In the next few days, or in a week or so, we will have additional Members join, I am confident, based on a number of meetings and conversations I have had. So, again, I am happy to announce this important caucus to further the debate about a pressing national challenge. Our point of view and our focus is clear: border security and enforcement first.

Why join this caucus? Why form this caucus? Well, clearly, this problem is a major challenge for the country. Right now, 1 in 25 U.S. residents is here illegally. It is staggering when you think about it: 1 in 25, or 4 percent. The American people have voiced their enormous concern about this en masse, large-scale problem. They have also voiced their clear concern about some of the proposals put forward in Washington to allegedly solve the problem. One of those was shot down very clearly, very soundly last summer, and that is a solution that leads with a big, broad amnesty program.

I believe this debate moved forward last summer because we defeated soundly on the Senate floor that approach because the American people were finally heard loudly and clearly. I believe the message was unmistakable, beyond debate: We don't want a big, broad amnesty; we do want enforcement first. We want enforcement first. This caucus will basically follow that lead of the American people and continue to push the viewpoint and specific, concrete legislation that puts enforcement first, both at the border and at the workplace, as the way to begin to solve this enormous illegal immigration challenge.

So, first, our goal is simple: to push for border security and interior enforcement measures first, including workplace enforcement. That can be a main part of addressing this challenge and solving this problem. This caucus will be a platform to let Americans know that some in the Senate—a significant number—are continuing to make sure laws already on the books will be enforced and to push for stronger border security and interior enforcement legislation, and the funding, the mechanisms, and the systems we need in place to make that work. This caucus will act as a voice for those concerned citizens who have expressed that viewpoint—as I said, most clearly last July.

Another big point this caucus will help make over and over is a simple message: attrition through enforcement. In this immigration debate, I believe it has been a stale debate dominated by a straw man. That is the false choice that either we have to grant a huge amnesty to folks in this country illegally or we have to turn around the next day and have the law enforcement and resources to arrest, as some people put it, 13 million people. That is the false choice that is so often harped on