

those things we all complain about CEOs doing, he did it right. But stock has plummeted in AFLAC. Do you know why? Because of the FASB rules on mark to market, his core asset base, which is long-term assets, held to maturity, to protect against insurance commitments AFLAC has made, are now being marked to market, meaning assets worth something are being marked worth nothing.

So the stock has gone down because the evaluators say the footings on the asset side of the ledger sheet aren't looking as good because of the mark to market. Let me explain the best I can what that really means.

Mortgage-backed securities are one investment a lot of life companies and other industries bought to put on their asset sheet to offset obligations they have off into the future because those securities have maturities corresponding with the maturities of the loans embedded within them of anywhere from 7 to 30 years. When the subprime market started failing last year, Merrill Lynch, in a crisis mode last July, sold its subprime securities to get rid of them; it financed the sale and sold them for 22 cents on the dollar. Under the FASB rules, assets worth 70 or 80 or 90 percent were marked down to 22 percent. That lowered the asset side of the ledger and made the stability of the company look—and I underline that word “look”—worse, when, in fact, those assets, held to maturity, would not be anywhere near the value.

Here is a good example of that: Let's just say I bought a mortgage-backed security, a subprime mortgage-backed security, backed 100 percent by 30-year mortgage loans made in the State of Nevada—every one a subprime loan. Nevada has the highest foreclosure rate of any State on subprime paper. Seventy percent of those loans in Nevada today are paying right on time; 30 percent are in default. Yet, because of mark to market, that security is not marked at 70 percent, which it is performing at, but at zero because at a given point in time today you can't sell it. It is being held by the institution as an offsetting asset to a liability over a term of maturity.

At Tommy's Barber Shop, I ran into a pension fund man and an insurance guy, and they said: Why in the world don't we look for accounting on mark to market like we looked at the pension crisis in 2004?

We have short memories in the Senate. In 2004, because of the declining stock market in 2001 and 2002, there were a number of defined benefit plans in America that underfunded. Because of the accounting rules that were being enforced at the time, those institutions were asked to write checks to fully fund the pension funds when, in fact, not everybody is going to retire the same day but over a number of years.

What did we do in the Congress? With Senators KENNEDY, ENZI, myself, and others, we passed the Pension Protec-

tion and Reform Act. We said: If your pension fund's corpus becomes underfunded, if you cannot meet your obligation, we will let you smooth that investment, or amortize it, over 4 to 6 years. In the case of Delta, which was in trouble at the time, they had a \$900 million shortfall in their pension fund. But because of smoothing, instead of having to put \$900 million in in 1 year, they did \$150 million over 6 years. Delta is the most profitable airline in the United States today. They would not exist today had it not been for the smoothing.

The ACTING PRESIDENT pro tempore. The time for morning business has expired.

Mr. ISAKSON. Mr. President, I ask unanimous consent for another minute.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ISAKSON. Mr. President, in conclusion, I hope everyone will visit their “Tommy's Barber Shop” and look at what we are doing that may have the unintended consequences of exacerbating the economic problem for the average American today and for Tommy the barber.

I yield the floor.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

Mr. MCCONNELL. Mr. President, I am going to proceed on my leader time.

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

THE BUDGET

Mr. MCCONNELL. Mr. President, we have seen the numbers. Unemployment is at a 25-year high. Millions are worried about holding on to their jobs and their homes. With every passing day, Americans are waiting for the administration to offer its plan to fix the banking crisis that continues to paralyze our economy. Every day, it seems, the administration officials are unveiling one new plan after another on everything from education to health care. Meanwhile, the details of a banking plan to address our main problem have yet to emerge.

We need reforms in health care and education and in many other areas. But Americans want the administration to fix the economy first. Unfortunately, the budget avoids the issue entirely. It simply assumes this enormously complex problem will be fixed, and then it proposes massive taxes, spending, and borrowing to finance a massive expansion of Government. It assumes the best of times, and, as millions of Americans will attest, these are not the best of times.

Over the next few weeks, the Senate will debate the details of this budget. One thing is already certain: It spends

too much, it taxes too much, and it borrows too much. This budget would be a stretch in boom times. In a time of hardship and uncertainty, it is exactly the wrong approach. The budget's \$3.6 trillion price tag comes on top of a housing plan that went into effect last week that could cost a quarter of a trillion dollars, a financial bailout that could cost another \$1 trillion to \$2 trillion, and a stimulus bill that will cost, with interest, more than a trillion dollars. Some are now talking about yet another stimulus. The national debt is more than \$10 trillion, and yesterday we passed a \$410 billion Government spending bill that represented an increase in Government spending over last year of twice the rate of inflation. In just 50 days, Congress has voted to spend about \$1.2 trillion between the stimulus and the omnibus. To put that into perspective, that is about \$24 billion a day or about \$1 billion an hour—most of it, of course, borrowed. There is simply no question that Government spending has spun out of control.

Given all this spending and debt, the cost of the budget might not seem like much to some people. But this is precisely the problem. To most people, it seems that lawmakers in Washington have lost the perspective of the taxpayer. It is long past time we started to think about the long-term sustainability of our economy, about creating jobs and opportunity for future generations. That will require hard choices. The omnibus bill avoided every one, and, unfortunately, so does the budget.

Stuart Taylor of the National Journal recently praised the President in two consecutive columns. Yet he was shocked by the President's budget. Here is what Taylor said about the budget:

“... Not to deny that the liberal wish list in Obama's staggering \$3.6 trillion budget would be wonderful if we had limitless resources,” Mr. Taylor wrote. “But in the real world, it could put vast areas of the economy under permanent government mismanagement, kill millions of jobs, drive investors and employers overseas, and bankrupt the nation.”

There is no question, in the midst of an economic crisis, this budget simply spends far too much. In order to pay for all this spending, the budget anticipates a number of rosy scenarios. It doesn't explain how the economic recovery will come about, it simply assumes that it will. It projects sustained growth beginning this year and continuing to grow 3.2 percent in 2010.

Let me say that again. It projects sustained growth beginning this year and continuing to grow 3.2 percent in 2010, 4 percent in 2011, and 4.6 percent in 2012. While we all hope to soon return to this growth, we cannot promise the growth we hope to have, especially when this growth is far from likely, particularly given a host of new policy proposals in the budget itself that are certain to tamp down growth even more. There is simply no question that this budget spends too much.

But even if this growth does occur, it would not be enough to support the

spending proposals. That is why the budget calls for a massive tax hike. In fact, this budget calls for the largest tax increase in history, including a new energy tax that will be charged to every single American who turns on a light switch, drives a car, or buys groceries. Unless you are living in a cave, this new energy tax will hit you like a hammer.

During the campaign, the President said his plan for an energy tax will "cause utility rates to skyrocket." He was right. The new energy tax will cost every American household. I can't imagine how increasing the average American's annual tax bill will lift us out of the worst recession in decades.

There is more. A new tax related to charitable giving would punish the very organizations Americans depend on more and more during times of distress. One study suggests that the President's new tax on charitable giving could cost U.S. charities and educational institutions up to \$9 billion a year—money that will presumably be redirected to the 250,000 new Government workers the budget is expected to create. There is no question that this budget taxes too much.

Remarkably, the largest tax increase in history and a new energy tax still aren't enough to pay for all the programs this budget creates. To pay for everything else, we will have to borrow—borrow a lot. This budget calls for the highest level of borrowing ever.

Now, if there is one thing Americans have learned the hard way over the past several months, it is that spending more than you can afford has serious, sometimes tragic, consequences. Yet Government doesn't seem ready to face that reality—not when it is spending other people's money and not when it is borrowing from others to fund its policy dreams.

It is not fair to load future generations with trillions and trillions of dollars in debt at a moment when the economy is contracting, millions are losing jobs, and millions more are worried about losing homes. It is time the Government realized that it is a steward of the people's money, not the other way around, and that it has a responsibility not only to use tax dollars wisely but to make sure the institutions of Government are sustainable for generations to come.

I don't know anybody who would borrow money from people thousands of miles away for things they don't even need. Yet this is precisely what our Government is doing every single day by asking countries such as Saudi Arabia, Japan, and China to finance a colossal budget in the midst of an economic crisis.

The administration has said it intends to be bold, and I have no doubt this budget reflects their honest attempt to implement what they believe to be the best prescription for success. We appreciate that effort. We simply see it differently. A \$3.6 trillion budget that spends too much, taxes too much,

and borrows too much in a time of economic hardship may be bold, but the question is, Is it wise? Most of the people who have taken the time to study this budget have concluded it is not wise. Republicans will spend the next few weeks explaining why to the American people.

Americans want serious reforms. But in the midst of a deepening recession, they are looking at all this spending, taxing, and borrowing, and they are wondering whether, for the first time in our Nation's history, we are actually giving up on the notion that if we work hard, our children will live better lives and have greater opportunities than ourselves.

Americans are looking at this spending, taxing, and borrowing, and they are wondering whether we are reversing the order—whether we are beginning to say with our actions that we want everything now—and putting off the hard choices, once again, for future generations to make. That would be a most important question in this upcoming budget debate.

It is important, once again, to sum up the core problem with the budget we will be voting on in a few weeks: It spends too much, taxes too much, and it borrows too much.

POLITICAL EXPRESSION WITHOUT FEAR

Mr. McCONNELL. Mr. President, I wish to address the so-called card check legislation which was introduced in both the House and Senate yesterday.

As Americans, we expect to be able to vote on everything from high school class president to President of the United States in private. Workers expect the same right in union elections. This legislation goes against that fundamental right of political expression without fear of coercion.

We have had the secret ballot in this country for 100 years—130 years, at least—and it was common even before then. We have said to other countries around the world: If you want to have a democracy, you have to have a secret ballot. And yet this measure, to put it simply, would be better called the "Employee No Choice Act." It is totally undemocratic. To approve it would be to subvert the right to bargain freely over working terms and conditions. It would strip members of a newly organized union of their right to accept or reject a contract.

In addition, this bill ushers in a new scheme of penalties which are antiworker and which apply only to employers and not to unions. Even though Americans have regarded secret ballot elections as a fundamental right—as I indicated earlier, for more than a century—some Democrats seem determined to strip that right away from American workers.

If this were not bad enough, a study released last week by economist Dr. Anne Layne-Farrar showed that if en-

acted, card check legislation could cost 600,000 American jobs—600,000 American jobs potentially lost. At a time when all of us are looking to stimulate the economy and put Americans back to work, we are threatening to undermine those efforts with this job-killing bill.

Republicans will oppose any legislation which attempts to undermine job creation, and we will oppose the effort to take away a worker's right to a secret ballot.

Mr. President, I yield the floor.

EXECUTIVE SESSION

NOMINATION OF DAVID W. OGDEN TO BE DEPUTY ATTORNEY GENERAL

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

The assistant legislative clerk read the nomination of David W. Ogden, of Virginia, to be Deputy Attorney General.

The PRESIDING OFFICER. Under the previous order, the time until 4:30 p.m. will be equally divided and controlled between the leaders or their designees.

The Senator from Vermont.

Mr. LEAHY. Mr. President, I am opening this debate in my capacity not only as a Senator from Vermont but as chairman of the Judiciary Committee.

We are here today to consider President Obama's nomination of David Ogden to be Deputy Attorney General, the number two position at the Department of Justice. This is a picture, incidentally, of David Ogden. I had hoped we could vote on this nomination soon—although apparently, because of objections on the other side, we will not be able to vote until tomorrow. This is unfortunate. Every day we delay the appointment of the Deputy Attorney General is a day we are not enhancing the security of the United States.

In this case, we have a nominee who I had hoped to have confirmed weeks ago. Mr. Ogden is a highly qualified nominee who has chosen to leave a very successful career in private practice—one I might say parenthetically pays considerably more than the Department of Justice does—to return to the Department, where he served with great distinction. His path in many ways reflects that of the Attorney General, Eric Holder, who, of course, also was a highly successful and respected partner in one of the major law firms in Washington. And he left to become Attorney General of the United States at the request of President Obama to serve his Nation. Mr. Ogden is doing the same thing.

Interestingly enough, once Mr. Ogden's nomination was announced, the letters of support started to come