

best proposals for growth and job creation to make it onto the Senate docket in years. Let's be clear: The alternatives being offered by the other side are nothing more than a face-saving exercise aimed at allowing Senators who aren't serious about this issue to mislead their constituents into believing they are.

But the American people have put up with distractions and face-saving exercises long enough. They have put up with near double-digit unemployment long enough. They have heard enough about the costly big government proposals Democrats envision for the future. And frankly, they have had it. It is time to address the problems right in front of us. It is time for the President to put forth a serious plan. When it comes to energy, these problems are obvious. So are the answers. It is time for lawmakers to come together and do what we know is right.

Madam President, I yield the floor.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will be in a period of morning business for 1 hour, with Senators permitted to speak therein for up to 10 minutes each, with the time equally divided and controlled between the two leaders or their designees, with the Republicans controlling the first half and the majority controlling the final half.

The Senator from Alabama.

BUDGET ANALYSIS

Mr. SESSIONS. Madam President, I want to share some thoughts this morning and to report to our colleagues on the analysis done by the Congressional Budget Office of the President's budget he has submitted to us and asked that we adopt.

The budget has been roundly criticized as in no way getting us off this unsustainable path, and allowing the country to continue to head toward a financial abyss. Expert after expert, witness after witness before the Budget Committee—on which I am the ranking Republican Member—has testified to the danger we face and the need for us to take action. The Congressional Budget Office, in sum, concludes that the very insufficient reforms contained in the President's budget are more insufficient than the President has said, when properly analyzed. It is a very firm and severe rebuke to the President and his team of analysts who presented it to us. It is not good.

I believe it is probably the most erroneous budget ever submitted to Congress, in changing the numbers by \$2.3 trillion in debt. In other words, the

Congressional Budget Office says the budget submitted by the President, which was supposed to add to the debt some \$13 trillion or so, is actually going to add \$2 trillion more to the debt over 10 years, more than doubling the national debt. This is a very serious matter.

The budget presentation to the Congress continues a policy by this administration to minimize the danger of the debt crisis we face. It has been a sophisticated, long-term, continuous effort to not only say that cuts are too severe, too extreme—as the talking points go—and that, indeed, this President has things under control; that the debt crisis is not real, and we don't have to take firm action. The President does not look people in the eye and explain the true situation we are facing.

Indeed, this is the rhetoric they have used. The President has used this language; Jack Lew, his Director of the Office of Management and Budget, has used this language. They claim the budget they submitted calls on us to "live within our means." His budget causes us to live within our means. They also have used this phrase, more than once: "It only spends money that we have each year." Also they say that their budget "does not add more to the debt." At a press conference about this, the press secretary to the White House was asked: Do you stand by these statements? What did he say? Absolutely. And when Budget Director Lew came before the Budget Committee, and I asked him about it, he stands by these statements. He didn't acknowledge they are in any way in error.

If we are going to have reform in America, if we are going to do something about the debt crisis this Nation faces, we have to be honest with one another. We have to deal honestly with the grave challenges we face. We can't be in denial. We can't continue to say we are living within our means and that we are not going to add more to our debt.

Why do I say that? Well, the President's own budget said the deficits would surge, would continue to be out there every single year, with the lowest single deficit in 10 years, according to his budget, to be \$600 billion and going up in the outyears to almost \$800 billion.

What does CBO say about all of this? This is what they told us after they analyzed the President's budget. Let me explain what happens. The President submits a budget to the Congress. We have our own Congressional Budget Office, and they analyze what the President proposes. They then give us a report on it and say what it means, if adopted; how it would impact our economy, how it would impact our debt, how it would impact the financing of our government. So what does CBO say? It says the President's debt-doubling budget adds more to the debt than the President claims. The score reveals the President's budget never

once produces a deficit of less than \$748 billion, and climbs to a deficit in the tenth year of \$1.2 trillion—one thousand two hundred billion dollars.

I have been saying the lowest budget was \$600 billion because that is what the President's own numbers said in the document he sent to us, but CBO says no. The CBO Director and his team, for the most part, were in place when the Democrats controlled both Houses of Congress. They are a non-partisan group that tries to give honest numbers and do honest work. They are certainly not a Republican organization. They say the actual number was not going to be a \$600 billion low annual deficit but that the lowest deficit would be \$748 billion, increasing to \$1.2 trillion.

You see, this is why the experts say we are on an unsustainable path. We cannot continue. How much is \$1.2 trillion? Well, the highest deficit President Bush ever had was \$450 billion, I believe, give or take. That was way too high, and he was roundly criticized for that. But this is three times that in the tenth year. This year, we are going to have a \$1.6 trillion, \$1.5 trillion deficit. In this fiscal year we will have, for the third consecutive time, a trillion dollar deficit. These are deficits the likes of which the Nation has never seen before and cannot sustain. It puts us on a path to financial instability and danger. It is a path we must get off. We can do so, but it is going to take some will. We are going to have to do some of the same things our cities and counties are doing.

Also, the CBO said that, using gimmicks, the President's budget concealed a total of \$2.3 trillion in deficit spending and \$1.7 trillion in increases of gross debt for the country. The debt to GDP reaches 116 percent in the 10th year.

Let's talk about that. Why is that important? Professors Rogoff and Reinhart, who testified before our committee, have written a very significant and highly regarded book. Their book, "This Time It's Different," says that from a study of sovereign nations all over the world, when their debt reaches 100 percent of GDP, the economy is pulled down. It has a depressing effect on their economy. The economy will grow on average about 1 percent less than it would have grown otherwise, which is huge.

When you are talking about economic growth of 2, 3, 4 percent, to have a 1-percent reduction is a major drain on our economic growth, and growth is so critical for job creation and actually tax revenue to fund our government and get us out of the debt we are in. You cannot borrow your way out of debt. The deeper you get into debt, the more it pulls down the vitality and growth potential of your economy. We have to get off this path.

CBO says in the 10th year it will be 116. Senator CONRAD, the Democratic chairman of the Budget Committee, is very worried about this number. He

had a chart about it at our hearing recently. He showed that this year for the first time we will go over 100 percent of GDP in national debt. It is about 5 percent now, and we will go over 100 percent and will stay over it under the President's budget. Experts tell me this is unsustainable. Something bad will happen to us.

In addition, when Secretary of Treasury Geithner appeared before our committee, he acknowledged the Rogoff and Reinhart analysis. He acknowledged that this high level of debt will weaken the growth in our economy, and he added this: This level of debt creates a greater potential for an economic kickback, an economic catastrophe; another recession could occur as a result of these high debts.

CBO analysis reveals a number of other things that are disturbing because they are so plainly false, so plainly gimmicky, and so plainly designed to mislead the American people about the true nature of this budget that it, again, raises credibility questions about the White House and how they are explaining the situation we are in to the American people. They seem to be denying we are in a crisis.

For example, this budget submitted by the White House assumes there will be \$315 billion for what we refer to as the doc fix in the final 8 years of this 10-year budget. But there is no source of income for that. They do not propose a tax increase. They do not propose any income that would be there. The CBO says: You cannot just assume money is going to appear when there is no source for this money. It is a manipulation of the numbers to try to hide the fact that there are no moneys available to pay the doctors the kind of income they need to continue to treat Medicare patients. If we do not do something, physicians will have their pay cut 20-percent-plus for treating Medicare patients. That is not healthy. It cannot be sustained. Physicians will not work with another 20 percent cut. They get paid less for Medicare than any other source of work they do unless it is the Federal Medicaid Program. CBO called them on it and said: No, you cannot score income when you show no source of that income.

What about transportation? There is a major increase proposed for spending on transportation next year, and their budget just assumes there will be a \$328 billion income surge for transportation. It is called a transportation tax, but we are told it will not be a gas tax. I have referred to it as the "not-gas-tax tax" because all we know about this tax is they say it will not be a gas tax. They are talking about a \$328 billion tax increase of some kind but no proposal where it would be, how it would be imposed, whether Congress would ever vote for it or not. They are not likely to vote for it, I have to tell you. CBO says that is phantom money. You need a better plan than that because otherwise your budget is just smoke and mirrors on that subject.

Remember, when we borrow money, we pay interest. The interest we paid last year was \$200 billion. As the debt goes up and increases, although interest rates are very low now, they are going to increase some. According to CBO's analysis, with the debt more than doubling in the next 10 years under the budget the President has submitted to us, the annual interest is over \$900 billion. That is about one-fourth of what the entire government spends today. We spend about \$3.8 trillion. This is almost \$1 trillion in interest in 1 year. Frankly, I think CBO's estimate of what the interest rates are going to be on our debt are probably low.

It is this kind of debt, where your debt is over 100 percent GDP, that puts you in a position where you could have a debt crisis kicking us back into another recession.

What we have to have—from the President and from our Democratic leadership here in the Senate—is an honest evaluation of where we are. The President needs to look the American people in the eye and say: We are not on a course that we can sustain. Federal Reserve Chairman Bernanke told us in January that we are on an unsustainable path. We have to get off it. About these numbers that project out here for 10 years, the doubling of the debt, Mr. Bernanke said: We are not going to get there because we will have a debt crisis before we get there, and there will be much, much harder times getting our finances in order than if we act today to get them in order. He said we wouldn't get there with these projections; they are too severe, too damaging to our economy.

Madam President, what time is left on this side?

The ACTING PRESIDENT pro tempore. The Republican side has 15 minutes.

Mr. SESSIONS. If some of my colleagues appear, I will be glad to yield the floor, but I will share a few more thoughts.

The President's budget does some other gimmicky things. He claims he has a 5-year freeze on nondefense discretionary spending. He told the American people that in the State of the Union Address. We have looked at those numbers, and it appears pretty clear that there is a 5-percent increase in the discretionary spending next year. How do they accomplish that? They reclassify all discretionary transportation funding as mandatory spending and say it is not discretionary. They just declare it is mandatory spending, and they say they have reduced discretionary spending by \$7 billion. What kind of hokum is that? This is not worthy of the President of the United States and the Office of Management and Budget, coming here with a gimmick like that—just redefine discretionary spending and say it is there and say: I have a freeze in discretionary spending.

What else did they do? They hide another \$9 billion in the reverse of that,

in one-time mandatory savings. Actually, they use it in the discretionary account, but they do not count it as increased spending. That is \$9 billion. And the President's proposed spending levels for next year will be even further out of whack as a freeze because this Congress is going to reduce the spending this year, hopefully by the full \$61 billion the House has asked that we reduce it.

You say: Mr. SESSIONS, this is all partisan bickering. But it is not partisan bickering. We have bipartisan recognition in this Senate from Senator after Senator, Democrats as well as Republicans, who understand we are on an unsustainable course, and they know we need to get off this course. But I have to be critical about the President because he is not telling the American people the severity of the challenge we have and he is not proposing a plan that will actually fix it, but actually he is proposing a plan that will make it worse. This is a crisis. We have to confront this problem.

The President is going to have to move from denial to reality, to the real world, and help us develop a plan that contains spending in America just like is happening all over this country. Governor Cuomo is talking about substantial reductions in spending in New York, as is Governor Christie in New Jersey and Governor Brown in California.

I just saw my friend John McMillan, the head of agriculture and industry in the State of Alabama. He has 200 employees. He said they are going to have to reduce 60. That is almost one-third of the employees of his department. Do you think the department of agriculture and the industries of Alabama will cease to exist? I don't think so. I bet Mr. McMillan will figure out some way to perform most of the duties in his office. But he doesn't have the money, and when you don't have the money, you have to make tough decisions.

The American people understand this. When they don't have money, they don't spend. If they spend when they don't have money, they know they are taking a risk and they know it can't continue long. But this Congress does not get it. We are in a denial mode. We think we can just continue to spend forever, and we have the majority leader in the Senate whining about losing money for a cowboy poetry festival in Nevada. Give me a break. When you don't have money, you have to make decisions. That is just the plain fact.

What about next year's budget that the President proposes? The education budget next year is proposed to get an 11-percent increase over the past 2 years, which have had surging increases. Indeed, most Americans probably do not know that in this time of record deficits, over \$1 trillion deficits, the last 3 years, the discretionary accounts—nondefense discretionary spending—increased 24 percent. And

next year? They want another 11 percent for education, another 9.5 percent for the Energy Department, another huge increase for transportation—the base, I believe, is over 10 percent but, including the phantom revenue, they will see around a 60 percent increase.

Under the President's request, the State Department is demanding and expecting to get over a 10-percent increase in spending. And inflation is 2 percent or less? How can we do this? The American people know this is not realistic. They know it is dangerous, and they want us to do something about it.

Frankly, I think that had something to do with the elections last fall. I think the American people were sending a message to a blind Congress that they expected us to do better on spending. Are we getting the message? We are proposing huge increases in spending next year, five times the rate of inflation in America, and we claim that is somehow frugal and living within our means. When the lowest single deficit over the next 10 years is projected to be \$740-plus billion, that is unacceptable.

We have to be careful about what we say about our economy. We have to keep our economy moving forward. It is struggling. It is moving. We are having some good growth. We want to see that growth continue and expand.

The job situation is not good. We need to have at least 150,000 to 200,000 new jobs a month to stay level. That is about where we have been, 150,000 or 200,000 jobs. That is basically keeping us level. We need more job growth than that. It is better having some jobs being added than none, I acknowledge that, but it is not as strong as we need it to be.

One reason we are not having growth, as Professors Rogoff and Reinhart have told us, is the debt pulling down our economy. It is putting a cloud over our economy. The whole world is watching the United States. Are we going to go off the cliff or will this Congress rise up and put us on a path to sound fiscal policy that creates confidence in our financial situation; creates investment, growth, and jobs. That is the road we need to be on. It will be a tougher road. We will have to make some hard decisions about spending and which programs are going to get money and which ones aren't. Maybe all of them will have to take some sort of cut, but we can do that. We will get the country on the right track, and America is not going to fall into the ocean if we make some reductions in spending.

I will just point out that it is difficult to do that when we are in a political world, according to the New York Times, where anybody who proposes to reduce spending is called an extremist. Senator SCHUMER started that. He got caught on a phone call saying we should use the word "extremist." Cut \$61 billion out of \$3,800 billion in expenditures; that is what the House has sent over here to us, a proposal that we

reduce spending, under the continuing resolution, by September 30, by \$61 billion out of a total of \$3,800 billion the Federal Government spends.

This is extreme, we are told, and the government is going to sink into the ocean, and we cannot survive with these kind of reductions. So they had a meeting. They all were right on message, according to the New York Times. "We are urging Mr. BOEHNER to abandon the extreme right wing," said Mrs. BOXER, urging the House to compromise on the scale of spending cuts and to drop proposed amendments that would deny funding for Planned Parenthood.

Another Senator said, referring to the House Republicans as "right wing extremist friends"—he is a real nice Senator. He did not want to be too harsh, so he called them "right wing extremist friends." That is better than not calling them friends, I suppose.

Another Senator decried Mr. BOEHNER as "giving in to the extremes of his party." Another closed by speaking of the "relatively small group of ideologues who are an anchor dragging down the budget-negotiating process."

Give me a break. \$61 billion. If we cannot do that, what does the world think about us? Did we really get a message from this election? Did we really understand that we are challenged now; that this is our time in history to face up to the facts that we are on an unsustainable fiscal course that will lead us, as Mr. Bernanke said, to economic disaster long before these projections come to a conclusion?

We cannot continue on this course. We have to get off this course. We owe it to every working American not to put this country back into another recession. The truth is, we can do these reductions in spending. This government is not going to sink into the ocean. We are going to continue to serve the American people. If we do it, we will get on the right path, and this economy can continue to grow knowing that we have gotten our fiscal house in order.

It is not that hard. I urge my colleagues to do so. Let's not give up on the \$61 billion total reduction in spending the House has asked us to meet. Let's do it, and let's be proud of it. Let's know then that we have done something that will amount to a real change in the debt trajectory we are on.

We have calculated it. My budget staff has looked at the numbers. A \$61 billion reduction in baseline spending—which is what they are proposing—over 10 years will save \$860 billion. It will reduce the debt of America by almost \$1 trillion. We need to do more of those kinds of things in the months ahead. If we do so, we can change the trajectory we are on.

So I urge my colleagues, do not leave here talking about splitting the baby and just seeing how little we can reduce spending. Let's go on and accept the House number. Let's embrace it.

Let's make a decision to get our finances in order just like cities and counties and families are doing all over the country.

I yield the floor and reserve the remainder of our time.

The ACTING PRESIDENT pro tempore. The Senator from Hawaii.

(The remarks of Mr. AKAKA pertaining to the introduction of S. 675 and S. 676 are printed in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. AKAKA. I yield the floor.

EXTENSION OF MORNING BUSINESS

Mr. AKAKA. I ask unanimous consent that the period for morning business be extended until 2 p.m., with the time equally divided between the two leaders or their designees, with Senators permitted to speak for up to 10 minutes each.

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

Mr. AKAKA. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

SHARED SACRIFICE

Mr. SANDERS. Madam President, I wish to say a few words about the debate over the budget that is currently taking place here in Washington.

I wish to express a viewpoint that I think is shared by the vast majority of the people in our country. That is, No. 1, I think we all recognize the deficit of \$1.6 trillion is an enormously serious problem, as is the case with a \$14 trillion national debt. I think most Americans and virtually everybody in Congress understands this is an issue we have to deal with. However, at a time when this country is in the midst of severe recession; when real unemployment—not official unemployment—is close to 16 percent; when poverty in America is increasing and when we have the highest rate of childhood poverty of any major country on Earth; at a time when 50 million Americans have no health insurance at all and we are losing about 45,000 Americans every year because they don't get access to a doctor; at a time when many of our people are working longer hours for lower wages, I think what most Americans are saying is: Yes, we have to deal with the deficit, but we have to deal with it in a way that is fair and in a way that requires shared sacrifice.

It is absolutely wrong to be talking about balancing the budget and deficit reduction simply on the backs of working people, the middle class, low-income people, the sick, the elderly, the