

help drive the engine of our economy. We have major reforms in this bill with regard to the Harbor Maintenance Trust Fund, major reforms in the bill with regard to the Inland Waterway Trust Fund, dredging what we need to dredge, moving forward on key harbors and ports and waterways. That is important for our Louisiana maritime sector, which is a big part of the national economy.

So there are a lot of positives to this bill. That is why I was proud to help develop it and support it. That is why I am very pleased today that it got overwhelming bipartisan support.

I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

DISAPPEARING MIDDLE CLASS

Mr. SANDERS. Madam President, yesterday the nonpartisan Congressional Budget Office, the CBO, estimated that this year's budget deficit will be 24 percent lower than it was projected just a few months ago. That is very good news for our country. Let's not forget that just 5 or so years ago when President Obama came into office in January 2009, he inherited a \$1.4 trillion deficit—\$1.4 trillion. This was as a result of two unpaid-for wars, huge tax breaks for the wealthy and large corporations, an unfunded Medicare Part D prescription drug program written by the drug and insurance companies and, of course, the terrible recession, which resulted in less revenue coming into the Federal Government.

We experienced 4 straight years of deficits above \$1 trillion. This year the CBO projects the deficit will just be \$642 billion. Now, \$642 billion is a lot of money. It is a large deficit. We have to continue working on that issue. But, clearly, for a variety of reasons we have made substantial progress, and we should be proud of that.

By 2015, the CBO is projecting that Federal deficit will total just 2.1 percent of GDP, exactly what those folks involved with Simpson and Bowles told us we needed to achieve in order to be fiscally sustainable over the long term.

So the good news is that we have made significant progress on deficit reduction. We should be proud of that. However, we must be cognizant that we do not place ourselves in a situation in which the operation was a success but the patient died. The patient I am talking about, of course, is the disappearing middle class, the backbone of this great country.

In other words, while a lot of attention has been focused on deficit reduction, which is important, it is high time we started focusing on what is happening to tens of millions of working families, people who are unemployed, people who are working at very low wage jobs, elderly people who cannot afford their prescription drugs, families who cannot afford to send their kids to college or provide childcare for their young ones.

My main point today is, let's start focusing on the issue of most importance to the vast majority of the American people; that is, creating the millions of jobs we desperately need and making sure people have income they can afford to live on with dignity.

The sad reality is—and we need to focus on these issues—poverty is increasing and in many ways the great middle class of this country, once the envy of the world, is disappearing. Sadly, the gap between the very, very wealthy and everyone else is growing wider and wider.

We must not have an economy where just the people on top, just the multinational corporations do extremely well, while the vast majority of the people are struggling to make ends meet.

Since 1999 the average middle-class family has seen its income go down by nearly \$5,000 after adjusting for inflation. Median family income today is lower than it was in 1996. So all over this country people get up in the morning, often husbands and wives, work long hours, and they come back and they find out that they are worse off financially than they were 10 or 15 years ago.

When you ask people, why, what direction, how is the country doing, they think the country is moving in the wrong direction. That is precisely the reason: people are working long hard hours, and they are falling further and further behind.

I understand when we pick up the newspapers they tell us unemployment is 7.5 percent. That is one way of looking at unemployment. But if we look at it in a more accurate way, including those people who have given up looking for work, people who are working part time when they want to work full time, real unemployment in this Nation today is 13.9 percent. It is high time this Congress began addressing that issue. In fact, more than 20 million Americans today do not have a full-time job when they want to be working full time.

Another issue that has not received the attention that it deserves is youth unemployment. Youth unemployment is especially painful because we have young people graduating high school, graduating college, wanting to go out and begin their careers, begin their adult lives, and they cannot find a job. In some cases if they graduate college, they are finding a job which does not require a college degree.

The youth unemployment rate for 16- to 24-year-old workers is 16.2 percent—16.2 percent. For teenagers the overall unemployment rate is 25.1 percent. For African-American teens, the number is 43.1 percent.

Believe it or not, the United States has now surpassed much of Europe in the percentage of young adults without jobs, according to a recent article in the New York Times. We have done well for a variety of reasons in dealing with deficit reduction, but now it is

time to turn to those young people throughout this country, kids who are looking forward to getting out on their own, earning a living, and help them get the kind of jobs they need to succeed in life and to start their adult life off in a good direction.

Each and every year when we talk about young people, we should understand that another real tragedy is taking place, and that is because of the disappearing middle class and the high cost of college education. Some 400,000 high school graduates do not go to college, not because they are unqualified but because they cannot afford it. What a tragedy that is, to waste all of that intellectual capital. Who knows what those kids might do if they are able to get a college degree. But now, because of declining incomes for their families and the high cost of college education, they are unable to do it. This is an issue on which we must also focus.

From 1969 to 2009, median earnings for male high school graduates plummeted by almost 50 percent after adjusting for inflation. Let me repeat that. From 1969 to 2009, median earnings for male high school graduates plummeted by almost 50 percent after adjusting for inflation. Men without a high school education have fared even worse. Their inflation-adjusted median earnings have shrunk by nearly two-thirds over the past four decades.

What is that about? Well, what that is about is at one time in this country, when people did not have even a high school degree or just a high school degree, they could go out and get a job. Maybe that job was in a factory. Maybe it was not the greatest job in the world, but if they worked in a factory, and especially if they had a union job in that factory, they could make a decent wage. They could make it into the middle class. But, sadly, those jobs have, to a very significant degree, disappeared. We have lost over 50,000 factories in this country in the last 10 years millions of decent-paying jobs.

What opportunities are there now available for young people who just graduate high school or may not even graduate high school? At best, at best, they are going to work at McDonald's or work at Wal-Mart for inadequate wages. But the truth is that many of those young people are finding it difficult to obtain any kind of job.

There is another issue on which we must focus, and that is distribution of wealth because at the end of the game, the end of the game of economics, we want to know who wins and who loses. Clearly, what has been going on in this country in recent years is the people on top are doing phenomenally well while the middle class is shrinking and poverty is at a very high rate.

According to a report that came out on April 23, 2013, a couple of weeks ago, from the Pew Research Center, all of the new wealth generated in this country from 2009 to 2011 went to the top 7 percent of American households, while

the bottom 93 percent of Americans saw a net reduction in their wealth.

All of the new wealth, from 2009 to 2011, went to the top 7 percent. Today, the wealthiest 400 individuals in this country own more wealth than the bottom half of America, 150 million people—400 people here, 150 million there. That is not what this great country was supposed to be about.

Today, one family, the Walton family, the owners of Walmart, is worth \$100 billion. That is more wealth than the bottom 40 percent of the American people. One family owns more wealth than the bottom 40 percent of the American people.

Today the top 1 percent owns 38 percent of all financial wealth, while the bottom 60 percent owns 2.3 percent. In case people didn't hear that correctly—maybe they are scratching their heads—let me say it again. The top 1 percent owns 38 percent of all financial wealth in this country, while the bottom 60 percent owns 2.3 percent. That gap between the billionaires and everybody else is getting wider and wider and wider. In fact, as Warren Buffett has pointed out, we are seeing a massive shift of wealth from the middle class to the billionaire class.

Warren Buffett pointed out recently that the 400 wealthiest Americans are now worth a recordbreaking \$1.7 trillion, more than five times what they were worth two decades ago.

Meanwhile, according to a June 2012 study from the Federal Reserve, median net worth of middle-class families dropped by nearly 40 percent from 2007 to 2010. What we are seeing is a massive shifting of wealth from the middle class, from the working class of this country, to the people on top. That gap between the very wealthy and everybody else is now wider than it has been since the 1920s and wider than any major country on Earth.

What is my point? My point is that deficit reduction is important. We must continue to focus on it. We cannot forget about the economic reality facing the men, women, and children of this country, facing senior citizens of this country. It is high time we began to address some of the major economic problems we face.

In terms of job creation, most economists will tell you the fastest way to create jobs is to put Americans back to work rebuilding our crumbling infrastructure. In my State of Vermont and in States all over this country, there is a desperate need to repair and rebuild our roads, bridges, dams, culverts, sewers, schools, and affordable housing. If we do this, if we start investing in our infrastructure, making sure broadband is accessible in every area in this country, cell phone service is available in every area of this country, rebuilding our roads, bridges, rail, we will make this Nation more productive. At the same time we can put millions of people back to work at all kinds of work.

The American Society of Civil Engineers has graded America's roads, pub-

lic transit, and aviation infrastructure with a D-plus. They say we must invest \$1.6 trillion more than we are currently planning to spend on infrastructure over the next 7 years just to get a passable condition. When we make that investment, we improve life in America. People do not have to go over potholes. Bridges do not have to be closed. We can develop a first-rate rail system to compete with Europe, Japan, China, and we can create jobs doing that.

The second point, in terms of job creation, is we can create significant numbers of jobs transforming our energy system away from fossil fuel, into energy efficiency, and such sustainable energies as wind, solar, geothermal, and biomass. When we do that we begin to start addressing the planetary crisis of global warming, we begin to cut back on greenhouse gas emissions, and we create good-paying jobs.

Thirdly, we have got to take a hard look at our disastrous trade policy, which for many years has been corporate America's policy, and a policy of Republicans and Democrats alike. Despite all of the evidence that unfettered free trade has resulted in the loss of millions of decent-paying jobs in this country, as corporations shut down here, move to China, Vietnam, and other low-wage countries, we still have Democrats and Republicans coming forward doing the bidding of corporate America so these companies can get cheap labor abroad while increasing unemployment in this country. We have got to take a hard look at our trade policies.

I know every election campaign, 2 weeks before the election, all the candidates have ads on television bashing China and ads on television talking about trade policy. Somehow the day after the election everybody forgets it. Whether it is a Democratic President, whether it is a Republican President, whether it is a Republican House or whether it is a Democratic Senate, we still continue moving down the road of these disastrous trade policies. That means NAFTA, CAFTA, and permanent normal trade relations with China. We have to take a hard look and rethink those policies.

The last point I want to make is that while making progress on deficit reduction, we have got to be appreciative that some of the people on whom we have balanced the budget are some of the most vulnerable people in this country. While one out of four major corporations pays nothing in taxes, while corporations are stashing their money in the Cayman Islands, Bermuda, and other tax havens, we have made devastating cuts in programs that people can ill afford. As a result of sequestration, this is what is happening in the real world. At a time when over 20 million Americans are unemployed or underemployed, unemployment insurance checks, which average about \$300 a week—try living on \$300 a week—are being cut by 10.7 percent. In other words, those who are out

of work, through no fault of their own, are having their unemployment benefits reduced by more than \$32 a week on average. Now \$32 here is what people spend for lunch. If you are a working family and you are unemployed, \$32 is a question of whether you buy food for the kids. We have got to replace that loss.

At a time when early childhood education is more important than ever, when we do an abysmal job in terms of childcare and preschool education already, as a result of sequestration 70,000 kids are losing access to Head Start and Early Head Start Programs. That is unacceptable.

I am chairman of the subcommittee which deals with aging, and I can tell you that millions of seniors right now are struggling, figuring out how to pay their food bills, buy their prescription drugs, and keep warm in the winter-time. At a time when food insecurity is skyrocketing as a result of sequestration, tens of thousands of senior citizens have been denied access to the Meals On Wheels Program. Meals On Wheels is a program that goes to the weakest, most fragile, most vulnerable people in this country, elderly people who cannot get out of their homes. Meals are delivered to them. For these people, this is a question of life or death, whether they are going to live with a modicum of dignity. Those programs have been cut as a result of sequestration.

At a time when millions of Americans cannot afford the cost of housing, 140,000 low-income families, primarily seniors with disabilities and families with kids, are losing rental assistance because of cuts to the section 202 elderly housing program, the section 811 disabled housing program, and a number of other affordable housing programs.

At a time when the cost of a college education is becoming increasingly out of reach for working families, 70,000 college students, as a result of sequestration, are losing Federal work-study grants. Some of them will not be able to stay in college.

At a time when 45,000 Americans will die this year because they don't have access to health care, sequestration has forced doctors in cancer clinics to deny chemotherapy treatments to thousands of patients because of a 2-percent cut to Medicare providers.

LIHEAP, which is the Low Income Heating Energy Assistance Program, very important to the State of Vermont, is being cut by \$180 million, meaning people will go cold next winter.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SANDERS. Let me conclude by saying we have made progress on deficit reduction, and that is good. Now it is time to pay attention to the needs of working families all over this country and put people back to work.

I yield the floor.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Madam President, may I inquire as to how much time I am allowed on morning business?

The PRESIDING OFFICER. There are 10-minute allotments for the Senators.

THE IRS

Mr. COATS. Madam President, Thomas Jefferson once said:

The majority, oppressing an individual, is guilty of a crime, abuses its strength, and by acting on the law of the strongest breaks up the foundations of society.

The foundation of this society, this great society based on democracy, is the principle of self-determination and the belief that every American is equal under the law and guaranteed liberty. This principle is ingrained in the character of our Nation, and it is enshrined in our Constitution.

Of the many things that set us apart from other nations, there is none greater than the First Amendment to the Constitution—the freedom of religion, the freedom of the press, freedom to assemble and to petition our government, and the freedom of speech.

Under the First Amendment, Americans have the right to organize around the issues and values they believe in, and they have the right to disagree with their government. This liberty is part of what energizes our democracy, and it is essential if this democracy is to prevail.

That freedom has come under attack recently by our very own government when the Internal Revenue Service targeted conservative groups, including at least one in my home State of Indiana, for extra scrutiny based on their political leanings. The IRS must be non-partisan. It has to be. It is not a partisan watchdog.

Why did the enforcers of our Tax Code target groups with applications that included the words “tea party,” “patriots,” or “9/12 Project”? Why did it single out applications of groups focusing on issues such as government spending, government debt and taxes, to educate the public by advocacy to “make America a better place to live,” or those who sought to educate Americans about our Constitution? The IRS singled out a group formed to better educate Americans about our Constitution. What, are they afraid they are going to read it? The IRS targeted a group that wants to make America a better place to live. They are afraid that these groups are going to succeed by questioning the policies of this administration and perhaps suggesting a different course.

This is outrageous, this targeting. The inspector general issued a report yesterday saying these are very serious allegations, and they reveal an effort to misuse government power to unfairly scrutinize those who simply disagree with the policies of this administration. Remember the timing. All of this took place during a national election.

I have met with tea party groups all across the State of Indiana. Unlike the characterization that is made by some, these are honest, law-abiding citizens who are deeply concerned about the future of their country. They are deeply concerned about our nation's plunge into deficit spending and debt that may never be able to be repaid and may be dumped in the laps of our children and our grandchildren. They want to do something about it, and they are deeply concerned about abuses of the rights guaranteed under the Constitution. They said one of the first things they do is suggest why don't we read the Constitution and better understand the Constitution.

I think that is a good idea, because I think some of the things we are doing raise the question of whether they are constitutional. To form a group for the purpose of addressing concerns about the national debt, which is running out of control, about a government that is spending like a drunken sailor, about a government that refuses to do what just about every business in America and every family in America has had to do during this time of downturn and recession—that is to tighten their belts and spend more wisely—only the Federal Government doesn't do this and hasn't done this successfully. So they get targeted by an agency that oversees their taxes and intimidates them or fails to give a rational evaluation of their application for tax exempt status? This targeting is not only inappropriate, it is outrageous and it is disgraceful. It is a despicable abuse of power and a direct assault on our Constitution. It is exactly the type of thing that makes Americans further distrust their government.

Earlier this year, the Pew Research Center released a poll revealing that 73 percent of Americans distrust their government. In other words, only 3 out of every 10 Americans have faith in the Federal Government. This trust deficit is something we should not ignore. It is an alarming indication of how the American people view their government—one that continues to overreach. Those of us who are trying to assure our constituents that we are doing everything we can to keep this government from overreaching, who know we need to restore this trust, we are now hit with something like this.

The IRS is given the responsibility of carrying out the law. It should never use its powers for partisan purposes—ever. Violating that standard destroys the integrity of our government and further erodes the trust of the American people. Neither those of us who make the laws nor those who enforce the laws can be above the law, but the IRS believed it was above the law when it targeted conservative groups for scrutiny. Make no mistake, it is the IRS that will be under scrutiny because of their own abuse, and so will every other agency of government because we are beginning to discover a disturbing pattern of politically motivated abuse.

Sometimes I think we are beginning to hear the echoes of Watergate whispering through this town and through the residence at 1600 Pennsylvania Avenue.

I have a hard time believing their apology and explanation that this was simply a misguided effort by low-level bureaucrats attempting to organize applications for tax exempt status. Where have we heard that before? Oh, yes, Benghazi—these were some low-level bureaucrats who made the wrong decision.

Where does the buck stop in this town? It doesn't stop at the President's desk or at the desk of the Secretary of State. It seems to be pushed down to the “low-level bureaucrats” who should have been supervised better. These people went off and did their own thing so let's just dismiss it, push it to the side. So, yes, we lost an ambassador—that was a tragic situation—and three others who were there trying to protect him, but what is the big deal? It is over with. It was a mistake, so let's move on.

It is just like this pathetically weak statement from our President who said if this turns out to be the case, then, of course, we will need to do something about it. It is real. It is there. It has to be addressed.

While an apology from the IRS is necessary, it is not enough to just simply say it is an inappropriate act. The targeting of these groups, which was confirmed by, as I said, the inspector general, is a very serious allegation and reveals an effort to misuse government power to unfairly scrutinize those who disagree with the administration. The actions of the IRS to target groups based on political viewpoints is outrageous and disgraceful. It is an abuse of power and a direct assault on our Constitution.

Madam President, there must be accountability and responsibility from top leadership, and that includes the White House. The American people deserve answers. How could this clearly unconstitutional action have occurred? Who was involved and who else was aware of this deliberate targeting? What steps will be taken to ensure this doesn't happen again?

Today, I have joined all of my Senate Republican colleagues in sending the President a letter demanding the administration comply fully with all congressional inquiries on this matter. No more avoiding, no more delaying, no more stonewalling, no more inappropriate responses. It is time for the administration to start answering some questions for the American people.

This scandal has left a stain on the IRS that I believe cannot be repaired under current leadership. The head of the IRS, as well as every supervisor involved, should be removed from their posts.

We will not tolerate the intimidation and silencing of Americans simply for exercising their First Amendment rights.