



United States Senate Budget Committee

JEFF SESSIONS | Ranking Member

March 17, 2011
For Immediate Release
Contact: Stephen Miller, 202.224.0642

Sessions: Obama Budget Nominee Must Reject Bogus WH Claims

“The president and Budget Director Lew—your potential boss—have presented the president’s budget as practically solving our fiscal situation. Both have said that this budget allows us to live within our means, spend only what we take in, and begin paying down the national debt... these claims are detached from reality, and they undermine efforts to tackle our growing budget danger. If a CEO made these misrepresentations to investors, do you not think he would be subject to liability?”

“During your testimony today I hope that you will not repeat the spin we have seen from the White House so far. I cannot support any nominee to this position—especially during a time such as this—who is unable to discuss the budget with clarity and candor.”

WASHINGTON—U.S. Sen. Jeff Sessions (R-AL), Ranking Member of the Senate Budget Committee, delivered the following statement today at a hearing to consider the nomination of Heather Higginbottom to be Deputy Director for the Office of Management and Budget. Unlike previous nominees for this post, Higginbottom lacks formal budget experience or training.

Sessions’ remarks, as prepared, follow:

“I join Chairman Conrad in welcoming you to our committee today, Ms. Higginbottom. I look forward to a thorough and thoughtful discussion about our nation’s fiscal challenges and how you plan to confront them. You have been nominated to a critical position at a critical agency at a critical time.

Right now, we are on a dangerously unsustainable path. We are borrowing 40 cents of every dollar we spend. Our deficit this year is projected to be \$1.65 trillion dollars. The amount of money we owe will soon be greater than the value of everything we produce.

This crushing debt burden stifles job growth, undermines economic confidence, and threatens our nation with a severe debt crisis. A study from the economists Reinhart and Rogoff explained that when a nation's debt-to-GDP ratio exceeds 90 percent, GDP growth each year is a percentage point lower than it otherwise would have been. Our debt has already exceeded 90 percent of GDP and, under the president's spending plan, will reach 100 percent by September 30th. That means we could already be losing a million jobs a year, or more, as a result of our rising debt.

Week after week, experts have testified before this committee to sound the alarm. The co-chairs of the deficit commission, Erskine Bowles and Alan Simpson, declared that if the United States failed to curb our growing debt, the country would face 'the most predictable economic crisis in its history.' Echoing Alan Greenspan, they said that such an event could occur relatively soon—in just one or two years—if we don't take significant action. The effects of an event like that would be felt most severely by everyday Americans, and could easily eclipse our last financial crisis.

Given these dangers, you can understand my concern that the president and Budget Director Lew—your potential boss—have presented the president's budget as practically solving our fiscal situation. Both have said that this budget allows us to live within our means, spend only what we take in, and begin paying down the national debt. Simply put, these claims are detached from reality, and they undermine efforts to tackle our growing budget danger. If a CEO made these misrepresentations to investors, do you not think he would be subject to liability?

To confront these challenges, we need leadership and candor from the White House. Sadly, both have been lacking. The president has yet to look the American people in the eye and explain the basic fact that we've run out of money and can no longer sustain our bloated federal budget. Instead, he presents a budget that doubles our gross national debt and increases spending year after year. And I am certain that, tomorrow, when CBO issues its analysis of the president's plan, they will confirm that it contains hundreds of billions more in spending and debt than the OMB said.

We need honest, fact-based budgeting—not fantasy budgeting.

During your testimony today I hope that you will not repeat the spin we have seen from the White House so far. I cannot support any nominee to this position—especially during a time such as this—who is unable to discuss the budget with clarity and candor. There are some matters on which we can agree to disagree, of course. But facts are facts, and there can be no debating that the president’s budget does not live within our means.

I must admit, I also have concerns about your lack of experience. On average, nominees for your post have had six or seven years of professional experience in budget or finance. Many have had much more than that. You concede that you have no such background. I will be interested to hear your explanation as to what qualifies you for this post, and I will keep an open mind.

Our financial challenges are immense, but I am optimistic about our future. I know we can meet these challenges and put this country on a path to prosperity. We must get off the road of spending and borrowing and get on the road to a lean, productive government that allows the private sector to thrive. We need to reform a tax code that penalizes productivity, unlock our domestic energy reserves, and remove the cloud of debt hanging over our economy. America occupies an exceptional place in the history of the world. If we continue down this path of spending and borrowing we will leave America weakened and diminished. But if we rise to the challenges of today we will be stronger now and more prosperous tomorrow.”

###