is that spending has historically been about 20 percent of GDP. If we had the tax revenues they are projecting, we wouldn't have hardly a deficit at all. We would be in pretty good shape.

But that is not what is happening here. As a result of the President's programs—note here how this line goes up sharply during the depression. It is estimated to come back down because of the stimulus being taken out of the spending stream—a very badly flawed decision, by the way, to pass the stimulus in the form it was passed—but then it goes straight back up. If we were to extend this line, it is way up here. What is that caused by? That is caused by the health care bill, $2.5 trillion of new spending, and by the aging of the population. There is no attempt to take this line and bring it down where it should be going, so we close that figure.

No, this area in here is a structural deficit that has been grossly—not structural. It is a created deficit that has been grossly aggravated by the policies of this administration and is being aggravated by the policies of this Congress, as we have seen more and more bills brought forward which are unpaid for and end up adding to this red line going up. It is not a tax issue. It is not a revenue issue. The President's own budget—these are the President's own budget numbers—shows that it is not a revenue issue. Revenues, they project, will be very robust and will be well above the historic highs fairly soon.

Why would they do this? Why would people be doing this to our Nation, running us into bankruptcy like this, putting this burden on the next generation that is so extraordinary? I think there is a philosophy here. The philosophy is pretty simple: This administration is very committed to moving the American model. They want to take us down the road of a European-style social welfare state democracy where you actually have cradle-to-grave coverage of all sorts of social concerns and you have an ever-expanding, dramatically expanding public sector. The President is very honest about this. He said that the way you create prosperity is to grow the government. I don't think anybody ever believed he would grow it quite this much, but he was honest about it, at least. But the implications of it are that because of the fact that we do not have the capacity to pay for this government, we are driving ourselves right into a ditch as a nation. We are putting ourselves into a totally unstable situation which will inevitably lead to some sort of fiscal crisis which will be cataclysmic for our country and will lead to a lower standard of living. That is what this inevitably leads to—a lower standard of living, not a higher standard of living for the next generation.

The European model is not a good model for us to pursue. It simply is not. Look at what is happening in Europe—anemic growth, lack of creativity in the area of economic growth, very little productivity, and basically countries wallowing in a debt structure they cannot get out from under because they are not willing to make the tough decisions. Are we going to take that path also? It appears that way. Under this administration, in this Congress, that appears to be the choice. But it is the wrong choice.

There are ways to address this. To begin with, we could stop spending—very simple. Stop spending money we don't have. Stop bringing bills to the floor that have high deficits attached to them.

We need to address the entitlement programs and recognize that they are, in their present structure, not affordable.

We need to address our tax laws, which are not structured in order to create an incentive for productivity and capital formation but are instead replete with special benefits to special interest groups. We can reduce the rates on all Americans, and especially we can reduce the rates on the productive side of the ledger, on our corporate rates which are now the second highest in the world, and still generate significantly more revenues if we do a total tax reform along the lines of what Senator WYDEN and I have actually proposed.

We need to change our energy policy. We have to stop shipping all this money overseas and buying energy. We need American production of energy. We need more nuclear; we need more natural gas; we obviously need more conservation; we need better cars—hybrids, electric; and sure, we need renewables, but renewables are not going to solve the problem. It is in production of American energy that we need to solve the problem, primarily, and in conservation.

Most important, we need to abandon this idea that we should follow the European model because it stifles productivity, entrepreneurship, risk taking. We need a model that says to the American people: Be creative. That has been at the essence of what has made us strong as a nation.

It has always been one of our unique advantages over the rest of the world—willing to take a risk, willing to make an investment, willing to go out and push the envelope. As a result, they have created jobs in the most prosperous Nation in the history of the world. But that is all at risk now because we decided to depart on this path of massive deficit and debt in order to recreate the European form of government: a social welfare state, which is, first, not sustainable, and, secondly, is not a model for prosperity.

It is time to change, and let's begin the change right here right now by rejecting any extender bill that comes to this floor that is not fully paid for.

I yield the floor.

The PRESIDING OFFICER. The Senator from Delaware.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

RECOVERY ACT

Mr. KAUFMAN. Mr. President, I rise today to remind my colleagues that the Recovery Act has worked and is still working. It has been almost a year and a half since I took office and since President Obama was sworn in. Remember, we came into office in the midst of the worst economic crisis since the Great Depression. Our financial system was collapsing. We had already lost millions of jobs and were losing millions more at a truly frightening pace.

We had roughly a $2 trillion hole in our economy, and instead of a surplus of $710 billion that was projected in 2001 for 2009, we wound up with a $1.6 trillion deficit.

Remember back in 2001 when the Bush administration came in? One of the problems was our surpluses were growing too fast. We had projected a $5 trillion surplus through 2009.

What did we end up with? We ended up with $5 trillion in deficits during that period, a $10 trillion turnaround. In 2009 where we had projected a surplus of $710 billion, we ended up with a $1.6 trillion deficit.

Fortunately, the Recovery Act brought us back from the precipice of disaster. It saved us from another full-blown depression and allowed us to rebuild our economy and add jobs.

The nonpartisan Congressional Budget Office just recently completed an analysis that demonstrated what a big impact the Recovery Act has had. The CBO, nonpartisan CBO, indicated that in the first quarter of this year, the Recovery Act accounted for anywhere between 1.8 million and 4.1 million more jobs, 2 to 4 million jobs. I would call that a success.

The CBO also told us unemployment was .7 percent to 1½ percent lower because of the Recovery Act. Our gross domestic product was 1.7 percent to 4.2 percent higher. The CBO is not the only one telling us this story. The Conference Board reported the latest version of its Leading Economic Index. The chart I have shows this index since last January, since the President and I took office. This is when we passed the Recovery Act.

As my colleagues can see, it bottomed out in March 2009, shortly after passage of the Recovery Act, and has been steadily climbing ever since. Other major economic indicators tell a similar story. Take the Dow Jones Industrial Average. Now, take the Dow Jones Industrial Average as a guide to the health of our financial markets.

This chart shows that shortly after passing the Recovery Act, the markets hit bottom with the Dow at 6,547 on March 9, 2009. I wonder what happened in March that caused the Dow Jones to go up like this? The Dow since then has risen dramatically, rising above 11,000 a couple of months ago, and even remaining above 10,000 amidst recent market turmoil.

Take a look at this chart. Let's throw the last chart up here again. In March 2009, we passed the Recovery Act, and guess what happened. The Dow Jones average takes off. March 2009, guess what. We passed the Recovery Act and the major economic indicators take off. Let's look at another one.

How about the Purchasing Managers Index, a leading indicator of business confidence. Any score over 50 means the businesses around the country believe conditions are better than they were the previous month, and we are headed in the right direction.

Take a look at this chart. Oh, my goodness. Guess what. Early 2009, we are crashing. Now we are up. I wonder what happened during March 2009 to cause this Purchasing Managers Index to go up. Why all of a sudden did businesses around the country believe conditions were getting better? I wonder what that was all about?

Let's look at another chart. Let's look at gross domestic product, one of the very best indicators of our health. From 2007 to the first quarter of 2010 it tells the same story: Things started getting better after the Recovery Act was passed.

Here is the first quarter of 2009. Oh, my goodness, look at this. Going straight down. We get to the first quarter of 2009, straight up.

Either this is one of the truly great coincidences of our time, or the Recovery Act turned this economy around. The key point, as we have said all along, is not the economy, but it is jobs. So let's take a look at jobs.

The most recent unemployment report indicated that we added 431,000 jobs last month. Unemployment is still too high, much too high. Without our efforts to help the economy, most notably the Recovery Act, it would be even higher still.

Take a look at this chart. Here we are, folks. March 2009. What happened in March? I wonder what happened in March 2009. I wonder why jobs went from losing 753,000, which is what we lost in March of last year, to gaining 431,000 in May. I wonder. What could have happened to these charts?

We know the unfortunate thing about this is the economy is coming back, and the economy is coming back because of the Recovery Act. But we know from past experience that job growth lags behind economic recovery, and this chart shows how long that took from previous postwar recessions.

The problem is not that the Recovery Act did not work. It worked and the economy came back. The problem is, if you look back—and we knew this at the time—if you go back to 1949 where the jobs lagged by 5 months, or you go back to more recent history, November 2001, where jobs lagged 22 months, the problem is not that the Recovery Act did not work, the problem is the time it takes from when the economy comes back until jobs come back. That is not hard to explain.

Businesses need to use up their existing capacity and they need to feel confident in the economic climate before they start expanding again. That just makes sense. The process can be especially painful during a financial collapse where businesses and households are forced to pare down their savings and reduce their spending, thus tamping down economic and employment growth.

Due to this lag, which was totally predictable, the jobs have been slower to return than anyone likes. But make no mistake, thanks to the Recovery Act, we have gotten our economy back on track and growing again. We must not, however, take these results for granted. For those who said at the time we could get by with less, my Republican friends—and they are my friends, and I hold them in high regard—but to those who said the economy will come back without the Recovery Act, just look at the example of Japan in 1990.

Remember on this floor, and the vote against this was almost complete, against the Recovery Act. I think we ended up getting three Republican votes. They were saying: We do not need to do anything. The economy will come back.

Let me show you something. Japan tried that. Approximately 20 years ago, Japan also experienced a serious economic downturn that was precipitated by the bursting of speculative bubbles in real estate and financial assets. Sound familiar?

However, Japan was slow not only to address the crisis in the banking sector, but also to use fiscal stimulus to help jumpstart the economy. This chart shows the results. They call it the ''lost decade'' in Japan. Literally no growth in gross domestic product. That is what happens if you do nothing, if we had done nothing. We must not allow that to happen here.

There are those who continue to present a false choice between balancing the budget and fiscal stimulus necessary to get our economy back on track. This is a false choice. But we should know by now there are times in which fiscal stimulus and deficits are necessary—necessary. Good deficits to spur growth and get our economy on track. There are other times when deficits are unnecessary and short-sighted. Deficits are sometimes necessary, looking back through history, to allow fiscal stimulus to jumpstart an economy that is contracting due to a precipitous decline in private sector investment and consumer spending.

There is a hole in the economy because private sector investment and consumer spending stopped. The economy is frozen. That is the time you have to get the economy going. If you have a $2 trillion hole in the economy, you can't let it sit there, as Japan did, and fester. You have to do something. That is what the Recovery Act did. It put money into the economy.

However, my friends on the other side of the aisle are absolutely right when they say deficits are inappropriate during good economic times, which is what we had for the 8 years previous to this. At those times, they are typically the result of irresponsible decisions to cut taxes and put in place unfunded spending programs—tax cuts that were not paid for; the wars in Iraq and Afghanistan, not paid for; Medicare prescription drugs, not paid for. So during a period when the Congressional Budget Office said: In 2001, we are going to run a $5 billion surplus, we ran a $5.6 trillion deficit because we went out and spent and spent and spent with no provision for paying for it.

I cannot believe it when I am presiding here and colleagues come to the floor and talk about the unemployment extension like, man, this is a bad situation. These folks are going to spend money and not pay for it, because we have these incredible deficits.

These deficits didn't just show up in the last year. The deficit in the last year was to get the economy moving again. It was a good idea. Where did the $10 trillion turnaround come from between 2001 and 2008, when time after time, on big programs such as tax cuts and going to war, the decision was made not to pay for it? That is where we got the deficits. That is where the deficits came from. Those are the bad deficits. We were irresponsible. We had good times. That is when we should have built up the deficits. That is when the bipartisan CBO said we would have surpluses, remember? In fact, the rationale for the first tax cut was: It is better in their pockets than in our pocket. We should not have been giving out these tax cuts. But let's just give them to the American people because of the surplus. And we ran up a $5 trillion deficit.

While we have serious structural and budgetary problems—and we do—that need to be resolved for the long term, getting our economy growing again has to be our first priority, and had to be. President Obama has established a bipartisan commission to address those long-term problems. In the short-term, we need to grow ourselves out of deficits—a phrase my colleagues across the aisle have invoked many times in the past. They are absolutely right. We have to grow out of this.

One of the ways we grow out of this is to get the economy moving. One of the ways to get the economy moving is by the Recovery Act. I remember February 2009 all too well. No one in the Senate should ever forget what it was actually like in February 2009. We were looking into the abyss before we passed the Recovery Act. The American economy was in free fall, and another Great

Depression was imminent. Those were truly scary days. The Recovery Act helped divert another Great Depression. It has our economy growing again. It has improved our fiscal situation. Imagine the size of our budget deficits if we had another Great Depression, which was an all-too-real possibility just over a year ago. Do you think these deficits are bad? Suppose we had the Great Depression.

We are now on the path to recovery, but it is a narrow ridge, not a broad field. If we do not keep our eyes forward, we will too easily lose our way. We have a fragile economic recovery that has been made even more so by the massive oilspill in the gulf and by serious fiscal and financial strains in Europe. We could have a double-dip. We could turn this around. This is a very fragile time for the economy. Given these perilous circumstances, we need to be vigilant to avoid another double-dip recession.

To conclude, the Recovery Act has done its job and will continue to do so. Now, as we get through this crisis, as this recession passes, we need to create new jobs. That is the key. It isn't enough to try to win back the jobs we lost. We have to do that. To keep pace with our population and keep a sacred promise to our children and grandchildren, we need to create a whole new generation of jobs.

As former President Clinton said in recent years: In the last 10 years, we were creating jobs in three areas—housing, finance, and consumer economy. Unfortunately, all three of these have suffered in this economy. All three of these have benefited from loose credit and easy money to build up a bubble. I am sorry to say that many of these jobs are not coming back, especially in the short term. We cannot look forward to the day or depend on the day where carpenters were scarce because we built more housing than people could afford to buy. We do not need a revitalized legion of clever bankers any more than we need another Starbucks one block closer.

Going forward, we need to transform our economy by revolutionizing how we produce and consume energy. To do this, we will need more scientists and engineers. It is in this area where future job and economic growth will happen. The Recovery Act, thank goodness, began this process, not only by turning our economy around but also by promoting green jobs and investment in clean energy initiatives. Our challenge in the future will be to build upon its foundation.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

NOMINATION OF JOHN S. PISTOLE

Mr. CARDIN. Mr. President, I rise to speak in support of the nomination of John S. Pistole to be Administrator of the Transportation Security Administration and talk about collective bargaining for TSA employees.

The TSA has been without a Senate-confirmed leader for a year and a half. During the last 5 months, we have experienced two major transportation security incidents: the unsuccessful December 25 bombing of Northwest flight 253 and the near escape of the failed Times Square bomber. I welcome the President's nomination of a career FBI official with extensive counterterrorism experience, FBI Deputy Director John S. Pistole, to head the TSA. I look forward to the Senate's swift confirmation of Mr. Pistole for this critical position.

During the confirmation hearings for Mr. Pistole, the issue of collective bargaining for TSA employees was raised. Mr. Pistole stated that he is going to study the issue, gather all the information he can from stakeholders, and make a recommendation to Secretary Napolitano.

Some Members of Congress, however, are strongly opposed to collective bargaining for TSA employees. Their opposition is grounded in the concern that we need to adapt quickly and effectively to specific aviation threats. The underlying premise of this argument is that we must choose between protecting the Nation from threats to aviation and collective bargaining. This choice, however, is a false choice because national security and what I call smart collective bargaining are not mutually exclusive. Under smart collective bargaining agreements, if circumstances and true emergencies were to exist, TSA would be fully capable to deploy assets without there being any negative impact from the collective bargaining agreement.

At his confirmation hearing, Mr. Pistole stated that "we have to be able to surge resources at any time . . . not only nationwide but worldwide." I certainly agree. A smart collective bargaining agreement would enable us to do exactly that.

Moreover, a smart collective bargaining agreement would enhance national security because it would enable TSA to recruit and retain veteran employees. Our Nation's history with labor unions teaches us that collective bargaining boosts morale and allows employees to have a voice in their workplace and increases stability and professionalism. On the other hand, poor workforce management can lead directly to high attrition, job dissatisfaction, and increased costs, which lead to gaps in aviation security. There have been reports that TSA has low worker morale, which can undermine the Agency's mission and our national security.

The fact is, DHS, Customs and Border Patrol officers, some of whom work at the same airports as TSA employees, as well as employees of DHS's Federal Protection Services, and the Capitol Police all operate under collective bargaining agreements. Are members of the flying public less safe because the CPB officers, who work side-by-side with TSA employees, work under a collective bargaining agreement? I don't believe so, nor do I think my colleagues believe that. Are Members of Congress less safe because the Capitol Police work under a collective bargaining agreement? I have heard all my colleagues compliment the efficiency of our Capitol Police.

As the late Senator Kennedy noted in August 2009 when he cosponsored a collective bargaining rights bill for public safety officers, tomorrow morning, thousands of State and local public safety officers, police officers, and firefighters will wake up and go to work to protect us. We should be there to help them. They will put their lives on the line responding to emergencies, policing neighborhoods, and protecting us in Maryland and communities all across the Nation. These dedicated public servants will patrol our streets and run into burning buildings to keep us safe. No one believes for a moment that we are less safe because they have secured collective bargaining rights.

If opponents of collective bargaining for TSA employees want to invoke 9/11 to support their views, they will soon discover that the legacy of 9/11 shows clearly that national security will not be compromised by collective bargaining. It shows just the reverse. Those who helped us save lives during 9/11 were covered under collective bargaining rights. Before 9/11, the New York Port Authority police worked 8-hour days, 4 days on and 2 days off. By the end of the day on 9/11, however, vacations and personal time were canceled and workers were switched to 12-hour tours, 7 days a week. Indeed, schedules did not return to normal for 3 years. The union did not file a grievance, and everyone recognized it was a real crisis.

If there is any doubt about whether collective bargaining will enhance our ability to recruit and retain the best TSA employees to protect us, all we need to do is think about Donnie McIntyre, a Port Authority police officer, one of the many selfless heroes killed on 9/11, and these memorable words written in the third stanza of "America the Beautiful" by Katherine Lee Bates:

> O beautiful for heroes proved, in liberating strife. Who more than self, their country loved, and mercy more than life.

We learned about the story of Donnie McIntyre from his partner, Paul Nunziato, vice president of the New York Port Authority Police Benevolent Association. He testified before Congress in June of 2007 regarding the Public Safety Employer-Employee Cooperation Act of 2007, a bill almost identical to the amendment offered by Senator REID.

Donnie was one of the 37 port authority police officers who lost their lives on 9/11 at the World Trade Center evacuation effort. He was married with two children, and his wife Jeannie was pregnant with their third child when he died on September 11. While nothing will make up for the loss of Donnie to his family, Jeannie does not have to