that are legitimately hedging their risks. This is about a comprehensive energy plan for the future that includes drilling in Minnesota and other parts of the country but also includes natural gas, includes hydro, includes geothermal and wind and solar and biofuels. That is what this is about.

If we learned anything from Japan—and I support nuclear energy in this country, and I think that should be in the mix as well—it is that we don't want to rely too much on any one source of energy. This idea of looking regionally and looking across the country at different sources of energy is key as we go forward.

During these challenging economic times, we can no longer put our heads in the sand and pretend this isn't happening. Talk to anyone who is filling up their car at the pump now. Talk to anyone who wants to go to their cabin in northern Minnesota for the summer every weekend. They will tell you it does matter. Now is the time to act.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota.

THE DEBT CEILING

Mr. THUNE. Mr. President, at some time in the not too distant future—there is some speculation about exactly when—our country will be dealing with the issue of exceeding our borrowing authority. In other words, we have maxed out our credit card. That would be the equivalent for the average family when they can't borrow any more money.

So what happens in that event is that Congress has to take action. Congress essentially has to raise the country's borrowing authority. It is called raising the debt limit. We are coming up on that point in time. It could happen sometime in the July-August timeframe. There is some uncertainty as to exactly when that happens, but the point is it will happen.

The reason it will happen is because we have now accumulated $14.3 trillion in debt, and we have hit the limit, the cap, that exists today on our borrowing authority.

Now, $14.3 trillion in the abstract is hard for most people to wrap their heads around because it is such a massive number. If we translate it into individual terms, it amounts to about $46,000 for every single person in the United States, which in and of itself is an astonishing amount.

Our projected deficit this year is $1.425 trillion, which is the largest ever, in nominal terms. According to CBO, it is the second largest as a share of the economy, literally, since World War II. That is as much debt as we ran up from our Nation's founding, going back to the origin of this country up until 1984 or the equivalent, just in this one single year that we are going to rack up in terms of the deficit. The interest on that amounts to about $213 billion every single year or nearly $700 for every person in the United States. That is assuming interest rates stay at these historically low levels.

While the deficit spending is, in fact, something that will merely delay taxes in the future that somebody is going to have to pay, at some point this is going to have to be paid off, and that burden, in all likelihood, is going to fall on our children and grandchildren. But it is not just something we will have to deal with down the road because the implications today, the real-time implications of this level of spending and debt, are very real for the economy.

There is a great body of research that has been done. A study done by economists Reinhart and Rogoff found that countries with a debt-to-GDP ratio of more than 90 percent grew at 1 percentage point less than they would have otherwise. That is a body of research that looks at nations over the last half century. It even goes back further than that but particularly in the last half century and particularly developed nations that have gotten up to that level of debt that exceeds 90 percent of GDP. That is where we are today, 93 percent government debt-to-GDP ratio here in the United States.

If you take that assumption that anytime you reach that debt level and you sustain it over a long period of time, it costs you a single percentage point of economic growth every single year, according to the President's own economic team, that results in the loss of about 1 million jobs. If you think about the real-time implications of this level of spending and debt, it means we are losing about 1 million jobs every single year in the economy.

You cannot say this is something down the road, that we can continue to kick the can down the road. The fact is we are running out of road. We keep kicking the can, but we are at the end of the road. If we do not take steps now, not only is it going to put a crushing burden of debt on future generations and jeopardize the very foundation of our economy, it is going to have real-time implications today, not just in the future.

I suggest that as we look at this issue of the debt limit coming up, it presents a unique opportunity. I hope my colleagues on both sides of the aisle, Republicans and Democrats, can come together. If we do not bring this debt-to-GDP ratio back down, we are going to continue to suffer from these job losses, and the impact of that is really very clear.

When the government is out there borrowing more money, it crowds out private investment, so there is less money for private companies and individuals to invest in companies, equipment, plants, housing, training, all those sorts of things, and it spends money on government, on things that are probably less efficient, less necessary, more duplicative, oftentimes downright wasteful when it comes to the programs and the projects that end up being funded. It means instead of investing, having funding for new factories for people to work in, we have more bureaucrats in places such as the EPA or the National Labor Relations Board who are coming up with all kinds of new regulations that are making it more difficult for our small businesses to create jobs. We have more unnecessary Federal property being underutilized that the private sector could use more efficiently.

Unfortunately, the risk to our economy that comes from this out-of-control spending is more than just that, it is more than just the crowding out of private sector investment and the stifling effects of government regulation. We are beginning to face the very real possibility that our country could face a fiscal crisis. Former Chairman Greenspan has suggested that the risk of this occurring in the next few years is nearly 50–50—an alarming thought. Likewise, Standard & Poor's recently warned of a possible downgrade to the U.S. credit rating in the next 2 to 3 years, when they came out with their assessment of U.S. credit, and said they have attached a negative assessment to it. In most cases—at least in a majority of the cases—within a year's time, that leads to a downgrade of credit rating. That would be disastrous for a country such as ours which has always taken great pride and has been the rock out there when it comes to an AAA credit rating.

It is notoriously difficult to predict ultimately when a debt crisis might occur, but it would be inexcusable for us to continue to spend at these elevated levels without assuming there is even the slightest hint of a risk that this could be very devastating to our country, let alone that risk could be very high. But if it were to occur, we would need drastic spending cuts to drag ourselves out of this fiscal crisis, spending cuts that by today's standards would probably be unimaginable.

But the worst effect of this would be the deep recession it would throw our economy into. Think about that. If we did have a debt crisis in this country, what would that mean? For most people, it is going to mean higher interest rates, it is going to lead to countless job losses, pay cuts for a lot of people if you have job losses, and probably significant loss of savings, which would take a terrible toll on the American people. Those are many of the implications of a debt crisis and the implications it would have on the economy—starting, as I said earlier, with higher interest rates. It would make it more difficult for people to borrow money for a home, for a car, for their business. All those sorts of things would be impacted.

But that does not have to be the case. The reason it does not is because most experts have suggested—and it is really true—that this is the most predictable economic crisis we have ever had. It is not as though we don't see it coming. You see all the warning signs out there. You see all the red flags out there. It is looking us right in the face. We have an opportunity to do something about it, but it will require that we have the political courage to take on this issue of Federal spending.

Next week, we are going to have an opportunity in the Budget Committee to mark up the 2012 budget, which, incidentally—the budget year starts in a mere 5 months from now. I hope this budget will focus primarily on cutting spending because I think that is the primary driver of our deficits. I am concerned that, instead, it will merely continue to spend too much, borrow too much, and tax too much.

Of course, last year, even though there was a markup in the Budget Committee, there was never a budget brought to the floor of the Senate. The Congress never passed a budget. Nor was there one brought to the floor of the House of Representatives. There was not even a vote on a budget in the House or the Senate last year. We have a $3.8 trillion enterprise called the Federal Government that did not even pass a budget.

I believe the most fundamental responsibility we have to the taxpayers of this country is to come up with a plan about how we are going to responsibly use their tax dollars, to indicate to them that they can expect a good return from those tax dollars by the way we do our budget. Frankly, that did not happen last year. I certainly hope it does this year, but it is going to take some leadership here in the Congress. In the House of Representatives, the Republicans have the majority. They did pass a budget out of the House. I hope the Senate Democrats here will also put a budget on the floor that we will be able to vote on and amend and have a meaningful discussion about spending and debt and what we are going to do to get this country back on a path of fiscal sustainability.

The President, I think you could argue, punted when it comes to the issue of spending and debt, first by saying: I am going to appoint a commission to look at this issue. The economists studied it for several months and came out with some findings and ultimately a report in which they put forward a series of recommendations for dealing with the fiscal crisis. The President sort of distanced himself from those recommendations, chose not to take those or to really engage with that commission and its recommendations, and then subsequent to that submitted a budget this year which, ironically, did not do anything to address the long-term issues of spending and debt but, rather, increased spending over the next decade, massively increased the debt, and increased a lot of taxes on small businesses in this country that are job creators. So you did have this issue: borrowing, spending, and debt continually being advanced and put forward by this President and by many of our colleagues on the other side of the aisle here in the Congress.

The House Republicans put out a proposal that has been criticized by some, but at least they have put forward a plan. They have engaged the issue of what we are going to do to rein in out-of-control spending both in the near term but also in the longer term with the entitlement programs—Social Security and Medicare and Medicaid—which represent 60 percent of all Federal spending. If we do not rein those programs in or come up with a way of reforming those programs so they are viable, when the 80 million baby boomers retire, we are headed for a train wreck. It is inevitable. You cannot, with the numbers facing us and the kinds of deficits we are already running, the amount of debt we have already accumulated, in any way assume we can get out of this crisis absent taking on these issues and coming up with meaningful reforms for Social Security, Medicare, and Medicaid. Whether or not you subscribe to or like the proposals that were put forward by the House Republicans, at least there is a plan out there.

There are a number of suggestions being bandied around here in the Senate. There is a gang of 6 that is looking at some recommendations. As I said, there is going to be a markup we think next week in the Senate Budget Committee. There is now this new commission the President has appointed to look at the issue of, as we approach the vote on the debt limit, what we can do to address spending and debt. But, frankly, we do not have at this point anything in front of us that does deal directly or meaningfully with this issue of out-of-control spending or debt. I hope some of these discussions are fruitful, that they lead to results, and that they at least put alternatives out there we can debate and discuss. But as of right now, the only proposal we have in front of us is the one put forward by the House Republicans. Again, whether or not you like it, it has created a discussion in this country about what we are going to do to fix our fiscal problems.

I believe we ought to at a minimum go back to 2008 spending levels because if we did that, it would take us back to a time before we had these massive runups or increases in discretionary spending. In the last 2 years, we have seen discretionary spending increase by well over 20 percent at a time when inflation in the overall economy was a mere 2 percent. So Federal spending was increasing literally 10 times the rate of inflation over the last 2 years. It makes sense to me that in this fiscal environment where our deficits are literally about $1.5 trillion every single year as far as the eye can see, the least we can do is restrain spending and cut it back to that level we were at in 2008, before we had this massive runup in spending. I think that is a starting point.

I believe we also ought to be looking at the entitlement programs, which, as I said, have trillions of dollars literally of unfunded liabilities. Medicare alone is a $38 trillion unfunded liability. We are currently on a path where that will bankrupt the Nation if we do not make changes.

It strikes me, at least, that you have not only some issues that deal with the near-term spending issues but also those longer term spending issues. In the near term, as I said, if we went back to 2008 levels, we would at least tighten our belts a little bit in a way that I think most Americans would find to be responsible. But the longer term issue, these entitlement programs, have to be taken up.

There are a series of proposals that would deal with that, one of which is a balanced budget amendment to the Constitution. That, frankly, is something I support. I have supported it since I was in the House of Representatives; I have been a cosponsor of that. In fact, when I first got to Congress back in 1997, there was a vote here in the Senate on a balanced budget amendment which failed by one vote. It would take 67 votes in the Senate—two-thirds of the Senate—to approve a balanced budget amendment. It failed by one vote.

I assume, had it passed at that time in the Senate, we would have been able to pass it in the House of Representatives because we did have large majorities and we could have sent it on to the States. It takes 38 States to ratify it, but since most States already have balanced budget amendments in their constitutions, I suspect they would like to see their Federal Government operate with the same sort of fiscal discipline. But it did not pass at that time. I cannot imagine how different our world would be today had it passed 15 years ago and how different this fiscal picture would have looked because it would have put a straitjacket on Washington, DC—something we desperately need. Congress needs discipline imposed upon it. It has not demonstrated historically the capability to deal with these fiscal issues absent some sort of mechanism that puts a straitjacket on the Congress so it cannot spend money.

The balanced budget amendment is something I think we ought to have a debate about, and I hope we do. In the lead-up to the vote on this debt limit, this is one of the proposals we hope to have considered.

As I said before, there are so many States around the country that have balanced budget amendments to their constitutions. Our State of South Dakota is a good example. In the State of South Dakota, the legislature cannot go home until the budget is balanced. That is a requirement. Many States across the country have that same sort of requirement. It is an imperative that requires these States every single year to put their books in order. That is something which is desperately lacking here in Washington, DC, and I hope, again, we could enact a balanced budget amendment.

There are several that have been proposed. I am a cosponsor of a couple of different versions of that, but we have 47 Republicans who are on a balanced budget amendment, and I hope our colleagues on the other side will join us in at least bringing that to a vote, putting it before the American people, and engaging them in a debate about how best to solve our Nation's fiscal problems. I think they would agree that a balanced budget amendment is a very simple, straightforward way in which to do that.

I also believe we ought to reform our budget process because it is clearly broken. We have a dysfunctional budget process when we cannot pass a budget, when we have a $3.8 trillion enterprise such as the Federal Government and we do not even pass a budget. In most years, typically, we have—if there is a budget that passes, the appropriations bills that follow it are supposed to be completed by the end of the fiscal year, on September 30. Those deadlines routinely are missed.

Typically, what happens is we end up with a big so-called omnibus spending bill at the end of the year that wraps all the various appropriations bills into one massive spending bill, which I do not believe serves the taxpayers very well. It certainly does not allow us, as Members of Congress, to do the appropriate oversight that we should do on various individual agencies of government.

When we throw it all into one big spending bill, as so often happens around here, we lose the transparency and the accountability that is necessary to an effective functioning government. So I believe we ought to reform the budget process.

One of the ways I would do that is to go to a biennial budget. Instead of passing a budget every single year, we would do it every other year. We do it in the odd-numbered years, the years when people are not running for reelection. Because what happens in a year when people are running for reelection is they decide the best way to gain the favor of the voters is to provide more money for this particular program or this program or this constituency or that constituency. As a consequence, there is a momentum to spend more and more money. It strike me that one of the ways we could address that is to do a budget in the odd-numbered years when Members of Congress are not running for reelection. Then, in the even-numbered years, when they are, we look at ways of not how can we spend money but how can we save money. We do more oversight, which is something that is desperately lacking, because many of these Federal programs and agencies so often times sort of do their own thing, absent the appropriate level of oversight. I believe we have a responsibility, as Members of Congress, with whom the legislative responsibility, the power of the purse is entrusted by the Constitution, to do the right types of oversight.

I came across recently a good example when the Government Accountability Office came out with a report. In that report they referenced several different programs. In fact, they dealt with about one-third of all Federal spending. But in examining that one-third of Federal spending, they concluded that there are all kinds of duplications and redundancies in Federal spending.

I will just give a couple by way of example. They discovered that there are 82 programs, spread across 20 different Federal agencies, that deal with the issue of teacher training, that are designed to focus on the issue of teacher training.

Well, I suspect it is arguable about whether that is something the Federal Government ought to be doing in the first place, but it is certainly—I think any American would agree—absolutely insane to have 82 different programs in 20 different agencies doing the same thing.

Something else they discovered was that there are 56 Federal programs that are focused on the issue of teaching financial literacy. I have said this before, and I mean it sincerely, of all places, Washington, DC, should not be leading or doing instructions on financial literacy. But that being said, it is 56 programs spread across 10 different agencies. Do we need that?

That is the kind of thing that gets lost. That is the duplication and inefficiency and waste we all talk about. Yet, because we do not do the oversight we need to, many of these things just continue year after year.

Going to a biennial budget, where every other year we do a budget and then in the even-numbered years, the election years, we are doing oversight, we might actually think of ways to save money for the taxpayers as opposed to spending it.

So a biennial budget, to me, makes sense. I would make the budget resolution we pass binding because right now it is not. As a consequence, it often gets waived. I believe we need to have buy-in from the President. Right now, the budget resolution is passed by the House and the Senate, but the White House does not engage on that. So we do not have teeth in this thing that holds everybody accountable when it comes to spending. Too often that gets waived.

We need to change the way we do things around here with regard to declaring emergencies. Right now, if we want to spend money outside the parameters of the budget, everybody says: Well, it is an emergency. So declaring an emergency has become the norm rather than the exception. It has become the routine in the Congress. We have all these emergency designations which allow Congress to spend and spend. Again, there are not any constraints. It is high time we change that.

So I would make a number of changes in our budget process, which I think would lead to more transparency, more accountability, a more efficient, better-run Federal Government.

That being said, it is not the Federal Government that is going to lead us back to an economic recovery and getting people back to work. It is the hard-working entrepreneurs, it is the small businesses, it is the people in this country who roll up their sleeves every day and go to work trying to make this country stronger and more prosperous.

We are blessed because we have a nation that was founded on some core principles, one of which is economic freedom. We believe in free enterprise and free markets. It is a system that has worked extraordinarily well for this country. Look anywhere else around the world to try and find a rival to what the hard-working entrepreneurs in this country and those basic core economic principles have been able to accomplish. We cannot find one.

It is because of those four principles and the incredible ingenuity, innovation, creativity, and hard work of the American people that we have the greatest economy in the world. But that economy, as I said, is very much in jeopardy if Washington does not get its spending habits under control. Because we continue to crowd out private investment, we continue to make it harder for entrepreneurs to create jobs.

As we talk about the whole issue of spending and debt, one final point I would like to make—because there is this discussion right now about whether there ought to be tax increases. Everybody says: Well, revenues are down relative to historical averages. That is true. But one of the reasons I believe revenues are down is because there are literally trillions of dollars sitting on the sidelines in this country that are not invested because of the economic uncertainty based upon policies coming out of Washington—uncertainty about tax policy, uncertainty about regulations.

We have this tax and regulatory environment that is paralyzing the American economy. So businesses out there that have funds they could deploy, capital they could put to work in this country, are not doing it because they are worried about what Washington might do next.

We have tax policy that is going to expire at the end of 2012. It is very hard to make decisions when tax policies are temporary. It is very hard to make decisions when you do not know what that regulatory agency is going to do to you next. They have consistently—these regulatory agencies—come up with more and more ideas about how to make it more costly, more expensive, more difficult to do business in this country.

I have alluded to a couple. The EPA is a good case in point. It is one that comes into play a lot in my State of South Dakota because we are primarily an ag economy and small businesses. Many of those policies are directed at production agriculture and energy development and all those sorts of things that allow our economy in my State to grow and to prosper.

So I think one of the reasons tax revenues are down, people are not investing. When they are not investing, they are not turning those resources over. They are not taking realizations, and they are not paying taxes. We need to get investment capital put to work. We need to get people put back to work. The best way to do that is to provide economic certainty: tax policies, regulatory policies that are reasonable and that provide incentives, not disincentives, for investment.

Today, we have tax and regulatory policies that are doing absolutely the opposite. They are discouraging investment, and, as a consequence, I think we have a lower level of revenues. But the real problem, the real problem, is not revenues, it is spending. That is abundantly clear.

If we look at where we have been for the last 40 years in terms of what we spend as a percentage of our overall economy, that average is about 20.6 percent. That is a 40-year average, historical average, we spend on our Federal Government as a percentage of our entire economy. This year we will spend 25.3 percent of our entire economy on just the Federal Government.

That does not include spending on State and local governments. When we add that up, it is over 40 percent of every $1 we spend in this country is spent on government. So what we see is the government is growing relative to our total economy, and the private economy, those folks out there who are creating the jobs in our private economy, is shrinking relative to the size of the government. That is a trend we have to reverse. It starts with getting spending under control. This is not a revenue problem. This is not a tax problem. As much as many of my colleagues would like to make it that, we flatly cannot look the facts in the face and come to any other conclusion but that spending in Washington is out of control, it has to be reined in.

We have to attack the issue, not only of discretionary spending—the part we annually appropriate for—but these entitlement programs which if not addressed are not only going to bankrupt the country but ensure that there is not a Medicare Program and a Social Security Program available to future generations of Americans.

These are very tumultuous times. There is a lot of uncertainty. I think the jobs numbers that came out this morning again point to how fragile this economic recovery is. It is so dependent upon good, sound policies coming out of Washington. For better or worse, small businesses, entrepreneurs now, unfortunately, tend to be partners with Washington, DC, because there is so much policy coming out of here, whether it is tax policy, regulatory policy, that impacts their bottom lines every single day.

We need to get out of the way to keep those taxes low, to get Federal spending under control, to make sure the regulatory framework in which our businesses operate represents the minimum level and not the maximum level that we can do to make it more difficult for small businesses to grow and to create jobs. If we can do those types of things, address the issue of spending and debt, take it on in a meaningful way, deal with this issue of reforming our Tax Code and making sure our tax rates stay low on businesses in this country and make sure regulations and regulatory policies coming out of Washington, DC, are not the impediment they are today to investment and job creation, I think we can get this country back on track.

But that is where it starts. If we want to create jobs, if we want to grow this economy, if we want to make it more prosperous and stronger for future generations, those are the steps, in my view, we have to take. I hope we get started soon. I do not think we can afford to wait.

A lot of people around here think these are all political exercises that we will go through the hoops and the motions, and we will wait to solve this until after the next election. We cannot afford to wait. The time is now. If we do not do it, we are going to put in great peril future generations and their ability to enjoy the same standard of living, the same quality of life we have enjoyed.

That is not fair to them. That is why I believe the time to start is now and the time to get this budget process—not only the reforms of the process but the spending restraints in place—is today.

I yield the floor.

The PRESIDING OFFICER (Mrs. MCCASKILL). The Senator from Ohio.

Mr. BROWN of Ohio. Madam President, I was presiding, before the senior Senator from Missouri took my place, and was listening to two of the last three speakers talk about their budget religion, if you will. I think about this. I think we have to look at a little bit of his history.

I do not think I need a lecture on balancing a budget. I was in the House of Representatives in the 1990s when, without one Republican vote, we passed President Clinton's budget. We had a huge budget deficit in those days. That budget began us on the path to a balanced budget.

I supported a balanced budget amendment in the mid-1990s. By 2000, the year President Clinton left office, we had the biggest budget surplus in American history. Then, in 2001, at the push of President Bush and his Republican colleagues in both Houses, this Congress passed a major tax cut, mostly for the wealthy in 2001; another major tax cut, mostly for the wealthy in 2003, both of which I voted against.

President Bush, with intelligence that was not especially sound—being gentle about it—took us into a war with Iraq, did not pay for it; took us into a war with Afghanistan, did not pay for it. I voted against the war in Iraq.

In 2003 or 2004, he pushed through Congress by one vote—I remember I was in the House of Representatives opposing that bill, when they kept the rollcall open for 2 hours or longer that night. President Bush was on the phone with recalcitrant members of his party in the House of Representatives—pushed through a Medicare bill that was a bailout to the drug and insurance companies in the name of Medicare privatization, without paying for it.

President Bush leaves office then, leaving the largest budget deficit in our history—going from the largest budget surplus, written, by and large, by the Democrats, because Republicans did not play ball with us during most of the 1990s. Then, after President Bush and the Republican leadership in many of those years, House-Senate, President Bush left us with the biggest budget deficit in history.

When I hear this revisionist history on the Senate floor—I was not even going to talk about this today. But I heard two colleagues, for whom I have respect, one from Alabama, one from South Dakota, talk about this budget deficit in a way that simply is historically inaccurate—in the name of this deficit, and we have to deal with this deficit.

I know the Presiding Officer is focused on that. A lot of us are focused on that. We have to deal with this deficit. But you don't do the same thing over again where you give big tax cuts to the wealthiest Americans and then privatize Medicare. That is what they are doing. They are cutting health care, saying it is not sustainable, whatever that means, and giving major tax cuts to the rich, and we are saying that is not sustainable.

HONORING NATIONAL TEACHER APPRECIATION WEEK

Mr. BROWN of Ohio. I wish to talk about teachers. In my State, the legislature just passed something called SB 5, and the Governor in Ohio signed it. It was a direct assault in many ways on the teaching profession.

The discussions I hear from conservative politicians and their allies in the media—and they have many on editorial boards, especially in central Ohio—and the lack of respect they show for people who choose to teach as a profession is mind-boggling. We trust our children to teachers, yet we attack them—or too many politicians attack them.

I am going to make it personal. I am going to start with my mom. My mom was a high school English teacher born in Mansfield, GA, in 1920. She taught in the era of segregation in Florida and Georgia. Raising my two older brothers and me in Mansfield, OH—she met my dad coming back from World War II, ending up in another Mansfield at the end of the war—she taught in an era of a growing American middle class. Like