

power and is certain that it is not being abused.

I have also signed on as a cosponsor to several of my colleagues' amendments. Let me just comment briefly about some of these.

In addition to my NSL amendment, I cosponsored Senator PAUL's amendment that prohibits any officer or employee of the United States from issuing an NSL unless a FISA court judge finds that probable cause exists to issue the NSL. This would bring NSLs into compliance with the plain text of fourth amendment.

I am pleased to join Senators MARK UDALL and PAUL on an amendment that would eliminate the possibility of "John Doe" roving wiretaps that identify neither the person nor the phone to be wiretapped. This would protect innocent Americans from unnecessary surveillance and was part of the JUSTICE Act that I cosponsored in the last Congress.

I have also cosponsored MARK UDALL's amendment that would direct the attorney general to only delegate the authority for approving "lone wolf" surveillance to the deputy attorney general. It would also require the attorney general to provide notice to Congress of applications for "lone wolf" surveillance.

Finally, with Senator SANDERS, I have cosponsored an amendment that exempts libraries and bookstores from section 215 orders and NSLs. A similar amendment passed the House 287-238 in the 2005 PATRIOT Act debate, but was later dropped in conference.

The ACLU, the American Booksellers Association, the American Library Association, and the Campaign for Reader Privacy all support this amendment.

All of these amendments are designed to protect the civil liberties of all Americans and each deserves a full debate on the floor and an up-or-down vote by the Members of this body. Failing to do so is once again failing to provide the adequate time and consideration of this far-reaching legislation.

As a former Federal prosecutor and New Mexico's attorney general, I am familiar with the needs of law enforcement to pursue suspects and a strong supporter of law enforcement. But I also believe that our Constitution must be guarded against encroachment, even in the name of security.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Connecticut is recognized.

Mr. BLUMENTHAL. Madam President, I ask unanimous consent to extend my remarks to 15 minutes, if necessary.

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

(The remarks of Mr. BLUMENTHAL pertaining to the introduction of S. 1060 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. BLUMENTHAL. Madam President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from South Dakota.

ENTITLEMENT SPENDING

Mr. THUNE. Madam President, last week I came to the Senate floor to talk about the crushing burden of debt that will soon be coming our way because of government spending, mainly driven by entitlement programs. I noted that our unfunded liabilities in Medicare and Social Security are over \$40 trillion. In fact, last week we received the reports from the Medicare and Social Security trustees which noted that Medicare is already running a cash deficit of about \$46 billion. Social Security is running a cash deficit of about \$32 billion.

For those who think we do not need to do anything because the so-called trust funds are not going to be in trouble until some point into the future, I think the important point to remember is that the trust funds and the IOUs that are the trust funds are not an economic asset that can pay cash benefits. At some point there is either going to have to be a massive tax increase, a huge reduction in benefits, or an incredible amount of additional borrowing.

What we project will happen with Social Security at some point in the future is that there will be about a 20, 25 percent reduction in benefits when we hit that wall, which suggests we ought to be taking steps right now to avoid that. The important point is, when we start seeing cash deficits where the payroll taxes that are coming in no longer exceed the amount of benefits they are paying out but, rather, are running deficits, that also adds to the overall deficit we are dealing with as a country.

We do not have the luxury of time. We cannot afford to wait. This is an issue that is upon us. Social Security and Medicare reforms are issues that need to be undertaken. If we do not do that, as I mentioned last week as well, we will see enormous increases in the amount of debt and the amount of deficits as a percentage of our GDP.

In fact, in the year 2035, if we do not change our ways, the amount of government spending—and this is under the current projection, which I believe is very conservative, and probably these numbers could be much worse—would comprise 35.2 percent of GDP. Government spending would comprise 35.2 percent of GDP, which is 60 percent higher than the historical average. The historical average of what the Federal Government spent as a percentage of our entire economic output for the last 40 years has been 20.6 percent. This year it is over 24 percent. If we stay on this current trajectory, as I said, in the year 2035, based on what I believe are very conservative assumptions—and this could be much worse than that—we would be looking at over 35 percent of our entire economy spent just on the Federal Government.

As I said, that is 60 percent higher than the historical average. In the

same year, deficits would be about 16 percent of GDP, and debt to GDP would be 185 percent. We would actually have a cumulative debt that is almost twice the size of our entire economic output, our entire GDP for that year.

These are more than just numbers for economists to look at; these have real impacts in real time. They affect people across the country today. I wanted to point out again, as I have mentioned in the past, the study done by economists Rhinehardt and Rogoff, which took a good look at countries, and particularly developed countries, that have acquired or accumulated the sort of debt level we are looking at in this country and the impact that has had on their economies. And in their analysis and their study, they came to the conclusion that when you reach a certain level of debt to GDP—in this case, 90 percent debt to GDP—you lose 1 percentage point of economic growth. In other words, economic growth will be 1 percentage point less than it would otherwise be because of that high GDP debt level the country is sustaining. They say that is at 90 percent. If we look at where we are today debt to GDP, we are about 93 to 94 percent. According to the White House's own economist, every time you lose a percentage point of economic growth, it costs you about 1 million jobs.

So having the kind of debt level we are carrying today creates a cloud over our economy, reduces economic growth, and reduces jobs. It is costing us job creation in our economy, which I think is what most of us believe we should be focused on, and if we are going to focus on jobs, we have to say there is a correlation between spending, debt, and jobs. I believe the sooner we acknowledge that, the quicker we address that, the better off we will all be and the sooner we will see the economy start to recover and expand and create jobs again. That is the impact that is happening now, and it only gets worse if changes aren't made.

When the government borrows money, obviously there is an impact in the private economy; there is less money for private companies and individuals to invest in equipment, plants, housing, and training. It crowds out these investments and instead allocates money—spends money—on less efficient, less necessary, duplicative, and oftentimes downright wasteful programs and projects.

If we don't get our arms around this level of spending and debt, it also means higher interest rates for individuals who want to borrow to buy a home.

It is clear to individuals and businesses across the country—even if it isn't clear to everyone here in Congress—that the government cannot continue to spend ever-increasing amounts of money without raising taxes. That creates uncertainty among individuals and businesses across this country and acts as a disincentive for them to invest. So because you have

uncertainty about what the impact of all this spending and debt will have on future taxes, a lot of capital continues to sit on the side lines not being deployed, not being put to work. That is happening simply because there is this uncertainty about what is going to happen and whether Washington is serious about getting this spending and debt issue under control and focusing on the fiscal problems we have as a nation.

I mentioned last week that Social Security benefits would automatically be cut by over 20 percent if that program is not reformed. This is not the result of the House-passed budget, contrary to what many are saying. This is the result of the current situation we face today with Social Security. Likewise, according to the alternative scenario of Medicare's own actuaries, the health care bill that was passed last year would lead to significant numbers of providers becoming unprofitable and who would, presumably, stop providing services if health care costs are not contained.

This assumes we don't have a debt crisis. The former Chairman of the Federal Reserve, Alan Greenspan, said recently that the odds of a debt crisis happening in the next 2 to 3 years are about 50 percent. So if you take that analysis and you take what Standard & Poor's has said about America's credit rating—they have warned of a possible downgrade in the U.S. credit rating in the next 2 to 3 years if serious changes aren't made—I think you can see why there is such a cloud hanging over our economy right now.

Some believe this debt crisis may not occur for a few years down the road. But I think one thing we know for sure is that it is coming. It is predictable. We don't know exactly when, but we know it is coming because you cannot continue to have these types of signals, this kind of not only anecdotal information but hard data describing the current state of our economy, the current state of Federal spending, the amount of debt to GDP we are continuing to increase year over year, and not believe we will have some significant and measurable impacts on our economy.

That is why it is so important that we take the steps necessary to avert this crisis. If we don't, we know what will happen. As our debt burden increases, investors from around the world are going to increasingly demand higher yields to lend us money, and that will further exacerbate our deficits. Interest alone will consume increasing amounts of our revenue until we can no longer pay our bills.

We have seen this happen in countries around the world. We know the magnitude of the actions those governments have had to take in response to debt crises in other places around the world.

Greece, for example, was forced to take loans out from the International Monetary Fund and has had to impose

a variety of austerity measures. These austerity measures have included laying off public sector employees, cutting their pay, freezing their pay for many years at a time, a 2-percent increase in their VAT tax—they have a value-added tax in that country—and a 10-percent increase in other taxes. They have also made dramatic cuts to pension programs and reforms to entitlement programs as well. Yet they are still paying, after all of that, very high interest rates. The yield on 2-year debt is over 24 percent in Greece.

In Ireland, they had to implement austerity measures of more than 9 percent of GDP—9 percent of their entire economy. In the United States, if you were to translate that into the impact it would have on our economy, that is the equivalent of raising taxes and cutting spending by \$1.3 trillion in 1 year—an astounding amount. But that wasn't enough. They are looking to implement another austerity plan of tax increases and spending cuts. That one is estimated to cost the average family in Ireland \$5,800 a year.

Those are the types of measures that have been forced upon, imposed upon some of these other countries around the world because they have seen the debt crisis we are trying to avoid in this country. At the same time, after having taken all these austerity measures, they have seen massive contractions in their economy, because we all know what happens when you start raising taxes and you create the amount of economic uncertainty I described earlier. It becomes very difficult for small businesses to invest and to create jobs. So, not surprisingly, you see these austerity measures leading to violence, protests, and general discontent. It appears now that Greece is seriously considering at least a technical default on some of their debt.

So that is, I guess, a picture of what our future will look like absent changes. We will have a shrinking economy, fewer government services, and dramatically higher taxes. That is what the experiences have been in some of these countries I just mentioned, and that is what we are headed toward absent serious, meaningful action in getting our spending and debt and our entitlement programs under control.

There is no reason to go down this path. The Senate will have the opportunity over the course of the next few months, at least, I hope, to vote on legislation that will start to address not only the near-term issues of discretionary spending and capping that and capping it into the future, in the near term and midterm, but also address the issue of entitlement reform. As I mentioned earlier, we cannot solve the debt problem, the fiscal problem, and the crisis our country faces without taking on the issue of entitlement programs. If we don't, our future will look like that of Greece and Ireland.

Today, we will vote—today or tomorrow; I am not sure exactly when—on a

series of budget proposals which are, in each and every case somebody's attempt to address this issue. We saw the House of Representatives act on a budget earlier this year—the so-called Ryan Budget—which they passed. We will get a chance to vote on that in the Senate. We have a couple of our colleagues on the Republican side who have come up with their own ideas about budgets and what we might do to address this fiscal crisis. We are going to vote on the proposal the President put forward, which is completely inadequate to the challenge. In fact, it increases spending over 10 years, dramatically increases debt, and dramatically increases taxes, which would have an incredibly detrimental impact on the economy. That is what the President put forward. We will vote on that today as well. Having said that, all these votes—although they are, I suppose you could argue, important in some respects—are going to end up being more symbolic votes because I don't think any of them will get the necessary votes in the Senate to pass.

What is ironic about the debate on budgets this week is that the only budget we are not voting on is a Senate budget. We have not had a budget now in the Senate for 756 days. This government spends \$3.8 trillion a year, and yet it has been 756 days since the Senate has passed a budget. So we have a couple of our Republican colleagues who are putting forward alternatives, we have the House that has put forward an alternative, but the Democratic majority here in the Senate has not, for 756 days, moved to bring a budget to the floor so we can have a debate and vote upon the fiscal priorities for this country and how we are going to spend \$3.8 trillion of the American people's tax money. That is a stunning development. I am on the Budget Committee in the Senate, and we have yet to even have a markup, and I don't anticipate we will in the near future.

Having said that, we cannot afford to wait to take on this Nation's fiscal challenges. I hope that, absent action on a budget here in the Senate, these discussions that are occurring right now between the Vice President and Senate leaders will yield a result that will enable us to at least move forward and address these fiscal issues, but it doesn't negate the responsibility we have as Senators to put forward a budget and to debate that budget.

Ironically, we are going to vote on the budget passed by the House of Representatives. I don't know this for a fact, but I have heard this is the case, that it will be the first time ever that the Senate will vote on a budget passed by the other body—in particular, by the other body when it is controlled by the other political party. This will be the first time in history. I think the Democratic leader wants to do that to make some political point, but I think we all know that our not passing a budget or at least debating a budget here in the Senate is a complete abdication of the responsibilities we have

as Senators to be good fiscal stewards of American tax dollars.

I would just close again today by saying we have seen our future. You can look at what is happening in Greece, you can look at what is happening in Ireland, and you can look at the types of austerity measures imposed by outside entities who have said: You make these changes or you are not going to continue to get IMF funding, for example. And even after all that, you are still looking at these interest rates in the 20-percent range, you are looking at economies that continue to contract rather than expand and grow. We need to create the conditions here that will enable our economy to grow and to create jobs, and it starts with getting Federal spending and debt under control.

One final point I will make, and this has to do with an issue that pertains to my State of South Dakota, but I think it ties into the broader point I am making about the economic uncertainty that is being created out there today for businesses.

There was a piece of legislation that passed a little over a year ago here—the Credit CARD Act—which put in statute a number of changes with regard to subprime credit card companies. That is all fine and good. I voted against it. We have companies in South Dakota that play by the rules, they have abided by the laws, and they are a heavily regulated industry. Yet Congress decided—over my objections—to move forward with legislation that would change the rules by which they play.

Well, that was all fine and good, but when it came time to implement those regulations, the Federal Reserve decided the statutory framework that was created wasn't quite good enough. So the initial regulations that were out there—this company reacted to those and tried to adapt its business model, but the Fed decided that wasn't good enough, so they took regulatory steps that went beyond what the statute had called for and made it even more difficult.

We predicted this at the time—we said: This is going to cost jobs in our State of South Dakota. Well, just this last week that particular company announced they are closing their operation in Spearfish, SD. That will impact 330 jobs in a town of about 10,000 people. Incidentally, the mayor of that city worked for this company. And there is a story here from the Rapid City Journal which describes the economic impact of these job losses and what it will mean to that community and to the entire area.

I can't help but think this is just another example of regulatory overreach, of regulatory agencies deciding they know best and going above and beyond what Congress called for in terms of legislative requirements and the legislative intent and taking regulations beyond that. So we have real-world impacts on people out there as a result of decisions made here in Washington,

DC, and when we tried to make these arguments to the regulators, they couldn't have been less concerned about jobs. We said this is going to cost us jobs.

This is just the beginning, by the way. There is another location in Huron, SD; Dakota Dunes, SD; and Sioux Falls, SD, and I think this is just the tip of the iceberg of what we will see in terms of job losses caused by regulatory overreach because a Federal agency decided they knew best and went above and beyond what even the U.S. Congress said with regard to this particular issue.

These are, again, real-life examples of decisions made here in Washington, DC, and the impacts they have in the real world. I hope we can put policies in place here that will encourage economic growth and job creation, not hinder it, not inhibit it.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Nebraska.

MEDICARE REFORM

Mr. JOHANNIS. Madam President, I rise today to talk about the proposed Medicare reform. I have found the debate to be fascinating because it is proceeding as if there had been no changes to Medicare recently. Anyone telling you that there have been no changes is not being straightforward. Sweeping changes to our Medicare system were debated and they were passed in the most partisan way possible—only Democrats voted for them—and they were signed into law by President Obama. The President's new law already puts this fundamental health care program in significant jeopardy.

Some may come down to the floor, some may rise and say: MIKE, you are all wrong about this. They will want you to believe that the \$½ trillion in cuts to Medicare in the new health care law will actually extend the Medicare program. But in reality the health care law is not giving new life to this program at all. The Congressional Budget Office reports that Medicare will be insolvent in 2020, 9 years from now. Yes, that is right, complete insolvency in 9 years. That is the current plan voted on and signed into law by the President.

That analysis does not even account for the \$½ trillion cuts in Medicare to fund the health care law.

Don't believe me? We have consulted the experts. The experts say the health care law counts, or attempts to count, the same dollar twice. The Medicare Actuary says these cuts "cannot be simultaneously used to finance other Federal outlays (such as the coverage expansions under the health care law) and to extend the trust fund."

This can only mean either the new health care law does not have enough funding, to the tune of \$½ trillion or, in the alternative, Medicare is in more serious jeopardy than even the trustees' report points out, in jeopardy of

becoming insolvent much sooner than the experts predict.

So I stand here today and I tell you if you are 56 years old or younger and you are thinking about the day when you apply for your Medicare benefits, the experts say—sorry, you are out of luck. Under the current law of the land, that is the case. Again I point out that the President's health care reform was passed on the most partisan of votes—it did not get a single Republican vote—and every Medicare beneficiary will be impacted by the cuts to this program.

If you are out there saying: MIKE, I want to protect the poor, all I can tell you is the President's plan does not do that. If you are saying: But, MIKE, I want to protect the middle class, all I can tell you is that the President's plan does not do that.

What do we get out of that? According to the Congressional Budget Office, complete insolvency in 9 years. You see, the President's reform is founded upon the unrealistic assumption that doctors will continue providing the same services to patients with a 30-percent cut in a Medicare Program that is not covering their costs today. I just had doctors in my office saying: MIKE, we cannot continue to provide Medicare services if that cut occurs. Yet that is the current law of the land.

By comparison, one of the plans we may vote on this week protects Medicare beneficiaries over 55 by saying: Look, we are going to hold you harmless. Your benefits will not be changed at all. The plan says let's fix this physician payment formula so they do not have the 30-percent cut so access for Medicare patients can continue. The plan says let's protect those who are especially deserving of our support, those who are below 150 percent of the poverty level and truly cannot afford the health care they need.

You are probably saying: MIKE, what plan is that? The plan I am talking about is PAUL RYAN's plan. You tell me which sounds more severe in its approach, a plan that puts government bureaucrats in charge of controlling health care costs, robs Medicare of any potential savings to start a new entitlement, and in 9 years brings bankruptcy to Medicare, or a plan that empowers patients to choose their own unique plan, ensures Medicare savings are reinvested into the Medicare Program, and preserves Medicare by bringing costs back to sustainable levels, which is the Ryan plan?

I want to be clear that there are some things about this plan I would love to debate and change. For example, perhaps we could devise an incremental transition within the Medicare proposal. Maybe we need to evaluate if the medical savings accounts for those most in need should be indexed to something better than the general inflation rate. Maybe those below a severe poverty line should be exempted entirely. Perhaps some of the tax reform, including elimination of certain tax deductions, needs to be revisited.