

campaigning in even-numbered years, talking about what we are looking to save and cut, rather than what we are going to do to bring home the bacon?

I think the day of bacon coming home reckoning is here, and it is time for the next bacon to be brought home to be a sound budget and fiscal policy for the people of the United States of America.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

Mr. THUNE. I ask unanimous consent that the order for the quorum call be rescinded.

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

#### SENATOR MARK KIRK

Mr. THUNE. Mr. President, I wish to, similar to all my colleagues, express our sympathy and support and prayers for our colleague, Senator KIRK.

Senator KIRK is someone who is new to the Senate but served for a good number of years in the House of Representatives and has already made a tremendous impact in coming to the Senate—incredibly smart, hard-working, thoughtful, knowledgeable on so many different subjects. So obviously we will miss his presence in the near term but hope and pray for a full, quick, complete recovery and hope to have him back with us soon. I know I speak for many of my colleagues, but I certainly wish to express my and my family's prayers and support for Senator KIRK and for his family as he tries to get back on his feet. We wish him all the best as he does that and hope he will return soon and be able to get involved in many of the issues he was involved with and has been involved with since he has come to the Senate.

#### THE BUDGET

If he were here, I think he would be very involved in the debates we are going to be having in the coming days about the budget. Today marks the 1,000th day since we have actually acted on a budget in the United States. That is something many people here who are interested in fiscal policy are very concerned about. Senator KIRK is one of those. I consider myself to be one of those. We have a lot of people in the Senate who are very concerned about where we are as a nation, about the amount of spending, the amount of debt we have racked up and continue to pile up on an annual basis. It all starts with a budget.

We spend \$3.6 trillion of the American people's money on an annual basis. Yet we have not had a budget in the Senate for 1,000 days, literally now for 3 years, essentially, since the Senate last passed a budget.

We cannot continue with a straight face to go to the American people and

say we are being good stewards of their tax dollars when, in fact, we don't even go through the exercise annually of determining and prioritizing how we are going to spend their hard-earned tax dollars. This is something that cries out for reform.

My colleague Senator ISAKSON, who just spoke, has some proposals for budget reform that I think we ought to take up and we ought to vote on in the Senate. I have some ideas about budget reform. There is so much we need to do to change the budget process in the Congress because we have failed to pass a budget resolution, not just for the past 1,000 days but also for 5 of the last 7 election years, and we have only completed all the annual appropriations bills on time in 4 of the last 34 years. We clearly have a problem. I don't think there is anybody here who can't say this system is broken and needs to be fixed.

It strikes me, at least, that as we went through the 2012 budget process, we failed again to complete the appropriations work on time, and so we had to go through this annual exercise of doing a nearly \$1 trillion omnibus spending bill at the eleventh hour yet again. During the past 3 years, we have consistently had record deficits of \$1.3 trillion or more.

Clearly, what we have in place is not working, and the American people are the ones who are paying the price for that because the debt per person is now over \$48,700. That is an increase of nearly \$14,000 on an individual basis since President Obama took office.

If we think about it on a per household basis, it represents \$126,000 per American family, per household that is their share of our Federal debt. That is a massive amount of money we pile onto people in this country.

If we add in the unfunded liabilities for Social Security and Medicare, which exceed \$40 trillion, then we start talking about over \$½ million in liability for every family in this country.

The national debt is now more than \$15 trillion, which is literally over 100 percent of our gross domestic product. To put that into perspective, 1 year ago, Greece was at 143 percent. We are not far behind. We are now 1 to 1, 100 percent debt to GDP. We are seeing the effect of high levels of sovereign debt on the economies of European countries such as Greece, and if we fail to get spending in our country on a sustainable path, we are going to face a similar crisis in the not-too-distant future. If we continue to see an economy that is struggling and growing at a very slow rate, we cannot grow that economy by making the Federal Government larger. If that is the case, the \$1 trillion stimulus bill that passed in 2009 would have brought unemployment down. But, as we know, the unemployment rate in this country is still at 8.5 percent.

So we have to unleash the economy. We need to cut spending in Washington, DC. We have to make the Fed-

eral Government smaller, not larger, and get Federal spending as a percentage of our gross domestic product, as a percentage of our entire economy, back to more of a historical average.

Today, the spending as a percentage of our GDP is about 25 percent. If we go over the last 40 years of American history, the average has been 20 to 21 percent. Ironically, there have only been five times since 1969 where the budget has actually been balanced. In those cases where the budget was balanced, spending as a percentage of GDP was 18.7 percent, on average.

So it can be done. But we have to get spending back to a more historic and reasonable level relative to our entire economy.

The debt to GDP, as I mentioned earlier, is also historic because we haven't seen debt-to-GDP levels such as this literally since the end of World War II. We would have to go back over half a century to find a time when we were carrying debt to GDP that was literally 1 to 1, where the amount of debt we have in this country is 100 percent of our entire economic output in a given year. That is a staggering number and one that should make us all very concerned about our future if we don't take steps to correct it.

I think that point was driven home by the former Chairman of the Joint Chiefs of Staff, ADM Mike Mullen, who has said in testifying before congressional committees that the greatest threat to America's national security is our national debt.

Think about that. He didn't say the Iranian nuclear program. He didn't say China. He didn't say North Korea. He didn't say al-Qaida. He said the greatest threat to America's national security is our national debt—that coming from the person who used to be the highest ranking military official in this country.

I think that speaks volumes about what we need to be focused on and why it is so important we start getting our budgetary, our fiscal house in order and why it is so important, frankly, that we pass a budget. One thousand days without a budget, and we spend \$3.6 trillion every single year of the American people's money.

I think, again, in order to get our fiscal house in order, in order to get our economy back on track, we have to cut spending. We have to reduce the amount we spend. That means we have to take on some of the big challenges before us, such as entitlement reform.

We all know about three-fifths of all Federal spending is what we call mandatory spending, and that represents programs such as Social Security, Medicare, and Medicaid that are not annually appropriated for by Congress but are a function of the law. If a person is eligible for a particular program they are going to get a benefit under that program. That type of spending in our budget represents about three-fifths of all Federal spending. If we add interest on the debt, which is also mandatory spending, we get up to about 65

cents out of every dollar spent right now is mandatory spending.

If we have programs such as Medicaid growing at three times the rate of inflation, and Medicare growing at two times the rate of inflation, it is pretty clear that is not sustainable over time. We have to figure out a way to get these programs where they are not growing at 12 percent a year or 8 percent a year—closer to the rate of inflation. That means we have to reform these programs if they are going to be sustainable and if they are going to be there for future generations of Americans. That can be done without impacting the benefits that people who are on those programs today receive and those who are nearing retirement age receive.

There is a real concern, there is a lot of hot political rhetoric about Republicans just want to cut benefits for seniors across this country. I think most of my colleagues know there have been several proposals put forward that would address the long-term challenges we face with regard to Medicare and Medicaid and for that matter Social Security, all of which would not impact people who are retired today nor those who are nearing retirement age but simply put in place some reforms that would impact younger Americans who, today, are working hard, putting money into these programs, but if we do not take steps to fix these programs they are not going to be around when those people retire.

Entitlement reform is so important in terms of getting Federal spending under control. That is why, notwithstanding the fact it is an election year, I hope there will be the political will in the Congress and with the President. Frankly, it is going to take Presidential leadership to do these types of things. We cannot do big things, we cannot conquer big challenges and big problems in this country absent Presidential leadership. There are 535 Members of Congress and there is only one President, one person who can sign a bill into law, one person who can engage the Congress and work toward a solution to some of these big problems.

So far this President has demonstrated no willingness to take on the challenges we face with regard to our budget. It was demonstrated last year when he submitted his budget. It was ultimately voted on in the Senate, voted down by a vote of 97 to 0. I think that tells us they have not been serious about taking on the major drivers of Federal spending in this country.

With regard to the other part of the budget, the discretionary part, we saw spending increase in that part of our budget by about 24 percent between 2008 and 2010. It literally grew at about 8 to 10 times the rate of inflation. So we need to get that side of our spending under control as well. Many of us supported legislative efforts that would roll back discretionary spending to 2008 levels to get us back into a place where we can defend the things we are doing

to the American people at a time when they are seeing their family budgets shrink, that they are seeing their personal assets shrink, and many of them are having a very hard time finding work. Cutting spending, reducing spending, reforming entitlement programs, getting our fiscal house in order, is just essential, absolutely essential if we want to put our country on a path and a track that will prevent us from heading for the train wreck that many of our allies, many of the countries in Europe, are facing right now simply because they made promises to their people they just could not keep.

We have to get our spending under control in this country and rein it in or that is our future. I hope for the sake of our children and grandchildren in this country we are willing to make the hard political decisions that will enable that to happen.

The second thing we have to do if we are going to get out of this sort of morass we are in right now, in addition to reducing spending, is we have to get the economy growing again. We have to expand this economy, grow this economy. It has been said the rising tide lifts all the boats. We need to get a tide that starts lifting all Americans. Instead of talking about how we are going to redistribute the pie, we need to make the pie bigger. The way we do that is to grow and expand the economy. If we start growing and expanding the economy we will get more Americans back to work, more people making money, more people investing. When more people are working, there are more people paying taxes and that gets revenue going up and that makes these other issues manageable. But we have to have economic growth and we have to have policies in place that promote economic growth.

Regrettably, the policies of the current administration have had the opposite effect. They have made it more difficult, more expensive to create jobs in this country. We need to put policies in place that will make it less expensive, less difficult to create jobs, and that will encourage people and provide the kind of economic certainty that gets people to invest their money, to put their capital to work, and to get Americans back to work in this country.

I think there are several things, obviously, that need to be done. No. 1, of course, is to reform the Tax Code. In my view, right now that is a roadblock, if you will, an obstacle, an impediment to economic growth. We are not competitive in the world marketplace because of our tax policies. What we need today is a clear, fair, simple tax code that does away with a lot of the special interest loopholes that exist today, one that broadens the tax base in this country but at the same time one that lowers rates so that businesses want to invest in America as opposed to moving their headquarters and taking their jobs overseas. We want to encourage investment. That means we have to re-

form our Tax Code and, as I said, we have to do away with a lot of the Tax Code that is riddled with loopholes. We have to do away with those loopholes and get our tax rates down to where they are competitive with countries around the world that are stealing business from us and taking jobs overseas.

Tax reform is, in my view, an essential element of an economic growth strategy that will get us on a path where the economy is growing and expanding and we are creating jobs in this country. That is going to take Presidential leadership just as entitlement reform is going to take Presidential leadership. We cannot do big things in this country absent Presidential leadership. This is another area where we have not seen that from this President.

I hope he will engage the Congress—again, notwithstanding the fact that this is an election year—in a debate and perhaps more than a debate, a solution to the problems in the Tax Code in this country that will get us on a competitive footing and make us more competitive in the world marketplace. The President is going to have to be involved in that debate or it is not going to happen, particularly in a political year.

We also have to get our arms around these overreaching, excessive regulations that are strangling small businesses in this country. I cannot tell you how many times, when I travel my State of South Dakota or anyplace else for that matter, that I hear from small businesses that the No. 1 obstacle right now to us creating jobs is this massive amount of regulation coming out of Washington, DC. In fact, there have literally been thousands and thousands of pages of new regulations that have been promulgated and issued since this President took office. They affect every sector of our economy.

The one we hear about the most probably is the EPA, but we have the Department of Labor, we have other agencies of government that are constantly putting forward new regulations which make it more difficult, more complicated to get people in this country back to work.

Just as a point of fact, regarding a recent set of regulations proposed by the Department of Labor—by the way, there was no complaint about this that there was no consultation with the people who would be impacted by this—there was really no reason we can come up with for why these regulations were put forward. But the Department of Labor, in their infinite wisdom, decided they knew better about how to run a farming operation or a ranching operation in this country, better than the people who are involved in those endeavors, and they have basically put forward some regulations that would put all kinds of new restrictions on young people working in family farming or ranching operations—incredibly prescriptive regulations, I might add,

detailed regulations that are going to change the culture and the economic fabric of ranching and farming in this country more than anything we have seen before.

Anybody who has been around a farming operation or enterprise in my part of the country realizes they are inherently family operations. Young people are involved in those operations. When the Department of Labor comes out and says young people cannot operate certain types of equipment or young people cannot work with farm animals that are older than 6 months or cannot be at an elevation that is any more than 6 feet, it is a complete contradiction to the way that work gets done in rural parts of this country. But that is what we have. We have a massive amount of new regulation coming out of the Department of Labor that will forever change the way farming operations are carried out and the way work gets done on a family farm.

That is the kind of thing I am talking about. It is overreaching. It is excessive. It goes beyond the pale in terms of what we need by way of regulation in this country. We need smart regulation. There are public health and safety reasons why we need that. But this kind of overreaching and excessive regulation is making it that much more difficult for people to get jobs in this country.

The final thing I will mention in regard to an economic agenda that I think will create jobs is the issue of energy security. We need an energy policy in this country that promotes domestic production, that recognizes that we have enormous amounts of resources at home, that we should not have to continue to import a lot of our energy from outside the United States. The Keystone Pipeline, which was just recently vetoed by the administration—turned down—is an example of that. It was studied 3 years extensively by many agencies of the government. At the EPA there were serious environmental impact statements done. They all cleared, they all teed this up to be done, and just this last week the President said: No, it is not in the national interest.

I, and I think a lot of people on both sides in the Senate, would argue this is in the national interest. It is a lot better for us to get 700,000 barrels of oil a day from a friendly neighbor such as Canada as opposed to a country such as Venezuela. We can continue to buy oil from Hugo Chavez or we can get the same, the equivalent amount of oil from a friendly neighbor such as Canada, bring it into this country where it is refined and creates jobs, puts people back to work, puts capital to work in this country, and gets investment in the United States. Instead, we are going to see that energy source go in the other direction. It is going to Asia, it is going to go to China, if we are not able to get projects like this approved.

Interestingly enough, there was a pipeline just like this that was built a

few years ago, and it goes right through the eastern part of my State and other States. This pipeline would go through the western part of my State of South Dakota as well as other States, but it would bring much of that energy resource into this country, create jobs, and help create economic growth in America as opposed to sending that energy overseas and making us even more dependent upon foreign sources of energy at home. It makes absolutely no sense.

If the President of the United States is serious in his rhetoric about focusing every morning on creating jobs, one would think the first thing he would want to do is support projects that create shovel-ready jobs, in this case 20,000 shovel-ready jobs and an investment of \$7 billion, and bring energy into this country that will make us more energy independent. That is absolutely right in the wheelhouse of what we ought to be looking for in terms of getting this country's economy back on track. Yet last week the President turned thumbs down on this proposal.

I would say again, in closing, in my view, if we are going to get our country back on track, we have to get our fiscal house in order, which means we have to reduce spending, get our spending as a percentage of our entire economy back into a form of historical norm of revenues. As I said, for the past 40 years that has been 18 percent of our economy. Today we are spending 25 percent, and we are on a trajectory such that not too far from now we are spending our entire economy on the Federal Government, not to mention State and local control. We have to get policies in place that will promote long-term economic growth and reverse the decline we have seen, the massive amount of debt we racked up over the past 3 years, and the huge job losses we have seen at the same time. If we can do that, we will at least be doing the people's work in terms of trying to address the major problems I think face most Americans and the things they are most concerned about every single day.

I yield the floor.

The PRESIDING OFFICER (Mr. MANCHIN). The Senator from Vermont.

#### VERMONT STUDENTS' ESSAYS

Mr. SANDERS. Mr. President, democracy; that is, government of the people, by the people and for the people, does not thrive or even survive unless we have a well-informed and well-educated public who are thinking about, discussing and debating the important issues facing our country.

In order to stimulate that goal, I have, for the last 2 years, sponsored an essay-contest asking Vermont's high school students what they think the United States should be doing to address the major problems we face as a nation. In other words, while tonight we hear the President's views about the State of the Union, the essays

these students wrote reflect Vermont students' views about the State of the Union.

I am delighted that 308 students, from 30 different schools throughout Vermont, thought about these challenges as they wrote their own State of the Union essay. And I want to thank each and every one of them for their participation in the contest and the time and effort they put into it. I also want to thank the five teachers who acted as judges for these contests. They are Brian Burgess of Hazen Union High School; Liz Lebrun of Poultney High School; Lois Little of Canaan Memorial High School; Joe Maley of South Burlington High School and Terri Vest of Twinfield Union High School.

The winner, selected by a panel of five Vermont teachers, is Jennifer Sikorski, a senior at Winooski High School. In addition to Jennifer, 18 students were named as finalists. The four runners-up were: Monica Allard, Milton High School; Kayleigh Ehler-Vock, South Burlington High School; Kate Raszka, Champlain Valley Union High School; Karolina Sowulewska, Burr and Burton Academy.

Because of the excellent quality of the essays, we also honored 14 other students with an honorable mention.

Mr. President, I ask unanimous consent that the winning essay be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JENNIFER SIKORSKI, WINOOKSI HIGH SCHOOL  
(WINNER)

[January 23, 2012]

Ever since the Declaration of Independence was signed, the United States has constantly paved the way to peace and prosperity both for itself and the rest of the world. However, as the world economy rapidly disintegrates, new issues have emerged, from unemployment to the environment to gay rights, and in the midst of it all, America stands still, seemingly oblivious to the fact that its future is crumbling in front of it. It is time to pave the way to prosperity once again through these issues in order to ensure that someday we can thrive again.

Perhaps the biggest problem we face as a nation is unemployment. As of 2011, 8.5 percent of people in the U.S.—over 26 million Americans—are jobless. While it may seem as if putting such a large amount of people to work cannot happen, there is a chance that it can be done. As unemployment has been rising, the condition of our environment has been deteriorating due to deforestation and the emissions of greenhouse gases and carbon dioxide given off by the use of fossil fuels. Renewable energy such as solar and wind power, on the other hand, has remained a topic of interest, yet it is still somehow largely unavailable to the public. However, the environment can be preserved, if not improved, by phasing out fossil fuels in favor of solar and wind energy, while millions of Americans can return to work to plant trees to restore our forests and to build, distribute, and repair solar panels, wind turbines, and other renewable energy products. We are actually lucky in a way to have to face both of these issues at once, as they can both be improved simultaneously.

America has also had a long-standing tradition of leading the way in human rights,