HERB KOHL's father Max and Rabbi Kohl's father Jack were brothers. During World War I, when Max and Jack were teenagers, the brothers were captured by the Russian military, jailed, and forced to march more than 150 miles, with little food, no proper clothing, and the constant threat of physical violence. On occasion, they didn't have shoes, and they were walking basically to Siberia is where they were headed. The boys' parents didn't know where they were for more than 2 years.

Max and Jack were then convicted by a tsarist army as spies and sent on an epoch 5-month journey by rail across Siberia. In 1916, the brothers were dumped off in a remote corner of that wintry waste. Exile was frequently a death sentence. Fortunately, in this instance, it was not. The brothers survived relying on the kindness of strangers, and 2½ years later Max, HERB's father, made his way back to his hometown.

During their exile, young Jack looked after the even younger Max. Max eventually—this would be HERB KOHL's father—immigrated to the United States. He sent for his older brother after he had earned a few dollars here in America. So the Rabbi's dad was brought to America by his brother—HERB KOHL's dad.

The brothers' bond passed through the generations to their sons. Senator KOHL and Rabbi Kohl are first cousins, and it was very dramatic to see the connection they shared on the Senate floor. The success enjoyed by Max Kohl, a Polish immigrant, and later by his son, a Senator for 24 years, is a testament to the American dream.

Despite a rough start in life, Max founded a chain of Wisconsin grocery stores. HERB eventually became president of the Kohl's chain, with one little store, but he was a successful businessman before he took over his dad's chain of stores. He became the CEO of that chain started by his dad.

Initially, after getting his bachelor's degree at the University of Wisconsin and his MBA at Harvard, HERB founded a successful real estate and stock investment firm. At the time, he was also serving as an Army Reservist. He took over as president of Kohl's grocery and department store in 1970. He successfully grew the company for a decade.

But as strong as his passion for business is, Senator KOHL was an even greater athletic fan. He had a passion for sports. In 1985, he bought the NBA's Milwaukee Bucks to keep the team from leaving Wisconsin. He couldn't stand the thought of an outsider buying the team and moving the team from Milwaukee, and that was the talk everybody had heard.

Everyone said HERB KOHL made a bad deal. Why did he pay so much money for that basketball team? But his decision to buy the Milwaukee Bucks, which at the time some said was crazy, proves doing the right thing and doing the profitable thing are often one in the same. Today, the Bucks are worth ten times what HERB paid for the team and they are an important pillar of that vibrant Milwaukee community.

HERB was also one of the original investors in the Milwaukee Brewers, owned by his childhood friend Bud Selig. Senator KOHL and Major League Baseball commissioner Bud Selig were roommates at a fraternity at the University of Wisconsin, but they knew each other when they were little boys. They lived in the same neighborhood. HERB and Bud still have lunch at Jake's Deli whenever HERB is back in Milwaukee, which is almost every week. They do this on Saturday.

Senator KOHL is also passionate about education. He founded the Herb Kohl Educational Foundation Achievement Award Program, which awards grants and scholarships to graduating seniors, teachers, and schools all across Wisconsin. He donated $25 million to the University of Wisconsin to build a state-of-the art, new athletic facility—the Kohl Center.

Since he was elected in 1988, HERB KOHL has been a champion of public education, fighting to give students the tools they need to succeed in a modern workforce. He has also made fighting crime in Wisconsin and across the Nation a priority, advancing investments in antidrug and antigang programs. He has worked to reduce juvenile crime and ensure proper funding of State and local public safety agencies, and he has been a strong voice for Wisconsin dairy farmers.

HERB has also been a valued member of the Appropriations Committee, the Banking and Judiciary Committees, as well as a strong chairman of the Special Committee on Aging. He has done so much for the aging populations we have in America today.

He has been a leader on many different legislative initiatives. HERB KOHL is a fine man, a wonderful human being, and I so admire and appreciate him. He is a distinguished Senator, a devoted representative of the people of Wisconsin, and his presence will be missed in the Senate. I wish him the very best in his retirement.

Would the Chair announce the business of the day.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will be in a period of morning business until 11:30 a.m., with Senators permitted to speak therein for up to 10 minutes each, with the first hour equally divided and controlled between the two leaders or their designees, with the Republicans controlling the first half.

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

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

The assistant legislative clerk proceeded to call the roll.

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

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

FARMING CHALLENGES

Mr. BOOZMAN. Mr. President, every time I travel the great State of Arkansas, I meet farmers and ranchers who help feed America and the world. That is just how prevalent agriculture is in my home State. It is our No. 1 industry and accounts for $16 billion annually to the State's economy. That is the reason I asked for a seat on the Agriculture Committee. I wanted to help Arkansas's food producers, our farmers who are working to develop and implement policies to increase production, and provide them with the tools and resources they need to continue their important work.

There are two immediate concerns I hear as I travel the State: No. 1, they want us to wrap up the work on a new farm bill. They want to know what the rules are going to be for the next 5 years as they go and visit with their bankers; and No. 2, they do not want us to go over the fiscal cliff.

Arkansas farmers are concerned about what inaction on tax reform will mean to their livelihood. In particular, one of the areas they fear is a rise in the already high and unnecessary tax burden they face when inheriting a loved one's farm or ranch. The death tax makes planning and passing on farms and businesses to the next generation even more difficult. Oftentimes, the cost is too much to absorb, and families end up spending their hard-earned money on attorney's fees, selling their land or part of the business or assets or laying off workers just to pay Uncle Sam.

If the President and the Senate majority refuse to compromise on the tax portion of the fiscal cliff agreement, the death tax will rise dramatically. Arkansas farmers will be forced to hand over to Uncle Sam up to 55 percent of the value of family farm estates that are worth more than $1 million beginning in 2013. This would have a truly devastating impact on nearly a quarter of Arkansas family farms and ranches.

With 97 percent of Arkansas farms being family owned, there is great concern among these agricultural producers, among our farmers and timberland owners about the current inaction on the fiscal cliff or fiscal crisis. A good example is Allen Nipper. He operates a tree farm in Magnolia, AR. He wrote to me about what he rightfully calls ''multiple taxation.'' He says:

> We know our lands provide clean water and wildlife habitat that benefits society in general without us expecting a handout or a

payment for providing those services. But then at my death, the Government wants to take up to 55 percent of the value after I have invested my efforts into providing those benefits. That is not right, nor is it fair.

I agree with Allen. Part of the American dream is creating an inheritance we can pass on to our future generations. Our farmers and small businesses deserve to pass along their investment to their heirs without having to worry about a tax. That is why I introduced legislation to actually eliminate the death tax. While this idea will not be included in the final tax deal, these hard-working families cannot afford Congress to allow the death tax to return to 55 percent. It is simply unacceptable. At the very least, we need to maintain current policy for another year, until we are able to implement and provide a more permanent solution. We owe it to these hard-working families to work together to solve this issue.

I yield the floor and suggest the absence of a quorum.

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

The assistant legislative clerk proceeded to call the roll.

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

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

FISCAL SOLVENCY

Mr. THUNE. Mr. President, I come to the floor today to talk about the debt crisis facing this country and why I believe any deal to avert the fiscal cliff must address serious entitlement reform. We should not let the discussion around taxes, which is sort of dominating the airwaves here in Washington, distract us from the fact that Washington has a spending problem, not a revenue problem.

Every independent expert who examines America's long-term structural fiscal dilemma comes to the same conclusion: Entitlement programs are the drivers of our national debt over the long term.

Those who argue that we can dig our way out of a $16 trillion debt—and counting, by the way—by raising taxes are ignoring reality. According to the Congressional Budget Office's most recent forecast, under the current tax rates, revenues over the next 10 years will average roughly 18 percent of GDP. In other words, Federal revenues will return to their historical average without raising taxes on anyone. I will repeat that because I think it is an important point. Our tax revenues will go back to an average of 18 percent over the next decade, which is the historical average, and that happens with existing tax policy in place, without raising taxes on anyone. In fact, according to the Congressional Budget Office, under the current tax rates, revenues as a percentage of GDP will reach 18.6 percent by the year 2022—a decade from now. That is more than half a percentage point higher than the historical average.

Clearly, our budget problems are not because we have too little revenue. Our budget situation today relates directly to Washington's addiction to overspending. In fiscal year 2007, before the recession, total Federal revenue was roughly $2.5 trillion and total Federal spending was approximately $2.7 trillion. Five years later, for fiscal year 2012, which recently ended, total Federal revenue was $2.45 trillion—basically back to the prerecession levels, about the same revenue we had back in 2007—but total Federal spending was above $3.5 trillion. In other words, tax revenue is back to where it was before the recession but Federal spending is now $800 billion higher than it was just 5 years ago, in 2007.

Even the Washington Post on their editorial page, which is not something I usually agree with, agrees. In an editorial entitled ''Mr. Obama's Time to Lead on Entitlements,'' the Post argued:

> Since 60 percent of the federal budget goes to Medicare, Medicaid and Social Security, there's no way to achieve balance without slowing the rate of increase of those programs.

Speaking of entitlement programs, the Post editorial went on to say, ''At some point he,'' referring to the President, ''has to prepare the American people—and his own supporters most of all—for the hard decisions required to put the country on a sound financial footing.''

Even the Washington Post agrees that we must take on the driver of Federal spending, entitlement spending and, second, that the President has to lead on that issue. Unfortunately, the President has continued campaigning around the country for higher taxes, but until he gets serious about leading on the issue of entitlement reforms, we simply will not be able to reach an agreement to tackle our fiscal problems in a meaningful way.

A look at the President's proposed tax hike demonstrates why we simply cannot tax our way out of a debt crisis. The President is proposing $68 billion in revenue next year by raising the top tax rates—in the process, raising taxes on nearly 1 million small business owners. The White House claims this will not have a major negative effect on America's business owners or their employees. But according to the National Federation of Independent Business, small businesses created two-thirds of the new jobs in the last decade, and those small businesses are the most likely to be hit by the new tax increases, and those are the small businesses that employ, by the way, 25 percent of the total workforce.

According to a study by Ernst & Young, the President's proposed tax increases will result in 700,000 fewer jobs, a nearly 2-percent decline in wages and economic growth that is 1.3 percent lower than it otherwise would be. Yet despite the broad impact of these taxes on small businesses and our economy, this tax hike would only fund government operations next year for about a week. If the President got everything he wanted in the form of higher rates on income, higher rates on capital gains and dividends—all of those things go back to the higher rates—it would fund government for about a week. The President appears to have an obsession with raising income tax rates and claiming that it is the only way to get significant new revenues. But this is not true according to the administration's own budget.

According to this administration's budget, the President's marginal income tax rate hike on high earners will raise $442 billion over 10 years. As I mentioned, if we look at just the top two rates, we would raise about $442 billion over 10 years. If we average that out, it ends up being about $40 billion a year. Yet, according to the same budget, the President's proposal to limit the value of tax expenditures for higher income earners by itself raises $584 billion over 10 years. In fact, the marginal tax rate increases alone are only one-fourth of the total $1.6 trillion in new taxes that the President has proposed.

So it is simply not true, as a factual matter or as a matter of arithmetic, that we need to raise marginal income tax rates to raise significant revenue. Yet the President continues to insist that marginal income tax rate increases be part of any fiscal cliff agreement. We have to wonder: Is it because of the arithmetic or is it because of a liberal ideology that considers higher income tax rates to be the holy grail of tax policy.

The last thing we ought to do if we want to boost economic growth is to raise tax rates, especially marginal income tax rates. Marginal income tax rates matter because they have incentive effects. They affect a worker's decision to work an additional hour. The Congressional Budget Office explains that phenomenon in this way:

> Increasing revenues by raising marginal tax rates on labor would reduce people's incentive to work and therefore reduce the amount of labor supplied to the economy.

Most Americans understand this logic intuitively. If we want less of something, raise the cost of producing it by taxing more heavily. If we raise marginal income tax rates, we will get less income as well as the labor that gives rise to that income. If we raise taxes on investment, we are likely to get less investment. It is time to recognize that we don't live in a static world. Taxpayers will adjust to higher rates and, in fact, this has already started to happen.

Consider that in the last month we have seen a host of companies announcing special dividends or rushing to move up their dividend payments before the end of the year. There were 228