

side that has a plan, we are talking about what the two plans are, and we will see what the American people want to do.

President Obama and our friends in the Senate should work with Republicans in the Senate to cut spending and to pass a budget in a transparent way. Republicans have been willing to do that. Democrats may be willing to join in that. And if they are, the American people can begin to see more than a last-minute, back-room deal. I am tired of seeing this planned crisis, one right after another, and I have a feeling the people I work for are even more tired of it than I am.

A divided government is a good opportunity to make tough choices. The President will never have more political capital than he has right now. Let's take those two things together and let's see what that formula would produce. A divided government—Republicans and Democrats both have to take responsibility—and a President with maximum political capital could equal a good and long-term result. I hope the President and the majority in the Senate get serious about working together and solving the problems we face as a country.

I look forward to being part of that, and I am appreciative that the House of Representatives has passed legislation that appears to have forced the Senate to do its job on a budget for the first time in 4 years.

EXTENSION OF MORNING BUSINESS

Mr. BLUNT. Madam President, I ask unanimous consent that the period of morning business be extended until 12:30 p.m. today and that all provisions of the previous order remain in effect.

The PRESIDING OFFICER (Ms. BALDWIN). Is there objection?

Without objection, it is so ordered.

Mr. BLUNT. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BROWN. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

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

RETIREMENT OF REV. DR. LINWOOD "WOODY" H. CHAMBERLAIN, JR.

Mr. BROWN. Madam President, I rise today to celebrate the career and the calling of a remarkable Ohioan and a close friend, the Reverend Dr. Linwood H. Chamberlain, Jr. Our Pastor Woody and his wife Peggy are important to Connie and me and to our whole community in Lorain.

The Evangelical Lutheran Church in America, of which I am a member, embraces the motto, "God's work, our hands." It means moral imperatives

must be the concern of every citizen. In his 31 years of service to the First Lutheran Church of Lorain, OH, Pastor Woody has labored for love and for justice. He has been doing God's work, as has his wife Peggy, supporting those who suffer, celebrating our community's joys, and being concerned with every citizen.

Pastor Woody has been a counselor and a friend to many. His words, his attentiveness, his patient understanding, and his gentle encouragement have helped members of my home church tackle seemingly intractable problems with poise and with confidence. He supported the First Lutheran family through weddings and funerals, through baptisms and celebrations, and I am especially grateful for his prayers and wisdom over the years.

Pastor Woody has been so valuable to our church, and his leadership will be missed as he just retired. His retirement will be celebrated this coming Sunday.

My mother, whose faith was especially important to her, passed away 4 years ago, around this time of year. She was in hospice care in her final days. My wife Connie and I were at her bedside—and my brothers Bob and Charlie and their wives Anne and Catherine were at her bedside over the past 6 weeks—and one day when I was with my Mom I asked if there was anything I could do to comfort her. She was 88 years old. She was just a remarkable woman as a mother and as a wife and an activist in the community. She asked me to sing an old Lutheran hymn to her, which I did. The song was "Beautiful Savior."

She took my hand in hers as I sang. She said, "That was very nice, Sherrod." She said, "But you really do sound better in a group."

My mom was right. We all sound better in a group, work better in a group, and that was exemplified in so many ways by Pastor Woody's leadership at First Lutheran. It is a lesson we all can learn in this body as we go about our daily lives.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BROWN. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

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

RECESS

Mr. BROWN. Madam President, I ask unanimous consent the Senate recess until 2 p.m. to allow for caucus meetings today.

There being no objection, the Senate, at 12:21 p.m., recessed until 2 p.m. and reassembled when called to order by the Presiding Officer (Ms. HEITKAMP).

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

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

EXTENSION OF MORNING BUSINESS

Mr. THUNE. I ask unanimous consent that the period for morning business be extended until 3 p.m. today and that all provisions of the previous order remain in effect.

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

FISCAL PLANNING

Mr. THUNE. Madam President, I come to the floor to talk about the debt crisis facing this country and the opportunity we have to address this issue in a way that balances the budget and ensures the long-term fiscal solvency for future generations.

The recent fiscal cliff agreement which enacted tax relief for 99 percent of Americans addressed the revenue side of the equation. But as everyone knows, revenue increases alone are not going to solve the debt crisis. In fact, the tax increases that went into effect as a part of the fiscal cliff deal generate enough revenue over the next 10 years—and I should say if we annualize that over the next year—to fund the government for less than 1 week next year. So all the talk about the higher revenues and what that will do to address our long-term fiscal solvency and what it will do to address the deficit, if we think about it in those terms, it puts into perspective what the real problem is.

We have a debate in this city and in the Congress all the time about whether we can address the huge debt we have in front of us—the trillion-dollar annual deficits—by raising taxes on the so-called rich and people in the higher income categories. That was done. That was done as part of the fiscal cliff negotiations that occurred. Remember, those taxes were all scheduled to go up. They were scheduled to go up on everybody—anybody who had income tax liability on January 1. Because of the agreement that was reached, we were able to protect 99—in my case in South Dakota more than 99—percent of taxpayers from those tax increases. That being said, there are those in the higher income categories and some businesses that will see higher taxes as a result of that. But those higher taxes represent enough revenue next year to fund the Federal Government for less than 1 week.

The question before us is, What do we do for the other 358 days of the year? That is what we have to start talking about, the real problem: What truly affects and afflicts Washington and our fiscal situation for the foreseeable future and for the long-term future; that is, government spending.

The reality is the Federal Government doesn't tax too little; it spends too much. Over the past 4 years, the deficit has exceeded \$1 trillion each

year. The long-term outlook is even worse. This country faces unsustainable fiscal imbalances largely because of entitlement programs such as Social Security and Medicare that have not been reformed in a way that aligns our current demographics with the needs of these programs, which must be done if we are going to save and protect these programs for future generations.

Entitlement spending is the largest driver of our national debt over the long term. While it is true Federal revenues as a percentage of GDP have declined over the past few years, this was true because of the great recession, not because tax rates were too low. The average ratio of Federal revenue to GDP over the past 40 years has been roughly in the 18-percent range. Based on Congressional Budget Office data, it is expected that Federal revenues will exceed their historical averages within the next 10 years and remain there for the foreseeable future, even without additional tax increases.

I wish to illustrate with this chart which I think tells the story. We always talk about a picture telling a story in exchange for a thousand words. I can talk a lot about this, but I think this visually illustrates it perhaps as well as anything.

If we look at the green part, that represents Federal revenue historically, and this goes back to 1980. If we took this chart back to literally the 1970s, late 1960s, we would find, I think over that time period, the revenues stayed pretty static. They go up and down a little bit based on what is happening in the economy, and of course we have a downturn in the 2007 and 2008 timeframe, but revenues are starting to climb back up to that historical average. So it is about, give or take, 18 percent of GDP. That is what historical revenues are.

The black strip, which may be perhaps hard to see, is what was enacted in the fiscal cliff negotiation. Those are enacted tax increases that will add a little bit to the total as we project out. This chart takes us out literally to 2040.

The purple represents the additional taxes the President would like to get. If the President got everything he wanted in the form of taxes, the revenue picture would be about right here. Again, this takes us from where we are today out to about 2040. As we can see, even if the President got all the tax increases he wanted, represented by this line right here, it still doesn't come anywhere close to dealing with the spending that is going to explode in the outyears if we don't do something to rein that in by reforming many of these programs I just mentioned.

If we are going to save and protect Social Security and Medicare for future generations, we have to reform those programs in a way that doesn't create this huge red line that spikes into the future and literally bankrupts the country. In fact, Social Security ran a cash deficit in 2010. Medicare, we

are told by the actuaries, will be insolvent by the year 2024. In fact, in the hospital portion of the Medicare trust fund, we are told it may be insolvent by the year 2016. These are important dates to remember because those are the dates at which the revenue coming in from the payroll taxes that support Social Security and Medicare no longer pay for the benefits paid out to beneficiaries.

We have this sort of train wreck coming. We know what drives Federal spending are these entitlement programs. What we call mandatory spending in the Federal budget is about 60 percent now of all Federal spending, largely imposed by Social Security, Medicare, and Medicaid. We have this crisis looming. We see the way this thing just starts exploding in the out-years because of the demographics of the country. We have more baby boomers who are reaching retirement age, people living longer—all good things—but we have to align those programs with the demographics of this country and today they are not. Today we are headed on a path that will take us toward a fiscal train wreck unless we do something about that.

I think it is important to point out the reason we are where we are, the reason we are running nearly \$1 trillion deficits or north of \$1 trillion deficits every single year for the past 4 years is because spending has increased dramatically over that timeframe. Again, just to put that into perspective, before the great recession in 2007, the Federal Government was generating about \$2.5 trillion annually in tax revenue. At that time, the government was spending about \$2.7 trillion each year. So we had somewhere on the order of a couple hundred billion dollars in annual deficits.

As I said, revenues dropped off a little bit from that period in 2008 in the financial meltdown, but those have started to pop back up to a more historic and traditional level. So now revenues are back up to roughly that \$2.5 trillion annual range. What has changed over that same period of time, between 2007 and 2012, is the amount the Federal Government spends annually.

I just mentioned that in 2007 the Federal Government spent \$2.7 trillion. We are now at the end of fiscal year 2012, which ended on September 30 of this year, and the Federal Government spent \$3.5 trillion. We saw almost a \$1 trillion increase in spending over that 5-year period at a time when revenues have stayed somewhat static, although they dipped into recession, but now they have come back, as I said, to that more historic level.

Essentially, what is driving these deficits is the massive runup in spending. What caused them? We had a stimulus program that was going to be one-time spending, much of which I think has gotten factored into the baseline. Eventually, we are going to have with the new health care mandates enor-

mous amounts of new spending associated with that, which I think is going to make this picture much worse than it looks already. But my point is we have a fiscal crisis in this country which needs to be addressed. We have been kicking that can down the road for way too long and we have run out of road.

The Congressional Budget Office has made it abundantly clear that in each of their assessments of our fiscal situation as a country, most recently in November of 2012, a couple months ago, they said the following:

With the population aging and health care costs per person likely to keep growing faster than the economy, the United States cannot sustain the Federal spending programs that are now in place.

That is from the CBO. They track this stuff on a daily basis for us.

We have a real challenge ahead of us. We have a major problem. I would argue, again, this is predominantly a spending problem, and I think it is illustrated, again, by this chart. When we look at government revenues, it is a fairly flat line. Even with the ups and downs in the economy, it averages about 18 percent of revenue. Actually, without any changes in the baseline, I think it ends up at about 18.6 percent of revenue a decade from now. But what we see is spending, which historically has been in the 20- to 25-percent range if we go back over the past 40 years, is going to explode. The spike we see right here is why we have a fiscal crisis on our hands and why it is so important we act to rein in out-of-control Federal spending.

I suggest to my colleagues in the Senate, as I have for a long time, that where this starts is with passing a budget. We have to go back a long time now. I mentioned this the other day, but the last time the Senate passed a budget the iPad didn't even exist. Most of us now take iPads for granted. Many Americans—not all but some Americans—have iPads. They came on the scene around April of 2010. There hasn't been a budget passed in the Senate since April of 2009.

We are going on 4 years and now 1,360-some days since the last time the Senate acted on a budget. That is irresponsible. It is especially irresponsible in light of this problem. We have a responsibility to the taxpayers of this country, as stewards of their tax dollars, to do what we can to ensure that we are putting the fiscal house of this country in order in a way that will ensure that future generations of Americans have at least as good, if not better, standard of living and quality of life than what the generation that came before us had.

That is not going to happen because we are piling on the backs of future generations enormous amounts of debt. In fact, the \$16.4 trillion in debt the Nation has today, if you break that down on an individual basis, that is about \$53,000 for every man, woman,

and child in America. That is what every individual owes, every individual in this country owes of that \$16.4 trillion in debt. That is not fair to future generations.

It is up to us as leaders to look at these things and make decisions today that are in the best interests of future generations. I think it has been sort of a tradition in this country, a heritage, if you will, for one generation of Americans to sacrifice so that the future generation, the next generation of Americans may have a better life, a better standard of living, a better quality of life.

That is certainly something that is true where I come from in South Dakota and where the Chair comes from in North Dakota. We represent people who understand that you sacrifice so that the next generation and those who come after you have a better life than you had.

If we don't change the way we are doing things, this next generation will be the first generation of Americans where that is not true. Literally, they will have a lower standard of living and a lower quality of life than what we experienced because we weren't willing to live within our means. This is because we continued to spend money we didn't have, we continued to borrow money from China, and we will hand the bill to future generations.

It is unconscionable, given this picture—and, again, a picture speaks a thousand words—that we haven't done a budget in the Senate in the last 4 years. There is always a blame game played in Washington, DC, and I understand that both sides have contributed over the years. When my party was in charge of the Congress we spent too much. Obviously, since that time, since we have been out of the majority in Congress the numbers have increased dramatically.

If you look at the amount of debt we piled up just in the last 4 years under the current administration, it is about \$6 trillion that we have added to the debt in that amount of time. The spending is exploding. The tax revenues are staying fairly steady over time, as I have pointed out with this particular graphic.

One thing we know for certain is that raising taxes doesn't solve the problem. If the President got everything he wanted in terms of additional tax increases, and that would be this purple line right here, it doesn't come anywhere close to addressing the amount of spending we have already put on the books. We are going to have to borrow to pay and hand that bill to future generations. You can only do that for so long. It is high time that the Senate got on board and started doing the budget.

I served on the Budget Committee for the last 2 years. I had hoped that being on the Budget Committee would be a place where a lot of big debates would occur about how to deal with these big fiscal issues that are facing our coun-

try. I turned out to be wrong. We didn't do a budget, we didn't mark up one, we didn't put one on the floor of the Senate. We didn't vote, we didn't have amendments, and we didn't do anything to address this fiscal crisis. To be fair, the House of Representatives, every single year, on time, has passed a budget.

The President of the United States, who needs to be a party to this, is the only 1 of 307 million Americans who can sign a bill into law, can engage the American public and the Congress in a way that would address this. The budgets he submitted to the Congress, when they have been voted on in the Senate and the House, haven't received a single vote, not a single vote. Neither Republicans or Democrats in the House or the Senate have voted for the budgets the President has submitted.

Why? Because they are not serious. The President hasn't taken this issue seriously. Neither has the majority in the Senate, where we haven't had a budget now for 4 consecutive years.

It is high time that changed. I hope it will. I am encouraged, actually, by what I have been hearing from my colleagues. This year, perhaps now, finally, after 4 years, we will actually do a budget. We may put a plan in place for how we are going to address this fiscal crisis, this amount of spending that is going to bankrupt the country unless we take steps to avert it.

There are lots of ideas out there. It is not like we don't know what the issues are, like we don't know what the problems are. We do. There have been many bipartisan commissions that have studied this and have examined it thoroughly, that have all come to the same conclusion with regard to what the various problems are—and, frankly, for that matter, what the solutions are.

My colleague, Senator HATCH, was down here earlier this morning talking about some of those suggestions. Many of those suggestions, as I have said, have come from bipartisan commissions. We know if we do nothing, we are going to bankrupt the country and ensure that the programs that many Americans rely on today are not going to be available to future generations of Americans.

I would hope this is the year in which we do a budget, and this is the year in which the President engages in this discussion in a meaningful way that allows us to put in place a path that will avert what is going to be a major crisis. The problem is not that we tax too little, it is that we spend too much.

Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Madam President, I would note that, of course, we have passed a budget, and that is why we are facing sequestration now. That wasn't just a resolution; that was an actual law, signed by the President. A lot of people who voted for it don't like it, but we voted for it.

KERRY NOMINATION

Mr. LEAHY. Madam President, I want to commend President Obama for nominating Senator KERRY to be our next Secretary of State. There are few, if any, people in America today who have had the breadth of experience that Senator KERRY has had: as a military officer, as a highly decorated veteran, as a Lieutenant Governor, as a U.S. Senator, and as chairman of the Foreign Relations Committee. He is exceptionally well qualified to be the next Secretary of State.

JOHN KERRY is a leader of extraordinary intellect, wisdom, and insight. To those of us who have watched him, worked with him, and traveled with him over the years, it is crystal clear that he is a natural diplomat. He lives and breathes the art of diplomacy. He is instinctively drawn to understanding and addressing the global security challenges of our time.

He is also multilingual. I have heard Senator KERRY in meetings in other capitals of the world, and I have watched those who were there pay special attention to what he had to say as he conversed in their language. This is someone who does not need on-the-job training. He has been learning the job over the course of four decades of public service.

I chair the Appropriations Subcommittee on the Department of State and Foreign Operations. In that role, I will look forward to working closely with Senator KERRY in his new position as Secretary of State, to provide the resources necessary to promote and protect U.S. interests around the world.

It is a formidable assignment. We face daunting threats from religious extremism, nuclear proliferation, climate change, growing competition for energy, water, and other natural resources—all amid the obligations of deficit and debt reduction. But these threats and challenges present opportunities if we approach them intelligently.

Some in Congress have an almost xenophobic attitude. They would have us retreat. They would slash our contribution to the United Nations and weaken our ability to build alliances, which would only embolden our adversaries.

They would cut the State Department's budget at a time when our diplomats and consular officers, many of whom work long hours in dangerous places, already are stretched to the limit. Then they criticize and politicize when tragedies happen.

We saw that yesterday, when members of the other body criticized Secretary of State Clinton for lapses in diplomatic security, only a week after they prevented passage of my amendment that would have allowed for the transfer of unused State Department funds to improve security at U.S. embassies around the world. Let's stop the hypocrisy.