

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until 2:15 p.m.

Thereupon, the Senate, at 12:30 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. WEBB).

MORNING BUSINESS

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, are we in morning business?

The PRESIDING OFFICER. We are in morning business.

THE BUDGET

Mrs. HUTCHISON. Mr. President, I rise because this week is going to be a very important week for voting on the President's request to raise our debt ceiling.

Our debt is \$15.2 trillion. The President is going to ask for a \$1.2 trillion increase in that debt. These are astronomical numbers. Anyone looking at this can see we are spiraling out of control in very short order.

To put it in perspective, the gross domestic product ratio to debt has been in the range of 40 percent debt to our gross domestic product. Today, we are surpassing 100 percent. We don't hear numbers such as these except in certain places in Europe. This is untenable.

When President Obama was sworn into office, the Federal debt was \$10.6 trillion. In just under 4 years, the United States has accumulated more than \$5 trillion in new debt. Let's place the President's request in context.

The \$1.2 trillion he is asking to increase the debt ceiling will not even cover last year's deficit, which was \$1.3 trillion. We are in an untenable situation and we must do something about it. I think most people who are focusing on this believe that. But instead, attempts to cut the deficit are met with proposals to do—what? Increase taxes, taxes to pay for current spending and even new spending on top of the current levels.

In the coming weeks, the President will unveil his fiscal year 2013 budget. Last year, the fiscal year 2012 budget the President put forward totaled \$3.7 trillion, and he proposed over \$1.6 trillion in new taxes over a 10-year period.

These figures demonstrate the fundamental problem we have in this country, which any small businessperson looking at this can tell us; that is, we have chronic deficit spending.

We must accept the fact that mandatory spending accounts for more than

half of all Federal spending, and the entitlement spending is open-ended. The reality is, Social Security is currently operating in the red. Benefits are exceeding payroll tax revenue. The programs that are in the entitlement section of our budget are in dire need of being updated. We must gradually reform Social Security to meet current life expectancy rates. I have introduced a bill to do that, along with Senator KYL.

It is very important that the President take the lead on entitlement spending. Yet from all the things we have heard from the President about what he is going to propose at the State of the Union address and what he is going to put in his budget, there is no entitlement reform included. Instead, it is more spending and more taxes to cover the spending.

The fact remains, we must change the course of this country. If we fail to do so, we are going to be at the same point later this year because that is when we could reach the new debt ceiling of \$16.4 trillion if the President's request is granted by Congress.

The precedent is vivid. Look how quickly the initial \$900 billion request set forth under the Budget Control Act last August has been exhausted—\$900 billion gone since August. This is January. That is a stunning figure. A coherent, comprehensive policy regarding our Nation's debt ceiling is nonexistent.

In order to correct our current fiscal problems, we must align spending to match incoming revenues. American businesses and households know this. They do it every month, every week. Why shouldn't our government be held to the same standards?

We have not had a true debt limit set by this administration. The President continually requests increases in the debt ceiling without addressing the core problem, which is spending.

While the Budget Control Act included discretionary spending caps and a 2013 sequestration, it did not go far enough. No targets were set forth for our debt limit or for our annual deficits.

We need to take our caps on spending further. Each year, the caps should bring us closer to a balanced budget. We should have a target to bring, over 10 years, the debt down to a specific level. We should be able to set this with leadership from the President. This year, we must focus on cutting our deficits and aligning spending with revenues.

We are going to have this vote on Thursday, we are told. We have the time and the means to implement a sensible reform for our entitlement programs. That is not going to happen in a vacuum, and it is not going to happen with just the President or with just the Republicans or with just the Democrats in Congress. We have to address entitlement issues together.

The Social Security bill I have introduced gradually increases the age at

which Social Security would be available to retirees. We all know people are living longer. They are working longer. They are healthier longer. The actuarial tables don't match the Social Security program that was put in place 50 years ago. It does not work. We have to take the reins.

If the President would work with Congress to do that, my bill increases the normal retirement age by 3 months per year. So it is a very gradual increase. No one would be affected over the age of 58 under my plan. But if one is 57, the normal retirement age would be 3 months later. So it is a plan that can work. With that minor adjustment, we could make 75 years of Social Security solvent, along with a small decrease in the cost-of-living increase but nothing on the core benefit. There would be no cut in the core benefit, only a 1-percent decrease in the cost-of-living increase. If inflation goes above 1 percent, there would be a cost-of-living adjustment.

I think everyone would rather have a sound Social Security system and know it is there for them as a cushion. As we know, Social Security was not supposed to be a retirement plan. It was supposed to be a safety net, and it is a safety net for many people in our country.

We are also trying to encourage more saving by people for security in retirement. That is why, when we are talking about the 15-percent tax on capital gains and dividends, it is because we are encouraging people to save for their retirement security. We are a country, unfortunately, that has a very low savings rate. Compared to most other countries in the world, Americans save very little. The 15-percent capital gains and dividends rate is meant to encourage savings and helping people to plan and support their own retirement in addition to Social Security.

If we made Social Security solvent, it would also bring down the deficit, and we could do it in a gradual way. If we and the President don't take the reins now in a bipartisan way and we keep marching along the same path, we are going to have drastic cuts in the actual benefit, in the core benefit going forward. That would be a tragedy. It would be wrong for our children. It would be wrong for the next generation for us not to be able to address this in a bipartisan way. I hope the President will mention this in the State of the Union address. I hope he will make that a part of his efforts in this last year of his administration before the election.

I haven't heard any talk of that. In the previews I have heard of the State of the Union address, we are not hearing anything about entitlement reform. Yet it is more than half of the federal budget. We know that we have to cut spending if we are going to actually bring down the deficits and start peeling away this cancerous debt we have accumulated in this country, \$5