

maybe we have done slightly more than that, but almost nothing—while our country languishes, worrying about what we are going to do with these budget debates. As a matter of fact, we haven't passed a budget now in something like 770 days.

So here we are shelling out taxpayer money each year—\$3.5 trillion, \$3.7 trillion—and we don't have a budget, which is about as irresponsible as one can be.

Actually, there are groups working on other solutions. I think it would be good for this body to know what kind of arrangement is being looked at, what kind of goals are trying to be achieved, and in what timeframe they are going to be achieved so that people will know with some degree of certainty whether there is going to be something achieved to which we would agree.

Let me give an example. One of the things I have heard is, we are going to have the same amount of debt limit extension as we do in reductions, meaning we will have \$2.4 trillion in debt ceiling additions and \$2.4 trillion in cuts. The problem is, the debt extension is over an 18-month period and the cuts are over a 10-year period. So we can see there is a vast discrepancy in what is taking place. The semantics may sound good, but the result, candidly, is not near what I believe the American people would like to see, nor what I believe financial markets would like to see. So if our goal is something we know on the front end is not even acceptable to this body, it seems to me it is not rational for us to be sitting here waiting on this group at the Blair House to make a deal we all know is not good enough.

So I hope by the end of next week this group who is negotiating will come forth and tell us what it is they are trying to achieve, the likelihood of achieving it, and in what timeframe.

I am also hearing there are discussions that we do not believe we will reach a deal by the August recess. There have been some public comments about short-term extensions. I cannot imagine going home to the people of Tennessee for recess on August 6 and telling them: We are on August recess, and I am here to tell you we haven't done a thing—not one thing—to reach a deal on how many cuts are going to take place in spending relative to our debt ceiling extension. But I am here in Tennessee to tell you that we are on recess, and we have accomplished nothing.

I cannot imagine us doing that as a body.

The other thing I am hearing is we may be looking at a short-term extension to move beyond the August recess, to get us back into this fall. Maybe that is a way of dealing with this issue. But, again, if we adopt a short-term extension to try to give us time to reach a deal we all know is unacceptable on the front end, why would we give a short-term extension? So it just seems

to me the most responsible happening would be for negotiators on both sides to tell this body—this body which has done nothing of importance this year—maybe a few minor things, not much; We spent no time dealing with serious issues; no time dealing with a budget; no time trying to deal publicly with the issues of deficit reduction—to let us know where they are.

It seems to me a number of people in this body are getting very restless. They see what is happening. We have seen this movie before where we bump up against a deadline and we have to make a decision up or down because “it is going to create havoc in the marketplace.” It seems to me, again, the responsible thing for the Blair House group to do is to let us know where they are at the end of this next week so if Members of this body wanted to figure out a different route to go because they thought the route that was being taken was not acceptable, not good enough—as a matter of fact, I noticed yesterday where the chairman of the Budget Committee on the other side of the aisle has said the things he has heard are not good enough for him. I can tell my colleagues they are not good enough for me. So the goal we are trying to achieve is not something I would even agree to.

So maybe if we cannot get some degree of clarity as to what is happening at the Blair House and some degree of update, maybe there is some other route we should take or maybe the market should know well in advance that this body does not have the discipline, does not have the ability, does not have the courage to deal with what we know is an upcoming calamity—a calamity that is either going to occur because we cannot reach agreement and we do not raise the debt ceiling or a calamity that occurs a little bit down the road because we have not shown the fiscal discipline in this body to put our house in order, knowing that at some point in time the markets will run from us, interest rates will rise, people will no longer be willing to loan us money because we have shown how irresponsible we are and we have a calamity on that end.

So let me restate, I am 58 years old. I came to this body to solve problems. If there is going to be a calamity, I want the calamity to occur while I am here so I can deal with it and take responsibility for it versus kicking the can down the road for somebody else to have to deal with the fact that we as a body are irresponsible.

In closing, Madam President, thank you for the time. I implore the folks who are meeting behind closed doors—implore them—to come forward and to outline the goals they are trying to achieve and when they think they are going to achieve them so all of us who are sitting around here cooling our heels, doing nothing—doing almost nothing of importance for this country—the Senator from Illinois talked about the EDA bill. We all knew it was

not going to pass. Everybody knew that. Everybody knew that bill was offered on the floor to kill time, to make it look as though the Senate was doing something. That is all it was for. Everybody knew that. Everybody working up front knew that. The pages knew that. Everybody knew that. So for people to come down here and act as if it is a shock that cloture was not achieved on EDA when we knew it was here just for a filler is kind of surprising. We knew what it was about.

So I would like for us to get on with dealing with the most important issue our country has to deal with; that is, the huge amount of deficit spending, where every day we are spending \$4.1 billion we do not have. Every day we are borrowing 40 cents of that from other folks. Every day we are causing this country, because of that, to be in decline—hopefully, we will rectify that, but to be in decline, lowering the standard of living of all Americans because we in this body do not show the capability, the will, the desire to solve that problem.

I am hoping—I am hoping—the Blair House negotiations yield a result. I really do. That is why I think all of us are being patient as they meet in private, sharing no details about what they are doing. But at the end of this week, the end of this work period, I think it is time they come forth to give us a status as to where they are so that if there are other routes that ought to be taken, people have the ability to do that.

With that, I yield the floor and 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.

Mrs. HUTCHISON. Madam 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.

SOCIAL SECURITY

Mrs. HUTCHISON. Madam President, I rise today to discuss Social Security and its future.

This is certainly an issue that affects all Americans, and now is the time we can address it in a way that will not be horribly obtrusive to the people who will be on Social Security in 25 years, when it just hits the bottom and we have stark realities that are going to hurt people. We can avoid that.

Last Thursday, I introduced, with Senator JON KYL as an original cosponsor, S. 1213, the Defend and Save Social Security Act, a bill that will secure Social Security for the next 75 years without raising taxes and without cutting core benefits to anyone.

Madam President, 28 years ago this past April, Congress and President Reagan came together in a bipartisan manner and acted decisively to address Social Security's finances to save the

program for retirees. The men and women of that Congress, working with President Reagan, did it because at that time the program's expenditures had begun exceeding revenues in 1975. By mid-1982, the Social Security trustees warned:

Social Security will be unable to make benefit payments on time beginning in the latter half of 1982.

So the President and the Congress, in a bipartisan effort, started on a glide-path of raising the retirement age to meet the current actuarial tables.

Today, we are in roughly the same place. This spring, the trustees estimated that the Social Security trust fund reserves will be depleted in 2036, which is 25 years away. We have a little more time than President Reagan and Congress had back in 1982. The trustees today estimate that at that point in time, payroll tax revenue to the Social Security trust fund will only be able to pay out 77 percent of benefits to beneficiaries. In today's dollars, that would mean a cut in benefits of 23 percent, or \$271 a month average, in core benefit cuts if we do not do anything.

Last year, just to give you the numbers, 157 million American workers paid Social Security payroll taxes, totaling about \$637 billion in revenues.

However, a total of \$702 billion in benefits was paid to the approximately 54 million beneficiaries. These numbers are clear. The amount of Social Security benefits being paid out now exceeds the revenues that Social Security is collecting. The trustees, when they gave their report a month or so ago, said that to increase the assets you could increase taxes right now. The payroll taxes on employees and employers could go from 12.4 percent to 14.5 percent right now during this jobless economic situation. I would not vote to raise taxes on our Social Security payers now or our employers. It would be unthinkable.

The other thing suggested by the trustees that would meet this shortfall is that you can have a cut in benefits right now. An immediate cut of \$150 a month from core benefits would do it.

Well, what kind of option is that? It is no option. We are not going to do that. Everyone knows we are not going to do that. We are not going to raise payroll taxes and we are not going to cut core benefits now. We have more time today than the "race against the clock" that occurred in 1983. We have the option for 25 years of doing something that would have a gradual reform to shore up Social Security and give future retirees sufficient time to prepare for the modest changes in raising the retirement age.

If we wait, we have a 23-percent cut in core benefits. So it is imperative for Social Security's financial future that we join together again in a bipartisan effort to stabilize Social Security and ensure that full benefits are paid out for the next 75 years. We can do it if we do not delay.

In 1935, when Social Security was established, there were 40 workers sup-

porting each retiree. Twenty years later, in 1955, the ratio was nine workers supporting one retiree. Today, there are three workers supporting one retiree. In tandem with these rapidly changing and troubling demographics is the fact that we also must start taking the necessary steps to pay down—not add to—our national debt.

We know Vice President BIDEN, along with members of the House and Senate, is negotiating. As we speak, the staffs are working and the Members have been meeting. They are negotiating to try to do some kind of spending cuts before the debt ceiling is reached. The \$14 trillion debt ceiling will be reached around the first of August of this year. So now the Vice President and the group from the House and Senate are meeting to try to cut spending, because we are not going to raise the debt ceiling unless there is real reform. A number of us on both sides of the aisle have agreed, we have got to have spending reforms so we do not have to raise the debt ceiling again beyond \$14 trillion.

Now is the time we can address the issue of the debt and do it in a responsible way, because if we just use discretionary spending for the reforms needed, we will never get there. We will never have enough cuts in discretionary spending. Why is that? It is because discretionary spending is less than 50 percent of the spending of our government. It is the mandatory spending that is the vast majority of the spending.

Discretionary spending is in the 40-percent range—60 percent is mandatory. So we cannot get to responsible budgetary cuts without looking at the entitlements. Now, what kind of entitlements do we have to work with? Medicare, Medicaid, and Social Security. I think we can do a lot to reform Medicare. But it is complicated, and it will take time. It will take time to work out all of the pieces because so many people are dependent on Medicare. It is the people who use Medicare, and it is the providers who provide it, and it is the insurance companies that augment and supplement it, so there are a lot of moving parts in Medicare which we need to address.

But what can we do between now and August 2 that would make a real difference, that would put us on a more responsible path, and begin to make the reforms that would allow a responsible lifting of the debt ceiling, knowing that we are going to cut those deficits so we will not have to do this again, hopefully ever.

That is where Social Security comes in. My Defend and Save Social Security Act, which Senator JON KYL and I are sponsoring, will do the following: It will raise the age gradually. Under my bill, with Senator KYL, anyone who is currently 58 years old or older will not be affected at all by the gradual increase of the retirement age. For everyone else, the normal retirement age and the early retirement age would increase by 3 months each year starting

in 2016. The normal retirement age would reach 67 by 2019. Keep in mind that we are already on the glide path to go to 67. That is what President Reagan and the previous Congress did, and that was done with the Greenspan commission's input later. So with that trajectory, we will go to the 67 age. My bill takes us to 67 in 2019. We would already be going in that direction anyway. It then goes, by 2023, to age 68, and by 2027 to 69. The early retirement age would gradually increase to 63 by 2019 and, by 2023, 64. So you have 3 months per year added to the retirement age. It is a very gradual increase, to 69 or 64.

The second part is the COLA. We do not cut core benefits at all. But the cost-of-living increase is meant to hedge against rising inflation. When inflation gets above 1 percent, then you need, in my opinion, to start helping people with COLAs. Under my plan, we would have COLAs after inflation is over 1 percent. The average COLA has been 2.2 percent. The rate of inflation has been about 2.2 percent over the last 10 years. So the average COLA would, under my bill, start after 1 percent. If it is 2 percent, you would get a 1-percent COLA. I believe that a 1-percent reduction in the COLA, not for benefits, would be preferable to the drastic cuts in core benefits that will evolve if we do not do something now.

In today's dollars, a 1-percent cost increase that you would get in a COLA is about \$11. So you would not get \$11 of increase, but you would get your core COLA. Then after 1 percent, you would get the regular COLA that would be expected. So my bill will generate cashflow for Social Security, maintain a positive balance for the trust fund over the next 75 years.

Social Security's deficits would be eliminated under my bill. We had the Social Security Administration look at our proposal and give us all of our numbers. According to the Chief Actuary, my proposal would achieve, in the next 10 years, \$416 billion in deficit reduction.

What that means is, in perspective for what we are dealing with in the budget talks for the debt ceiling lift, we are talking about a 10-year window. Within that 10-year budget window, we could take out \$416 billion in deficit reduction, along with the spending cuts in discretionary spending that are part of any kind of reform. So we can address a responsible cut in the mandatory spending over the 10-year period with these very gradual and small adjustments, and help in our deficit reduction, which we have to do if we are going to achieve the reductions that must be done. Every year we wait, we are going to have to shave more off the COLAs or the age.

There are some proposals out there that take the age to 70, and maybe over the next 25 years that will be part of our actuarial table, because today the average lifespan is 77, so people are wanting to work longer. They are

healthier longer. A lot of people are trying to keep working longer. I think more and more of the companies and employers want that experience, want the experienced people to stay longer. So it is part of our actuarial adjustment that we should be making.

Over the next 25 years, we would be going into the long-term adjustments that are necessary. If we look, say, out until 2085, we will take \$7.2 trillion off the Social Security requirements. So now you are talking about fiscal responsibility looking at both sides of our spending equation, mandatory as well as discretionary, which gives us a real chance to make a difference and to say this Congress, hopefully working with this President, because it has to be bipartisan—we cannot pass a bill the President will not sign.

The Democrats are in the majority in the Senate. Republicans are in the majority in the House. So this is going to take some compromising. The Republicans do not control the Senate, and the Democrats do not control the House. And the Republicans do not control the White House. So it is not as though we are able to say: My way or the highway. You cannot do it, and neither can the President. So we have got to come together if we are going to make the very tough choices that will get our fiscal house in order for future retirees to have the cushion that Social Security would be—it is supposed to be a safety net—to talk another day. But we need a better retirement option for our retirees as well, so they can save more in IRAs. Because Social Security is not supposed to be a pension plan. It is a safety net. It is a supplement. So if we can solve this, the next thing we ought to be doing is adding more options for people to save. We have done some of that with the bill I sponsored with Senator BARBARA MIKULSKI, the Democrat from Maryland, with spousal IRAs.

We have increased the amount you can save and that a stay-at-home spouse can save, and we have made some major good moves in the right direction. But that is different from what we are talking about today, which is Social Security.

I have written a letter to the Vice President. I have asked him to put Social Security on the agenda, because when we finish all of these discussions, they are going to come back with cuts in discretionary spending, but it cannot be enough when it is less than 40 percent of our spending. We have to look at entitlements if we are going to be responsible.

Since I have filed my bill last week, and have had the opportunity with the Heritage Foundation and the media to talk about my plan, we are getting some good support. Of course, we are getting the people who say: No cuts, no way, no how. We expect that. But it is burying your head in the sand if you say: No way, no how.

So we are getting some support. The founder of the Association of Mature

American Citizens, Dan Weber, who on their Web site says they now have 160,000 members—the fastest growing organization for older Americans in our country—has stated his support for my proposal. They see changes have to be made. They have even gone a step further and talked about private accounts, which I certainly support, but it is not in my plan.

I appreciate the Association of Mature American Citizens being willing to do what is right for their constituents, their retirees, but also for the long-term, to say we know that if we are going to have a responsible approach, entitlements must be on the table. And Social Security is one that we can do, if it is bipartisan, together.

My plan will address the issue now, with no tax increases and no cuts in core benefits. It will have the gradual rise in the retirement age, affecting no one before the year 2016 and after that just 3 months a year in added age to be eligible for Social Security. The cost-of-living adjustment would be adjusted 1 percent down, and after 1 percent inflation, then you would have the cost-of-living adjustment as well but no cuts in core benefits. The amendments of the past—in 1983—the amendments that have put us back on track with actuarial tables in the past can be done again.

It is my great hope that we can step up to the plate, as those who came before us did, and do the right thing for the long term and burst the bubble that we can reform spending only addressing the discretionary side. It is a myth. Anyone who tells you with a straight face “I am not going to look at the entitlements” is not being a responsible steward of our problem. That is what we were elected to do, and I hope we can put together a bipartisan coalition, working with the President, to do it.

Madam President, I ask unanimous consent to have printed in the RECORD the Association of Mature American Citizens article by Dan Weber.

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

[From the Wall Street Journal, June 20, 2011]

WHILE AARP WAFFLES AMAC PROPOSES
CHANGE IN SOCIAL SECURITY

(By Daniel C. Weber)

According to the Wall Street Journal AARP has decided to accept some changes in Social Security to assure that it will continue to be financially stable. However as soon as the story came out and was broadly circulated its C.E.O., A. Barry Rand issued a statement saying AARP has not changed its position on being against changes in Social Security.

But, Mr. Rand in his statement said their position is “that any changes would be phased in slowly, over time and would not affect any current or near term beneficiaries”.

In response, Dan Weber, president of AMAC, the Association of Mature American Citizens, said “that sure sounds like he is in favor of making changes to me”.

AMAC, which bills itself as the conservative alternative to AARP is the fastest

growing organization for older Americans according to Weber.

“We have over 160,000 paid members and are growing stronger each day,” Weber said, “And while AARP is waffling AMAC has proposed serious changes in Social Security that will stabilize Social Security and allow people to have more money when they are retired than the present system.”

Weber explained the AMAC proposal was to incorporate the change recommended by Texas Senator Kay Bailey Hutchison and others, to raise the age when a recipient would receive their full benefit from age 66 to age 69. The new age would start to be implemented in 2013 and won't be fully phased in until 2018.

The key difference between their suggested changes and ours is that we would also incorporate the mandatory offering of a new “Social Security IRA” to anyone who would be affected by the change in age. The SS IRA would be tax deductible, payroll deducted and put into an individual IRA owned by the wage earner. The funds invested would not be accessible until either age 62 or Security 65. It could be started with as little as \$5 per week and be put into a plan offered by the same companies that presently offer IRAs and 401ks.

Fifty percent or more of the funds would have to be invested in guaranteed interest accounts so the person would be guaranteed to have gains in at least half of their funds.

Weber said “It is unfair to force Americans to continue to work until age 69, especially those who work in occupations that require physical labor. People who are farmers, construction workers, laborers, skilled tradesmen such as carpenters, plumbers, electricians, masons and other workers have punished their bodies after years of labor suffer from various ailments that white collar workers generally avoid.

They should be able to stop working at a lower age and the SS IRA would allow anyone to do that.

At the same time, extending the full age to 69 would make Social Security stable for many years in the future. Weber ended by saying “It is time for the political leaders of both parties to have courage, and stand up to solve this problem by adopting the AMAC plan.”

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota is recognized.

EXTENSION OF MORNING
BUSINESS

Mr. CONRAD. Madam President, I ask unanimous consent that morning business be extended until 12:30 p.m., with Senators permitted to speak therein for up to 10 minutes each.

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

Mr. CONRAD. Madam President, I am going to put in a quorum call at this moment, but then I am going to ask to be given time to speak on a dire emergency facing my State.

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.

Mr. CONRAD. Madam 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.