

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 President, I ask unanimous consent that the order for the quorum call be rescinded.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

trillion in the last 3 years and \$10 trillion accumulated up until 3 years ago.

It is my hope we will start a leadership in the administration tonight at the State of the Union—a leadership that we haven't seen yet because all we have seen are the same old tax-and-spend proposals we are used to seeing. It is nothing new and nothing fresh. But the people of America know we have to change course. The people of America in the polls say, by huge numbers, we are going in the wrong direction in this country. Seventy percent of Americans have said in the latest polls of "How do you feel about where we are now," 70 percent believe this country is going in the wrong direction.

Only we can do something about it, along with the President, and I hope he will provide the leadership. But I don't think raising the debt ceiling, with no plan in the future to cut spending is going to happen this week. That is not leadership, and I hope there will be a change in direction.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant bill clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. RUBIO. I ask unanimous consent that I be recognized to speak as in morning business for up to 15 minutes.

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

LEGISLATIVE CHALLENGES

Mr. RUBIO. Mr. President, it is good to be back at work here in Washington, DC. We have the big State of the Union tonight, which is kind of the beginning of the legislative year. I am looking forward to the challenges and, hopefully, accomplishments we will have together both in this Chamber and in this building in the coming year.

As we prepare for the State of the Union, I think it is always a good time for us to reflect on where we are as a nation and where we have been. I think all of us can look back on the 20th century and say it was truly the American century. I was blessed to be born in that century and to be a beneficiary of so much of America's greatness. Those of us who have been beneficiaries of America's past have an obligation—certainly those who serve here—to be defenders of America's greatness in the future. At the core of everything we debate today are these issues about America's future and how we make the 21st century an American century as well.

If we examine some of what has really distinguished us from the rest of the world, that has made America and life in America different from life in other countries, there are three things that

come to mind. The first is this concept of fairness. We are a people who strongly believe in the concept of fairness. For Americans, fairness has meant equality of opportunity—in essence, the belief that it doesn't matter where you come from, it doesn't matter if your parents are poor, it doesn't matter if you grow up in a disadvantaged background, every single American should have the equality of opportunity, the same opportunity to succeed and accomplish their hopes and dreams.

Maybe we take that for granted from time to time, but that is not a universal concept. In multiple societies and economies around the world, I daresay that in the majority of them there is not a strong belief in this notion. In fact, people believe that what you are going to be in life should be determined by the circumstances of your birth. Not in America. This Chamber, the membership here—basically everywhere you go in America—is a testament to people who were born in a very different place or into very different circumstances than the ones they live in now and that which they have been able to achieve.

As Americans, we have always embraced the concept of prosperity, the ability to accomplish your economic dreams and hopes. Sometimes that means people make billions of dollars, and sometimes that means you make enough money to provide for your family and give them the opportunity to do even better than yourself, but we embrace the concept of prosperity.

Last but not least, we Americans have always embraced the concept of responsibility, the responsibility that all of us have as individuals, as neighbors, as members of a community, as family members. Deep in this concept of responsibility is the notion that while we want fairness and equality of opportunity and while we want prosperity, we are also a compassionate people who do not want to see others left behind. In essence, we do not want the price of our prosperity to be leaving people behind. To that end, Americans, as I outlined in a speech earlier last year, have always struggled and have fought for the notion of balancing those two important goals—being a nation of prosperity and also a nation of responsibility.

These are the central things, these are at the core of our values as a people that defined our greatness in the last century, and therefore they must remain at the core of who we are as a nation if we want the 21st century to be an American century as well. Let's examine some of the challenges to those three principles that are so important to our future.

On the issue of fairness, on the issue of equality of opportunity, what are the things standing in the way of equality of opportunity in America? In essence, what are the things keeping some people from climbing the ladder, from doing better than their parents

did, from being able to pursue and fulfill their dreams as they should in a nation so deeply committed to equality of opportunity?

In essence, there are a few things that are standing in the way. The first is skills. There are some Americans right now who do not have access to the kind of training they need to build the skills they need, for example, to create or to have a middle-class job. Part of that is our own doing as a nation. We have, for example, stigmatized career and technical education. For the life of me, I do not understand why we have done that. Not every kid wants to go to a 4-year university. Not every kid wants to graduate with a Ph.D. Some kids want to grow up and fix airplane engines or build things. That is good and important, necessary work. Yet we do not train our kids to do that. A number of jobs in America require more than a high school education but less than a 4-year degree in college. Why can't kids graduate from high school with a high school diploma and an industry certification and a career that will employ them right away? That is one of the impediments that are standing in the way of growing middle-class jobs. If we are truly committed to the principle of fairness, we should invest in that, encourage that, particularly at the State level.

There is another thing standing in the way of fairness, equality of opportunity; that is, the playing field is not always even. And there are two things in particular that stand out: our regulations and our Tax Code. It is not me saying that, it is the job creators, small businesspeople trying to make it. Let me tell you what I mean by that. We have a complicated Tax Code, and it is broken. Here is the deal. If you are a large, major, Fortune 500 company, you can afford the best lawyers and accountants in the world to navigate it. You may not like the large, complicated Tax Code, but you can deal with it. The people who cannot deal with a large, complicated Tax Code are the people who are trying to make it—the sole practitioner, the entrepreneur, the small businessperson starting out in the garage or spare bedroom of their home. They cannot deal with the taxes, and they cannot deal with the regulations because they cannot hire the army of specialists it takes to navigate these things.

In case you say somehow we are making this up or somehow this is coming out of nowhere, let me tell you that the U.S. Chamber of Commerce did a survey of small businesses earlier this year. They found that 86 percent of small businesses—which are, by the way, not just the backbone of America's economy, they are the backbone of America's prosperity—86 percent of them say they are worried that regulations, restrictions, and taxes are hurting their ability to do business. This is a fact.

In terms of there not being a playing field that is even in America, in my