July 13, 2010

CONGRESSIONAL RECORD — SENATE

S5761

we wrote good legislation on the delivery system reform. I think it was actually very good legislation. But it does not matter how good the legislation is that we write if the executive branch does not get out there and implement it in a dynamic, thoughtful, iterative way. And we can do that. We have to be creative and continue the pressure on this. We have to take what we learn in different projects and bring them together and try something new and constantly be in a process of innovation and experimentation if we are going to be effective. Nobody will do that better than Professor Berwick. That is why both President Bush, H.W. Bush, and President Bush, W. Bush, their CMS directors have applauded this nomination.

Gail Wilensky, the Administrator of CMS under President George H.W. Bush, said: Berwick has longstanding recognition for expertise and for not being a partisan individual.

George Scully, the CMS director, Tom Scully, said: You are not going to do any better than Don Berwick.

So from the other side of the aisle, from the partisan side of executive management of this, the previous CMS directors, I think the previous director said this is: I know my Republican colleagues want to talk about rationing. They would love to paint rationing and socialized medicine and death panels all over the health care bill. Obviously they can use the opportunity to do that using Dr. Berwick.

But, frankly, it is not fair, and I think it puts them on the wrong side of history. It puts them on the wrong side of reform. It raises the question, Whose side are they on? When we have somewhere between $700 billion and $1 trillion of waste every year and the person who George Bush’s CMS director says we are not going to find any better to come in and fix that program than the nominee and they are against the solution to that, whose side are they on?

Well, it is pretty clear they are on the side of the $700 billion to $1 trillion a year in waste. That is a choice they can make. But I do not think it is a wise choice. When we are dealing with doing things such as eliminating hospital-acquired infections in order to save money, and they are against the person who is the leading proponent of this and who is going to lead us in that direction, why do they do that? Are they doing it for the families who lose a loved one to a hospital-acquired infection? It does not seem that way. It seems like a vote in favor of the status quo. It seems like a vote in favor of the status quo and the continuing unbelievable number of deaths and costs associated with hospital-acquired infections.

One of the findings of the “To Err is Human” report is that 100,000 Americans die every year, 100,000 Americans die every year of avoidable medical errors. When we clean up the medical errors, when we clean up the process failures that lead to those medical errors, we save money. That is Don Berwick’s expertise. When they oppose him, whose side are they on? Are they on the side of 100,000 Americans who lose their lives every year because of avoidable medical errors? I do not think so. It sounds as if they are on the side of the 100,000 medical errors.

Let us have a vote in favor of the status quo and let us have a vote in favor of the delivery system. We have to do that using Dr. Berwick.

He has founded the Institute for Healthcare Improvement. He has worked as a board member on the American Hospital Association on Quality Initiatives. He chaired the Advisory Council for the Agency for Health Research and Quality. He goes back to the Clinton era, where he was a part of the...
form of society, with a small number of people on the top seeing a huge increase in their wealth and income while the middle class lapses and poverty increases.

During the Bush years, when the middle class saw a $2.200 decline in median family income, the 400 wealthiest families saw their income more than double. Meanwhile, while the very rich became much richer, their effective income tax rates were slashed almost in half over the past 15 years. The rich get richer. Their effective income tax rate goes down. The wealthiest 400 Americans have now accumulated $1.27 trillion in wealth, while the highest paid 400 Americans had an average income of $345 million in 2007 alone. As a result of Bush’s tax policy, these very high-income people pay an effective tax rate of 16.6 percent, the lowest on record. The rich get richer. Their effective tax rates go down—lowest on record.

We have one of the wealthiest people on the planet, has often made the point that he, a multibillionaire, pays a lower effective tax rate than his secretary.

Last point I wish to make: Last month a gentleman named Dan Duncan, who happened to be the wealthiest person in Houston, TX, passed away. He left his family some $9 billion. For the first time since 1916, almost 100 years, somebody in the top echelon bracket like a Mr. Duncan will have a situation where his heirs will pay zero inheritance tax, not a nickel. That is the first time that a multimillionaire or billionaire has died in 100 years and their family has not paid one penny in inheritance taxes. This occurred as a result of President Bush’s $1.35 trillion tax break enacted into law in 2001. In other words, at a time when this country has a devastatingly high rate of unemployment, at a time when the Senate refused to extend unemployment benefits, at a time when desperate people through no fault of their own, have lost their jobs and have no income, at a time when we have a huge national debt, at a time when we have massive unmet needs, including a crumbling infras- tructure and the need to transform our energy system, at a time when we have a growing gap between the very rich and everyone else, we have a situation now where the very wealthiest people are seeing, when one in their family or one of the wealthiest people is deceased, the estate tax is nil, zero.

A century ago, President Teddy Roo- sevelt, a good Republican, called for a graduated inheritance tax on wealthy estates. In 1916, Congress passed that law. Interestingly enough, here is what Republican Teddy Roosevelt said in 1910:

The absence of effective state, and, especially, national, restraint upon unfair money-getting has tended to create a small class of enormously wealthy and ec- onomically powerful men, whose chief object is to hold and increase their power. The prime need is to change the conditions which en- able these men to accumulate power, which is not for the general welfare that they should hold or exercise . . . No man should receive a dollar unless that dollar has been fairly earned.

Let me repeat: No man should receive a dollar unless that dollar has been fairly earned.

Every dollar received should represent a dollar’s worth of service rendered, not gamb- ling in stocks but service rendered. The really big fortune, the swollen fortune, by the mere fact of its size, acquires qualities which differentiate it in kind as well as in degree from what is passed by men of rel- atively small means. Therefore, I believe in a graduated income tax on big fortunes and in another tax which is far more effective—a graduated inheritance tax on big fortunes, properly safeguarded against evasion and increasing rapidly in amount with the size of the estate.

Teddy Roosevelt, 1910.

There are not many Republicans I agree with today, but I do agree with what Teddy Roosevelt said 100 years ago. That is exactly what the responsible estate tax act I have introduced, along with Senators HARKIN, WHITEHOUSE, FRANKEN, and SHERROD BROWN, will do. Specifically, this legislation exempts the first $3.5 million of an inheritance from paying any Federal estate tax. That means that 99.7 percent of Americans who receive an inheritance will not pay one penny in Federal estate taxes. This legislation would impact only the very wealthy, the top three-tenths of 1 percent.

Under my legislation, the value of es- tates above $3.5 million and below $10 million would be taxed at 45 percent; the value of estates above $10 million and below $50 million would be taxed at 50 percent; and the value of estates above $50 million would be taxed at 55 percent, the same as the 2001 level before the Bush tax cuts. Further, this legislation includes a 10-percent surtax on the value of estates above $500 mill- lion or $1 billion for couples.

According to the Joint Committee on Taxation, this legislation, over a 10-year period, would bring in $315 bil- lion—a significant step forward in ad- dresssing our national debt. But this legislation does something even more important. In the midst of these enormously difficult times, this legis- lation makes clear we are one country and all Americans must accept shared responsibility. In my view, it is im- moral, it is unfair that while the middle class struggles to survive, million-aires and billionaires get tax breaks.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk pro- ceeded to call the roll.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the order for the quorum be dispensed with.

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

MILITARY CONSTRUCTION PROGRAM

Mrs. HUTCHISON. Mr. President, I rise today to talk about our military construction program and some concerns I have about an apparent shift in strategy, what this means for our American soldiers and their families and for the growing debt and deficits we are seeing on the taxpayers of this country.

Without question, our military con- struction program should be fiscally responsible and driven by the future se- curity posture of the U.S. forces. Dat- ing back to the end of the Cold War, the U.S. military determined that our Airborne Forces would be trained, stationed, and equipped for service when sta- tioned at installations on U.S. soil.

Our military adopted a force projec- tion strategy that allows our U.S.-sta- tioned service men and women to de- ploy from home rather than being based primarily overseas.

This Congress has been very sup- portive of the Army’s transformation to a more modular and expeditionary force structure, allowing more troops to be stationed in the United States.

In 2005, the Overseas Basing Com- mission reaffirmed the force projection strategy. It applauded the vision be- hind the Pentagon’s efforts to trans- form the military and restation tens of thousands of military personnel back on U.S. soil.

So the Pentagon’s strategy, endorsed by the Overseas Basing Commission, has guided the way Congress directs re- sources and funding to military con- struction facilities. We have committed more than $14 billion to build housing, stationing, training, and deployment capabilities at major military installa- tions in the United States. We have proven we can best train and deploy from the United States and do it more cost-effectively.

Despite these taxpayer-backed in- vestments, the Pentagon’s current MILCON program is shifting military construction projects, military forces, and for- merly dollars overseas. Strate- gically, this would set in motion a worldwide transformation of U.S. basing that would actually expand our overseas presence, and this at a time when the aid given to American efforts in the war on terror is, with a few ex- ceptions, not impressive.

Fiscally, the Department of Defense is pursuing expensive and, in some cases, duplicative military construc- tion projects in Europe, Korea, and Guam without demonstrating adequate cost efficiencies or projected future cost savings. This shift in global posture fun- damentally disconnects with stateside basing capabilities and reverses the Overseas Basing Commission’s rec- ommendations.

Europe: In Germany massive plans are underway to move U.S. Army head- quarters from Heidelberg to Wiesbaden. I question this move because European and African Commands already have substantial infrastructure in Stuttgart where efficiencies would be best transferred. The Government Accountability Office does not believe the Army will achieve any cost savings. Not only would these