

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.

Warren Buffett, one of the wealthiest people on the planet, has often made the point that he, a multimillionaire, 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 to desperate people who, 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 infrastructure 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 dies, their estate tax is zero.

A century ago, President Teddy Roosevelt, 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 economically powerful men, whose chief object is to hold and increase their power. The prime need is to change the conditions which enable 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 gambling 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 relatively small means. Therefore, I believe in a graduated income tax on big fortunes and in another tax which is far more easily collected and 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 whatsoever. Doing this 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 estates 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 million or \$1 billion for couples.

According to the Joint Committee on Taxation, this legislation, over a 10-year period, would bring in \$315 billion—a significant step forward in addressing our national debt. But this legislation would do something even more important. In the midst of these enormously difficult times, this legislation makes clear we are one country and all Americans must accept shared responsibility. In my view, it is immoral, it is unfair that while the middle class struggles to survive, millionaires 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 proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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 construction program should be fiscally responsible and driven by the future security posture of the U.S. forces. Dating back to the end of the Cold War, the U.S. military determined that our Armed Forces would be best trained and equipped for service when stationed at installations on U.S. soil.

Our military adopted a force projection strategy that allows our U.S.-stationed service men and women to deploy from home rather than being based primarily overseas.

This Congress has been very supportive 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 Commission reaffirmed the force projection strategy. It applauded the vision behind the Pentagon's efforts to transform 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 resources and funding for military construction facilities. We have invested more than \$14 billion to build housing, stationing, training, and deployment capabilities at major military installations 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 investments, the Pentagon's current MILCON program is shifting military construction projects, military forces, and taxpayer dollars overseas. Strategically, 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 exceptions, not impressive.

Fiscally, the Department of Defense is pursuing expensive and, in some cases, duplicative military construction projects in Europe, Korea, and Guam without demonstrating adequate cost efficiencies or projected future costs. This shift in global posture fundamentally disconnects with stateside basing capabilities and reverses the Overseas Basing Commission's recommendations.

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

huge and costly projects create thousands of foreign jobs, but they would require continuous taxpayer funding to maintain facilities and training capabilities. The United States has averaged spending \$278 million per year in Germany in the last 5 years, but the Department of Defense now plans to raise that spending to \$750 million per year. It costs nearly 15 percent less to build in the United States than to build in Germany, and while American taxpayers have invested \$1.4 billion in German infrastructure from 2006 to 2010, Germany's contribution has averaged \$20 million per year, or less than 10 percent.

This is a poor taxpayer investment considering the serious limitations to U.S. military training and deployment capabilities overseas. It would also create duplicative headquarters at several locations in Germany. Our troops must have access to training areas where they can maneuver freely, conduct live-fire exercises, and work with night vision devices. Many overseas locations prohibit such intensive training. Others allow only certain aspects of the training to be done under closely monitored circumstances. These limitations hinder the readiness of our troops while taxing our citizens more.

Deployment impediments also exist in Europe. During times of peace and war, our troops face restrictions traveling through many countries. In 2003, deploying American forces from Germany into Iraq was complicated when several European countries denied U.S. troops access to air and ground routes. Merely having our troops forward-deployed is no guarantee they will be available when and where we need them.

Korea: The Department of Defense is also planning to spend millions to build deployment facilities in Korea. The Pentagon is proposing to shift 1-year deployments for troops alone to 3-year tours that include their families. This change would expand U.S. presence in Korea from 30,000 service personnel to approximately 84,000, counting dependents. Substantial taxpayer funding would be required to build adequate housing, schools, hospitals, fitness centers, childcare facilities, commissaries, and more. We have asked for the numbers that would be projected for this. The Department has not given us any numbers nor any projections on the costs of adding 50,000 more people into Korea than we now have. Investing these resources into Korea makes no sense when we are already building up infrastructure and deployment capabilities at U.S. bases where amenities support military families and are well established.

Guam: Plans to shift Marines currently stationed in Japan to the tiny island of Guam are also problematic. There are significant environmental concerns with trying to accommodate such a large number of military personnel in such a small space, and the island lacks sufficient existing infra-

structure. In addition to that, the timeline for transitioning marines stationed in Japan is implausible and the costs are staggering. They are now estimated at \$16 billion. With these considerable barriers, better basing alternatives should be explored. Again, we have asked the Department to look into this, to give alternatives. We have suggested alternatives, but we have received no feedback from the Department.

The Department of Defense has indicated this new military construction program is intended to build partnership capacity. Some argue that U.S. presence overseas provides assurance to our allies and deterrence to our adversaries. History has shown this is not always the case. Basing American military personnel at key locations in Europe did not deter the Russians from conducting military operations against Georgia in 2008. Even with our 30,000 troops in Korea, North Korea did not hesitate to attack a South Korean naval vessel in May of this year.

Let's look at what the partnership agreements we are seeking have given us so far. We are in a war on terror in which the United States now has more than 78,000 troops. Germany has 4,350. The United Kingdom has double what Germany has. So the United Kingdom, which has a smaller population, has more troops by double than Germany. Yet we are looking at all of this build-up in Germany for building partnership capacity. Germany contributes 4 percent of NATO troops to Afghanistan, but they have strict rules of engagement that include not going on offense and restrictions on night operations. So if we are going to do so much ourselves, does it make sense for the American taxpayer to be building what would be about a billion and a half more in Germany, in facilities that we already have in the United States? Or if there needs to be more Army building in Germany, at least do it in Stuttgart where the Army already has a headquarters, instead of a whole new operation in Wiesbaden.

If the United States wants to make sure our allies and deter our enemies, we should do it with strong military capabilities and sound policy, not by keeping troops stationed overseas, siphoning funds from equipment and arms, and putting it into duplicative military construction.

Instead of breaking ground on military projects abroad and advancing the Department's new goal of building partnership capacity, we should be building American infrastructure. We are carrying the heaviest load by far in the war on terror, and we are carrying it for freedom-loving people throughout the world. We need to build up bases in our country which we have already done to accommodate the strategy since the Cold War. Yet now we appear to be reversing that strategy, and I am asking why. I have asked the Department of Defense. I have asked the Secretary of Defense for answers and

have not yet been able to receive anything that would show why we would make such a huge investment in these foreign bases, with training constraints and deployment constraints, when we could do the same thing at home and deploy our troops at will.

Following World War II, the United States constructed bases in Europe to establish a strong presence as nations rebuilt. We stayed in Europe and placed bases in Korea to protect the interests of America and its allies during the Cold War. The world has changed, and with it our Nation's military priorities must also change. Our military construction investment should reflect our strategic principles. It should meet the needs of military families. It should maximize the force flexibility of our modern military, and it should demonstrate the fiscal discipline that taxpayers rightly expect.

Secretary Gates has made fiscal discipline a priority at the Department of Defense. He has said we are going to cut defense spending. So this military construction plan is puzzling. I am not sure the military and the Department heads are on the same wavelength because we are looking at \$1 billion of foreign construction we do not need with capacity we have already built in America.

So I am asking the Department of Defense to look at this and to make sure we are in every way having respect for the taxpayers and making sure our military and our families have the security and support they need, and I believe that can be done with bases at home.

I will offer amendments to reduce the level of spending in overseas construction and possibly in administrative costs at the Department of Veterans Affairs that do not affect veterans health care or benefits. There is more at stake for our future, for our economy, and for the American taxpayer.

Out-of-control spending is putting the short- and long-term fiscal health of the United States at risk. The national public debt hit an historic \$13 trillion in May. This year, the Federal Government is borrowing 40 cents out of every dollar it spends, and it is spending 67 percent more than it brings in. In pursuit of its costly and damaging big government agenda, the Obama administration has increased the total public debt by \$2 trillion in less than 2 years, an increase of 23 percent in 16 months. If the spending continues at this rate, at the end of President Obama's first term he will have added an additional \$6 trillion to the public debt. If we go along with the requests of the White House, \$6 trillion more will be added to our debt in this term. This is irresponsible and unsustainable.

As the appropriations process moves forward, I will offer amendments to bring military construction back down to levels that are consistent with the Secretary of Defense's own stated objective, which is to cut military spending. I am going to offer amendments I

believe will be responsible, will protect our forces, and will be better for our military families, and it will achieve the spending cuts the Secretary has said he believes are necessary.

We need to make the tough decisions. I am offering a way forward. I am offering commonsense cuts that will assure we will be able to meet the needs of our military, the security of our military, the security of the American people, and a respect for this enormous deficit. We can cut back on this deficit with responsible spending.

I have outlined some of these concerns in today's Politico magazine, and I ask unanimous consent that my op-ed be printed in the RECORD.

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

[From Politico, July 13, 2010]

(By Senator Kay Bailey Hutchison)

MILITARY'S FOUNDATION MUST BE MADE IN U.S.A.

For the future security posture of U.S. military forces and for the fiscal health of our nation, our military construction agenda should be guided by these words: build in America.

At the end of the Cold War, the U.S. military determined that our armed forces would be best trained and equipped for service when stationed on U.S. soil. Thus, our military adopted a "force projection" strategy that allows service members to deploy from home, rather than being based primarily overseas.

The Overseas Basing Commission reaffirmed the force projection strategy in 2005. It lauded the insights and vision behind Defense Department initiatives to transform the military and re-station tens of thousands of military personnel back on U.S. soil. Congress has legislated and appropriated accordingly.

We've now invested more than \$14 billion to build housing, stationing, training and deployment capacities at major military installations. Deployment of U.S. forces from Germany to Iraq, for example, was complicated by denials of air and ground routes through several European countries. We have proved we can best deploy from the United States—and we can do it more cost effectively.

However, the DoD's current military construction proposal would set in motion a worldwide transformation of U.S. basing that would expand our overseas presence. DoD is pursuing expensive, and in some cases duplicative, military construction projects in Europe, South Korea and Guam, without demonstrating adequate cost efficiencies, projected costs or a broader basing strategy.

This shift in global posture fundamentally disconnects with stateside basing capabilities and reverses the Overseas Basing Commission's recommendations.

In Germany, massive plans are under way to move U.S. Army headquarters from Heidelberg to Wiesbaden—though European and African commands already have substantial infrastructure in Stuttgart, where more efficiencies would be available.

Not only would the projects create thousands of foreign jobs; they would also require continuous taxpayer funding to maintain facilities and training capabilities. This is a poor investment given the serious limitations to U.S. military training and deployment capabilities overseas. And it would create duplicate headquarters at several locations.

It costs nearly 15 percent less to build in the United States than in Germany. In addition, the U.S. military has invested \$1.4 billion in German infrastructure from 2006 to 2010, while Germany's contribution has averaged \$20 million per year—or less than 10 percent.

Our troops must have access to training areas where they can maneuver freely, conduct live-fire exercises and work with night-vision devices. Many overseas locations prohibit such intensive training. Others allow only certain aspects of the training to be done under closely circumscribed conditions.

These limitations hinder the readiness of our troops, while taxing our citizens.

Deployment impediments also exist in Europe. During times of peace and war, our troops face restrictions traveling through many countries.

In 2003, for example, our NATO ally Turkey refused to let U.S. troops travel through its territory, even in its airspace, in support of Operation Iraqi Freedom.

Merely having troops forward-deployed is no guarantee that they will be available when and where we need them.

DoD is also planning to spend millions to build deployment facilities in South Korea. The Pentagon proposes shifting deployments from one year to three years, including troops' families. This expands the U.S. presence from 30,000 service personnel to approximately 84,000, counting dependents. It will require substantial taxpayer funding to build adequate, housing, schools, hospitals, fitness centers, child care facilities and commissaries.

Investing these resources in South Korea makes no sense when we are already building up infrastructure and deployment capabilities at U.S. bases, where amenities for military families are well-established.

Similarly, plans to shift Marines now stationed in Japan to the tiny island of Guam are problematic. This proposal is fraught with significant environmental concerns, insufficient infrastructure, an implausible timeline—and staggering costs, now estimated at \$16 billion. With these considerable barriers, better basing alternatives should be explored.

Some argue that the U.S. overseas presence provides assurance to our allies and deterrence to our adversaries. History has shown otherwise.

Having U.S. troops in Europe did not deter the Russians from conducting military operations against Georgia in 2008. More recently, the U.S. military in South Korea did not deter North Korean aggression against a South Korean naval vessel.

We should assure our allies and deter our enemies with strong military capabilities and sound policy, not merely by keeping our troops stationed overseas.

Instead of breaking ground on military projects abroad—and advancing DoD's new goal of building "partnership capacity"—we should be building American infrastructure.

After World War II, the U.S. constructed bases in Europe to establish a strong presence as nations rebuilt. We stayed in Europe and placed bases in South Korea to protect the interests of America and its allies during the Cold War.

The world has changed—and with it, our nation's military priorities. Our military construction investment should reflect our strategic principles, meet the needs of military families, maximize the force flexibility of our modern military and demonstrate the fiscal discipline that taxpayers rightly expect.

I hope the Defense Department will continue to build the foundation of our military right here on American soil.

Mrs. HUTCHISON. Mr. President, I very much appreciate the opportunity

to lay out the strategy I am offering to the administration. I hope we can come back to the strategy adopted by Congress over the last 10 years that would have American troops in America, would create American jobs in military construction, will save taxpayer dollars, and will assure that when our troops go into harm's way, they will not be blocked by European countries that do not allow us to use airspace or train troops on the ground. We cannot afford that kind of luxury in this kind of environment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New York is recognized.

REMEMBERING GEORGE STEINBRENNER

Mr. SCHUMER. Mr. President, today America heard the sad news that George Steinbrenner, one of Major League Baseball's most influential team owners, died at the age of 80. I rise today to express my condolences to George's family and share my intention of offering a resolution today, along with Senators GILLIBRAND, BILL NELSON, and LEMIEUX to honor his memory.

He is survived by his beloved wife Joan, his sisters Susan and Judy, his children Hank, Jennifer, Jessica, and Hal, and his 13 grandchildren.

Like New York and like the Yankees, George Steinbrenner was a champion. He was someone about whom you can truly say there will never be another one like him.

Before we even get into baseball, George Steinbrenner was a very accomplished man. He served his country for 2 years in the Air Force. He was the owner of the American Ship Building Company, the dominant shipbuilding company in the Great Lakes region during its existence. He donated his time and money to countless charitable causes and was a driving force in the U.S. Olympic Committee, where he made sure America's athletes could reach their full potential, bringing home gold medals and making sports fans around this great country proud of our athletes.

Many of us know George as being a giant in Major League Baseball. There is no denying he changed the face of baseball forever.

Before George Steinbrenner, the New York Yankees were in shambles. The once great franchise had become moribund.

I have always been a Yankees fan, even though I am from Brooklyn. By the time I was old enough to appreciate baseball, the Dodgers had just left for Los Angeles, and it would be several years before the Mets were created. So the Yankees were the only team in town, and like most of my friends on the streets of Sheepshead Bay, Brooklyn, I became a rabid Yankee fan.

Those were the glory years of Mantle, Maris, Ford, Howard, and Berra. But by the midsixties, my heroes began