

As I go through this over the next couple weeks, I am going to show example after example. It is painful to say the greatest Nation in the world is absolutely incompetent when it comes to managing its bureaucracy, its programs, and its money, but that is a true statement. I am going to show evidence over the next 2 weeks of just how incompetent we are.

I hope to build a case so no Member of Congress can ever tell a constituent again that we cannot cut significant spending by at least \$2 trillion just from duplication over the next 10 years.

The work of the government is hard. The work of the Congress is built on compromise, but there is no longer going to be a bogus set of facts out there that says we cannot cut spending. I am going to prove we can cut spending and the onus is going to be on the rest of the Members of the body to say why we cannot.

With that, I yield the floor and note the absence of a quorum.

The PRESIDING OFFICER (Mr. BLUMENTHAL). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

BUDGET AUSTERITY

Mr. WHITEHOUSE. Mr. President, I am here because I was on the floor the other day and I heard—while I was waiting my turn to speak—Senator HATCH give a speech. I have the very highest regard for my friend, the Senator from Utah, and his speech was very thoughtful. It was passionate. It was thorough. I thought it deserved a respectful response and so I am here to respond to that and I hope to begin a debate or engage in a debate, if not begin it.

Senator HATCH was talking about the fiscal situation, and he framed his remarks with the observation that our \$16.4 trillion debt is too high and the observation that “annual trillion-dollar deficits have become the norm with the current administration.”

Senator HATCH is certainly right that debt is too high and annual trillion-dollar deficits have indeed briefly become the norm. But I would suggest that is not the norm recently because of this administration; it is the norm because the economy collapsed.

We all remember the economy collapsed. To withdraw Federal spending from a collapsing economy is only to make things worse. The economic collapse created these deficits and, as the economy recovers, we can draw them down.

There is no agreement on that. Some have preached austerity as the way forward when the economy collapses. When this began, there was live-

ly debate between those who thought that stimulating the economy and supporting the economy would be more sensible than applying austerity. We are past theory and now we are into experience. The experience of foreign countries belies that austerity works when economies are collapsing. From Spain to Greece, European countries that responded to the economic downturn by slashing their budgets are suffering from shrinking economies and persistent double-digit unemployment rates.

A recent IMF, International Monetary Fund, report estimates that budget austerity in a weak economy might actually inflict significant harm and have a much lower than expected effect on the deficit, consistent with the observations in Europe.

The reason this is this way—I will get into jargon just for a minute—economists measure the effects of changes in government spending on GDP with a metric called the fiscal multiplier. A multiplier of 0.5, for example, means that a \$1 decrease in government spending would reduce GDP by 50 cents.

The higher the fiscal multiplier, the worse the impact a cut in spending has on the overall economy and, therefore, the lower its actual ultimate effect on deficit reduction.

The new IMF report suggests that in the United States—as in other countries that are recovering from the great recession—the fiscal multiplier is actually greater than 1, meaning that a \$1 reduction in government spending shrinks the overall economy by more than \$1, doing net harm.

Oxford Economics puts the fiscal multiplier of the United States at 1.4, which means that for every \$1 we cut, we would lose \$1.40 in gross domestic product. Goldman Sachs, which is not exactly a leftwing outfit, has put the multiplier for the United States close to 1.5—cut \$1; lose \$1.50 in gross domestic product. Economists at the University of California found that during recessions—and it is important, during recessions—the fiscal multiplier in developed countries generally falls between 1.5 and 2.

That complicated economic gobble-dygook boils down to this: \$1 in reduced government spending will reduce gross domestic product by more than \$1—by \$1.40 or \$1.70 or whatever the multiplier is—and damage the economy without accomplishing the intended deficit reduction.

Other countries attempted budget austerity during the economic downturn. Spain, Greece, and Portugal, particularly, have persistent double-digit unemployment—over 26 percent in Spain and Greece—and they have anemic or negative economic growth rates. Contrast that with the United States, where a more balanced approach to the economic crisis yielded an unemployment rate that is still far too high but markedly lower than the austerity countries and economic growth of 2.1

percent, where all the other countries are experiencing negative economic growth—Spain, Greece, and Portugal.

So let's not fault the President and the administration for deficits that were caused by, A, an economic collapse and, B, the wise decision to avoid the austerity path that has thrown Spain and Greece into nearly 27 percent unemployment rates and all three countries into negative GDP growth.

We will need to address the debt more and more as economic conditions improve, and Senator HATCH was correct to point to health care expense as our biggest national fiscal concern. It would, however, I believe, be a misdiagnosis to focus on Medicare and Medicaid as the source of the health care spending problem. Indeed, Medicare may be the single most efficient health care provider in our entire health care system. Medicare is a place where the health care cost problem hits the Federal budget because the Federal budget pays for Medicare, but Medicare is not the underlying source of the problem. I hope this was what Senator HATCH meant when he said “the problems with the program are systemic,” and when he said the solution is “structural reforms.”

I know that one of the leading health care providers in the country, one of the best at seeing the health care cost problem as systemic and one of the best at addressing it with structural reforms, is the health care system in Senator HATCH's home State of Utah, Intermountain Healthcare. The Senator has a living example at home that health care spending can be addressed through structural reforms, through delivery system reforms.

One example is that just a few weeks ago, Intermountain clinicians in Utah were recognized for their work in greatly reducing the number of patients who die from sepsis, which is the leading cause of death in U.S. hospitals. So it is no small matter. Through a new protocol to better detect and treat sepsis, these doctors and nurses brought the death rate for septic patients entering through the emergency room down from over 20 percent, 5 years ago, to under 9 percent. These advances have saved hundreds of lives in Utah, and they are a model to be applied by hospitals around the world.

That is an example of how the real problem in health care is the total cost of the underlying system. We pay more for health care than any other developed nation. Here is the United States at 17.6 percent of our gross domestic product spent on health care. The most expensive and least efficient other industrialized nation in the world is the Netherlands at 12 percent. Behind it fall France and Germany at 11.6 percent, Switzerland at 11.4 percent, and England and Japan at 9.6 and 9.5 percent, respectively.

If we could simply make our health care in this country as bad as the worst other industrialized country in terms of efficiency, if we could just meet the

standard met by the other least efficient country in the world, we would save about \$800 billion a year.

So there is a huge savings opportunity in the health care system for all of that extra spending. For that \$800 billion a year in extra spending that we do, do we get great outcomes? Are Americans healthier and better cared for than people in those other countries? Well, unfortunately, the answer is not at all. Each little dot represents one of the OECD countries. This represents life expectancy from 72 to 84, which is a pretty good measure of how good the health care system is, if it is making you live longer.

This represents the cost per person of health care. As you can see, virtually everybody is grouped kind of around in here, with reasonably good life expectancy between 78 and 82. Japan has actually driven it up to 83. It is roughly \$2,000 to \$4,000 per individual.

Everybody—I can almost cover them all with my hand. This is the United States of America, below all of them in life expectancy, above all of them in cost. So let's not pretend there is not a lot of room for progress.

The worst part is that this is the rate of growth of our U.S. health care system. Look at this: 1960—I will astound the pages who are listening by telling them that I was alive in 1960; I was 5 years old then—\$27.4 billion. Now it is \$2.7 trillion. We spend 100 times as much on health care now as we did when I was 5 years old. We blew through the halfway point probably back in around 1990. We have doubled since then to \$2.7 trillion.

This is what is happening to our national health care costs. This is our national health care cost curve. If you think that with this kind of a rocketing cost structure, we are going to be able to solve this problem by cutting Medicare, that is not going to work. Trying to solve that kind of a cost-increase problem by cutting Medicare benefits is a losing game. It will cut Medicare away to nothing.

We have to address the conditions that caused this increase. We have to address the discrepancy between us and other nations and, indeed, as the Senator from Connecticut who is presiding well knows, the discrepancy between different States. His brother is one of the great experts on the discrepancy that allows Medicare to pay 2½ times more per patient in Miami than it does for a patient in Minneapolis, when the patient in Minneapolis is getting as good or better care.

We have to be able to get those discrepancies out of the system. When we do, when we do it that way, the savings will fall to Medicare and Medicaid. Indeed, 40 percent of those savings will go into the Federal Government, Medicare, Medicaid, VA, TRICARE, employee benefits. It will also help Blue Cross, Kaiser, and United. It will help all the private companies that pay for private insurance. It will help individuals who have to pay for that sky-

rocketing cost now because we run a system that is 50 percent more inefficient than the least efficient industrialized country with which we compete.

So this is a big deal. It is not just me saying so; some very credible folks agree. President Obama's Council of Economic Advisers says that you can save annually out of our health care system \$700 billion. The National Institute of Medicine says it is \$750 billion a year. The New England Health Care Institute estimated that it was \$850 billion. And a well-regarded group that studies health care called the Lewin Group, together with George Bush's Treasury Secretary Paul O'Neill, has estimated that it is \$1 trillion a year in savings to be had. So this would look a lot better if instead of \$2.7 trillion you were spending only \$1.7 trillion. And those are the kinds of savings that are conceivable, are possible. We really have to focus on that.

The Commonwealth Fund recently released a report that outlines a variety of policies that would accelerate health care delivery system reform and slow health care spending by \$2 trillion from 2014 to 2023. Those are the policy ideas we should be considering because those ideas go to the real heart of the cost problem. Going after Medicare benefits rather than going directly after the underlying health care cost problem reflects a misdiagnosis of the problem. When you have a misdiagnosis of the problem, you get the cure wrong.

Senator HATCH was very thoughtful, and he offered some specific proposals. I think the proposals to combine deductibles for Parts A and B and the limitation on first-dollar coverage of Medigap plans could well fit into a good health care compromise. I suggest we should also include letting Medicare use its substantial market power to negotiate drug prices just as the VA now does. It is hard to imagine that our deficit problem could be as dire as Senator HATCH has described and at the same time less important than providing this notorious Federal handout to immensely profitable pharmaceutical companies.

Finally, let me say that Senator HATCH indicated he thought the revenue discussion was now done. I would respectfully disagree. The revenue discussion is not done. To date, through the Budget Control Act and through other measures enacted in the last Congress, we have cut the deficit by \$2.4 trillion. In rough numbers, we have achieved \$1.7 trillion of that through spending cuts and then the related interest savings. In contrast, we have only cut the deficit by \$700 billion through new revenues, by restoring Clinton-era tax rates for the top 1 percent of income earners. That is what we have done so far.

I think it is probably safe to say the tax rate discussion is probably done, but we have not even begun to discuss tax loopholes. Why should millionaires get more tax benefits against their

charitable contributions than middle-class families do? Why should a billionaire who builds a wing on a museum and puts his name on it get more tax bang for his charitable buck than the middle-class family who gives to their local church? Is protecting that benefit for high-end charitable donors more important than addressing our deficit?

How about tax subsidies to the most profitable companies in the world, the Big Oil behemoths? The American taxpayers have to provide money to big and often foreign oil companies. Is keeping Big Oil lobbyists happy with subsidies from the American people more important than addressing our deficit?

Should companies and wealthy individuals be allowed to hide their money from the tax man in offshore accounts, while working families pay their taxes fair and square? Is protecting that tax gimmick more important than addressing the deficit?

How about that carried interest trick that allows hedge fund billionaires to treat their income as low-tax capital gains while their chauffeurs, gardeners, maids, and executive assistants pay regular income taxes? Is it more important to keep that sweet deal running than it is to fix the deficit?

Our friends on the other side cannot have it both ways. They cannot say that the deficit is so desperately important that we have to cut Medicare, cut food stamps, cut off scientific research, cut the FBI and the national parks and Big Bird, for Lord's sake—that is how important the deficit is—and then say that the deficit is not such a big deal after all, that it is less important than tax breaks for offshore corporations, special deals for the pharmaceutical industry, favors for high-income Americans that regular families do not get, and subsidies to Big Oil.

It cannot be both things at once. Frankly, even without the deficit, many of those tax deals are the things we should get rid of just on the merits, just because they are sleazy and unfair and the product of Washington insider dealing. We should be rid of them. They cannot be more important to keep than addressing the deficit.

So while there are surely still ways to trim the deficit by improving inefficient programs and cutting wasteful spending, let's not say tax revenue is done before we have even gotten into the rich trove of tax deals and gimmicks that we give away every year through the Tax Code.

In 2012, corporations benefited from an estimated \$127 billion in loopholes and special provisions. In addition, the individual income tax code permitted over \$1 trillion in deductions, exclusions, and credits last year—\$1 trillion in 1 year. Many of those only benefit the wealthiest taxpayers. Overall, there are hundreds of billions of dollars a year in tax expenditures that we can use to address the deficit.

My last point on revenues is this: As our friend Kent Conrad, the former

chairman of the Budget Committee, used to point out, every time in recent history that we have had a balanced budget, we balanced it with revenues and spending around 20 percent of gross domestic product. Our revenues are now at about 16 percent of gross domestic product. If we balanced our budget at that level, at 16 percent of gross domestic product, it would be the lowest level of Federal spending since 1951, when half of the Federal budget still went to the Department of Defense and half of American seniors still lived in poverty.

They say the Republican Party wants to go backward, but do they really want to go back to that? That would change our country dramatically and for the worse at a time when, even with Federal student aid, the cost of college remains unaffordable for too many aspiring students, when our energy and technology infrastructure is lagging and our transportation infrastructure is crumbling, and when our international competitors are making greater investments in 21st century innovation than we are.

Saving money by reforming how we deliver health care is not just possible, it is happening around us. A 2008 report from the Dartmouth Atlas Project held up some promising examples, predicting that, using the Mayo Clinic as a benchmark, the Nation could reduce health care spending by as much as 30 percent for acute and chronic illnesses. A benchmark based on Senator HATCH's home State company, Intermountain Healthcare, predicts a reduction of more than 40 percent.

So let's get to work, together in a bipartisan fashion, to give American families the health care system they deserve.

Instead of waste and inefficiency, poor outcomes and missed opportunities, let's have a health care system that is the envy of the world, not an outlier on high costs and low results.

This approach has a triple benefit: It protects seniors and families who rely on Medicare and Medicaid. It improves patient outcomes and makes our experience of the health care system better in terms of results, and it dials back health care spending and helps protect us from that exploding cost.

The alternative, slashing benefits, does nothing to curb the underlying cost problem, and it certainly doesn't improve care. It only does one thing, harms seniors and degrades the programs they count on.

During a 2011 Senate HELP Committee hearing that I chaired, Greg Poulsen of Utah's Intermountain Healthcare said:

Intermountain and other organizations have shown that improving quality is compatible with lowering costs and, indeed, high-quality care is generally less expensive than substandard care.

Let this be our guiding principle as we work together to ease the burden of excessive health costs on both the Fed-

eral balance sheet and on our fellow Americans' pocketbooks.

EXTENSION OF MORNING BUSINESS

Mr. WHITEHOUSE. I ask unanimous consent that the period for morning business be extended until 6:30, with Senators permitted to speak therein for up to 10 minutes each.

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

Mr. WHITEHOUSE. I yield the floor.

TRIBUTE TO JAIME HERNANDEZ

Mr. REID. Mr. President, I rise to honor a man of great distinction and valor: Maj. Jaime I. Hernandez of the United States Air Force. It is my great honor to acknowledge this American hero on the cusp of his promotion to Lieutenant Colonel.

Jaime is a loving son and a man of perseverance. A loyal Nevadan and American, he hails from Las Vegas. Upon graduating from Bonanza High School in 1994, Jaime entered the Air Force Academy, where he began his noble service to our Nation.

Major Hernandez's promotion to Lieutenant Colonel marks another chapter in his inspiring story. Major Hernandez has risen through the ranks during his time with the Air Force—a testament to his steadfast dedication, unyielding courage, and impressive tactical skill. His career is a decorated one. Major Hernandez has served six combat deployments in support of operations in Afghanistan and Iraq, logging more than 2900 hours in flight, 1300 of which were in combat. His work as Chief of Weapons and Tactics for the 37th Expeditionary Bomb Squadron led to hundreds of successful missions. He has proven himself time and again through his B-1 aircraft expertise.

During one of his six overseas deployments, Major Hernandez earned an Air Medal with 4 Oak Leaf Clusters. While on a mission to safeguard a lost team of Marines in eastern Afghanistan, Jaime and his crew were fired on by a team of insurgents on the ground. In an act of bravery and skill, Jaime and his aerial crew drew fire from the insurgents while the lost Marine ground team could recover and maneuver around the insurgent squad.

Major Hernandez has demonstrated repeatedly his exceptional skill and courage. He has flown across the desert skies of both Iraq and Afghanistan, to provide support for operations there. Over the course of his career, he has served as a squadron Electronic Warfare Officer, Flight Commander, Instructor and Evaluator Weapon Systems Officer, Wing Weapons Officer, and Instructor at the USAF Weapons School.

Major Hernandez is currently the Deputy Division Chief at Joint Base Langley-Eustis, and is responsible for policies and procedures relating to the Combat Air Forces Information Oper-

ations. Among other achievements, he graduated in the top third of his class from Squadron Officer's School and received an Outstanding Flying Award from the U.S. Air Force Weapons School.

I laud Maj. Jaime I. Hernandez's dedication to the United States Air Force and country. His father Phillip Hernandez and their family are happy to celebrate Major Hernandez's upcoming promotion on February 1, 2013, to Lieutenant Colonel.

TRIBUTE TO ROBERT MITCHELL

Mr. MCCONNELL. Mr. President, I rise today to pay tribute to a dear friend of mine and a distinguished citizen of the Commonwealth of Kentucky, Mr. Robert Mitchell. Mr. Mitchell—better known across Kentucky's Fifth Congressional District as Bob—recently received the William Hacker, M.D. 2013 Leader of the Year Award from Kentucky's Leadership Tri-County. This organization, which represents Laurel, Knox, and Whitley counties, recognized Bob for his decades of service to the Bluegrass State.

From 1986 until his retirement last year, Bob served as Congressman HAL ROGERS's district administrator for the Fifth District. In that job, he was HAL's eyes and ears throughout southern and eastern Kentucky. He oversaw three field offices, provided constituent services, and was HAL's liaison to State and local government. It is thanks to him that many people in Kentucky now enjoy the benefits of a multitude of infrastructure, economic development, and tourism projects.

Bob has also served as HAL's top political adviser and campaign manager, and was his field representative from 1981 to 1986. He has served on the executive committee of the Republican Party of Kentucky, been a delegate to Republican National Conventions, and was twice elected magistrate in Knox County.

Bob's father, the late Murrell Mitchell, also served as a magistrate of Knox County and was a member of the Knox County School Board. It was he who inspired Bob to seek fulfillment in public service. A graduate of Lynn Camp High School in Corbin, KY, Bob first served his country in the uniform of the U.S. Army. He was in the Army's military police and served in Vietnam.

Bob has been employed in the private sector, too: He has worked for L&N Railroad, United Parcel Service, and as the owner and operator of a grocery store. He has been a member of the Corbin Rotary Club and the Lynn Camp Optimist Club. And the Mountain Laurel Boy Scouts of America District honored him with its first-ever Daniel Boone Visionary Award.

Bob enjoys politics, obviously, as well as fishing and following college sports. He is an avid fan of Keeneland Race Course and has owned racehorses. But I believe what he is most looking forward to is spending more time with