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Friday, December 10, 2010

When we talk about why people are angry, why people, when asked the question by pollsters: Do you think America is moving in the right direction, and overwhelmingly they think not, let me tell you why they think not. This is just during the Presidency of President Bush from 2001 through 2008. During that period alone--and by the way, the pain is certainly continuing right now. I do not mean to suggest otherwise. During those 8 years of Bush, over 8 million Americans slipped out of the middle class and into poverty. Today, nearly 40 million Americans are living in poverty; 7.8 million Americans lost their health insurance, and that is continuing.

A recent study came out and suggests that the uninsured now are about 50 million Americans. Fifty million Americans have no health insurance now. We hope health insurance reform will make a dent on that. I think it will. But as of today, without the major provisions of health care reform being implemented, 50 million Americans are without any health insurance.

During that period--and we have not talked about this a whole lot--there is another thing going on in the economy for the working class. Years and years ago, if you worked in a manufacturing plant, you had a union, you stood a reasonable chance of having a pension--a pension. During the Bush years, 3.2 million workers lost their pensions, and about half of American workers in the private sector have no pension coverage whatsoever. The idea today of having a defined pension plan significantly paid for by your employer is going the way of the dinosaur. That is just not there anymore.

Workers are more and more dependent on Social Security, which has been there for 75 years, which we have to protect and demand that it will be there another 75 years because right now millions of workers are losing their pensions. I mean, I am throwing these statistics out, and the reason I am doing that is I want people to appreciate that if you are hurting now, stop being ashamed. It is not, yeah, we can all do better. Every one of us can do better. But you are in an economy which is contracting, especially for the middle class and working families.

According to an article in USA Today, from the year 2,000 to 2007, middle-class men--women have done better--middle-class men experienced an 11.2-percent drop in their incomes--a reduction of \$7,700 after adjusting for inflation. Middle-class women in this age group saw a 4.8-percent decline in their incomes as well. So they did pretty badly, but the men did even worse. So what we are seeing is an understanding of why people are angry and why people think this country is moving in the wrong direction.

I think most people understand that today our country is experiencing the worst economic crisis since the Great Depression of the 1930s. It is important to say that because, again, it is hard enough when you do not have a job, when you do not have income, when your dignity and self-respect are declining, but I don't want people to be banging their own heads against the wall blaming themselves for all of the problems. Something has gone on in the Nation as a whole. You are not in this alone. When we talk about working-class families all across the country seeing a decline in their income, it is not because people are lazy, it is not because people do not work hard, it is not because people are not trying to find jobs. What we have is an economy which is rotting in the middle, and we have to change the economy.

If there is anything we can say about the American people, we work hard. We, in fact, work longer hours than do the people of any other country, industrialized country, on Earth. We are not a lazy people. We are a hard-working people. If the jobs are there, people will take them. If people have to work 60 hours a week or 70 hours a week, that is what they will do. But we have to rebuild this economy. We do not need tax breaks for billionaires. We need to create jobs for the middle class of this country so that we can put people back to work.

Let me take a few minutes to discuss how we got to where we are today and, in my view, what policies we need to move this country forward to create the kinds of jobs we desperately need.

Let's take a quick look back to where we were in January of 2009--it seems like a long time ago but just a couple of years ago. That was the last month of the administration of President Bush. In that month, we lost over 700,000 jobs. That is an absolutely incredible number. In fact, during the last 6 months of the Bush Presidency, we lost over 3 1/2 million jobs, all of which was caused by the greed and recklessness and illegal behavior on Wall Street.

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\$5 trillion of America's wealth evaporated in a 12-week period, as the people in Vermont and all over this country saw the value of their homes, retirement savings, and stocks plummet.

I want to say just one word again about Wall Street greed because I think for a variety of reasons we just do not talk about it enough. What you had was a situation in which a small number of folks at the head of huge financial institutions, through their greed, through the development of very reckless policies, through illegal behavior, through pushing out financial instruments which turned out in some cases to be worthless--as a result of all of that, they plunged this country into the worst recession we have seen since the Great Depression--from January. That is at the end of the Bush Administration.

It is very important to understand that the Wall Street crisis took us over the wall in terms of precipitating the severe recession we are in, but we have to remember that during those 8 years, as I mentioned earlier, the middle class was also shrinking. So it was not: Oh my goodness, everything is going great. Then you got the Wall Street disaster, and now we are in the midst of a terrible recession. This trend of a middle-class collapse went on long before Bush--precipitated significantly during the Bush years, but it went on before as well, not just during the Bush years.

Over the 8-year period of President Bush, from 2001 to 2009, we lost 600,000 private sector jobs. We lost 600,000 private sector jobs, and only 1 million net new jobs were created, all of them in the government sector. So for my friends, my Republican colleagues, to tell us that we need more tax breaks for the very rich because that is going to create jobs--that is what trickle-down economics is all about--I would say to them: You had your chance. It failed. In case you don't know, losing 600,000 private sector jobs in 8 years is not good. That is very, very bad. That is an economic policy that has failed. We don't need to look at that movie again. We saw it. It stunk. It was a bad movie. Bad economic policy. More tax breaks for the rich is not what our economy needs. In fact, what every economist will tell you is that is the least effective way to create jobs.

During the Bush era, median income dropped by nearly \$2,200. That means that a family in the middle, over an 8-year period, saw their income drop by \$2,200 during the 8 years of Bush.

I say all of these things just to tell you that we are not where we are today just because of the Wall Street crisis. That took us over the cliff. That made a very bad situation much, much worse. But it has been going on for a long time. It has gone on before Bush. It has gone on after Bush.

During the 8 years of Bush, over 8 million Americans slipped out of the middle class and into poverty. We don't talk about poverty in America anymore. We don't talk about the homelessness in America very much anymore. Trust me, it is there. It is three blocks away from where I am speaking right now, a very large homeless shelter. It is in small towns in Vermont where people tell me that for the first time they are seeing more and more families with kids needing emergency shelter because they can't afford housing. In Vermont, a lot of people have low-wage jobs making 10 bucks an hour, and it is hard to find a decent apartment or pay a mortgage on \$10 an hour. That is true certainly all over this country. Homelessness is going up.

During the Bush years, nearly 8 million Americans lost their health insurance. One of the issues I will talk about in a little while is health care. It is related to everything. We are the only country in the industrialized world that does not guarantee health care to all people as a right of citizenship. According to Harvard University, 45,000 Americans will die this year because they lack health insurance and are not getting to a doctor when they should.

During the Bush administration, 5 million manufacturing jobs disappeared, as companies shut down plants in the United States and moved to China, Mexico, Vietnam, and other low-wage countries. As I mentioned earlier, it is profoundly important to understand what is going on in America. In 2000, we had over 17,000 manufacturing jobs in this country. By 2008, we had less than 12,000. That is 17,000 to 12,000 in 8 years. That is the loss of 5 million manufacturing jobs--a 29-percent reduction--and the fewest number of manufacturing jobs since the beginning of World War II.

Under President Bush, our trade deficit with China more than tripled and the overall trade deficit nearly doubled.

Again, the point I am making now in the context of this agreement is that we need agreements now that do not give tax breaks to millionaires or billionaires, that do not lower the tax rates or the estate tax, which is applicable only to the top three-tenths of 1 percent. We need an agreement that rebuilds our infrastructure, rebuilds our manufacturing base, and creates the millions of good-paying jobs the American people desperately want.

comes through and knocks down everybody's home. Well, the hurricane that has hit America for the last 10, 20 years has not impacted everybody; it has impacted the working class, it has impacted the middle class. The people on top are doing better than they ever were. Our friends on Wall Street whose greed and illegal behavior caused this recession are now making more money than they ever did, after being bailed out by the middle class of this country.

During the Bush years, the wealthiest 400 Americans saw their incomes more than double. Do you really think that after seeing a doubling of their incomes under the Bush years, these people are in desperate need of another million-dollar-a-year tax break? In 2007, the 400 top income earners in this country made an average of \$345 million in 1 year. That is a pretty piece of change. That is the average, \$345 million. In terms of wealth, as opposed to income, the wealthiest 400 Americans saw an increase in their wealth of some \$400 billion during the Bush years. Imagine that. During an 8-year period, the top 400 wealthiest people each saw an increase, on average, of \$1 billion apiece. Together, these 400 families have a collective net of \$1.27 trillion. Does anybody in America really believe these guys need another tax break so that our kids and our grandchildren can pay more in taxes because the national debt has gone up? I do not think most Americans believe that. That is why, in my view, most Americans are not supporting this agreement.

Let me also say that when we look at what is going on around the rest of the world, what we have to appreciate is that in the United States today--again, this is not something we can be proud of; it is something we have to address--we have the most unequal distribution of wealth and income of any other country on Earth.

I remember talking not so long ago to somebody from Scandinavia. I think it was Finland. He was saying: Of course, we have rich people in our country, but there is a level at which they would become embarrassed.

America now has a situation where the CEOs of large corporations make 300 times more than their workers. In many other countries, everybody wants to be rich, but there is a limit. You can't become a billionaire stepping over children sleeping on the street. That is not what this country is supposed to be about. Enough should be enough.

The top 1 percent today earns 23.5 percent of all income. In the 1970s, that number was 8 percent. In the 1990s, it was approximately 16 percent. Now it is 23.5 percent. So the people on top are getting a bigger and bigger chunk of all income. Furthermore, it is not only the top 1 percent, there are economists who ask: You think the top 1 percent are doing well? It is really the top one-tenth of 1 percent. If you can believe this, the top one-tenth of 1 percent--and I don't know how many people that is, you can do the arithmetic, 300 million into one-tenth of 1 percent--took in 11 percent of total income, according to the latest data. One-tenth of 1 percent earned 11 percent of all income in America.

In the 1970s, the top 1 percent only made something like 8 percent of total income. In the 1980s it rose to 10 to 14 percent. In the late 1990s, it was 15 percent to 19 percent. In 2005 it passed 21 percent. And in 2010, the top 1 percent receive 23 percent of all the income earned in this country.

People should be mindful of this fact: The last time that type of income disparity took place was in 1928. I think we all know what happened in 1929. That is the point Senator *Landrieu* was making a while back. What she understands, quite correctly, is if working people, the vast majority of the people, don't have the income to spend money to buy products and goods and services, we can't create the jobs. If all of the money or a big chunk of the money ends up with a few people on top, there is a limit to how many limousines you can have and how many homes you can have and how many yachts you can have. So when we hit a situation where so few have so much, it is not only a moral issue, it is also an economic issue.

A strong and growing middle class goes out, spends money, and creates jobs. Grossly unequal distribution of income and wealth creates more economic shrinkage and loss of jobs because people just don't have the disposable income to go out and buy and create jobs.

To add insult to injury in terms of this agreement negotiated by the President and Republicans, while the very wealthiest people became much wealthier and the deficit soared--and under President Bush the national debt almost doubled--what else happened? The tax rates for the very rich went down. The rich got richer; tax rates went down. This was a result not only of the tax breaks for the rich initiated during the Bush administration but also, quite frankly, tax policy that took place before President Bush. The result is that from 1992 to 2007, from the latest statistics we have, the effective Federal tax rate--what people really pay--for the top 400 income earners was cut almost in half. So these cry babies, these multimillionaires and billionaires, these people who are making out like bandits, they are crying and crying and crying, but the

The point that needs to be made is, when is enough enough? That is the essence of what we are talking about. Greed, in my view, is like a sickness. It is like an addiction. We know people who are on heroin. They can't stop. They destroy their lives. They need more and more heroin. There are people who can't stop smoking. They have problems with nicotine. They get addicted to cigarettes. It costs them their health. People have problems with food. We all have our share of addictions. But I would hope that these people who are worth hundreds of millions of dollars will look around them and say: There is something more important in life than the richest people becoming richer when we have the highest rate of childhood poverty in the industrialized world. Maybe they will understand that they are Americans, part of a great nation which is in trouble today. Maybe they have to go back to the Bible, whatever they believe in, and understand there is virtue in sharing, in reaching out; that you can't get it all.

I think this is an issue we have to stay on and stay on and stay on. This greed, this reckless, uncontrollable greed is almost like a disease which is hurting this country terribly. How can anybody be proud to say they are a multimillionaire and are getting a huge tax break and one-quarter of the kids in this country are on food stamps? How can one be proud of that? I don't know.

It is not only income, it is wealth. The top 1 percent owns more wealth than the bottom 90 percent. During the Bush years, the wealthiest 400 Americans saw their wealth increase by some \$400 billion. How much is enough?

All of these things are related to the agreement the President and Republicans worked out because we are all concerned about the national debt and deficit. In terms of the Federal budget, when President Bush first took office, he inherited a \$236 billion surplus in 2001 and a projected 10-year surplus of \$5.6 trillion. That is what Senator *Landrieu* was discussing. But then some things happened. We all know that 9/11 was not his fault, but what happened is, we went to war in Afghanistan. We went to war in Iraq. The war in Iraq was the fault of President Bush, something I certainly did not support, nor do I think most Americans supported. The war in Iraq, by the time our last veteran is taken care of, will probably end up costing us something like \$3 trillion, adding enormously to our national debt.

So when we talk about Iraq, it is not only the terrible loss of life that our soldiers and the Iraqi people have experienced, let's not forget what it has done to the deficit and the national debt. We did not pay for the war in Iraq. We just put it on the credit card.

President Bush gave out \$700 billion in tax cuts for the wealthiest 1 percent of Americans. Where was the offset? There was none. He gave them tax breaks. That is it. It adds to the national debt.

The President and Republicans supported a \$400 billion Medicare Part D prescription drug program. I have always believed we need a strong prescription drug program for seniors. But the program that was passed was written by the pharmaceutical industry, written by the insurance companies, and is nowhere near as cost-effective as it could be. As the President undoubtedly knows, we are not even negotiating prescription drug prices with the drug companies, a great expense and great cost to the American people, where drug prices are now much more expensive under Medicare Part D than they are in terms of what the Veterans' Administration or the Department of Defense purchases. So we passed that, unpaid for. Great idea. Just another \$400 billion prescription drug program unpaid for.

Then we bailed out Wall Street. The original cost was \$700 billion. A lot of that has been paid back, but there is expense there as well.

So we add all these things together, normal governmental growth, and it turns out that the Bush administration turned a \$236-billion-a-year surplus into a \$1.3-trillion-a-year deficit. More or less, that is where we are right now. In fact, the national debt nearly doubled under President Bush, going from \$5.7 trillion to \$10.6 trillion in 2009 and now we are at \$13.7 trillion, borrowing huge sums of money from China and other countries in order to maintain our existence. That is where we are.

Have we been seeing in recent years some improvements in the economy? We sure have. There has been some job growth. Nowhere near enough. But we are surely not losing 700,000 jobs a year. We are seeing some growth. But we need to do much better.

That takes me back to an issue I feel strongly about and one on which I want to say a few words. In this agreement the President negotiated with Republicans, there is a substantial sum of money going into various types of business tax breaks. The theory, which has certainly some validity, is that these business tax breaks will create jobs. The problem is that right now, businesses, the large corporations at least, are sitting on a

In saying this, I am not alone. I think most economists agree there is a far more effective way we can create jobs rather than just a number of tax breaks going to businesses. I touched on this point before. I want to get into a little bit more detail.

For this I am indebted to a very fine book written by an old friend of mine, Arianna Huffington. The title of her book is ``Third World America." She used that word because basically the theme of her book is, if we do not get our act together in terms of infrastructure, in terms of education, in terms of health care, that is where we are headed. We are headed in the direction of being a Third World nation.

She has an interesting chapter which deals with one very important part of what is going on in America, and that is the crumbling of our infrastructure. She writes:

From 1980 to 2005, the miles traveled by automobiles increased 94 percent--for trucks mileage increased 105 percent--yet there was only a 3.5 percent increase in highway lane miles.

More and more cars, more and more traveling. We are not building roads.

But you don't need these numbers to know that our roads are badly congested.

Anybody who lives around Washington knows our roads are congested. It takes hours to get to work sometimes.

You see it and experience it every day.

According to the American Society of Civil Engineers infrastructure report card--and this is where we should be investing, not tax breaks for the rich--Americans spend 4.2 billion hours a year stuck in traffic. Think about that, 4.2 billion hours a year stuck in traffic, at a cost of \$78 billion a year. Think about all of the pollution, all of the greenhouse gas emissions, all of the frustration, all of the anxiety, all of the road rage. People are stuck on roads because our transportation system is totally inadequate, our roads, our public transportation.

She then makes another interesting point. When we talk about automobile accidents, what do we usually think? We think somebody is driving recklessly, maybe they are drunk. Those are serious issues. But she writes: In studying car crashes across the country, the Transportation Construction Coalition determined that badly maintained or managed roads are responsible for \$217 billion a year in car crashes, far more than headline-grabbing, alcohol-related accidents or speed-related pileups.

In other words, if you want to know why we are seeing automobile crashes, the issue of bad roads is even more significant than drunk drivers or people who are reckless drivers. I can remember--I think everybody has the same story--I was driving on a road in Vermont, and, whoops, there was a huge pothole, and the car went into it. It cost a few hundred dollars to repair the car. So we are spending as a nation billions of dollars repairing our cars because our roads are not in good shape. When there is a traffic jam, people are emitting all kinds of greenhouse gas emissions. You are wasting gas. You are wasting money. If we invested in our transportation system, we could go a long way to addressing that.

When we talk about transportation--and, by the way, again, I bring this issue up because, in the bill agreed to by the President and the Republican leadership, to the best of my knowledge, not one penny--not one penny--is going into infrastructure, which, to me, does not make any sense at all.

Again, Arianna Huffington writes:

America's railway system is speeding down the tracks in reverse. It is one of the few technologies that has actually regressed over the past 80 years.

Regressed. I am not talking about China, where they are building all these high-speed rail lines. Our rail situation in terms of the amount of time it takes to go from location one to location two has actually gotten longer.

She writes:

Tom Vanderbilt of Slate.com--

Which is a very good Web site--

Can you imagine that? In the 1930s, 1940s, and 1950s, people were able to get on a train and get to their destination in less time than is the case today.

For instance, in 1934, the Burlington Zephyr would get you from Chicago to Denver--

From Chicago to Denver--

in around 13 hours. The same trip takes 18 hours today.

I do not know if the Presiding Office is familiar with the Burlington Zephyr, which is a train that goes from Chicago to Denver, but what this writer is pointing out is that in 1934 it took 13 hours to make that trip. Do you know how long it takes today? It takes 18 hours. So we are moving in the wrong direction.

I know in Vermont--I do not have any statistics right in front of me but I can tell you--I believe very strongly--it takes longer to get from the southern part of the State to the northern part of the State than it used to, and the frequency of the trips is less than they used to be.

The trip from Chicago to Minneapolis via the Olympian Hiawatha, in the 1950s, took about 4 1/2 hours. Today, via Amtrak's train, the journey takes more than 8 hours.

It used to be 4 1/2 . So in terms of our public transportation, not only are we neglecting, not only are we not moving forward, we are actually moving backwards.

At the moment, the only high-speed train in the United States is Amtrak's Acela, which travels the Washington, New York, Boston line.

And she writes:

And I use the term "high-speed" very loosely. While in theory the trains have a peak speed of 150 miles per hour, the average speed on that train is just about 71 miles per hour.

Once again, I read some statistics before, pointing out that China is building thousands and thousands of miles of high-speed rail. And here in the United States we are moving backwards. It is taking us a longer time for various train rides than used to be the case.

But it is not just trains. It is not just our roads. It is not just our bridges.

Well, it is also our bridges. Let me say a word on bridges. I think we all remember 4 years ago, I think it was, the terrible tragedy in the Minneapolis area, when one of their major bridges collapsed and a number of people lost their lives. That got the front-page headlines all over this country. I know in Vermont we closed down bridges. They are not safe to travel.

According to the Department of Transportation, 1 in 4 of America's bridges is either structurally deficient or functionally obsolete. The numbers are even worse when it comes to bridges in urban areas, where 1 in 3 bridges is deficient--no small matter given the high levels of passengers and freight traffic in our Nation's cities.

So a huge amount of traffic--in urban areas one in three bridges is deficient, and in rural areas such as Vermont, one in four.

How are these bridges going to be rebuilt? It is likely not going to be done by local and State governments that right now are experiencing enormous economic crises. If it is going to be done, it is going to have to be done here at the Federal level.

I have to say that in Vermont we saw some significant improvements as a result of the stimulus package. In fact, in Vermont, recently, we have put more money in rebuilding our roads and bridges with very good success. I think the people of Vermont see the difference. In the last couple years, directly as a result of the stimulus package, we have made significant improvements on a number of bridges but nowhere near enough.

The point I want to make is that with our infrastructure collapsing, with the American Society of Civil Engineers suggesting we need to spend \$2.2 trillion in the next 5 years just to maintain where we are, we have an agreement before us which puts zero dollars in infrastructure. According to this book:

Trust me, we are not coming anywhere near that right now.

But it is not just our roads. It is not just our public transportation. It is not just our bridges. When we talk about infrastructure, we also have to talk about dams.

On March 16, 2006, the Ka Loko Dam in Kilauea, Hawaii, collapsed, and seven people died when the Ka Loko Dam breached after weeks of heavy rain, sending 1.6 million tons of water downstream.

Dams are a vital part of America's infrastructure. They help provide for drinking, irrigation, and agriculture, and generate much needed power, and often offer protection from floods. Yet our dams are growing old. There are more than 85,000 dams in America, and the average age is 51 years. At the same time, more and more people are moving into developments located below dams that require significantly greater safety standards. But we have had a hard time keeping up with the increase in the so-called high-hazard dams. Indeed, we are falling further and further behind.

So the point here is, we have a major agreement. People are concerned about creating jobs. We are investing zero in our infrastructure, and dams are a very important part of our infrastructure, as are levees. And I suspect Senator *Landrieu*, who was here a little while ago, would have something to say about levees.

All right. So we are talking about an infrastructure which is collapsing. We are talking about China investing far more in terms of their GDP into infrastructure improvement than we are. We are talking about being in the midst of a major recession, where we desperately want to grow jobs, and yet this proposal does not add one cent into our infrastructure.

Now, again, I am going back to the very good book written by Arianna Huffington called ``Third World America.'' She writes:

As bad as America's sewers, roads, bridges, dams, and water power systems are, they pale in comparison to the crisis we are facing in our schools. I am not talking about the physical state of our dilapidated public school buildings, although the National Education Association estimates that it would take \$322 billion to bring America's school buildings into good repair.

I have been in schools in Vermont and elsewhere which were old and crumbling, and I have been in schools which are new and state of the art. I think anyone who has seen the contrast in terms of the attitude of the students in those types of schools will understand it is important to give these kids good places in which to learn and to grow. It means a lot to them when they see a building that is new that has state-of-the-art equipment, as opposed to one that is crumbling. It suggests to them what we as a society feel about them.

Arianna Huffington writes:

Nothing is quickening our descent into Third World status faster than our resounding failure to properly educate our children. This failure has profound consequences for our future, both at home and as we look to compete with the rest of the world in the global economy.

She writes:

Historically, education has been the great equalizer.

That is certainly the case.

That has been the incredible virtue of our public school system--

What we have taken as kids, who spent--my father did not graduate from high school. My mother did. That was it.

--and given millions of young people the opportunity to get a good education in school and be able to go to college and use their potential. The springboard to the middle class and beyond has been education. It was a promise we made to all of our people.

What we as a nation said is, regardless of your income, we are going to provide you with the best possible education in order to succeed in life. That is something extraordinary, that no matter what your income is, we are going to provide you with a great education. As a kid, I went to public schools, and I did have a very good education.

and Development--

That is the OECD--

the United States ranked 25th in math and 21st in science.

So 25th in math, 21st in science.

Even the top 10 percent of the American students--our best and brightest--ranked only 24th in the world in math literacy.

There was another study, I think probably just a more updated OECD study, that came out just the other day, reported in the New York Times, where kids in Shanghai were leading the world in these types of tests as compared to our own students. They are studied. They have better schools, better teachers, more investments in their education. And there is a culture there. There is a culture. It is not fair to blame the kids.

Does anyone seriously believe in the United States of America we take intellectual development seriously? I was reading today--I do not remember the guy's name, who it was--a basketball player or a baseball player just signing a contract for untold tens of millions of dollars. Yet you have teachers starting off at \$30,000, \$32,000. Is anyone going to suggest in a serious way we reward people who become childcare workers or teachers?

We have childcare workers taking care of little kids--which may be the most important job in our society because there is the brain development that takes place between zero and 3 that has a large part to do with what a human being becomes--people leaving early childhood education in order to move up the economic ladder and get a job at McDonald's because pay is so low, benefits are so low. What are we doing as a nation?

She writes:

A National Assessment of Educational Progress report found that just 33 percent of U.S. fourth graders and 32 percent eighth graders were proficient in reading.

Et cetera, et cetera, et cetera.

So I think her point is that if we are not going to become a Third World nation, we have to start investing in this country--in our physical infrastructure, in our human infrastructure, and in our educational infrastructure.

Let me give you some examples of what this means in real terms. Today, unemployment in our country--the official unemployment rate is 9.8 percent. For those without a high school diploma, it is 15.6 percent, compared to 5.6 percent for college graduates. Mr. President, 67 percent of high school graduates do not have enough of the skills required for success in college and the 21st century workforce.

As many as 170,000 high school graduates each year are prepared to go on to college but cannot afford that. Let me repeat that. About 170,000 young people in this country, who graduate high school, who want to go to college, are unable to do it because they cannot afford it.

Are we nuts? What are we doing in wasting the extraordinary intellectual potential of all of these young people?

What we are saying to them is because you don't have the money and because college is so expensive, and because our Federal Government is more busy giving tax breaks to billionaires and fighting two wars, we are not investing in you.

That makes no sense at all. When you invest in your kids, you are investing in the future of America. They are America. And if they are not well educated, how are they going to become productive members of society? How are we going to compete against China and Europe and other countries around the world that are investing in education?

Here is something we don't talk about enough: The fastest growing occupations are those that require higher levels of education and greater technical competency. So we have a problem--it is true in Vermont and it is true all over the country--which is we have jobs out there, good jobs, and those jobs cannot be filled because our young people don't have the job skills to fill them. How absurd is that?

sophisticated, high-tech jobs. They brought workers in and brought them in and brought them in, and they couldn't come up with the number of workers they needed to fill the jobs they had. What does that say about our educational system?

Data from Alliance for Excellent Education, 2009: 1,800 Vermont dropouts cost the State \$459 million of lost lifetime earnings for the State and \$19.4 million in health care costs. In other words, what everybody understands is if you don't invest in your young people, they are not going to become productive, tax-paying workers. As often as not, they will get involved in self-destructive activity--drugs, crime, whatever. They will end up in jail, and we end up spending tens of thousands of dollars keeping them in jail rather than seeing them out there as productive members of society contributing their fair share in taxes.

The Urban Institute says we can reduce child poverty--which I mentioned earlier is the highest in the industrialized world--by 35 percent if we provide childcare subsidies to families with income less than 50 percent of State median.

This is an issue I feel very strongly about. It is, to me, beyond comprehension that in Vermont and throughout this country, it is extremely difficult for working-class families to find affordable, good quality childcare. We are not back in the 1950s where daddy went to work and mommy stayed home taking care of the kids. Mom is at work as well. And we have families all over this country--middle-class, working-class families--saying, I cannot find quality childcare. We are uncomfortable leaving our 2-year-old or 3-year-old. We can't find childcare at a rate we can afford.

In this area, again, we are far behind many other countries around the world. Kids who do not get intellectually challenging early childhood education, kids who do not get the emotional support they need from zero to 3 to 4, will enter school already quite behind other kids. Then, 5 years later, 10 years later, they will be dropping out of school and they will be doing drugs and they will be ending up in jail at great expense. How long does it take us to understand that investing in our children, our youngest children, is enormously important for our country? It is a good investment. It is much better to invest in childcare than in keeping people locked up in jails.

Seventy-five percent of American youth who apply to the military are ineligible to serve because of low cognitive capacities, criminal records, or obesity. This is quite unbelievable. Now we are not only talking about not being able to compete internationally because we are not bringing forth the kind of educated people we need, because of the inadequacies of our schools and childcare and so forth--this almost becomes a national security issue, if you like. Seventy-five percent of American youth who apply to the military are ineligible to serve because of low cognitive capacities, criminal records, or obesity. It gives me no pride, no happiness, to bring forth these statistics. But as a nation, we are going to have to grasp these things. Either we can ignore these things, either we can run away from reality, put our heads underneath the carpet, or we can say we are not going to allow America to become a Third World nation, that we are going to turn this country around.

But we are not going to turn the country around unless we rethink our priorities. One of our priorities cannot be more tax breaks for the richest people in this country.

From the 1960s to 2006, the United States fell from first to 18th out of 24 industrialized nations in high school graduation rates. What happens in today's economy if a kid does not graduate high school? If my memory is correct, about 30 percent of our kids--and I know these figures are fuzzy because it is hard to determine who is dropping out and who is not, but my understanding is about 30 percent of our kids drop out of high school. What happens to those kids? Where do they go? How many of them end up in jail? How many of them do drugs? As a nation, I think we can do a lot better than that. We should not have gone from first to 18th out of 24 industrialized nations in high school graduation rates. Dropouts are eight times more likely to be incarcerated. In other words, when kids fail in school, they are going to end up in jail--eight times more likely. Eighty-two percent of those in prison are high school dropouts.

I will tell my colleagues a funny experience. I was in Burlington last week. I met this fellow. He came up and was chatting with me. He said, I just got out of jail. What struck me is he was a well educated young man. He was very articulate. I suspect he had gone to college. What struck me is how rare that is, as the statistics aptly demonstrate. The people who end up in jail overwhelmingly are high school dropouts, people who don't have the education to make it in the world.

When we talk about the need to substantially increase funding for early childhood education, we should understand that State-funded, pre-K programs currently serve 24 percent of 4-year-olds and 4 percent of

who don't need it and in some cases are not even asking for it. The younger the age of investment in human capital, the higher the rate of return on that investment. If society invests early enough, it can raise cognitive and socio-emotional levels and the health of disadvantaged kids. One doesn't need to be a psychologist to understand that. If kids get off to a good start in life, if they have the intellectual support, the intellectual development, and the emotional support, those kids are much more likely to do well in school, much less likely to drop out, much less likely to be a burden on society, much less likely to end up in jail, much less likely to do drugs, et cetera. This is an investment we should be making.

I wish to get back for a moment to the agreement the President made with the Republican leadership and why I think it is a bad agreement and why I believe we can do much better. The way we are going to improve this agreement is when millions of people all over this country say, wait a second. Wait a second. This was an agreement reached behind closed doors. There are Members in the House and the Senate who didn't know about the agreement. What about the average American out there? I wonder how many people believe it makes a lot of sense, with a \$13.7 trillion national debt, to be giving huge tax breaks to the wealthiest people in this country?

I have to tell my colleagues, the calls in my office are coming 98, 99 percent to 1 against these agreements. People think we can do better and our job is to do better. The way we do better is when people all over this country stand up and say, Wait a minute, Congress. Your job is to represent the middle class, to represent our kids, and not to represent the wealthiest people in this country.

I mentioned earlier, I think certainly one of the major objections to this agreement is that it provides tens of billions of dollars to the wealthiest people in this country at a time when the rich are already doing phenomenally well and at a time when the wealthiest people have already experienced huge tax breaks. I think most people think that does not make sense. Let me give an example, not to pick on particular individuals--that is not my goal--but so we know this.

According to the Citizens for Tax Justice, if the Bush tax breaks for the top 2 percent are extended, these are some of the people who will benefit and what kind of benefits they will receive: Rupert Murdoch, the CEO of News Corporation, would receive a \$1.3 million tax break next year. Mr. Murdoch is a billionaire. Do we really think he needs that? Jamie Dimon, the head of JPMorgan Chase, whose bank got a \$29 billion bailout from the Federal Reserve, will receive a \$1.1 million tax break. Trust me, Jamie Dimon, the head of JPMorgan Chase, is doing just fine. Vikram Pandit, the CEO of Citigroup, the bank that got a \$50 billion bailout, would receive \$785,000 in tax breaks. Ken Lewis, the former CEO of Bank of America--a bank that got a \$45 billion bailout--the guy is already fabulously wealthy--would receive a \$713,000 tax break. The CEO of Wells Fargo--these are the largest banks in America; the CEOs of these banks are already making huge compensation. John Stumpf, who is the CEO of Wells Fargo, would receive a \$318,000 tax break every single year. The CEO of Morgan Stanley, John Mack, whose bank got a \$10 billion bailout, would receive a \$926,000 a year tax break. The CEO of Aetna, Ronald Williams, would receive a tax break worth \$875,000.

I contrast that, as I did earlier, to the fact that 2 days ago, the Presiding Officer and I and a total of 53 Members of the Senate said, You know, maybe we should provide a \$250 check this year to seniors on Social Security and to disabled vets because they haven't gotten a COLA for 2 years--a \$250 check. People making \$14,000, \$15,000 a year desperately need a little bit of help. We couldn't get one Republican vote. But when it comes to the CEO of a major bank who is already a multimillionaire--we are talking about \$6 million, \$7 million, \$8 million a year in tax breaks--that is not what we should be doing as a nation.

Furthermore, I know President Obama and others have said, Well, let's not worry, because these tax breaks are just temporary--just temporary. They are only going to be given for 2 years. I have been in Washington long enough to know that when you give a temporary tax break for 2 years, you are, in fact, giving a long-term tax break or maybe even a permanent tax break. Because 2 years from now, the exact same arguments will be made: if you do away with those tax breaks for the rich, you are raising taxes. Do you want to raise taxes, a terrible thing to do? That same argument will be made.

But there is one difference. The difference is that when President Obama ran for President and since he has been President, he has time and time again come out against those tax breaks. He does not believe in them. I believe him, and I know that he doesn't. But if he is the Democratic candidate for President and he says: Reelect me to be President because in the future I am going to really get rid of these tax breaks, I am afraid his credibility is not very high because that is what he said last time. I guess there is a limit as to how many times you can cry wolf.

(Mr. LEVIN assumed the Chair.)

us back to the Bush-era nonsense of believing that tax breaks for the rich and trickle-down economics are going to help the middle-class and working families of this country.

While the personal income tax issue and extending them for the top 2 percent has received a lot of national attention, what has not gotten a whole lot of discussion is that that is not the only unfair and absurd tax proposal out there. The agreement struck between the President and the Republican leadership continues the Bush era 15 percent tax rate on capital gains and dividends, meaning those people who make their living off of their investments will continue to pay a substantially lower tax rate than firemen, teachers, and nurses. So if you are a wealthy person and you earn money from dividends--I believe the overwhelming majority of those capital gains accrue to the top 1 percent--you are going to be paying a tax on that income of 15 percent, which is less than you pay if you are a fireman, a police officer, a teacher, or a nurse. So what we are doing there is extending not only the personal income tax breaks for the very rich but a host of other taxes as well.

On top of all of that--and I know many of my colleagues have picked up on this and are extremely upset, and I think that is one of the reasons the Democrats in the House just yesterday said they don't want to bring this proposal to the floor for a vote--this agreement includes a horrendous proposal regarding the estate tax.

The estate tax is a proposal Teddy Roosevelt talked about in the year 1906. It was eventually enacted in 1916. Here is what Teddy Roosevelt said about this issue in August of 1906--and it is worth repeating this because what the proposal struck between the President and the Republican leadership does is lower the estate tax substantially. Here is what Teddy Roosevelt said in 1906:

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.

This is Teddy Roosevelt, who by then had served as President of the United States.

He continued:

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.

This guy was pretty prophetic back in 1910.

He continues:

The really big fortune, the swollen fortune, by the mere fact of its size acquires qualities which differentiated in kind as well as in degree from what is passed by men of relatively small means. Therefore, I believe in a graduated inheritance tax on big fortunes properly safeguarded against evasion and increasing rapidly in amount with the size of the estate.

Wow, Teddy Roosevelt hit the nail on the head. That was 100 years ago. He was worried that a small group of people with incredible money would be able to pass that money on, and what you would create would be an oligarchic form of government with a small number of people not just holding economic power but significant political power.

It is ironic that, right now, as a result of the disastrous Citizens United decision, what Roosevelt foretold, predicted, is exactly what is happening. You have a handful of billionaires now sitting around deciding how much of their fortune they are going to invest in political campaigns all over this country to defeat people like me who are opposed to their agenda and support other people who are in agreement with it. That is what Roosevelt talked about. That is exactly what is happening.

So what we are looking at in this proposal is a situation where the estate tax rate, which was 55 percent under President Clinton, will decline to 35 percent, with an exemption on the first \$5 million of an individual's estate, \$10 million per couple. Here is the important point that has to be made. I think a lot of people don't understand this. Certainly, our Republican friends have done a very good job in distorting reality on this one. There are millions of Americans who believe that when they die, their children will have to pay an estate tax. That is absolutely and categorically incorrect. As this chart shows, only a tiny fraction of estates from deaths in 2009 owed any estate tax. That number is about .24 percent. Less than three-tenths of 1 percent of American families paid any tax on the estates they were left. So 99.7 percent of American families did not pay one cent in estate taxes. That is the simple truth. The so-called death tax our Republican friends talk about a whole lot is the estate tax, and 99.7 percent of families don't pay a nickel on it. The people who do pay are not

Let me give you one example of the absurdity of lowering the tax rate or, even worse, ending the estate tax, as some of our Republican colleagues would like to do. Here is this chart. One example of what--well, this agreement doesn't do that; it lowers the rates. If they were to wipe it out completely, as Republicans want to do, Walmart owners, Sam Walton's family, the heirs to the Walmart fortune, which is worth--well, it may be more or less now, but it is about \$86 billion. One family is worth \$86 billion. They are doing pretty good. If we abolish the estate tax, as our Republican friends would have us do, the Walton family alone would receive an estimated \$32.7 billion tax break, if the estate tax was completely repealed--one family, \$32.7 billion. This is patently insane. This is insane. Insane.

We have the highest rate of childhood poverty in the industrialized world. We have massive unemployment. I am trying to get seniors--50-plus million people--a \$250 check, by the way, because we have not seen a COLA for the last 2 years for seniors and disabled vets. That would cost, in 1 year, about \$14 billion. The Walton family itself would get more than double in a tax break what some of us are fighting for for over 50 million seniors and disabled vets. We can't afford to give \$14 billion to help some of the people in this country who are struggling the hardest. We cannot do that, but somehow we can afford to give \$32.7 billion in tax breaks to one of the richest families in this country. If that makes sense to anybody, please call my office. It doesn't make sense to me, and I don't think it makes sense to the vast majority of the American people.

Under this agreement, the estate tax rate, which was 55 percent under President Clinton, will decline to 35 percent, with an exemption on the first \$5 million of an individual's estate, \$10 million for couples. Let's remember again that this tax applies only to the top three-tenths of 1 percent of the families in this country. This is not just a tax break for the rich; it is a tax break for the very, very rich.

Again, this agreement says we are only going to extend this for 2 years. Well, frankly, I doubt that very much. I suspect that 2 years from now the same argument will be made. They will be extending it. Frankly, our Republican colleagues, representing the richest people in the world, are hell-bent on abolishing the estate tax completely.

Those are some of the reasons I think we should be voting against this agreement.

Third--and this is an issue I have been talking about, and I am happy to hear there is more discussion about this in the last few days--is the so-called payroll tax holiday. What that is about is that this would cut \$120 billion in Social Security payroll tax for workers. On the surface, this sounds like a very good idea because the worker, instead of paying 6.2 percent into Social Security, pays 4.2 percent. If you think about it for 2 seconds, you really understand that it is not a good idea because this is money being diverted from the Social Security trust fund.

Social Security, in my view, has been the most successful Federal program in perhaps the history of our country. In the last 75 years, whether in good or bad times, Social Security has paid out every nickel owed to every eligible American. Today, Social Security has a \$2.6 trillion surplus. Today, Social Security can pay out benefits for the next 29 years. Our goal, and what we must do, is make sure we extend it beyond 29 years, for the next 75 years. Well, if we divert \$120 billion from the Social Security trust fund and give it to workers today, what you are doing is cutting back the viability--the long-term viability--of Social Security.

That is not just Bernie Sanders raising this issue. There are many people representing millions of senior citizens who are deeply concerned about this proposal--this provision in the agreement between the President and the Republican leadership.

The National Committee to Preserve Social Security and Medicare is one of the very largest senior groups in America. They do a very good job. We have many seniors in Vermont who are members of this organization. Their job is to do what the title of the organization suggests, which is to preserve Social Security and Medicare. Just the other day, they sent out a news release, and the title of the news release was ``Cutting Contributions to Social Security Signals the Beginning of the End; Payroll Tax Holiday is Anything But."'

Let me quote from Barbara Kennelly, a former member of Congress, who is the president and CEO of the National Committee to Preserve Social Security and Medicare.

Even though Social Security contributed nothing to the current economic crisis, it has been bartered in a deal that provides deficit-busting tax cuts for the wealthy. Diverting \$120 billion in Social Security contributions for a so-called tax holiday may sound like a good deal for workers now, but it is bad business for the program that a majority of middle-class seniors will rely upon in the future.

Mr. President, I think many of us should understand where this concept originated. This is not a progressive idea. This is an idea that came from Republicans and conservatives who want to end Social Security. I want to read an interesting quote from a gentleman named Bruce Bartlett. Mr. Bartlett was a former top adviser to Presidents Reagan and George H.W. Bush. This is what he wrote in opposition to this payroll tax cut.

What are the odds that Republicans will ever allow this 1-year tax holiday to expire? They wrote the Bush tax cuts with explicit expiration dates. Then, when it came time for the law they wrote to take effect, exactly as they wrote it, they said any failure to extend them permanently would constitute the biggest tax increase in history.

So what Mr. Bartlett is saying--and I will go back to his quote in a second--is what we all know to be true; that around here, in Congress, if you provide a tax break for 1 year--in this case a payroll tax holiday--a year from now, if you restore the old rates--which are 6.2 percent--our Republican friends are going to say Democrats are raising your taxes. It ``ain't" gonna happen.

NEXT