

which was unfinished business from the Bush Presidency. This important legislation funds Government for the rest of the fiscal year and provides funds to help meet the needs of the American people. This success has come when Democrats and Republicans have put politics aside to find common ground.

This week, we will return to consideration of a package of more than 160 public land bills, as I mentioned earlier, that will protect our environment and natural resources for generations to come. This lands package has been called, by editorial writers all over the country, the most significant environmental legislation in more than a quarter of a century.

Chairman BINGAMAN and Senator MURKOWSKI did an outstanding job of working together in the committee. The Senate followed their example by approving the bill earlier this year by a strong bipartisan majority of 73 votes. As we near the finish line on this legislation, I hope Senators from both parties will continue to follow the bipartisan example set by Senators BINGAMAN and MURKOWSKI by once again voting to pass this legislation.

We will also vote on several nominees to President Obama's administration. We hope to do it in the next few days. As our new President attempts to overcome the enormous burdens he inherited from the previous administration, it is critical that we help him succeed by providing him with all the tools, staff, and expertise he needs.

Starting this week, Members will begin to discuss President Obama's budget for the 2010 fiscal year.

Less than 2 months into his term, President Obama has already taken bold and necessary steps to begin the long climb out of the deep ditch that was left to him by the previous administration's fiscal policies. We have begun to take the necessary steps to get our economy back on track, save and create jobs, restore confidence in the markets, and help families keep their homes. President Obama's budget will build on those near-term investments by laying the groundwork for a longer term path back to broad prosperity for all Americans.

The President's budget is built on the promise that no matter how difficult our immediate challenge, we have to keep focused on the future. We will do that by investing in health care, education, and a cleaner more affordable energy policy, while providing tax relief and helping middle-class Americans afford to purchase and stay in their homes.

These are some of the most serious issues we have ever faced, and we face them together. We must all realize that. As we move forward, we have a choice to make. Those who are opposed can try to block us or they can work with us to accomplish the critical needs of the American people. I am confident it will be the latter.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

A THREATENING BUDGET

Mr. MCCONNELL. Mr. President, Americans are beginning to get a sense of what the administration's budget means to them. I think it is fair to say that most of them are worried that it spends too much, it taxes too much, and it borrows too much.

At a moment when the economy is already seriously challenged, when more people every day are struggling just to make ends meet, and when the national debt is already staggeringly high, Americans were hoping for relief. Instead, they got a budget that threatens the biggest tax hike in history, record spending, and massive debt. This budget literally shocked a lot of people. Spending in this budget is so massive that some estimate more than 250,000 Government workers will be needed to spend it all.

This is consistent with the approach the administration and the Democratically controlled Congress have taken since the beginning of the year. In just 50 days since Inauguration Day, the Democratically controlled Congress voted to spend \$1.2 trillion, which works out to \$24 billion a day or \$1 billion an hour—most of it borrowed—and we are doing this all, of course, in the midst of a recession.

People across the country are understandably nervous about this kind of spending which won't create the jobs that are promised and which will cause further tax hikes in the future to pay for all the borrowing.

Today, I wish to focus on the tax portion of the budget, the various tax hikes the administration, of course, will need in an attempt to cover the budget's \$3.6 trillion price tag.

The administration says that 95 percent of Americans will not see a tax increase under this budget plan. Well, Americans might not see an immediate increase in their income taxes, but there is more than one way, as they say, to skin a cat, and there is more than one way for Government to take money out of your pocket. I will mention just three that the administration has proposed.

First, there is the proposed new energy tax which would tax everyone who uses energy, which, of course, is 100 percent of the population.

The administration estimates that its cap-and-trade proposal would raise about \$650 billion from gas and electric companies and other businesses. The first thing to note about this tax is that no one, not even administration officials, thinks this figure is even close to the amount that will actually be raised, and no one, not even administration officials, believes that every cent of it won't be passed along to con-

sumers. The President himself said during the campaign that his cap-and-trade plan would cause utility rates to "skyrocket." This is President Obama himself who indicated during the campaign that he thought utility rates under his plan would skyrocket. More recently, OMB Director Orszag publicly reaffirmed the administration's view that cap and trade would increase energy taxes for everyone. This means that anybody who turns on a lightbulb will feel the pain. How bad will it be? Well, researchers at MIT were a little more specific than the President and Mr. Orszag. These researchers at MIT predicted that the proposal would cost the average American household \$3,128 a year. Now, this is the average American household under this budget and the energy taxes it will levy: \$3,128 per household.

Most of the utilities and manufacturers that take a direct hit from the energy tax are big businesses, but what about the small businesses which account for nearly three-fourths of all new private sector jobs? Well, there is a tax for them too. Thanks to an income tax hike on anyone earning more than \$200,000 a year, many will see their taxes go up significantly. Think of a general contractor, a family restaurant, a startup technology firm. These are the engines of our economy. They are struggling now. They will struggle even more once these tax hikes go into effect.

Businesses with 20 or more employees get hit particularly hard. These businesses account for two-thirds of the small business workforce. The President's budget includes a tax increase on more than half of those businesses.

It is an iron rule of economics that taxes influence the decisions of those who are taxed. And businesses that have less income as a result of higher taxes are likely to do three things: cut jobs, put off buying new or better equipment, and take fewer risks. The real-world consequences of those decisions are immense: more jobs lost, less innovation, fewer new products, and lower salaries for employees, almost all of whom are probably making less than \$200,000 a year.

Hundreds of thousands of Americans are losing their jobs every month. Millions fear losing their homes. In response, the administration has promised in this budget a tax hike on the Nation's biggest job creators. These businesses are shedding workers already. Higher taxes will force them to shed even more.

I understand the administration's desire to make good on its promise of reforms. Most Americans understand that reforms are needed in health care, education, energy, and other areas. But they want the administration to fix the crisis in the financial sector first. Until we devote our full attention to that crisis, all other recovery efforts will be in danger of coming undone. With the highest unemployment rate in 25 years, Americans simply don't see the sense in raising taxes on small business.

Americans from all walks of life—and both political parties—are worried about something else in the budget. They don't understand why charitable organizations and the people they serve should suffer in order to pay for new or expanded Government programs. Yet in an attempt to pay for all of its spending proposals, the Obama budget reduces the deductions for charitable donations.

At a time of economic distress, when more people than ever depend on these organizations, the administration's budget reduces the incentive for people to donate to them. This will affect donations everywhere, from the Salvation Army to the Juvenile Diabetes Research Association, to educational nonprofits such as universities and art museums. According to one study, this proposal can lead to \$9 billion less in charitable giving each year.

The proposal on charitable giving appears to follow the European model, where people rely on the state to support cultural institutions. In Europe, people rely on the State to support cultural institutions, but nonprofits across our country are mobilizing against the idea and for good reason: people who give money to these institutions should not be penalized for it, and charities and nonprofits themselves certainly should not be expected to subsidize the administration's policy dreams.

These are hard times. Why make them even harder? That is the question a lot of people who have seen this budget are beginning to ask. They are looking at the highest tax increase ever, higher taxes on small business, a proposal that would divert billions of dollars away from the Nation's charities, and a light-switch tax that will touch every single American, and they see a lot more hardship. These tax hikes are precisely the wrong prescription at a time of already serious economic distress.

The budget plan has a number of fatal flaws. But in the midst of a financial crisis, American workers don't need another reason to fear they will lose their jobs, small business owners shouldn't be further discouraged from investing, and the Nation's charities should not have to fear that even less money will come in. This budget doesn't just spend and borrow too much, it taxes too much.

AIG BONUSES

Mr. McCONNELL. Mr. President, regarding the AIG bonuses, it is hard to overstate the outrage that I and others experienced over the weekend to learn that AIG, which already has received nearly \$175 billion from the American taxpayer, is planning to hand out \$165 million in bonuses to its employees. This is absolutely appalling, and it is particularly disturbing given the fact that I sent a letter to Secretary Paulson more than 5 months ago insisting that if taxpayers were going to

help private businesses, then the Treasury would need to use its "full enforcement powers to prevent any misuse of taxpayer funds."

The administration needs to get the message from the taxpayers on this issue. Going forward, the American people need to have complete certainty that taxpayer money is not wasted in this particular manner again. It is my hope the administration will continue to press AIG on these bonuses and that it will pursue any and all lawful means of recovering these payments to the very people who were responsible for creating this mess in the first place.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SESSIONS. I thank the Chair.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period of morning business until 3 p.m., with Senators permitted to speak therein for up to 10 minutes each.

The Senator from Alabama is recognized.

AIG BONUSES

Mr. SESSIONS. Mr. President, the bonuses for thousands of employees at AIG, that huge insurance company to which the Government, the taxpayers of the United States, have shoveled \$170 billion into to keep that company afloat, makes me recall an old maxim. The Sessions maxim I call it—announced about 20 years ago when I was a Federal prosecutor attempting to faithfully enforce complex Federal regulations. I stated this:

Oh, what a tangled web we create when first we start to regulate.

The more we proceed with policies whereby the Government owns 80 percent of the stock of a private insurance company—or any company—especially after we poured \$170 billion in to buy that stock—the more we are inevitably compelled to direct how the company operates, to the point of deciding whom their executives should be. We basically picked Mr. Liddy, the chief executive—plus what the company's salary scale should be or what aircraft it can or cannot have or where and what kind of corporate retreat they might have or whether they can pay bonuses.

The size of our investment—"investment" is an absurd term when used to describe the reckless, gargantuan commitment of our citizens' money to AIG puts us, the American people into the

insurance business. Not long ago, I had occasion to meet an official of a healthy insurance company. In jest, I asked him—it is not one of the biggest in the country, but it is a sizable company with broad reach. I asked him how he liked competing with a company supported by the deep pockets of the taxpayers. He replied it wasn't a joke—AIG was their top competitor in several economic or insurance markets. At bottom, we extract tax money from this businessman to keep afloat his reckless competitor. The size of this commitment cannot and should not be lost on us. The entire Alabama State budget—we are about one-fiftieth of the national population, a State well and frugally run by our Governor, Bob Riley—including the State education budget for all the schools and all the teachers—thousands of schools—amounts to about \$7 billion a year. So how big is the \$170 billion we put into AIG? It is big.

The entire Federal highway budget, for our interstate system and all the pork projects that get added to the highway bill, and the billions we send to the States for their highway programs, since they are on an 80/20, 90/10 matched basis, with the majority Federal Government money, is \$40 billion a year. So that \$170 billion is a lot of money.

But here we are, and similar to that unwise banker, we face the dilemma: Do we pour more good money in to revive this corpse in a desperate effort to recoup our improvident "investment"?

It is not an investment because no rational investor would ever have invested this kind of money in this company. The bullet was already in its heart. It was a dead duck. Only the Government would have put in the kind of money we put into it.

So the facts are now becoming clear about some of the problems that go along with being in the private insurance business. The New York Times and the Washington Post have produced certain facts, with front-page stories yesterday, which, having read them, caused me indignation and provoked me to write these remarks for which I ask you to forgive me for delivering. But it makes me feel a bit better.

What was the purpose of this \$170 billion? The Washington Post said yesterday that it was to "keep the company afloat."

Treasury Secretary Geithner has had a "difficult" conversation, according to the papers, with AIG's leader, Mr. Edward M. Liddy, about Mr. Liddy's plan to award \$165 million in bonuses. Mr. Liddy says he finds that awarding the bonuses is "distasteful."

I am glad to hear him say that. But then he says they are required under previous contracts entered into before he came to AIG or was put there by Secretary Paulson, President Bush's Secretary of the Treasury.

As an aside, let me recall that had this matter been handled in the regular