



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 111th CONGRESS, FIRST SESSION

Vol. 155

WASHINGTON, THURSDAY, MARCH 19, 2009

No. 48

Senate

The Senate met at 9:31 a.m. and was called to order by the Honorable EDWARD E. KAUFMAN, a Senator from the State of Delaware.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Almighty God, in whose keeping are the destinies of people and nations, endure with Your wisdom our fallible minds that we may do Your will. Lord, give our Senators the greatness of soul that they will use the keys of their power to open doors of peace and righteousness for our Nation and world. As they seek to make good decisions, strengthen them with the assurance that in life's supreme tests, You will guide them. Give them the grace of quietness and confidence that in simple trust and deeper reverence they may reap a bountiful harvest. May they be found steadfast, abounding in Your work, knowing that because of You their labor is not in vain.

We pray in the Name that is above every name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable EDWARD E. KAUFMAN led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD.)

The bill clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 19, 2009.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby

appoint the Honorable EDWARD E. KAUFMAN, a Senator from the State of Delaware, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. KAUFMAN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

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

SCHEDULE

Mr. REID. Mr. President, following leader remarks the Senate will be in a period of morning business for 1 hour. Senators will be permitted to speak for up to 10 minutes each up to that period of time. The majority will control the first 30 minutes, and Republicans will control the final 30 minutes.

Upon the conclusion of morning business, the Senate will resume consideration of H.R. 146. We will vote in relation to the remaining three Coburn amendments around 11 a.m. today and on passage of the bill shortly thereafter.

At 2 o'clock this afternoon, the Senate will turn to executive session to consider the nomination of Elena Kagan to be Solicitor General of the United States. The agreement reached last night provides for up to 6 hours for debate prior to a vote on her confirmation. We anticipate the vote could occur in the 4:30 to 6 p.m. range. It is doubtful that all 6 hours will be needed for debate on the Solicitor General.

RECOGNITION OF THE MINORITY LEADER

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

AIG

Mr. McCONNELL. Mr. President, Americans want answers about how bonuses were handed out at AIG, how it happened, and how to make sure it never happens again.

The President said last night that he wants to make sure we don't find ourselves in this situation again, and I couldn't agree more. He pledged to do everything possible to fix the situation, and certainly we all appreciate that. He has said his administration will ensure that if they provide further assistance, they will renegotiate these types of preexisting contracts. That is good.

I was encouraged to read this morning that some senior executive officers at AIG have agreed to return their bonuses to the taxpayers, including the largest bonus. That is the right thing to do, and it is a clear sign that the taxpayers' voices have been heard. But for now, taxpayers are still looking for an answer to the question of how all of this happened so we can make sure their hard-earned pay isn't wasted in the future.

THE BUDGET

Mr. McCONNELL. Mr. President, Americans are focused on a number of important issues at the moment relating to the economy and to the administration's response to it, but it would be a mistake in the midst of all of these immediate concerns to take our eye off the administration's long-term economic plan as outlined in its budget. The American people already have an idea that this budget spends too much, it taxes too much, and it borrows too much, particularly in the midst of a severe recession. They are also concerned about the staggering number of things the administration is trying to do. Still, it is important to look closely at the details of the administration's long-term budget plan so people have an idea of what is coming.

- This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



Printed on recycled paper.

Over the past 2 weeks, Republicans have discussed the spending side of the budget and some of the massive new taxes the budget calls for on energy use and on small businesses. Today, I wish to briefly discuss another element of the tax plan, and that is the proposal to limit the benefit taxpayers receive for making charitable donations to nonprofits and charitable organizations.

Let's be clear about something from the outset. This is not something only Republicans oppose. This proposal has been met with wide bipartisan opposition in Congress and widespread criticism from the many thousands of organizations that would be adversely affected by it. With a challenged economy already causing endowments at colleges and universities, charities, museums, and other nonprofits to shrivel up, the last thing America's nonprofit organizations expected was for the administration to introduce yet another disincentive to charitable giving, and many of them, including many of them from the opposite ends of the political spectrum, are uniting in strong opposition to the administration's proposal. One reason: According to a February survey in the Chronicle of Higher Education, college and university endowments lost more than 20 percent of their value in a recent 5-month period, largely as a result of the plunging stock market. The administration's proposal is a bad one, frankly, at any time, but now is the worst time of all.

Earlier this week, I received a letter on this very proposal from the president of Western Kentucky University in Bowling Green. He said the university has worked hard over the past year to increase its support from charitable gifts and that they have had a lot of success doing that. He also noted that WKU is in the middle of a major annual fundraising campaign to increase opportunities for students and that 95 percent of the total will come from the generosity of fewer than 500 donors.

The message was clear: The importance of major gifts to Western Kentucky University and to thousands of other colleges and universities across the country is impossible to overstate, and disincentivizing those gifts would strike a serious blow to every one of these institutions—every single one of them.

There is another important aspect of this issue, and it is one President Ransdell at WKU pointed out in his letter. Americans are known the world over for their generosity. That generosity was encouraged by the creation of the charitable gift deduction in the early part of the last century, and that deduction is one of the reasons that last year Americans gave more than \$300 billion to charitable causes—that was back in 2007—and roughly 75 percent of those donations—or \$229 billion—came from individuals. I will say that again: 75 percent of the \$300 billion given to charitable causes in 2007,

which is \$229 billion, came from individuals. One of the things Americans are most proud of is that no other industrialized nation in the world gives more to charity than the United States. It is not even close. As a share of our GDP, Americans give more than twice as much as Britain and 10 times more than France. Seven out of ten American households donate to charities, supporting a wide range of religious, educational, cultural, health care, and environmental goals. This is something to be proud of. It is uniquely American. It is not something we want to discourage.

So Americans from all walks of life and both political parties are worried about this proposal. They don't understand why charitable organizations and the people they serve should suffer in order to pay for new or expanded Government programs. According to one study, this proposal could lead to \$9 billion less in charitable giving each year. That is less money for places such as Western Kentucky University, the Juvenile Diabetes Foundation, hospitals, churches, food pantries, and countless other causes that are quite worthy of our support. These organizations are hurting enough. The administration doesn't need to hit them up for more tax revenue while they are down, and it doesn't need to blunt one of the things Americans are most proud of; that is, of course, our generosity.

The following quote attributed to President Kennedy sums up the way most Americans feel about this issue, and it captures my own sentiments as well. This is what he had to say:

The raising of extraordinarily large sums of money, given voluntarily and freely by millions of our fellow Americans, is a unique American tradition . . . Philanthropy, charity, giving voluntarily and freely . . . call it what you like, but it is truly a jewel of an American tradition.

Charities provide a valuable public service to society's most vulnerable citizens. Now more than ever, these organizations need our help. This plan to disincentivize charitable giving is absolutely wrong. Many of us on both sides of the aisle will be working hard to make sure it doesn't become law. Congress should preserve the full deduction for charitable donations and actually look for additional ways to encourage charitable giving, not discourage it.

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

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

The bill clerk proceeded to call the roll.

Mrs. MURRAY. 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.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period of morning business for up to 1 hour, with Senators permitted to speak therein for up to 10 minutes each, with the time equally divided and controlled between the two leaders, or their designees, with the majority controlling the first half and the Republicans controlling the second half.

The Senator from Washington is recognized.

(The remarks of Mrs. MURRAY pertaining to the introduction of S. 638 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mrs. MURRAY. I yield the floor, and I reserve the remainder of the time on our side.

The ACTING PRESIDENT pro tempore. The Senator from Wyoming is recognized.

THE BUDGET

Mr. ENZI. Mr. President, this morning I want to address the budget a little bit, and to all Americans, I want to be clear: I want to work with the President to get our economy back on track. I want to fix housing, reform the financial markets, and help every citizen get access to high-quality, affordable health care. I want our President to succeed in leading our Nation out of this economic crisis.

But I draw the line with President Obama's idea of raising taxes. He may think it is a great idea to raise taxes in the midst of a recession, but I surely don't. The President's proposed tax increase is a whopper—\$1.4 trillion in new taxes, which is equal to the annual economic output of all of Spain.

Despite the White House rhetoric, these taxes will hit all Americans. No one is spared. This budget raises taxes on energy. If you drive a car or heat your home, your taxes are going to go up.

This budget raises taxes on small business. More than half of small businesses that employ between 20 and 500 employees—that is the Federal definition of "small business," 20 and 500 employees—will see their tax bills rise and jobs eliminated.

This budget raises taxes on senior citizens who are dependent on dividend and capital gains income for retirement income.

This budget raises taxes on charitable contributions. Just the announcement that it will happen, we have already seen decreasing charitable contributions. Of course, a lot of those charitable contributions are ones that come from these small business employers who have single proprietorships or small business corporations where they have to pay their taxes right away, even though they have to put all that money back into the company. I will talk about that later.