

for many years on base closing and realignment.

I might remind my colleagues, that BRAC process, while creating consternation across the country, has now saved us \$60 billion. We have had several places in Kansas that have been closed in that BRAC process, but we have also had consolidation of troops and operations at, say, Fort Riley that have gained by that, and we have an economy and we have a better aligned military.

This is the same process. It is only on spending, it isn't on taxes, and it is applied now to the full breadth of the government, discretionary and mandatory spending. So it is everything included within a BRAC process. It is a supermajority within the commission itself. Six of eight members must sign on to it, so you cannot get it just gamed one way or the other. It is a simple majority once it gets to the body; it is under the privileged motion. It isn't a 60-vote point of order, it is a 50-plus-1 vote to be able to get it on through this body, and a majority in the House.

This is a tried-and-true practice. It doesn't include tax increases, and my other colleagues are putting forward a commission process as well that does include tax increases which a number of people have a great deal of difficulty with and certainly people across the country have difficulty with. This is not the time nor the economy for us to be talking about tax increases. We have been pounding away at that for a long period of time, but clearly people are saying: No new tax increases. I think they certainly would say that prior to us going through our own spending. There is nothing that prevents this body from passing a tax increase. We can pass it at any point in time. But I think, to have any validity, you would have to go through the Federal spending first and say: Let's cut the spending before we even look at the tax increase side of this equation. That is what this does. This looks at the spending piece of the equation, not at the tax piece of the equation. We owe that to the American public. If there is going to be any credibility of saying we need to raise taxes, which I don't think we need to, but if there were to be any credibility, you would have to first go through Federal spending and say: We have cleaned out everything we can.

I, frankly, believe there are a number of Federal agencies that could take a major reduction and that we could end up with better government.

I want to point this chart out to you. This is a report card that the Federal Government does on itself on the effectiveness of its programs given the design they were based on in the Congress. The OMB does this. They do this on an annual basis. They take different agencies each year and rate them for total effectiveness of that program. And you can see we have a couple of agencies here. We have a 100-point scorecard. The best one is the State

Department which gets a 79.47 grade average. We have the Education Department at 49.91. We have the Labor Department at 58.14, of an average grade score of the programs reviewed within that agency, within Labor, 35, within Education, 93.

My point in saying that is that my guess is that within the 35 programs, we can find quite a few there that actually should be eliminated, that are not hitting the target, that are not getting the job done.

This is the process we went through with military bases. For instance, in my State, we had a munitions plant that was closed down near Parsons, KS, and we had a munitions plant near the Kansas City area that was closed. These plants were providing services. They were doing legitimate functions for the military. But the military said: We can consolidate this in one place and save money and close these plants down, and then we will turn the land back over to private and public entities. That is what is taking place. We have done that across the country, creating a more efficient military installation process. It had a negative impact on a couple of my communities, but now we are kind of dealing with those issues and working hard on them. But we have a better structured military. What if we did that in the rest of the Federal Government? And we clearly should do that at this point in time. We are looking at a Federal deficit, a government-run Federal deficit of \$1.472 trillion—116 percent greater than the 12-month period ending December 31, 2008.

I have asked my colleagues to consider this amendment in the Federal debt limit ceiling, for us to go back to this process that has already passed this body in budget votes before, but we have never been able to get a vote that would take it all the way through the system. So my colleagues are very familiar with this process. It has worked. Let me repeat that. It has worked before for us. It will work again. We are not building from scratch. We already have some scorecards. And we have to start taking care of this. This is the legacy we are leaving our grandkids—deficits that are running in huge quantities.

The first thing to do in a deficit is—if you are digging a hole, you have to stop digging—stop spending, stop spending in the wasteful areas. There is nothing that drives my constituents more crazy than wasteful government spending. People look at that, and it is just mind-boggling to them. This is a legitimate process to get at wasteful spending in a process we have approved before, and it is clearly time for us to do it.

With this sea of red ink, anybody in this body who has been a Governor has looked at these sorts of issues and said: OK, first, where can we cut our spending? And you would look at that. This does that process. The CARFA project and the CARFA bill and the CARFA

structure go at spending first, and that is the first place you would look, and you would certainly look there before you would look toward any tax increases. I think this is something whose time has come and this is something this body really should support.

I would also point out that the route we are going right now, with massive increases in spending and sharp drops in revenues—you talk about bending cost curves down, let's bend this cost curve down on spending by the Federal Government. That is what CARFA can do in a bipartisan, fair process, not just one side or the other saying, cut here, cut there. It is looking at all of the Federal Government, and it is then putting it in a process where we make recommendations—the commission makes recommendations on spending first. Address spending first. That is clearly what our constituents want us to do. They want us to look at spending. That is not a partisan statement, that is what the public wants us to do, and to get at the wasteful pieces of it first.

So I would urge my colleagues, in this bill—I hope we are going to be able to get this up as a piece of it, an amendment, the CARFA bill that has been voted on previously, and that we will have a chance for people to say: Yes, let's go at spending, let's go at spending.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

ACCELERATING THE INCOME TAX BENEFITS FOR CHARITABLE CASH CONTRIBUTIONS FOR THE RELIEF OF VICTIMS OF THE EARTHQUAKE IN HAITI

Mr. BAUCUS. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 4462, an act to accelerate the income tax benefits for charitable cash contributions for the relief of victims of the earthquake in Haiti, received from the House and at the desk.

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

The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 4462) to accelerate the income tax benefits for charitable cash contributions for the relief of victims of the earthquake in Haiti.

Mr. BAUCUS. I ask unanimous consent that the bill be read three times, passed, and the motion to reconsider be laid upon the table; that any statements related to the bill be printed in the RECORD.

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

The bill (H.R. 4462) was ordered to a third reading, was read the third time, and passed.

Mr. BAUCUS. Madam President, I am glad we passed the bill here now—it already passed the House—to help all of those Americans who find the tragedy in Haiti so wrenching and want to help.

Americans are trying to help in lots of ways. Some are taking orphans into their homes.

I have worked, as an example, in the last several days with many churches and organizations, including especially the Catholic Relief Society, to just help in any way we possibly can. But there are other Americans who just want to help with financial contributions. So this bill enables many people—in my home State of Montana, many people have contacted me to say: MAX, what can we do to help? And this is essentially an effort to help people who want to help, so they can get a deduction on their 2009 tax returns if that deduction is made between basically the date of the earthquake, January 11, and March 1. So any contributions made during this period will be tax-deductible on 2009 income tax returns.

I am happy to work on a bipartisan basis with Senator GRASSLEY, my counterpart on the Finance Committee, and he and I worked to get this put together, as well as the two Senators from Florida—both political parties. They very much care about this, and I know all Senators do. But I give particular thanks to those Senators who have been very helpful to get this put together and get it passed without any rancor.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

INCREASING THE STATUTORY LIMIT ON THE PUBLIC DEBT—Continued

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

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

AMENDMENT NO. 3302

Mr. KYL. Madam President, I wish to talk a little bit this afternoon about the amendment which Senators CONRAD and GREGG have proposed and which we will be voting on next week. Both of these Senators are very well versed, as the chairman and ranking member of the Budget Committee, in fiscal policy and in the types of reforms everyone is looking for to get a handle on the deficit and the debt this country is facing. So it is with some trepidation that I oppose an amendment the two of them would offer.

I hasten to say that both are respected Members of this body who approach problems with principle in mind, and in this particular case, having talked to Senator GREGG, I know the idea that only by working across the aisle with each other and compromising can we hope to deal with the most vexing problem that seems to face this body; that is, how to deal with the problem of deficit and debt.

Having acknowledged their good will, however, I have to respectfully dis-

agree with the approach they take in their commission. I do it for basically three reasons.

First, I have never found either the House or the Senate in a position where they were anxious to cut spending and thereby save taxpayer money. I have, on the other hand, seen an effort to raise taxes every time we seem to get into a deficit situation. It seems it is always easier to gather in more taxpayer money than it is to stop spending money they have already sent us. The problem with that is, it is no longer money they have sent us, it is money we have borrowed from other people such as China, for example. That borrowing has costs, foreign policy costs as well as interest costs. We eventually have to pay it back. Because we have borrowed so much, the Chinese are saying we better be careful about how much we have borrowed, and they will have to increase interest rates. There is a point at which you cannot be a great nation by being in debt to all the folks around the world.

It is not as if we haven't collected enough taxes. We are now at something akin to 23 or 24 percent of our gross domestic product on Federal spending. It used to be 18.5 percent or so. It is clear, therefore, it is not tax revenues that are the problem. It is spending that has gotten out of control. We know that from all these statistics a lot of us have been talking about relative to the budget last year and the debt ceiling that needs to be raised presumably next week. We wouldn't have to raise the debt ceiling by almost \$2 trillion if we had been more restrained in our spending.

To put it in perspective, before I move on to the next point, the President's budget last year called for more debt in the 5-year period of that budget than all the debt that had been accumulated by every President of the United States from George Washington through George Bush. Think about that for a moment. In 220 years of history, take all the debt, including World War I, World War II, the Civil War, pile it all up, and this one budget included more debt than that. We double the debt in 5 years, triple it in 10 years. That is not responsible. And it is not for a lack of Federal revenues. It is not because we are not taxing the American people enough. It is because we are spending too much. The American people believe that. They understand it. I think it is one of the messages from the Massachusetts election.

When you have a commission that can make recommendations to the Congress that we have to, in effect, abide by, that permit either an increase in taxes or a reduction in spending to solve the problem, it is pretty clear to me which direction we will end up going. We don't have the courage to reduce spending so we increase taxes.

Second, our rules are premised on a fallacy. Unfortunately, I believe it will drive the commission because of this fallacy. The fallacy is, all the money in

the country belongs to the U.S. Government and, therefore, if we reduce taxes somewhere, we have to make up that reduction in tax revenues somewhere else, either by raising taxes somewhere else or cutting spending. Of course, we never cut spending. So the idea is you have to raise taxes somewhere. If I want to give the American people a tax break by reducing their taxes, I should have the right to do that. Congress should be making the rules. We should have the right to say: We are going to reduce your tax burden. But under existing rules, unless you have 60 votes for a permanent change such as that—and even then it is difficult because of our scoring rules—any revenue that is lost because of an action we take in reducing taxes has to be made up somewhere else in some other way. It has to be offset.

What that generally means is, since we don't find ways to cut spending around here very often, you raise taxes over here to make up for the tax revenue lost over here. If I want to reduce the capital gains tax by 5 percent, for example, or to give a real-life example, I want to reduce the estate tax—and Senator LINCOLN and I want to do that—I can't do that without "paying for it." We just want to reduce the estate tax so that people when they die, their heirs will not have to pay as much estate tax. No, you can't do it. You have to make up the revenue that you would lose. It is one of the reasons why we don't cut taxes around here very much. Because it is hard to find offsetting revenue that is acceptable to people.

To carry this a little further, Senator LINCOLN and I would simply like to repeal the estate tax. That is not going to happen. So we have agreed to a compromise in which we would have a \$5 million unified credit; that is to say, that is the amount that is exempt from the tax and that is per spouse in a family. It would be indexed for inflation and then anything that remains above that in the estate would be taxed at the rate of 35 percent. That costs a certain amount of money, according to the budget scorers. I am not sure how much. Let's say \$80 billion. We have to figure out a way to pay for that. So the question is, Is there some other place where we can raise revenue? Ordinarily, raising revenue means raising taxes. We don't want to do that. So we are relegated to the kind of political games, such as maybe phasing it in over time, because it doesn't cost as much if you bring the rates down over time, where you gradually increase the unified credit over time. That is how we got to the crazy situation we are at today, where we had the rate go down over a period of 9 years and then this year it went to zero. But next year it goes right back up to 55 percent. So the rules we have around here create crazy policy. Yet we are stuck with it.

I am afraid a commission that has the ability to both make tax revenue increase recommendations as well as