

I think the first response to a default would be a rise in the interest rates we have to pay for our debt.

I would urge progress on the efforts to have a comprehensive solution.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. KIRK. Mr. President, I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. The Senate is in morning business. The Senator is recognized.

#### LINCOLN LEGACY INFRASTRUCTURE DEVELOPMENT ACT

Mr. KIRK. Mr. President, beyond the debt limit extension, which has rightly consumed the attention of this body, we face another challenge—the funding for our roads, airports, and railroads.

Our best estimate is that current needs would total \$225 billion annually, but revenue from the main source of funding for these programs, the gasoline tax, only totaled \$90 billion.

The law requires balance in the transportation trust fund. So how would we respond? There are basically three major options.

Option 1: Let funding fall. This would be a catastrophe, especially for the construction industry, where already in Illinois upwards of 30 percent of construction workers are without work.

Option 2: Increase the gas tax. But that is one of the most regressive taxes that hits the working poor harder than almost any other citizen in our country. The slowdown in our economy as a result of a gas tax increase would probably cause unemployment to go up and could jeopardize our extremely fragile recovery.

There is a third option, but before I describe that, let me ask a question. Arguably, what is the third biggest thing that the Lincoln administration was known for? First would be the emancipation proclamation. Second would be the victory in the Civil War. What is No. 3? I argue that it was the 1862 Transcontinental Railway Act—an act that, in 1862, when the Lincoln administration was borrowing as much money as it could from as many creditors as possible to fund the expansion of the Union Army, with credit already stretching to the limit—and does this sound familiar—the Lincoln administration launched the largest infrastructure development program in the history of the United States. We built a 2,000-mile railroad in only 6 years, and created 7,000 American towns. We did it with only \$50 million in appropriations.

How did we fund the rest? The answer is that this was the ultimate public-private partnership. I am particularly worried that in this Congress—especially as it considers a transportation bill next year—we have forgotten our own economic legacy, especially from the time that we built one of the largest infrastructure development projects in history.

To recall, the Federal Government granted 20 square miles in alternating sections on either side of the railroad for every mile of track they laid for those railroads. The railroads were also granted timber, stone, and mineral rights on this land. In addition, for every mile of track they laid, the railroads were authorized to issue a set amount of bonds—loans they received—which interest payments were backed by the Federal Government. This guarantee allowed 30-year bonds to be issued at a low rate of 6 percent. This was one of the largest development projects in the history of the United States. That is why it is an example for how we respond to our transportation needs today.

When we look at our own economic legacy and look at the funding shortfall for new roads, airports, and rail, I think we should recover that legacy to respond to the challenge for next year. That is why I have introduced the Lincoln Legacy Infrastructure Development Act.

This legislation removes a number of Federal restrictions on public-private partnerships, providing States greater flexibility to generate transportation revenues and enhanced access to private capital for road, rail, aviation, transit, and port infrastructure. Under the Lincoln Legacy Infrastructure Development Act, we could mobilize over \$100 billion for new infrastructure investment.

Specifically, this legislation lifts caps on cost recovery programs for highways; it incentivizes partnerships in transit; it removes barriers to airport privatization; it increases resources for the Transportation Infrastructure Finance and Innovation Act, sometimes called TIFIA; and it makes improvements to the Railroad Rehabilitation and Improvement Financing Program, which are backed by the U.S. High Speed Rail Association and the American High Speed Rail Association.

The legislation also stands on the premise that the taxpayer should be protected in these types of arrangements. Indiana showed us what a properly structured deal should look like. Governor Mitch Daniels reaped a windfall from the 2006 lease of the Indiana toll road that netted his State \$3.8 billion for new transportation upgrades. Most of the money has now been reinvested in highway projects throughout his State, but leaders shrewdly placed \$500 million in an interest-bearing account to fund future road projects. This is one of the many reasons why the Indiana economy has grown at twice the rate of the Illinois economy.

We have seen public-private partnerships take off not only in our own country, where they were invented, but in other countries, especially British Columbia and Australia, where they have authorized \$30 billion for transportation infrastructure—almost 20 percent of their total, using this innovative financing means.

In these times of deficit and debt, we could let America grind to a halt, we

could raise taxes and sock it to the working poor, we could slow down our economy with a new government burden, or we could recall our own economic legacy, written by Abraham Lincoln's administration itself, to use public-private partnerships as a way of growing jobs and incomes in the United States, without increasing taxes.

I urge this body to review this legislation as we come up with a new transportation bill, and to see it as a way to improve jobs, income, and our infrastructure—which is so critical to the crossroads of the Nation, Illinois—and do it in a way that doesn't hurt our economy or the working poor.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

#### THE DEBT CEILING

Mr. LEVIN. Mr. President, we must raise the debt ceiling, period. This is not an opinion, it is a fact. The consequences of failing to act are simply too catastrophic to consider any other course. Negotiations are underway now to seek an agreement to raise the debt ceiling as part of a larger agreement on deficit reduction. But there is a major obstacle to agreement: a refusal on the part of the Republican leadership to compromise, a refusal to understand that sacrifice must be shared.

The sacrifice, they say, must come from middle America—those struggling to pay for a college education or for health care for their kids or for long-term care for their parents. The Republican leader demands that this sacrifice be made by the middle class in order to protect the Bush tax cuts and other tax breaks for the wealthiest among us—despite the huge and growing gap in the distribution of income in our country between the wealthy and the middle class.

One example of the kind of tax breaks and tax loopholes that we Democrats seek to change is the unconscionable tax break given to hedge fund managers. Hedge fund managers generally make their money by charging their clients two fees. First, the manager receives a management fee, typically equal to 2 percent of the assets invested. Second, the manager typically receives 20 percent of the income from those investments above a certain level. This 20-percent share of the investment returns from hedge funds is known as “carried interest.” Under current law, most hedge fund managers claim that this carried interest qualifies as a long-term capital gain, currently subject to a maximum tax rate of 15 percent, rather than being taxed as ordinary income, currently subject to a maximum tax rate of 35 percent.

But a moment's analysis shows that this money is ordinary income by any fair definition and should be treated that way. The 20-percent fee is not capital gains, because it applies not to capital that the hedge fund manager

has invested, but to the payment he receives for investing capital that other people provide. Pretending that the 20-percent fee is capital gains when, in fact, it is payment for a service is an "Alice in Wonderland" argument that elevates fiction over fact.

We Democrats seek to end this fiction. We are ready to call carried interest what it is—ordinary taxable income. Recognizing carried interest for what it is would increase tax fairness for working Americans who pay their fair share of taxes. They have the right to expect that the wealthy do the same. It would reduce the deficit—if we did this—by an estimated \$21 billion over the next 10 years.

Republicans seek to protect this loophole. They say the income of investment managers is at risk from year to year and, therefore, deserving of a lower tax rate. Well, ask the factory worker, who just saw his or her job move overseas; ask the store clerk, who saw his employer close because of the damage from the financial crisis; ask the part-time worker, whose hours and earnings go up and down from week to week—ask all of them just how much risk working Americans face right now.

Republicans say taxing this income as ordinary income would discourage investment in job creation, and that is absurd. The people who are actually risking their capital—investors in these funds—will continue to see their profits taxed at the lower capital gains rate. The issue in this case is income that these managers receive for serving their clients. If you are a hedge fund manager, your job is to manage a hedge fund. The income you receive for that job is no different than the income a waitress receives for waiting tables, or a janitor receives for scrubbing floors. The idea that the income of millionaire fund managers should be taxed at a lower rate than that of their staff or other workers is an absurdity.

This nonsensical loophole is deeply unfair at a time when working families are struggling, while the wealthiest among us continue to prosper greatly. Recent decades have seen a massive and growing prosperity gap between ordinary Americans and the wealthy. How wide has that gap become? In 1980, the top 1 percent of American earners took home about 10 percent of our Nation's total income. A few decades later, that figure had increased to 24 percent of our Nation's total income. That is just the wealthiest 1 percent that now have over 20 percent of our total income. It is hard to argue that properly taxing their income will impose great hardship on investment fund managers, who have done awfully well in recent years.

How well have those investment fund managers done? According to a survey by a magazine covering the hedge fund industry, the top 25 hedge fund managers earned \$22.7 billion last year. The two managers who topped the list earned \$80 billion each—that is billion

with a "B." The typical American household earned perhaps \$60,000 or \$62,000 in 2008. Those hedge fund managers earned in about 4 minutes what it took a typical working family a year to earn. Yet they paid drastically lower rates on those massive incomes than the low-wage worker who cleaned their office. The Republicans would protect these unconscionable tax breaks while, at the same time, wanting to cut programs that provide an education for our kids and provide health care for our seniors.

It gets worse. Adding insult to injury, Republicans are protecting another tax loophole—one that many of these hedge fund managers, by the way, use to avoid taxes entirely. This loophole allows corporations and wealthy individuals to take income earned here in the United States and shift it to overseas tax havens, dodging U.S. taxes that they rightly owe.

I have long sought to end this abuse, because these offshore tax havens increase the tax burden on those who pay the taxes they owe. In the last Congress, I introduced the Stop Tax Haven Abuse Act, which would seek to recover tax revenue now lost to offshore tax dodging.

Ending this loophole is significant if we seek to properly tax the income of hedge fund managers. At one hearing of the Permanent Subcommittee on Investigations, which I chair, three well-known hedge funds that claim to be based in the Cayman Islands admitted under questioning that they did not have a single employee in the Cayman Islands. Closing the offshore loophole would make our effort to equitably tax carried interest all the more effective, by shutting off a major avenue that hedge funds and other investment funds use to dodge taxes.

Democrats have rightly proposed addressing the carried interest loophole and offshore tax havens and other unfair tax loopholes as part of a balanced deficit reduction strategy. We believe it is grossly unfair to cut programs that help young Americans get a college education or help train working Americans for new jobs in order to protect tax loopholes that benefit the wealthiest Americans.

The Republican response? To walk out of negotiations and say they will not accept any deficit reduction package if it includes revenue measures.

Mr. President, what is the time situation?

The PRESIDING OFFICER (Mr. FRANKEN). The Senator has 30 seconds remaining.

Mr. LEVIN. If there is no other Senator waiting, I ask unanimous consent to be permitted to continue for 3 additional minutes.

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

Mr. LEVIN. I thank the Presiding Officer.

What the Republicans have done is to walk out of negotiations and say they will not accept any deficit reduction

package if it includes revenue measures. So let's call this what it is. If Republicans refuse to consider compromise solutions, they are threatening all of us, the whole country, with economic catastrophe in order to protect the sky-high income of millionaire hedge fund managers and offshore tax avoiders. Those are two of the loopholes—two of many loopholes—we have identified that should be closed that Republicans refuse to consider closing. So what they are doing—and we should make no mistake about this—is holding the well-being of all Americans hostage to the tax breaks of a wealthy few.

We all agree we must act to reduce the deficit. We have acknowledged, as Democrats, the need for spending cuts, even painful cuts to programs we support. That is why I am so troubled by the utter refusal of the Republicans to consider even modest compromises in the direction of new revenue.

There is an overwhelming consensus among budget experts that we cannot achieve serious deficit reduction with spending cuts alone. There is an overwhelming consensus among economists that drastic cuts in Federal outlays will threaten our economic recovery—just as such cuts have throttled recovery in other nations. And despite the fantasies of some in Congress, it is abundantly clear a failure to raise the debt ceiling would do incalculable harm to the recovery and to our standing in the world. Drawing lines in the sand, as the Republicans have done, and refusing to compromise by walking out, has no place in the situation we face.

I urge the Republican leadership to abandon their uncompromising positions, to embrace solutions to the deficit and recognize that we all must sacrifice to address the deficit problem. The well-being of all of us, of all Americans, should not be held captive in the service of the most fortunate few.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. DURBIN. Mr. President, if people have been following the debate on the Senate floor this afternoon, they understand it is focused almost exclusively on the Federal budget deficit and what we are going to do about it. It is a legitimate and timely question, because we are now in negotiations at the highest levels—between the President and the leaders in the House and Senate—to try to find some way through our impasse.

The challenge is to find a way to reduce America's deficit and, at the end of the day, to extend our debt ceiling. The debt ceiling has a deadline of August 2. We have never in our history

failed to extend our debt ceiling. To fail to do so would be the equivalent of defaulting on a mortgage payment. And, of course, we all know the consequences to any homeowner or family if that occurs. You understand your credit rating is not going to be the best after you have defaulted. The same thing would be true with America. You also may find the next time you need a mortgage that particular bank may not want to lend to you again. The same thing is true with America. It has a negative impact on your lifestyle. All of a sudden you are in a suspect class and it isn't as easy to borrow money to buy a car or to make some other purchase.

That is the risk we are running at the highest possible level when it comes to this debt ceiling vote on August 2. We have never—underline the word never—defaulted on a debt ceiling extension in the history of the United States of America. That is the reason why the securities and bonds and stocks that are sold in this country enjoy a financial reputation better than most of the world. The United States is powerful, big, and trustworthy. We are going to lose that last word—trustworthy—if we default on the debt ceiling. That is what we face on August 2.

There is a group in town here called the Bipartisan Policy Center, and they have kind of spelled out in specific terms what it would mean if we end up in default, and it is pretty grim. I have some charts here that talk about what we would face if we defaulted on the debt ceiling extension on August 2.

The revenues for the month of August if we default will be \$12 billion in the United States, and the bills due on August 3 will be \$32 billion. The first day we will be \$20 billion in the red, which means choices will have to be made if we fail to extend the debt ceiling. And they are hard choices. Let's take a look at some of those choices we would have to face if we didn't have enough money to pay our bills.

Which of these don't get paid if Congress doesn't raise the debt ceiling? Social Security? Medicare/Medicaid? Veterans' benefits? Those firms that are supporting our war in Iraq and Afghanistan? IRS refunds to individuals and businesses? All of these would have to be brought into question, because we cannot pay them all if we fail to extend the debt ceiling.

This bipartisan policy center said, Let's consider one of the options. Let's protect the biggest programs. Let's pay interest on America's debt so we don't have any further default. Let's of course pay Social Security; elderly folks, many of them, have no other source of income. We had better pay Medicare and Medicaid, because hospitals and doctors across America are taking care of sick people who are elderly and poor. We had better pay those defense firms, because if they withdraw their services it can endanger our troops. And we had better pay un-

employment compensation, because for these families there is no other source of income. So if we pay those, the ones I just listed, we would be unable to pay the salaries of those in active military service. We would be unable to pay veterans' benefits. We would be unable to keep the courts open or pay the FBI. We couldn't provide the money for education—that would be Pell grants, college student loans—and virtually everything else in government. What would everything else include? Air traffic controllers, the guards at Federal prisons.

If you think what I am describing here is just a scare tactic, it is not. It is the reality of what happens when you default, and it is a reality that is being ignored by many on the other side of the aisle.

In fact, a fringe publication called the Washington Examiner, which is a very conservative Republican publication, today said: Don't worry about it. Default on the debt ceiling. We can figure out a way through this.

Well, I am sorry, but the reality of the choices facing us is that if we choose not to extend the debt ceiling, then we are going to have nothing but terrible choices.

Here is another scenario, if you thought the first one was stark. Let's assume that we want to protect the most vulnerable in America where, in the month of August, we have \$170 billion in income and \$300 billion in bills. So we pay interest on the debt, Social Security, Medicare/Medicaid, veterans, food stamps, housing for people who are poor, unemployment benefits, and education for the kids. Unpaid would be the defense firms again, those men and women serving in our military, even those in combat, the FBI, the courts, and everything else in government. The options are grim and real.

I have heard my colleagues on the Republican side come to the floor today, and they are upset. They are upset at a speech given by the President yesterday. Well, the President understands the gravity of the decision that is before us. The President has urged Members of Congress to get busy and help to solve the problem. I think he has a right to be upset, to some extent, and impatient.

It was 2 weeks ago that we had a negotiation underway with Vice President BIDEN, a bipartisan negotiation, Democrats and Republicans from the House and Senate. It fell apart when Congressman CANTOR, ERIC CANTOR, the House Republican leader, walked out and announced publicly, I am no longer part of this conversation. I think we have to stop this negotiation, this bipartisan negotiation. I am handing it over to the Speaker of the House JOHN BOEHNER. He can talk to the President.

That, to me, was the height of irresponsibility. If you are given a responsibility to sit in those sessions to try to spare the United States from this terrible outcome, picking up your mar-

bles and going home is not a good option, even if you hand it over to your boss, the Speaker of the House. What it did was to break down those bipartisan negotiations. What we thought might lead to a solution has fallen apart when the House Republican leader walked out. Now the President is trying to pick up the pieces and put it back together and move us toward a solution, and if he was impatient about it yesterday, he has a right to be.

One of the very serious problems we face is if we want to deal with this deficit in real terms, make a real impact on it, we have got to have more bipartisan cooperation. That is a cliché around here, but it is a fact.

I was on the President's Deficit Commission, the Bowles-Simpson Commission. I sat there for almost 10 months, and I listened to everything. I tried to learn as best I could what we were facing, and at the end of the day I voted for the Commission report. Eleven out of 18 of us did, a bipartisan report. It was tough and it wasn't easy, and there were parts of it that I hated as a Democrat. Yet I knew that if we were going to solve this problem, there was no other way to do it. We had to say to those on the Republican side of the aisle, you have to step up with us and find ways to bring revenue to our government.

Today we are bringing in 14 percent of our gross domestic product in Federal revenue, Federal tax receipts. Gross domestic product is the sum total of our economy, all the production of goods and services; 14 percent of it comes in in Federal revenue, 24 percent goes out in Federal payments, spending. That 10-percent difference equals the annual deficit.

Ten years ago, we were in balance. When President William Jefferson Clinton left office, the Federal budget was balanced, 10 years ago. At that moment in time, the net national debt of the United States of America, from George Washington through William Jefferson Clinton's 8 years, was \$5 trillion.

Eight years later, when President George W. Bush left office, the national debt had grown from \$5 trillion to \$11 trillion, more than doubled in an 8-year period of time. You ask yourself, how could that happen in 8 years that we would fall so deeply into debt? There are three basic reasons it happened:

We fought two wars and we didn't pay for them. So the expense of those wars was added directly to our national debt. The President's economic theory was: The best way to move the economy was for us to give tax breaks to the wealthiest people in America, and he did it in the midst of a war, something no President had ever done, which directly added to the debt, and he signed into law programs that weren't paid for, expensive programs. So we ended up with an \$11 trillion debt facing the new President, then President Obama, being sworn in and a failed economic policy with hundreds of thousands of Americans out of work

and losing jobs by the day. That is what the President inherited.

He has tried to right the ship and move us forward, and it has been hard and it has been slow and it has been frustrating. I think he has done his best, and I think he has done a good job at it.

First, he put in a stimulus package of about \$800 billion. As the Presiding Officer here knows, 40 percent of that was tax cuts, tax cuts to the families across America to help them out of the recession. Another 25 percent of it went to building roads and bridges and highways and high-speed rail, infrastructure that will serve America for generations. The remainder of that went into helping State and local governments get through difficult times. We sent extra money to States because we knew a lot of people were out of work. They would need unemployment checks, they would need help to pay their hospital bills. We put that money into a stimulus package to stop what was a hemorrhaging in this economy, and I think it worked to slow down the decline. It did not turn it around as quickly as we liked.

Then last December the President said, on a bipartisan basis I will agree with the Republicans to extend all tax cuts for everybody, highest income to lowest income, and extend unemployment benefit payments. We passed that as well.

The President has tried, and we are coming forward out of the recession ever so slowly. Now we run the very risk of not extending the debt ceiling and plunging ourselves back into a recession even worse than where we started. So is the President impatient? You bet he is. Impatient to the point where he invited Congress to maybe come to work next week.

Many of us had felt we could spend a few days back home. I was going to spend the time after the 4th of July traveling around my State. It is a big State; but I guess it is clear now that my job is to be here, and I will be, along with other Members.

The House will be in session. We are in a strange period of time here where the House of Representatives comes and goes even when the Senate is in session, so we kind of see each other in passing. Well, we will both be together next week, and I hope we will stay here and get this job done. The House is scheduled to go into another recess July 17 to 23, and I certainly hope they don't do that. They had better stay in town. Let's get this done before August 2.

We have a serious problem facing us with job creation in this country. There is no question about it. I think we can move forward as long as we understand some basics.

The key to creating jobs in America is an expanding positive economy. It is a feeling by people in this country and around the world that we are moving forward. And, sadly, people are not going to get that feeling unless we get

our act together in Washington. It means Democrats and Republicans working together.

I have tried for about 5 or 6 months now with a bipartisan group of Senators to come up with a way to do this; and, unfortunately, one of the Republican Senators from Oklahoma walked away from that conversation as well. But we still have a job ahead of us, and it is one that we ought to face.

I sincerely believe that the Bowles-Simpson Commission is the right paradigm, the right direction for us in terms of where our Nation and our budget should go. It calls for some changes many Democrats will find painful and changes Republicans will have to struggle to accept as well, but those are the changes that will be needed.

If we fail to include revenue in this discussion about reducing the debt, if it is just spending cuts, it can only go so far. If we include revenue, we can talk about a much bigger package of deficit reduction, much more credible, with a more positive impact.

During the course of the last 2 days, we have tried to identify on the floor some parts of the Tax Code that can be changed to save money for our economy. Each year, our Tax Code, that body of laws relating to taxes in America, provides deductions and credits and exclusions and special treatment that spares individuals and companies from paying \$1.1 trillion in taxes each year. It includes such things as the employers exclusion of health insurance premiums, mortgage interest deductions, charitable deductions, State and local tax payments. All of these things and many others are included in that Tax Code. It is rare that we open that Tax Code and ask the question, Is this needed?

In the last few days we have come to the floor and talked to the tax subsidies and tax breaks that aren't needed that, frankly, have to be sacrificed in order to get this economy back on its feet. We talked about one that is incredible. In the first quarter of this year, ExxonMobil declared profits of \$10 billion, one of the most profitable quarters in the history of American business, and we as taxpayers continue to subsidize ExxonMobil. Why? They are doing quite well. And remember the last time you filled your tank with gas? It doesn't look as though they are sparing us when it comes to raising the price of a gallon of gas. So I think that subsidy should go. Subsidies to the oil and gas companies at this moment in history are unacceptable. We have a thriving profitable industry that does not need a Federal tax crutch.

Take a look at some of the others we have talked about as well. Do you know we provide tax subsidies for American businesses that want to ship their jobs overseas? We call it deferral of income. It is one of the most expensive parts of the Tax Code. It says if you want to move your business overseas and produce overseas and generate

a profit, you can hang on to that money. You don't have to pay taxes on it. We defer the payment of taxes. There is a tax break for a company that has decided to pick up and leave America and go someplace else. Why? Why would we create a tax incentive to do that? If a company decides that is the way to make a profit, so be it. I am sorry they would be leaving America, but for goodness sake, they shouldn't expect us and we shouldn't volunteer to subsidize that decision that costs good-paying jobs in our country.

There are a variety of other smaller tax subsidies, those we have to raise questions about. That is for sure. Tax subsidies for people who are lucky enough to own a yacht? We want to give them a tax subsidy? Or people who are lucky enough to own a jet plane? People who are lucky enough to have thoroughbred horses? Most of the winners who stand at the winner's circle of these race don't look like regular working stiffs. They look like folks who are doing pretty well in life. Why is the Tax Code subsidizing that particular industry? I think it is a valuable and important question.

Why don't we put these things on the table? Why don't we ask ourselves whether, at a time of deficit, when we need to not only reduce spending but come up with revenue, that there are some things we can no longer afford under our Tax Code?

Bowles-Simpson went a step further and said, If you start making substantial changes and reducing the tax expenditures, deductions, and credits, you can actually reduce marginal income tax rates for individuals and businesses. I think that is a valuable thing to look at. We don't have to eliminate everything in the Tax Code, but making substantial changes could result in a fairer, more comprehensive tax system.

Let me say one other thing that I think is guiding me in this debate and I think you as well. I think about an America, a nation of values that has always said we have got to care for the most vulnerable people in our country. Some of these people, through no fault of their own, were born with physical and mental shortcomings and limitations. Some of them are dealing with illnesses that we wouldn't wish on anyone. Many come from an impoverished background and are struggling to make do with the basics in life. I feel, at the end of the day, we can make this economy move forward, and we can do it in a sensible and humane way. We can protect the basic safety net. One of the elements in that safety net is Medicaid.

Yesterday, I had a meeting with some people I respect very much. They came in to see me. They represented the heads of children's hospitals from all over the United States, even from your State. My family has relied on those children's hospitals in Washington, DC, and in Chicago and other places, and thank goodness they are

there. I do not know of a more caring, competent profession in America.

More than most hospitals, children's hospitals bring in patients on Medicaid. These are patients who are not from families who are wealthy, they are not from families who have private health insurance policies—no, by and large, they are the poorest families.

One-third of the children in America are covered by Medicaid. That is where they get their health care. If we talk about cutting back on Medicaid, this program for low-income and disabled people, those children will be unfortunate victims in that budget discussion. Also, a large part of Medicaid goes for elderly people who have spent their life savings and are living their last years in nursing homes and convalescent centers. Medicaid pays that. Cutbacks in Medicaid run the real risk of pushing those people out of quality care into lower quality care or the streets.

Is that what America is all about? Would we preserve a tax break for a person who owns thoroughbred horses and then say that unfortunately that elderly lady has to leave the nursing home she has been in? Would we preserve a tax break for someone who owns a yacht and say that unfortunately we will not be able to cover the cost of a needed surgery for a poor child at a children's hospital in Chicago.

If that sounds like an exaggeration, it is not. That is what this debate comes to—whether we want to defend tax breaks for the well-off people in America at the expense of the most vulnerable. We are better than that, and most well-off people whom I know—and I have friends who are doing very well in life—would not be afraid to pay a little bit more in taxes to make sure America continues to move forward. They feel blessed to be part of this country and blessed to be successful in this country, and they do not resent the suggestion that they need to pay a little more when times are difficult. They are certainly prepared to sacrifice.

Some come to the floor here and think it is an outrage to ask oil companies not to take a subsidy in their most profitable year. They think it is an outrage to ask the most wealthy people in America to give up a tax break on a jet they happen to own and use for personal purposes or business purposes. I don't think that is what America is about, and I don't think that is what we should be about.

Let's come together in a bipartisan fashion and make the spending cuts which need to be made, both on the defense side and the nondefense side, and then deal with revenue sources, either making certain that those in the highest income categories are paying their fair share of taxes or at least do not receive the current tax subsidies that are going their way, and let's deal with the reality of this budget deficit.

Time is a-wasting. If we wait until August 1 to get this done, it may be too

late. At some point, if we are not careful, 30 bond dealers somewhere in the United States or some other country may start this ball rolling before we do. If they do, questioning the credit reputation of the United States of America, interest rates will start moving up and we will not be able to move fast enough to stop it. That is why the President was impatient yesterday. That is why we should be in session this next week. And that is why we need to start rolling up our sleeves and stop walking out of meetings on budget negotiations and stay in the room until we get the job done.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant bill clerk proceeded to call the roll.

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

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

Mr. LAUTENBERG. Mr. President, I want to be sure where we are now. Are we in morning business at this point in time?

The PRESIDING OFFICER. Yes.

Mr. LAUTENBERG. Mr. President, I ask that only so I have some recognition of what the time availability is. I do not plan to take too long.

The PRESIDING OFFICER. There are 10-minute grants.

Mr. LAUTENBERG. Mr. President, I wonder what the American public thinks about when they see an empty Chamber, hear mutterings about class warfare. What puzzles me is, which class is making war against which class and where are the casualties? As we look around, I ask the question, Are we picking on the poor rich folk, those with abundant wealth, those who earn over \$1 million a year, those who have been fortunate enough to have been able to bring their talent, their ability, to the world's most important stage? Are they immune from taking a bit part on the stage of human concerns once in a while because they are being asked to make an extra contribution to the well-being of our country? I don't think so. I don't think so. I am one of those who are fortunate and feel lucky enough to succeed because of a government action. Few of us—certainly not me—who served in the military achieved the status of a hero like our friend, DAN INOUE, who sacrificed so greatly for his country and has the highest medal awarded for bravery America can give. But because I did my duty, I was serious about it, and I served overseas, I was rewarded with the GI bill to pay my college education and even given a little stipend with that. It turned my life around. It enabled me to be one of three founders of a company called ADP, a company employing 45,000 people.

Our parents were poor. We worried about meals on the table. We couldn't afford the right kind of clothing. We couldn't afford a bicycle that my moth-

er bought me for my birthday. My father argued about whether it had to be taken back because it was \$1 a week and we couldn't afford it.

Mr. President, 45,000 people. ADP is one of America's most successful companies. I don't want to dwell on this, but it's one of the companies with the longest growth record in profits, 10 percent each and every year, for 42 years in a row—42 years in a row. A kid from the back of the candy store.

So I look at our country, and I look at what it is we are trying to do, and it is hard to figure out. What happened? Why are we looking at these drastic cuts in programs that can help people? Why are we not engaged in ways to help people, to continue to provide help and assistance to help them get along in life and to be prepared to take over the leadership of the future.

Are our friends on the Republican side willing to end Medicare as we know it, decimating one of the most successful programs in the history of our country? They are willing to unravel the very fabric of our Nation and critical services that helped families struggling to give their kids a decent education, good health, a future, a job opportunity? What is it they want to take away with these cuts?

I can tell you, as a businessman for a long time—30 years before I got here—I am accustomed to looking at business sheets and financial statements. And one doesn't have to be an accountant or executive to understand that on a financial statement there are two parts, two significant parts: one is expenses, costs; the other is revenues. Revenues is the income you have to get in order to be able to afford to pay the expenses. If all you want to do is just cut expenses, then you are cutting the sinew and the flesh and there is not much left.

Here is what ought to happen—we should be saying to those who are the wealthiest: living with wealth is a pleasure, but that doesn't mean you don't have an obligation to the country and to have to do something a little different. Instead, they are making the wealthy wealthier, the most privileged more privileged than they have been, and that is true.

When you look at the big oil companies pocketing \$4 billion a year each and every year, those are tax breaks that are unconscionable. But when you look at this—and I think about a period of time when I was growing up, and I look at a time during the war, World War II, and we had a program called the Excess Profits Tax. We said those companies are making so much money, they have to do their share and be helpful to the country at large and to make certain they pay some share of what the country is going through.

I just checked because I wanted to be sure. To date we have lost 4,400 Americans to the war in Iraq. We have lost over 1,600 to the war in Afghanistan. Those are homes that are without a son, a daughter, a brother, a father at

home. Where is the sacrifice on the part of the others here? No, no. We have to take care of the rich. We have to make sure they are more comfortable than they are. Whether it is a bigger yacht or a bigger airplane or a bigger house, we have to protect those people. They don't need any protection. What they need to do is share in the pain America is going through, and this is a reminder for me.

Make no mistake, greed is the fuel that drives Big Oil, and it is time we end their free ride on the taxpayers' dime. The big five oil companies have made almost \$1 trillion in profit in the past decade. That is quite a reward for these folks. BP, \$7.1 billion in the first 3 months of 2011 as they ground out the environment in the Gulf of Mexico. Imagine, \$7.1 billion. ExxonMobil, \$10 billion in a quarter. Shell, \$8 billion. These are rounding numbers in a quarter. They don't need help. What they need is to help their country work its way through the crisis that we are in now.

But then we see what is being asked by those on the other side: They want us to have sympathy, have sensitivity toward the wealthiest among us because they cannot afford extra money. They cannot afford it—no, they cannot afford it because the other people are doing the sacrificial work and they don't want to help those kids get an education. They don't want to help those families to be able to provide a future for their children. They don't want to be able to help the families who need health care for the job market. That is not what they are about. So why should we use some of the money to invest in America, take down our debt, prepare young people for responsibilities for the future.

Big Oil's greed is helping to inflate our deficit and every day Americans are footing the bill, going up to the gas station. When somebody has to spend \$40 to \$50 to fill up a tank of gas, very often it is at a sacrifice for other things in their lives. It is terrible. And you see this all over.

We have a Republican Governor in the State of New Jersey right now, who is doing major cutting, and the result is that a family who makes \$24,000 a year now, family income, will have to spend over \$1,000 a year more for their health services. Mr. President, \$1,000 to a family making \$24,000 gross. A family who earns \$60,000 will have to spend over \$3,000 to pay for their health care.

Why wouldn't my colleagues on the other side—there are a lot of intelligent people, and I am sure they are sympathetic people—want to put a stop to this madness? Why wouldn't they say: Time to run up the flag, and we are all proud to be Americans, and we are grateful for what has happened to us? Instead they are saying: You have to have more. If you make \$10 million a year, you have to have more. If you make \$20 million or more—whatever it is—you need more. It is an outrage.

Big Oil is doing everything in its power to protect its subsidies, and the

Republicans are doing everything in their power to help them. Last month 45 Republican Senators voted against ending these wasteful subsidies and using the money to reduce the deficit. Last week they chose to walk out on deficit-reduction negotiations rather than even considering putting a stop to Big Oil giveaways.

Making oil companies pay their fair share in taxes is not going to hurt the industry. It just means Big Oil executives might have to do with a smaller swimming pool or wait a little while longer to buy a bigger yacht. It is clearly offensive, and they are not helping. They are not helping lift the spirit of America. People are discouraged. They are worried about losing their homes. They are worried about their kids not being able to get an education that they are emotionally, intellectually qualified for because they don't have the money because it is not available to them.

When we look at what has happened here—and you have to be fair. When this poor guy, the CEO of Exxon, is earning only \$29 million a year, come on. Give him a break. He has to have a chance to preserve more of that income. Why should he pay to help this country weather the storm, weather the wars, weather the recession?

ConocoPhillips, he is not doing as good as the first guy. He only made \$18 million in 2010. The third one, Chevron, their CEO only made \$16 million. You know how the money gets to them? Through nickels, dimes, quarters, and dollars at the gasoline pump. That is how the money gets to them. How else can this CEO pay be afforded except from those who pull up to the gas station and say they have to buy 10 gallons of gas. Mr. President, 10 gallons of gas around here is about \$45. It is a lot of money.

But instead of being fiscally responsible by ending the Big Oil big windfall, Republicans have another idea. They want to cut the deficit by ending Medicare as we know it, the most successful program in American history, perhaps, next to Social Security.

Seniors are struggling, Big Oil certainly is not. I don't think these fellows are struggling. I don't think they are doing without anything. I wish the other side would listen a little more closely to what the American people want. Almost three-quarters of the Americans want us to stop giving billions of tax breaks to big oil companies each year. The American people know these subsidies are unnecessary, ineffective, and basically immoral.

We should take the \$4 billion we give away to Big Oil each year and use that money to pay down our deficit. That is a good idea. If we can do that, then it starts to make things a lot easier to continue to provide the services that are critical, essential to the average family.

We cannot restore fiscal sanity here until we start paying more attention to the revenue column in our ledger. As

I said before, I was a CEO for many years, 30 years before I got here, and I know you cannot run a company or a country without a good, strong revenue flow. So I call on my colleagues, please, listen to what your country needs. See what you can do to make the country stronger. If our middle class, our modest-income class starts to fail along the way, we will not be able to conduct business as usual. It is for your own protection. Get with it. Make sure they understand that you cannot just get more of what is coming out; that you have to give something back to this great country of ours.

I call on my colleagues: Get Big Oil off the Federal welfare roll. Let's invest in our country's future and not have larger windfalls for oil industry lobbyists and lawyers. We have to make sure our children and our grandchildren inherit a country that is fiscally sound, morally responsible, able to provide health care, able to provide an education, able to guarantee that a child can prepare to be a leader in the future. We have to make sure that everybody sees a chance for themselves to succeed, to not be dependent on government programs, but at least be able to have those programs to get them started in life.

Mr. President, I yield the floor.

#### HONORING OUR ARMED FORCES

CHIEF WARRANT OFFICER KENNETH R. WHITE

Mr. BENNET. Mr. President, today we honor the life and heroic sacrifice of CWO Kenneth R. White of Fort Collins, CO. He died on June 5, 2011, in Khost Province, Afghanistan, of injuries sustained when his helicopter crashed during combat. He was 35 years old.

Chief Warrant Officer White's family remembers him as a wonderful man of God, an extraordinary husband, and a loving father to his three children. He was a respectful and courageous friend, who demonstrated those attributes in abundance as a successful officer.

After joining the Army in 1994, Chief Warrant Officer White grew in his career and attended warrant officer flight training in 2002. He fought bravely during two tours in Iraq and one in Afghanistan. Most recently, he served in support of Operation Enduring Freedom as a member of the 1st Battalion, 10th Aviation Regiment, 10th Aviation Combat Brigade, 10th Mountain Division based at Fort Drum, NY.

His bravery and outstanding service quickly won the recognition of his commanders. Chief Warrant Officer White earned, among other distinctions, the Bronze Star Medal, the Air Medal, the Army Commendation Medal, the Army Achievement Medal, the National Defense Service Medal with Bronze Service Star, the Afghanistan Campaign Medal with Bronze Service Star, the Iraq Campaign Medal with Bronze Service Star, and two Global War on Terrorism Service Medals.

Mark Twain once said, "The fear of death follows from the fear of life. A