

don't have to do the whole thing, but they have to do their share. That is why we want to repeal tax breaks that serve no purpose whatsoever, other than to bloat our budget deficit. We want to make sure that at this time of fiscal restraint there is shared sacrifice.

Let's face it, middle-class Americans and working-class Americans depend on government programs in ways the wealthy do not. If you are a millionaire or billionaire, you don't need Pell grants to send your kids to college. You don't need to go to a community health clinic to have your teeth examined when they ache. You don't have the high cost of prescription drugs to be a barrier to you, and you don't need help to pay them.

If we are going to scale back vital spending programs, which go right to the core of middle-class, hard-working American families, we must also scale back special interest tax breaks that benefit only the wealthiest few, such as tax breaks for yachters and corporate jet owners.

I wish to make something clear. I have nothing against those who have made a lot of money. I think that is great. I think that is America. I know lots of people like that. Most of the ones I know say: Yes, I should pay my fair share. But somehow there is a small group that seems to feel they should not pay almost any taxes. Those people are running the show on the other side of the aisle.

If we are going to bequeath the American dream to future generations and ensure that the American dream continues to burn brightly in the American breast, then we need to institute some shared sacrifice.

In normal times, this would be a consensus, middle-of-the road position. It is a position Ronald Reagan took. It is a position George H.W. Bush took. As David Brooks and other commonsense Republicans have noted, Republican Presidents and leaders have long supported coupling increased revenue with spending cuts to reduce deficits.

But today's GOP has, unfortunately and sadly, been dragged so far to the right by its ideological fringe that they now reject this balanced approach out of hand. They would sooner end Medicare as we know it than ask millionaires and billionaires to pay a little more in taxes. That is the nub of it. They would sooner end Medicare as we know it than ask millionaires and billionaires to pay a little more in taxes.

How many Americans agree with that? Certainly, our political system, for all its faults, at the end of the day has truth at the bottom of it. This position will not help my colleagues on the other side of the aisle. When either party moves too far to the extreme—Republicans too far to the right or Democrats too far to the left—they ultimately lose. That is what is happening to the Grand Old Party in this Chamber.

More than 40 Republicans, unfortunately—40 in the House—have vowed to

vote against any increase in the debt limit no matter how much deficit reduction accompanies it. I am not aware of a single Democrat who has drawn such a dangerous, Draconian line in the sand. Remember, it is not future spending you are voting against. You are voting against paying your bills, paying your debt. Every American family has to do it. Every American worker has to do it. To say the government should not do it is unprecedented.

I urge my colleagues on the other side of the aisle to reevaluate their position. It is time for Republican leaders to do some much needed soul searching. Are they willing to risk an economic cataclysm to mollify an extreme wing of their party and score political points against the President? Do they want us to be remembered in the history books as the first generation of Americans to renege on our obligations? Will they put their country before party, come to the bargaining table, and forge a bipartisan path forward?

Similar to most Americans, I am a natural optimist. Sure, I don't have much evidence on which to base my optimism, when Republicans walk out on negotiations time after time when they don't get their way. But I nevertheless possess an innate belief that at the end of the day, we will do what is best for our country and our economy; we will raise the debt limit, pass a far-reaching deficit reduction package that includes both spending cuts and repeal of tax breaks for the richest few among us. As the President recently put it—and he was, whether intentionally or not, quoting a great thinker from ancient Babylon—“If not now, when?”

Let us hope we arrive at an agreement soon. Time is, unfortunately, not on our side.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Minnesota.

ETHANOL

Ms. KLOBUCHAR. Madam President, I am here to talk about the recent bipartisan compromise on biofuels. I have come to the floor a number of times to talk about this country's biofuels policy.

In the last month, I have worked on a bipartisan basis with Senator FEINSTEIN of California and Senator THUNE of South Dakota to develop a compromise agreement that represents a good-faith effort to improve our energy policy under very difficult economic times.

At a time of bitter budget debates and entrenched positions, we worked together to find common ground and we took a step in the right direction and that is a step of reducing the debt immediately by \$1.3 billion of the \$2 billion remaining on the subsidy. I will add that this is a subsidy this Congress voted for just in January of this year. The biofuels industry understands this subsidy was going to end at the end of

this year, but they didn't just let it whittle away toward the end every year, knowing there was waning support for it; they came to the table and said let's see if we can do something good for energy policy and for this country's fiscal position.

Under this deal, the Volumetric Ethanol Excise Tax Credit will expire at the end of the month, instead of the end of 2011, as scheduled.

I have continued to say this debate is not about whether we end this tax credit; it is about how we do it. This compromise agreement represents a responsible and cost-effective approach to reforming our Nation's biofuels policy.

First, this compromise dedicates \$1.3 billion or two-thirds of the remaining ethanol subsidies in savings toward deficit reduction. It goes right into the coffers of the government to reduce the debt. At a time when our country is struggling with increasing debt and partisan bickering, the compromise represents a step forward. Two-thirds of the money goes toward the debt.

What happens to the rest of the money? Normally, it would be going into that tax credit—\$400 million every month—for the rest of this year. Instead, we take that existing \$668 million—the other third—and use it to extend and expand support for the production of cellulosic biofuels. As the occupant of the chair knows, coming from New Hampshire, we have a lot of cellulosic biofuels in the Midwest, but it is something you can see all over the country. It is a commitment to a new generation of fuel—algae, biofuels, switchgrass, you name it.

There are a lot of possibilities here when you look at what could be the next generation of cellulosic ethanol. In fact, many of the first advanced biofuels plants are expected to be retrofitted onto existing corn-based ethanol facilities, providing additional benefits to rural communities.

This compromise also extends the small-producer tax credit for 1 year at a reduced rate. This tax credit benefits smaller ethanol plants, which were some of the earliest pioneers in the industry and often structured as farmer co-ops. Again, this is not new money. The money is ending, under our plan, as of July 31 for the tax credit. It simply takes one-third of the existing money and uses it in a smart way so that Congress won't have to spend any new money on very important areas, such as cellulosic biofuels. This extension helps provide small ethanol plants located in rural communities a glide-path to adjust to the elimination of the Volumetric Ethanol Excise Tax Credit.

Lastly, the compromise invests in the infrastructure we need to bring greater competition to the fuel market. This means extending tax credits—the existing money—to help gas stations install a variety of fuel-dispensing technologies, including ethanol, hydrogen, natural gas, and electric charging stations.

So let me again repeat that this is not just about biofuels, it is about all kinds of alternative energy that competes with oil. We should encourage our homegrown fuels to compete with foreign oil, and this investment will help do just that and give consumers a real choice at the pump. I have always believed we should be investing in the farmers and workers of our country instead of the oil cartels in the Mid-eastern countries.

The ethanol industry should be commended for coming to the table to offer over \$1 billion in savings during these difficult budget discussions. I think this is most significant for some of the discussions Senator SCHUMER was having and we have all been having about the debt. This compromise, while it may be \$1 billion instead of \$1 trillion, is an example of what we can do if we are really serious about reducing our debt. It is a model for what can happen to reduce government subsidies going forward.

Take for example the oil industry. Traditional ethanol is a maturing market providing only about 10 percent of America's fuel supply—10 percent of the fuel supply. We are now at the point where we are making more biofuels than we import oil from Saudi Arabia. That is pretty significant, but we are still only 10 percent with biofuels.

How about oil? Well, the rest is oil. The oil industry has been a mature industry and collected subsidies for nearly 100 years. Americans have shouldered these costs for too long. The oil companies no longer need these tax breaks, and we simply can't afford them when we look at the debt we are facing.

The list of the oil production tax deductions includes the domestic manufacturing tax deduction for oil production, costing \$18.2 billion over 10 years; the expensing of intangible drilling, costing \$12.5 billion to taxpayers over 10 years; the percentage depletion allowance, costing \$11.2 billion over 10 years; and the dual-capacity rule for foreign tax credits, costing \$10.8 billion to taxpayers over 10 years.

The question isn't about whether the oil companies deserve the profits; it is a question about whether the American people should pay the cost of providing preferential tax treatment for the five largest oil companies in the United States, which have racked up almost \$1 trillion in profits in just the past decade. That is the issue. When we are dealing with this debt, when we are dealing with a debt where middle-class families are paying multiple amounts every single year—multiple dollars in interest on our debt—should they also be asked to foot the bill to pay for these subsidies to oil companies when these oil companies have made almost \$1 trillion in profits in the past decade? That is the issue. It is a question about whether the mature oil industry should continue to receive billions in subsidies at a time when their profits are up 30 percent in the first quarter of 2011.

I am not against drilling at all. I am pleased about what is going on in North Dakota, right to our west. But when I look at what is happening with this debt right now, we have to be smart, and this is clearly one place to look for savings. It is a question about whether a hugely profitable industry should continue to enjoy lucrative tax advantages at a time when our Nation can least afford it. With oil prices much higher than actual costs, the oil industry doesn't need extra money from the government.

We must get serious about tackling the deficit and putting our country back on sound fiscal ground. The problem we are facing now is not only a crisis of dollars and cents, it is also a crisis of the divide and the deadlock. It is time to open the deadlock. We did it with biofuels. We came forward with a compromise with Senator FEINSTEIN, who has spent her lifetime in the Senate fighting against ethanol. Senator THUNE and I came together on a bipartisan basis and got it done. We did it—two-thirds of their immediate subsidy going to debt reduction.

We know this deficit isn't going to fix itself.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Ms. KLOBUCHAR. I ask unanimous consent to speak for 1 more minute.

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

Ms. KLOBUCHAR. We all know this debt isn't just going to go away. We all know we can't just close our eyes and click our heels and wish our debts away.

In their report, the National Commission on Fiscal Responsibility and Reform wrote that "every modest sacrifice we refuse to make today only forces far greater sacrifices of hope and opportunity upon the next generation." And they are right. A relatively small industry such as ethanol is willing to put two-thirds of its tax breaks on the table for deficit reduction immediately. The much larger and much more profitable oil industry can certainly afford to do the same, if not more.

I thank the Chair, and I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Alabama.

BUDGET NEGOTIATIONS

Mr. SESSIONS. Madam President, I ask unanimous consent to enter into a colloquy with my Republican colleagues.

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

Mr. SESSIONS. Madam President, I thank Senator KLOBUCHAR. She is a valuable Member of the Senate, and she mentioned some savings or additional revenue from tax increases—some were \$10 billion, one was \$8 billion, and I think one was \$3 billion. I

would just say that over 10 years, that is how much those changes would raise.

I would recall for all my colleagues that we unwisely spent \$847 billion on a stimulus package that produced little income, and we are paying interest on that of about \$27 billion to \$30 billion a year. It adds up as the years go by, every year, just the interest on that one single expenditure.

We have now gone 804 days without a budget in this body. During that time, this country has spent \$7.3 trillion. That is \$7,300 billion. We have paid in interest on the money we have borrowed \$439 billion just in that period of time we haven't had a budget. Interest on our debt is \$439 billion in 804 days. And we have accumulated, during this time, an additional \$3.2 trillion in debt. During the past 2 years, under the super Democratic majority here in the Senate and in the House—60 Democratic Senators and the President's leadership—the discretionary non-defense spending went up 24 percent, and the President proposes in his budget next year to increase the Education Department, the State Department, the Energy Department, and the Transportation Department double-digit increases again, when this year 40 cents of every dollar we spend is borrowed.

I am glad my colleagues can be with me now. I see Senator JOHNSON is here. He is a member of the Budget Committee. We had more people want to get on the Budget Committee this year, the new Senators who were recently elected. Senator JOHNSON was one of the few to be selected. And they hope to make a difference and to confront the problems we face.

Senator JOHNSON is a successful businessman. He just joined the Senate last year. How has the Senator felt to date about the process?

Mr. JOHNSON of Wisconsin. I appreciate the kind words. My background is in accounting, and I have been in business for 34 years. I have produced budgets for people on time. I have had people produce budgets for me on time. I look at the process—or the lack of a process here as absurd. Think about it. I have certainly produced budgets for smaller businesses—let's say a \$10 million company. They would go through an awful lot of detail to draw up a budget. Talk about a little bit larger business, maybe a \$1 billion-per-year business. There would be a lot of people involved, a lot of detail, and all that information filters up to the top. Then you come here to Washington and you see business as usual. I just want to make sure the American people understand how absurd this process is, the fact we haven't passed a budget in the Senate in over 2 years.

We now have the President—at least he has finally gotten engaged this last week. They are meeting behind closed doors. Is it really true they are going to produce a budget over the course of a couple of meetings—a budget for the Federal Government that would be \$3.7 trillion, \$3,700 billion worth—and they