

I remember, in a business prior to the one I just talked about that I was running, during the Carter administration, I went to the bank begging—that is the operative word—begging for a loan, without which we could not meet payroll. I was overjoyed when the banker finally agreed to give us a loan at 21 percent interest.

That was the circumstance through which we were living in those times. We talk about the Great Depression of the 1930s. I remember, very vividly, the great inflation of the 1970s—21 percent interest so that I could meet payroll. That business, to use Abraham Lincoln's words for his store in New Salem, IL, winked out. We did repay the bank loan, but we could not keep the doors open. It was just a few years later that we started the other business during the Reagan administration when the tax circumstances had been changed dramatically.

The Reagan administration inherited the results of the great inflation from the Carter administration, much as the Obama administration has inherited the results of the great housing bubble from the days of the Bush administration. I will not make any attempt to put blame on a partisan basis, but those were the time lines. It was the Carter administration that was there during the time of great inflation; it was the Bush administration that was there when the housing bubble burst. So each President had a dilemma thrust upon it.

Ronald Reagan approached his economic challenge with tax cuts, and it produced the kind of job creation and ultimate economic growth that we are talking about. Reagan was very unpopular in the election that followed his election for President, and his party lost a considerable number of seats in that period. But 2 years later, the economy was roaring forward on such a strong basis, as a result of the Reagan tax cuts, that he was reelected in a landslide.

President Obama chose a different economic theory from that which Ronald Reagan embraced. President Obama followed the advice of the Keynesians and instead of trying to have tax policy that would stimulate the economy, he went to a spending policy to stimulate the economy.

The political pundits are saying President Obama will see losses in November the same way President Reagan did in the off-term election following his Presidential inauguration. My fear is that we will not see the recovery following that because of the Keynesian economics embraced by President Obama. My fear is this recovery will continue to be sluggish, and the unemployment rate will stay very close to double digits.

There are a lot of people who dismissed Ronald Reagan as something of an uneducated, almost simple-minded individual. I would point out Ronald Reagan was the only President we have ever had whose college degree, from his

days in Illinois, was in classical economics, pre-Keynesian economics, back in the days when a college degree from any kind of college was something of a rarity. He brought that concept of classical economics into the Presidency and saw a reversal and an end of the great inflation and set off a period of great prosperity for a long time and is considered one of the pivotal Presidents of the last century.

I disagree with the economic policies of this President. I hope I am wrong and that the recession we are now in ends with the same kind of success story that Ronald Reagan had. But I am afraid I am right and we will see this recession drag on for a longer period of time.

With that little bit of nostalgia, I thank the Senators for their indulgence.

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.

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

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

KAGAN NOMINATION

Mr. BARRASSO. Mr. President, I just returned from spending a weekend in Wyoming talking to many people around the Cowboy State who are concerned about our Nation, concerned about the growing debt, concerned about jobs and the economy, and the concern that Washington has taken our eye off the ball.

They also have considerable concerns and questions specifically about the nominee to the Supreme Court, Elena Kagan. I heard this when I was in Thermopolis, WY; when I was in Sheridan; when I was in Casper.

So what I want to do is spend a few minutes discussing and questioning the views on the second amendment of Elena Kagan. The second amendment in Wyoming, as you know, is nothing we take for granted. It is something we hold very dear. We do not take it for granted because our lives depend upon it.

The second amendment allows us to defend ourselves from harm. It also puts food on our tables. These are the values and the virtues that make this issue so important to Wyoming. I understand next week Ms. Kagan's hearings will begin. It is my hope we will have a clear picture of where she stands on the right to keep and to bear arms.

The window into her views is small. I hope the hearing will open that window wider for the American people. Her clerkship to Justice Thurgood Marshall and the documents connected to her time in the Clinton White House only crack that window a little bit. I want to hear from her.

I want to hear why Ms. Kagan recommended to throw out the *Sandridge v. the United States* case from the Supreme Court. This is a case that involved an individual charged with possession of a handgun and ammunition in the District of Columbia.

In a one-paragraph recommendation to Justice Marshall, Ms. Kagan wrote:

The petitioner's sole contention is that the District of Columbia's firearms statutes violate his constitutional right to keep and bear arms.

She went on to write:

I am not sympathetic.

I want to know why she was not sympathetic to Mr. Sandridge. The second amendment explicitly says:

A well regulated militia, being necessary to the security of a free state, the right of the people to keep and bear arms, shall not be infringed.

Well, as we know today, the DC gun ban, the law, was clearly unconstitutional. The individual right to keep and bear arms has been affirmed by the Heller case. Mr. Sandridge's rights were violated. Ms. Kagan had the opportunity to recommend that the Court hear the case, but she did not recommend it.

Was this recommendation a legal opinion or was it a political opinion? The second amendment is pretty clear: The right of the people to keep and bear arms shall not be infringed.

During the Clinton administration, Ms. Kagan served as associate White House counsel. The role of the White House counsel's office is to provide the President with the best legal advice possible. This is not a political office.

According to a 1996 memorandum released by the Clinton Library, Ms. Kagan raised concerns that certain organizations would be exempted from liability under the Volunteer Protection Act. This legislation was aimed at providing protections to volunteers, to nonprofit organizations and governmental entities in lawsuits based on the activities of volunteers.

In a memorandum she wrote, she branded some of these organizations as "bad guy orgs." I assume that is bad guy organizations. The bad guy organizations she was referring to she listed as the Ku Klux Klan and the National Rifle Association. So in her capacity as counsel to the President, I want to know why she was concerned that the NRA, the National Rifle Association, would be covered in the Volunteer Protection Act. I want to know why she grouped a violent racist hate organization with the NRA. The NRA, the national organization and chapters around the country, is very active in Wyoming. It teaches firearm safety. It advocates for second amendment rights. Again, this gets to the question of whether Ms. Kagan is able to separate politics from policy.

We have seen Ms. Kagan's resume. Now we need to hear from her. Next week I look forward to hearing her testimony. I also look forward to meeting with Ms. Kagan to discuss these issues

and the importance of the second amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. How much time remains on this side?

The PRESIDING OFFICER. There is 15 minutes 13 seconds.

Mr. GRASSLEY. I thank the Chair.

BIODIESEL TAX CREDIT

Mr. GRASSLEY. Mr. President, I have a unanimous consent request but I will wait until a Member from the other side is here to make it. As a predicate to that, I will make a statement on my reason for doing so.

As the majority continues to struggle in an attempt to pass another massive deficit spending bill through Congress, biodiesel plants in Iowa and throughout the country continue to lay off workers because the Democratically controlled Congress has not extended the biodiesel tax credit. This is a simple and noncontroversial tax extension that will likely reinstate 20,000 jobs nationwide and about 2,000 jobs in my State of Iowa all by itself. These jobs have fallen victim to a tactic used by the Democratic leadership to hold this popular and noncontroversial tax provision hostage to out-of-control deficit spending in Washington.

This past February, I worked out a bipartisan deal with Chairman BAUCUS to extend the expired tax provision, including the biodiesel tax credit. However, the Senate Democratic leadership decided to put partisanship ahead of job security for thousands of workers in the biodiesel industry. I am here again to try to put thousands of workers back to work, American workers, in the process of producing a clean and renewable fuel. We already stripped out and passed the so-called doctor fix from the larger extenders bill last week. We should do the same with the biodiesel tax credit right now.

Also there is a difference between the biodiesel tax credit and the other tax provisions in the tax extenders bill. The failure to extend the biodiesel tax credit before it expires has ground the industry to a halt, because biodiesel is now more expensive than gasoline and gas stations know they can't sell it. So, of course, naturally, they don't buy it. Therefore, biodiesel producers have stopped producing it because they have nobody to sell it to. While the other tax provisions are important, they are not as time sensitive as biodiesel, because they are not transactional tax incentives like the biodiesel tax credit but instead are based on the taxable year.

I am going to reserve my unanimous consent request until the Senator from Michigan returns. I will go to other remarks I want to make at this point.

I see the Senator has returned so I will make my unanimous consent request at this point.

UNANIMOUS CONSENT REQUEST—H.R. 4853

I ask unanimous consent that the Senate proceed to the immediate con-

sideration of H.R. 4853, that all after the enacting clause be stricken and the text of S. 3440, to extend the biodiesel fuel tax credit, be inserted; that the bill, as amended, be read a third time and passed and the motion to reconsider be laid on the table.

The PRESIDING OFFICER. Is there objection?

Ms. STABENOW. Mr. President, reserving the right to object, I thank my colleague for his courtesy in allowing me to return to the Chamber and also indicate that this particular provision on biodiesel, which I strongly support, is in the underlying jobs bill. We hope to have this passed in a couple of days. We will have another opportunity to vote on this shortly. As a result of that, I object.

The PRESIDING OFFICER. Objection is heard.

UNANIMOUS CONSENT REQUEST—H.R. 4853

Mr. GRASSLEY. Mr. President, I have a further unanimous consent request. I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 4853; that all after the enacting clause be stricken and that an amendment at the desk, which is the text of S. 3421, be agreed to; that the bill, as amended, be read a third time and passed, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Is there objection?

Ms. STABENOW. Reserving the right to object, I again say to my colleague, we will have an opportunity to address this. We had two opportunities last week to address it and did not get the votes. Hopefully, in the next couple days, we will be able to resolve these issues. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. GRASSLEY. Mr. President, may I ask how much time remains?

The PRESIDING OFFICER. There is 10 minutes.

Mr. GRASSLEY. I thank the Chair.

Mr. President, this morning we saw yet another replay of a dialog between some of my friends on the other side and some on my side of the aisle. It kind of goes like this. Republicans make a proposal to make a pending Democratic leadership proposal such as the extenders bill deficit neutral. The Democratic leadership marshals the votes and defeats the deficit-neutral proposal on a largely party-line basis. After the vote, debate ensues. My friends on the other side define the proposal that they defeat in an incorrect way. They define it as a proposal to carry out the policy of a fiscally responsible manner as opposition to the underlying policy in the proposal. Republicans counter that the Republican deficit-neutral proposal carries most, if not all, of the policy contained in the Democratic leadership's proposal.

When the smoke clears, the true differences between the two sides' approaches become very clear. My friends on the other side want to add to the deficit to carry out the underlying ini-

tiative—be it an extension of unemployment benefits or a lot of other things in the bill. On this side, we want deficit neutrality at a minimum by rolling back future bloated spending. The Democratic leadership wants to keep in place the future bloated spending. Tax increases are OK, if they are offset. Bring on hundreds of billions of dollars of tax increase, whether they hit individuals, small businesses, or what have you. As an example, the latest tax is due to hit next week. Next Tuesday, July 1, users of tanning bed services will face a new 10-percent tanning bed excise tax. God help us if someone proposes to make the government even a little bit leaner. That proposal will be met with a brick wall of resistance, even if it is a proposal to roll back future unobligated, unallocated stimulus spending, which stimulus spending has not accomplished what it was intended to accomplish, keeping unemployment under 8 percent.

The upshot is this: For my friends in the Democratic leadership, keeping the spending spigot all the way open trumps deficit reduction. Keep the spending going, in other words. Worry about our deficit sometime down the road. Let our grandchildren worry about it.

On the Republican side, we want to trim the spending and save some taxpayers money by managing priorities. That is a worthwhile debate. It is an intellectually honest debate. It is the kind of debate that can inform fiscal policy judgments. But my friends in the Democratic leadership are not content to have the debate on that basis. Instead, we have seen a pattern where they want to change the subject. Instead of focusing on the present and the future, my friends on the other side want to revisit the past. In veering away from current choices and future fiscal consequences, my friends on the other side take the discussion in a whole different direction. My friends on the other side claim they cannot deal with these problems in a fiscally responsible manner because of Republicans. Republicans only left them with fiscal problems.

People watching C-SPAN witnessed this back and forth last Thursday, and around lunchtime the Senate voted on Senator THUNE's alternative to the Democratic leadership's extender bill. The Thune amendment took the exact opposite approach to the Democratic leadership's substitute. It cut taxes by \$26 billion by extending current law. It cut spending by over \$100 billion and reduced the deficit by \$68 billion. Those are not this Senator's numbers. They come from the nonpartisan Congressional Budget Office and the nonpartisan Joint Committee on Taxation.

According to the Congressional Budget Office, the last version of the Democratic leadership's extender substitute would have increased direct spending by about \$105 billion through the year 2020, and raised revenues by about \$50