

others merit full examination. Everything needed to be talked about. Everything needed to be weighed as to the value it provided.

Again in 1986, a decade later, an even larger effort—a major effort—was undertaken to examine every tax program, whether it was one that benefited people here or people there, to weigh it in the context of our fiscal responsibility to the Nation. It was Senator Hatfield from Oregon who was head of the Finance Committee and who led that debate on the floor of the Senate. I emphasize that Senator Hatfield was a Republican. Republicans back then believed in fiscal responsibility. They didn't believe in setting off one part of the Tax Code for the wealthy and well connected that would never be examined again, while the programs for working Americans were on the table. No. They looked at everything across the entire spectrum.

So here we are not in 1976, not in 1986 but in 2011. It has been a quarter century since we have had a serious review of the programs embedded in the Tax Code. I must say we have every reason to examine every program funded, whether through the appropriations code or the Tax Code, because we face serious financial circumstances. It is in this context that I would have expected to hear the echoes of 1986—that every program is up for examination and every program is going to be tested against a rigorous set of circumstances to say it is the best use of our dollars. But, instead, my colleagues across the aisle take the position of putting up a very high fence around the tax provisions for the wealthy and well connected, saying their No. 1 goal is to protect those provisions. Programs for seniors are on the table. Dismantling Medicare is a Republican plan. Programs for those who don't have enough food to eat are on the table. Unemployment has been on the table. Funding for the infrastructure we need to rebuild our country is on the table, but this set of sacred cows is not, this set of sacred programs for the wealthy and well connected.

Quite frankly, that is wrong. That must change. We must bring that debate to the floor of the Senate as our colleagues did a quarter century ago, as our colleagues did 35 years ago.

So when it comes to these programs, there must be no sacred cows and there must be no sacred horses. This chart says "running away with our tax dollars." One of the tax programs my colleagues across the aisle are insisting be walled off from examination is a special writeoff for thoroughbred racehorses. Yes, racehorses. This is the bluegrass boondoggle which allows millionaire and billionaire racehorse owners to write off the cost of their horses in an accelerated manner, reducing the normal 7-year period to just 3 years. This bluegrass boondoggle will cost U.S. taxpayers, over the course of the coming 10 years, \$126 million, according to CBO estimates, after modeling

the impact of this tax provision. This is equivalent to us writing a check over this coming decade for \$126 million. This is equivalent to a grant program. This is equivalent to subsidizing a loan program. No program, simply because it is in one bill—the tax bill—rather than in another bill—an appropriations bill—should be off-limits. Horseracing may have been called the sport of kings—

The PRESIDING OFFICER (Mr. UDALL of Colorado). The Senator will suspend.

The Senator has used 10 minutes.

Mr. MERKLEY. Thank you, Mr. President. Is there a 10-minute rule in effect?

The PRESIDING OFFICER. There is.

Mr. SCHUMER addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. I believe I am the next speaker. I ask unanimous consent to cede the Senator from Oregon 3 minutes of my 10 minutes.

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

Mr. MERKLEY. I thank my colleague from New York, and I appreciate those 3 minutes.

So horseracing may have been called the sport of kings, but that doesn't mean owners of horses—those millionaires and billionaires supporting those horses—need royal tax treatment. As long as these tax subsidies are preserved, the richest and best off will remain in the winner's circle, while working families don't even get a chance to compete.

There is no doubt that closing this loophole alone isn't going to solve our deficit problem, but it is a good place to start because, otherwise, we are going to cut \$126 million from Head Start or \$126 million from Medicare for our seniors or programs that help retrain laid-off workers. Giving "triple crown" treatment to millionaires, while workers are put out to pasture is not right, and it is not the American way.

I have proposed searching through the Tax Code to find wasteful tax subsidies and eliminate unnecessary giveaways. This year is the right time to start. No one program should be singled out. We should set a series of standards and test each tax program against those standards on whether they create jobs, whether they make a stronger economy, whether they take America forward, and whether that \$126 million spent in this category or that is more important to the Nation than other cuts we might be entertaining. Those are the tests that need to be applied in a thoughtful and thorough manner. It is time to stop walling off the programs for the wealthy and well connected while attacking programs that make working America go forward in a stronger fashion.

#### RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

#### MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senate will be in a period of morning business until 12 noon, with Senators permitted to speak therein for up to 10 minutes each, with the time equally divided and controlled between the two leaders or their designees, with the majority controlling the first hour and the Republicans controlling the second hour.

The Senator from New York is recognized.

Mr. SCHUMER. First, Mr. President, I thank my colleague from Oregon. Once again, he is forthright, he is courageous, he is on the money, and people should listen to him because he says a lot of good things about a lot of subjects, including this one. I appreciate what he has said.

After weeks of stops and starts, we are now approaching crunch time in the debt ceiling talks. I believe a grand bipartisan bargain is possible but only if my colleagues on the other side of the aisle take off their partisan blinders. Neither side can afford to cling to their ideological positions any longer.

To get the economy humming on all cylinders again and avoid a default crisis, we need to say goodbye to a few sacred cows. Yet, mere weeks after voting to repeal ethanol subsidies, the other side's leader, the Senator from Kentucky, has drawn a line in the sand against including any and all revenue changes in the debt deal. He has said that repeal of special interest tax breaks is "politically impossible." Well, that is a curious idea given that the Senator from Kentucky and 33 of his colleagues are on record as supporting the end of ethanol giveaways. It seems Leader MCCONNELL would rather end Medicare as we know it and force cuts to Pell grants and cancer research than institute a little shared sacrifice.

On this side of the aisle, we want to repeal tax breaks that have no purpose whatsoever other than to bloat our budget deficit.

Today, I want to highlight one of the most egregiously wasteful loopholes in the Tax Code: the tax break for yacht owners. Yes, believe it or not, Uncle Sam subsidizes the purchase of sprawling, luxurious, 72-foot Viking yachts. As long as your yacht has a place to sleep and a place to—how shall I put it—relieve yourself, you can classify it as your "second home" and claim the mortgage interest deduction. That's right. The deduction Congress helped create for middle-class families to realize the American dream of home ownership is helping millionaires and billionaires get a 35-percent discount on their yachts. In fact, how-to books on tax avoidance advise readers that "if you're paying for your yacht in cash, you're paying too much." Millionaires who would otherwise write a six-figure check for their yacht without batting an eye instead take out a loan so they can claim the mortgage interest deduction. The IRS's only requirement is