

citizens are delaying their retirement, workers are losing their jobs, and families are losing their homes. Although this hour is difficult, President Obama's budget sets the path toward recovery, and when our economy does recover, we will ensure that this time not just the yachts but all boats are lifted with the coming tide.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

AIG

Mr. MCCONNELL. Mr. President, the situation at AIG is an offense to the taxpayers, and we are going to get to the bottom of it even if the Department of the Treasury hasn't.

Here is a company that has been taking billions and billions of dollars from taxpayers in the middle of what could be the worst economic downturn since the Depression. Now we hear that those taxpayer dollars were going in the front door, supposedly to keep the company afloat, and then right back out the back door into the hands of those corporate officials who got us into this mess in the first place.

The Treasury Department was supposed to be minding the store. They had the authority to disburse the funds and to provide oversight. It was Treasury's responsibility to watch how these funds were being used. Obviously, they fell asleep on the job. The Treasury Department was completely asleep on the job. They need to wake up. Americans are fed up with their hard-earned tax dollars going to people who got us into this mess in the first place. They deserve to know how this happened. The American people deserve to know how this happened. The administration and the Treasury Department need to reassure the American people that this will never, ever happen again.

THE BUDGET

Mr. MCCONNELL. Mr. President, the American people are starting to get an idea about the administration's budget. They understand that it taxes too much, it spends too much, and it borrows too much, especially in the middle of an economic crisis.

On taxes, the budget includes the largest tax hike in history, diverts billions of dollars from charities here at home at a time when Americans are looking to those charities even more than they would be in normal times, and it raises taxes on small businesses.

Small businesses account for nearly three-fourths of all new private sector jobs here in our country. The budget's tax on small businesses would cause many of them to see their taxes go up significantly. This tax hits the general contractor down the street, the family

restaurant, the startup technology firm, and many other businesses people deal with or work at all across our country every single day. These businesses are the engines of our economy. They are struggling, and they will struggle even more once these tax hikes go into effect. Small businesses with more than 20 workers, which account for two-thirds—two-thirds—of the small business workforce, get hit particularly hard. The President's budget includes a tax increase on more than half of those businesses. These businesses are run by men and women who make decisions based on considerations such as how much they are taxed, and if they have less money coming in as a result of higher taxes, they cut jobs, put off buying new equipment, and they take fewer risks, the kinds of risks that have always made our economy so vibrant and so innovative. These risks will be squeezed out as a result of these higher taxes.

Hundreds of thousands of Americans are losing their jobs every month. Many of these jobs are with small businesses. Higher taxes will only force these businesses to shed even more jobs. I understand the administration's desire to make good on its promises, but taxes on job creators in a recession is not the right approach. With the highest unemployment rate in 25 years, most people don't see the sense of raising taxes on small businesses, and they are absolutely right.

Mr. President, I yield the floor.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business for up to 1 hour, with Senators permitted to speak therein for up to 10 minutes each and with the time equally divided, the Republicans controlling the first half hour and the majority controlling the second half hour.

The Senator from Oklahoma is recognized.

Mr. INHOFE. Mr. President, it is my understanding I have the first 15 minutes, and I would ask the Chair to advise me when I have 1 minute left.

The ACTING PRESIDENT pro tempore. The Chair will do so.

THE BUDGET

Mr. INHOFE. Mr. President, I don't think my State of Oklahoma is any different from any other State when you go home and you find out that people are looking at these monstrous expenditures never even dreamed of before in the history of this country. They talk

about the auto bailout, \$17 billion; the housing bailout—I think probably the worst one was the first one, the bank bailout that gave the authority to unelected bureaucrats to do what they are doing today. We have the economic bailout, the stimulus package. I am here today to say that as bad as all of this is, if you look at the one that is in the budget—the climate bailout—it is far worse because at least these are one-shot deals, and that would be a permanent tax every year. Over the next few weeks, we will be talking about it.

I spent nearly 10 years on this issue in the capacity of the ranking member and the chairman of the Environment and Public Works Committee. To tell the truth, for a long time I was a one-man truth squad, and now more and more people realize that the science that was supposed to be there really is not there. But that is not the important thing. As I said in the debate against the Boxer bill a year ago, let's go ahead and concede the science, even though it is not there, so that it doesn't take away from the economic arguments.

So, in my view, I think the President did a good thing, including an estimate in his budget as to how much this is going to cost. Now, his estimate was understated, I understand that, but it allows us to have an honest debate about the cost of a program of this magnitude to the American people, not to mention the enormous redistribution of wealth for pet projects and programs under the umbrella of clean energy. In fact, according to a new report by the Center for Public Integrity, the number of lobbyists seeking to influence Federal policy on climate change—that is what we are talking about here—has grown more than 300 percent in 5 years. This represents more than four lobbyists for every Member of Congress, with a slew of new interests from Main Street to Wall Street, clamoring for new taxpayer-funded subsidies.

I don't think anyone questions that in the Senate. Our Halls are inundated with people who want in on this deal. The administration's decision to include cap and trade, and the revenues it generates in the budget, forces my colleagues in the Senate to quit hiding from this issue. They are going to have to talk about it. They can no longer prevent a discussion of what a program of this magnitude is.

The public is finally beginning to pay attention. To put it simply, they are realizing cap and trade is a regressive energy tax that hits the Midwest and the South the hardest, and it hits the poor disproportionately. I don't think anyone now is questioning that because everyone has been talking about it.

While a number of lobbyists and the companies are lining up inside the beltway, Washington businesses and the consumers are coming to realize that cap and trade is designed to deliver

money and power to the Government, and there is nothing in it for the taxpayers or consumers or even for the climate.

Let me further explain at this time that with the recession and economic pain, the administration and the proponents of mandatory global warming controls now need to be honest with the American people. The purpose of these programs is to ration fossil energy by making it more expensive and less appealing to public consumption. It is so regressive in nature. All you have to do is calculate it in any State, including Colorado and Oklahoma. The poor people spend a larger percentage of their money on heating their homes and driving their vehicles—using energy.

If you need proof, the President's own OMB Director, Peter Orszag, is on record making the statement:

The rise in prices for energy and energy-intensive goods and services would impose a larger burden, relative to income, on low-income households than on high-income households.

That is the OMB Director, who also said:

Under a cap and trade program, firms would not ultimately bear most of the costs of the allowances, but instead would pass them along to their customers in the form of higher prices for products such as electricity and gasoline. The higher prices caused by the cap would lower real inflation-adjusted wages and real returns on capital, which would be equivalent to raising marginal tax rates on those sources of income.

No one questions this. Recently, there was an article in the Wall Street Journal—this month. It said:

Cap and trade, in other words, is a scheme to redistribute income and wealth—but in a very curious way. It takes from the working class and gives to the affluent; takes from Miami, Ohio, and gives to Miami, FL; and takes from an industrial America that is already struggling and gives to rich Silicon Valley and Wall Street “green tech” investors who know how to leverage the political class.

Warren Buffet said:

That tax is probably going to be pretty regressive. If you put a cost of issuing—putting carbon into the atmosphere—in the utility business, it's going to be borne by customers. And it's a tax hike like anything else.

Ben Stein had an op-ed piece in the Wall Street Journal in which he said:

Why add another element of uncertainty to energy production, especially if the goal of suppressing carbon-based fuel burning can be accomplished by another means? Energy companies have enough problems as it is—including reduced supplies, political risks, and wildly changing prices of raw materials.

Jim Cramer of CNBC said this:

Obama's budget is pushing an aggressive cap and trade program that could raise the price of energy for millions of people.

Detroit would really suffer. The Detroit News said this:

President Barack Obama's proposed cap and trade system on greenhouse gas emissions is a giant economic dagger aimed at the nation's heartland—particularly Michigan. It is a multibillion dollar tax hike on everything that Michigan does, including

making things, driving cars and burning coal.

So we have this awareness that wasn't there until this appeared in the President's budget. I have to say this. Back in the very beginning of this discussion, I was somewhat of a believer that manmade gas, anthropogenic gases, CO₂, caused global warming, until we found out what the cost is going to be, and until we looked at the science.

In terms of the costs and how it is going to impact the various States such as Ohio, Pennsylvania, Indiana, and Michigan, these States will be impacted harder than most others.

All of these reports reflect the numbers released in the President's proposed budget which estimated that a cap-and-trade program would generate \$646 billion in Federal revenues through 2019. Keep in mind, that is a nice way of saying increase taxes by \$646 billion. However, we now know that figure is way low.

Nearly 10 years ago—and this was my first discovery—we came this close to ratifying the Kyoto Treaty, which would have mandated all these things they are talking about doing now. That was about 10 years ago. The Wharton Econometric Forecasting Associates did an analysis and said: What could it cost if we were to sign Kyoto and live by its provisions? They found it would cost 2.4 million U.S. jobs and reduce GDP by 3.2 percent or about \$300 billion a year in taxes.

Well, nearly 10 years later, we have come full circle. According to MIT, an analysis of similar legislation as the President's budget proposal suggests much higher revenues. We have gone through the Kyoto thing and then we had the Lieberman-McCain bill and then the Lieberman-Warner bill. Each time we do this, more people come in and do analyses, and they come to the same conclusion.

Then I looked at one of the more recent ones, the Sanders-Boxer bill, and that bill mandates even less aggressive emissions reduction targets, and that is 80 percent. Now they are talking about 83 percent. It would have cost approximately \$366 billion a year. So you have a consistent range from \$300 billion to \$366 billion. That is what everyone says it is actually going to cost. It is around \$350 billion if you round it off.

As bad as all this spending is—it is out of control—still, this is worse because this is something that is every year. To put it into perspective for my colleagues, I point to this chart that shows the largest tax increases in history—we remember these—in the last 50 years. I remember this one, the Clinton-Gore tax increase of 1993. I remember talking about this on the Senate floor—the inheritance tax, the marginal tax rates, the income tax, and the capital gains tax. It was a \$32 billion tax increase.

By contrast, look at what we have—a \$300 billion increase or 10 times

greater than the largest tax increase in the last 50 years. You are going to hear that some of these revenues will fund tax relief to be returned to the people.

For the purposes of this budget proposal, the administration plans to spend \$15 billion a year to fund clean energy technologies and allocate \$63 billion to \$68 billion per year for the making work pay tax credit campaign promise to give back to people who don't pay taxes. We have learned firsthand that, of course, this stuff wasn't true. We learned that in the consideration of the Warner-Lieberman bill, when they made the statement that they were going to give back a lot of this revenue to poor people—it turned out the same thing will be true in the case of this budget—that for each \$1 a person gets back, they are paying \$8.40. That is how the math works out.

You can try to make people believe they are going to be on the receiving end of this, but when it is over, the cost is \$6.7 trillion, and the refund—which wasn't guaranteed; it was legislative intent—was \$802 billion. I think we will have plenty of time to talk about this and bring this to the American people.

In his budget, the President wants to recycle \$525 billion through the making work pay tax credit that goes to many people who don't pay income taxes. The math is not good, as we noted. It doesn't work. My colleagues may argue that at least this money will be going to a good purpose, for the cause of fighting global warming, having America lead the way. I think many find it very difficult this would happen. I add that, at times, you have to be logical on these things.

Referring to this chart, these are the figures actually used in terms of how it would have an effect if we passed one of these programs. This was based on the Lieberman-Warner bill. If we had passed it in terms of the emissions of CO₂ worldwide, you can see it doesn't have an effect. Let's assume that—which is not true but assume—there is global warming, which is not happening, as we are in a cooling period now; global warming is a result of CO₂ coming into the atmosphere, and that we want to somehow reduce the emissions of CO₂.

The problem we have with this is, if we do it unilaterally, then we in the United States are going to be paying these huge taxes.

The ACTING PRESIDENT pro tempore. The Senator has 1 minute remaining.

Mr. INHOFE. I thank the Chair. While we are paying these huge taxes, you have to keep in mind that China is not doing that, Mexico isn't doing it, and India isn't doing it. They are laughing at us. I wish there was time to finish. We document what China and Mexico are saying. They are going to be the beneficiary. If we were to limit CO₂ in our country, our jobs would have to go elsewhere. There would not be adequate energy.

In conclusion, if you look at how fast this is in terms of what happened so far, for those of us—I am not saying anything disparaging about the President; I like the guy—all of these things that are in yellow are expenditures that are unprecedented in the history of this country. Far worse than that would be if we were to pass a cap-and-trade bailout. It would cost some \$6.7 trillion, as opposed to the lower figures. It is something we cannot afford. It is all pain and no climate gain.

Let me briefly go back in history. It is my understanding that the other person who was going to use time is delayed, so we have more time. I mentioned a minute ago that when Republicans were in the majority, I was the chairman of the committee called Environment and Public Works. This committee has jurisdiction over most of the energy issues we deal with.

At that time—way back during the Kyoto consideration, about 10 years ago—most people didn't believe CO₂ or anthropogenic gases were causing global warming. We were in a warming period at that time. I have an interesting speech where I take magazines, such as Time, where back in the middle 1970s they were talking about another ice age coming, and we were all going to die. I wish I had it with me now.

About 2 years ago, the same Time magazine had this polar bear standing on the last piece of ice floating around on an icecap, saying that we were all going to die; global warming is coming.

A couple things, I believe, are the motivation for this. One is publications. Probably their two largest issues were those two. They made people walking by the news stands and seeing that “we are going to die” think: I better see how much time we have left. It started with the U.N. IPCC, Intergovernmental Panel on Climate Change, that came out with this idea that somehow greenhouse gases are causing global warming.

When you think about it—and this was in concert with the NAS—they had reports they started giving out, summaries for policyholders. They were not based on science. They talked about how the science is all settled. It was after we realized from the Wharton School how much money this is going to cost taxpayers. After that, we were in a position where we could start analyzing it, and then the scientists started coming out of the woodwork. They were no longer intimidated.

One of the problems we had was that the scientists who were dependent upon various sources of income, either from the Government or from various organizations, such as the Heinz Foundation and Pew Foundation—so long as they said they went along with this scheme that CO₂ is causing global warming, they were getting grants. This started changing, and they started telling the truth. We now have accumulated—later today or tomorrow, I will give a talk showing how the science now has grown, where over 700

scientists who were on the other side of this issue are now on the truth side of this issue.

So the science needs to be talked about even right now during the debate. It is probably more significant that we talk about the economics and what it is going to cost people.

I can remember when Claude Allegre, who is probably the most respected scientist in France, a Socialist, was a person who was very strongly on the Al Gore side of this issue and has recently come over and said, in reevaluating, in looking at this issue and in looking at what has happened to the climate, the science is not there.

David Bellamy, a similar scientist in Great Britain, was on the other side of this issue. He has now come over.

Nir Shaviv from Israel, a top scientist who was always on the other side of this issue until about 3 years ago—I don't have the quotes here—came out and said: We are wrong on this issue, the science is not there.

By the way, we have a lot of documentation, and I invite my colleagues to go to my Web site, inhofe.senate.gov. We document what has happened in terms of the science.

This has been a 10-year journey. I sometimes think of Winston Churchill, who said:

The truth is incontrovertible. Malice may attack it, ignorance may deride it, but in the end, there it is.

It has taken 10 years for the truth to come out so the American people realize, with all of the scary stuff going on, with Hollywood and the elitists pouring money into campaigns—and I am talking about moveon.org, George Soros, Michael Moore, and all the millions of dollars that went into campaigns. They have influenced a lot of Members of the House and Senate. But the truth is coming out now.

As this issue moves forward, I invite all of us to look at all that has happened. It is hard for people to understand this sometimes until they get to my stage in life. I have 20 kids and grandkids. None of this stuff is going to affect me, but it is going to affect future generations. I look at that and think: How can we allow all this to take place and then pass a tax increase that will do absolutely nothing?

I repeat, those who are believers who have bought into this thing and have seen the science fiction movie “An Inconvenient Truth”—even if we do that, what good would it do for us to do it unilaterally in the United States, take the jobs and put them in countries that have no additional requirements? It would have a net increase of CO₂. That is being logical even for those who are believers that this is a problem.

Yesterday, I pointed out something I thought should be pointed out; that is, the first bailout was the \$700 billion bailout. As much as I hate to say it, 74 Senators voted for that bailout. What is bad about that is this gave one person, an unelected bureaucrat, the power over \$700 billion to do with as he

wished. It is interesting because that was Hank Paulson, the Secretary of Treasury. Now we find the new Secretary of Treasury was in on that deal at the same time. So they put this together. A lot of this stuff was authorized by voting to give someone \$700 billion to do with as he wished. Now we are paying for that, and the costs are very great.

I believe, when we look at what is going on right now, there are some scary things over and above what I have been talking about. I had occasion to make several trips to Gitmo, Guantanamo Bay. That is an asset we have had in this country since 1903. In fact, it is one of the few good deals around. We are still paying the same rent now that we paid back then. It is \$4,000 a year, and we get this great big resource. It is a place to put the detainees and to go through the tribunals in a courtroom that is over there.

One of the scary things I am looking at now is a statement by President Obama, that he wants to do away with the tribunals and he wants to close Gitmo or Guantanamo Bay. Here is the problem we have with that. Right now, we have 245 detainees—some call them terrorists—who are incarcerated there. Of the 245, 170 of them have no place to go. Their countries will not take them back. They cannot be repatriated anywhere. Of the 170, 110 are really like the Shaikh Mohammed-type individuals—really bad terrorists. If the President goes through with his statement that he is going to close Guantanamo Bay, there is no place else to put them, no place in the world.

This number is going to increase as we escalate in Afghanistan. It is going to be going up. Some might say: There are prisons in Afghanistan. Yes, there are two, but they will only take detainees who are Afghans. So if they are from Djibouti, Yemen, or Saudi Arabia, then they have to go someplace else. The only place we can put them right now is Guantanamo Bay.

The argument some make is there has been torture going on. That has been completely refuted. In fact, every publication, every television station, every newspaper that has gone and inspected the premises at Guantanamo Bay has come back with a report that it is better than anything in our prison system in the United States.

One of the suggestions was that we take these people and send them around to some 17 areas within the United States. One of those areas suggested is in my State of Oklahoma, which is Fort Sill. I went down to Fort Sill the other day to look at the place, trying to picture if we had a bunch of terrorist detainees there.

By the way, this will serve throughout the country as 17 magnets to bring in terrorist activity. Most people agree that would be the case.

If we were to distribute these people around, they would have to be coming into our court system since we could not use tribunals, and the rules of evidence are different in a court system.

It could be that some of these people would actually be turned loose.

It is very serious. It is something we need to keep. Every publication, every newspaper or television station that has gone to Guantanamo Bay has come back and said all these things just are not true, we need to keep Gitmo, and it has changed a lot of minds. I am hoping that is one area where we will be able to demonstrate clearly that it is a resource we must have and the world needs very much. We will be working to that cause.

Another issue that is not talked about very much in the budget is that almost everything is increased. We look at the size of the budget. We look at the deficits. The deficit for the year we are in right now could approach \$2 trillion. It is just unimaginable. People criticized George W. Bush during his tenure, but if you take all the deficits for those 8 years, add them up, and divide by eight, it averaged \$245 billion a year. Now we are talking about eight times that in 1 year. These amounts are horrible.

The other aspect of the budget I don't like is everything is going up, an increase in spending, except military. We have a serious problem right now that we are facing in the military; that is, during the decade of the nineties, we downgraded our military by about 40 percent. I might add that some countries that could be potential adversaries, such as China, increased tenfold during that time. We reduced. There was this euphoric attitude that the Cold War is over, we don't need a military anymore. So in the nineties, they brought down the military in terms of our force strength, in terms of our modernization program.

There were a few heroes back at that time who helped us out. One was a GEN John Jumper, before he became the Chief of the Air Force. He made a statement in 1998. He said: Now we are in a position where our best strike fighters, our best strike equipment, the F-15 and F-16, are not as good in many ways as what the Russians are making right now in the SU series. At that time, it was SU-30s, now SU-35s. We went ahead. That helped us get into the F-22 and the Joint Strike Fighter so we would again regain our superiority.

When I talk with people and tell them that when our kids go out in potential conflicts, they would be fighting people who have better equipment than we do, it is un-American, it is not believable. Right now, the best artillery piece we have is called a Paladin. It is World War II technology. You have to get out and swab the breech after every shot. Yet there are five countries, including South Africa, that make a better one than we have.

Because we lifted that awareness, we were able to step into an area of what we call Future Combat Systems, FCS, to modernize our ground equipment and other equipment they will use. There are 16 elements of the Future

Combat Systems. The first is NLOS-C, non-line-of-site cannon. This would replace the Paladin, so we will have something that is state of the art. But we are not there and will not be there for several more years.

We went through the decade of the nineties downgrading our military, and then, of course, when 9/11 came, all of a sudden we were in a war. I have to be sympathetic with former President George W. Bush because he inherited a military that had been taken down, and then all of a sudden he is confronted with one or two wars or fronts he had to fight. So it has been very difficult.

It is interesting to me that many of the liberal Members of the Senate during the years we were trying to enhance our military spending are the ones who objected to that and then complained about the overworking of our Guard and Reserve. They actually are responsible for that. Yes, we are now trying to do something about it. But in this budget, we increase spending everywhere except the military. That is an area where we are going to have to be doing something.

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

Mr. INHOFE. I encourage us to look at the overall budget, not just the tax increases but also how it affects other programs, such as our military.

I thank the Chair and suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

THE BUDGET

Ms. STABENOW. Mr. President, I left a wonderful meeting with a group of organizations—many of our national faith leaders—from around the country and those who have been deeply involved in the issues around the Federal budget and expenditures and what our priorities should be as a country. There was a new optimism in the room about the direction of the country because for the first time in a long time—certainly since 2001—we have actually been talking about how does a budget reflect what is right for the majority of the American people; how do we address what is happening for children and families; middle-class workers who have lost their jobs and are trying just to put food on the table; people who have been struggling and not doing well even before the recession; the poor who find themselves hit over and over again and need to know there is a ladder out of poverty and into the middle class.

It was wonderful to see the commitment in that room and to see the fact

that people around the country are coming together to focus on how we strengthen our country in very real ways. Not what has happened in the last 8 years—where it has been all about tax policies to help the privileged few, spending to help the privileged few—but how do we have a country where everybody has a chance to achieve the American dream for themselves and their families.

We talked about the fact that the budget we will be taking up next week, the week after, and every year is a moral document. It is about who we are as Americans: What do we believe in? What do we care about? I am very proud President Obama has given us a moral document that reflects the values and the priorities of the American people; the fact that he has focused on education, health care, getting us off our dependence on foreign oil so we can bring down the costs of energy and create jobs through the new green economy, and that we are turning the corner as we look at a tax policy to focus on the middle class and to focus on families who are working hard every day or trying to find a job. So these were all positive things.

But I also thought in that meeting this morning—when we were talking about the budget as a moral document—how there has been created in this country a culture of greed. Greed has been rewarded for too long at the expense of the majority of Americans—certainly at the expense of the people in my great State of Michigan. Nowhere is that more epitomized than looking at recent outrages, whether it be Bernie Madoff and what happened with all the people who were victimized and who lost their savings and all the people who have been impacted—wiped out—by a Ponzi scheme and the greed of one individual or a few individuals or turning closer to home and what we have been talking about for the last couple days, which is the outrageous bonuses—\$165 million in bonuses—to a group of people at AIG who actually created the situation we are in today—not only for this country but which has created a ripple effect that has caused a global credit crisis. We look at the morality of that—the morality of \$165 million in bonuses.

I am also outraged at the fact that we have put so much money into this company. Taxpayers now own 80 percent of it. Yet we have not seen the oversight, the accountability one would expect, whether it is the bonuses or anything else for that matter. Now, we all know President Obama inherited an incredible mess and is working with all of us to dig our way out, but we have to have accountability with AIG and every other entity that has stepped up to ask for or received taxpayer dollars. Bonuses? They are absolutely an outrage, especially for people who didn't deserve a bonus for their performance. In fact, many left, and should leave, because of what has been done. They should be fired, if they