Senator BEN NELSON from Nebraska said:

I support extending all of the expiring tax cuts until Nebraska's and the nation's economy is in better shape, and perhaps longer, because raising taxes in a weak economy could impair recovery.

Senator JOE LIEBERMAN, Connecticut, said:

I don't think it makes sense to raise any Federal taxes during the uncertain economy we are struggling through.

Then, of course, Senator COONS: ''I would extend them to tax cuts for everyone.''

And Senator MANCHIN, then-Governor of West Virginia, said, ''I wouldn't raise any taxes.''

At a time with 9.6 percent unemployment, at a time when our Nation continues to struggle economically, at a time people are looking for work, wanting to work, looking for jobs, the job-creating sector of this country needs some certainty. With the mandates of the health care law, which are expensive, environmental mandates coming from the Environmental Protection Agency with their rules and regulations impacting on the cost of energy, and then the uncertainty, the significant uncertainty that exists in this country as to what tax rates will be and how that is going to impact all taxpayers with their take-home pay come January 1, it is no surprise that people are concerned and reluctant to make long-term commitments and investments in businesses and in the future.

That is why I stand here to object to my colleague from Rhode Island when he makes a proposal, which there is support for, but it is unpaid for. We need to pay for it. I bring to the Senate floor a responsible way in which to pay for it, and which he has rejected.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

Mr. DORGAN. Madam President, are we in a period of morning business?

The ACTING PRESIDENT pro tempore. We are still in morning business. However, the time remaining, 10 minutes remaining, is controlled by the minority.

Mr. DORGAN. In that case I would yield to the minority to use the 10 minutes, and I will be seeking recognition following them.

The ACTING PRESIDENT pro tempore. The Senator from Iowa.

ETHANOL TAX CREDIT

Mr. GRASSLEY. Madam President, it seems as though every few weeks or so there are a lot of misleading and misinformed accusations launched at our Nation's renewable fuel producers. It is impossible to come to the Senate floor to respond to all of them. But sometimes the claims are so outrageous that they require an informed response. So I am here to give that response with emphasis on the word ''informed.''

Earlier this week, a number of my colleagues in the Senate, including a few of my fellow Republicans, sent a letter to the majority and minority leaders expressing their opposition to extending the tax incentives for homegrown ethanol. Homegrown means we are less dependent upon people such as Dictator Chavez and our oil sheiks.

My colleagues argued that the tax incentive for the production of clean, homegrown ethanol is fiscally irresponsible. They expressed their support for allowing the 45-cent-per-gallon credit for ethanol use to expire. It is important to remember that the incentive exists to help the producers of ethanol compete with the big oil industry. Remember, the big oil industry has been well supported by the Federal Treasury for more than a whole century.

Many of the Republican Senators who signed onto that letter have also been leading the effort to ensure that no American sees their taxes go up on January 1, 2011, which will happen automatically if we do not do something this very month.

The largest tax increase in the history of the country can happen without even a vote of Congress because of the sunsetting law. Of course, in that regard, I support the position of my Republican colleagues. But a repeal of the ethanol tax incentive is a tax increase that will surely be passed on to the American consumer.

I would like to remind my colleagues of a debate that we had earlier this year on an amendment offered by Senator SANDERS. The amendment he offered would have, among other things, repealed the $35 billion in tax subsidies enjoyed by oil and gas. Opponents of the Sanders amendment argued that repealing the oil and gas subsidies would reduce domestic energy production and drive up our dependance on foreign oil.

Opponents of the Sanders amendment argued that it would cost U.S. jobs and increase prices at the pump for consumers. I agreed with the arguments of the opponents. All of my Republican colleagues and more than one-third of the Democrats did as well. Thus, the Sanders amendment was defeated. That majority against the Sanders amendment knew that if we tax something we get less of it. Repealing incentives on ethanol would have the very same result.

Well, guess what. I know removing incentives for oil and gas will have the same impact as removing incentives for ethanol. We will get less domestically produced ethanol and be more dependent upon those oil sheiks. But it will also cost U.S. jobs. It will increase our dependence on foreign oil. It will increase prices at the pump for American consumers. So whether it is jobs or increased dependence or increasing the price of gas, no American would like that to be the result. We are already dependent on foreign sources for more than 60 percent of our oil needs. We spend $730 million a day on imported oil.

That money is leaving America to the Middle East or nutty dictators like Chavez. Why do my colleagues want to increase our foreign energy dependence when we can produce that energy right here at home?

So I would like to ask my colleagues who voted against repealing the oil and gas subsidies but are supporting repealing incentives for renewable fuels, how do you reconcile such inconsistencies? The fact is, it is intellectually inconsistent to say increasing taxes on ethanol is justified, but it is irresponsible to do so on oil and gas production.

If tax incentives lead to more domestic energy production and result in good-paying jobs, why are only incentives for oil and gas important but not for domestically produced renewable fuels? It is even more ridiculous to claim that the 30-year-old ethanol industry is mature and thus no longer needs the support they get, while the century-old big oil industry still receives $35 billion in taxpayer support.

Regardless, I do not believe we should be raising taxes on any type of energy production or on any individual, particularly during a recession. Allowing the ethanol tax incentive to expire will raise taxes on producers, blenders, and ultimately consumers of renewable fuel. A lapse in the ethanol tax incentive is a gas tax increase of over 5 cents a gallon at the pump. I do not see the logic in arguing for a gas tax increase when we have so many Americans unemployed or underemployed and struggling just to get by.

On Tuesday of this week all of my Republican colleagues and I signed a letter to Majority Leader REID stating that preventing a tax increase, meaning mostly income-tax increases, and providing economic certainty should be our top priority in the remaining days of this Congress. I know we all agree we cannot and should not allow job-killing tax hikes during a recession.

Unfortunately, those Members who have called for ending the ethanol incentive have directly contradicted this pledge because a lapse in the credit will raise taxes costing over 100,000 U.S. jobs at a time of near 10 percent unemployment. The taxpayer watchdog group, Americans for Tax Reform, considers the lapse of an existing tax credit for ethanol to be a tax hike.

Now is not the time to impose a gas tax hike on the American people. Now is not the time to send pink slips to more than 100,000 ethanol-related jobs. A year ago at this time I came to the Senate floor to implore the Democratic leadership to take action on extending expiring tax incentives for the biodiesel industry. They failed in their responsibility to extend that incentive and provide support for an important renewable industry.

So while 23,000 American jobs were supported on December 31 last year, nearly all of those jobs have disappeared. An industry with a capacity to produce more than 2 billion gallons of renewable fuel a year is on track to produce less than 20 percent of that capacity this year.

Ethanol currently accounts for 10 percent of our transportation fuel. A

study concluded that the ethanol industry contributed $8.4 billion to the Federal Treasury in 2009, $3.4 billion more than the ethanol incentive. Today, the industry supports 400,000 U.S. jobs. That is why I support a homegrown, renewable fuels industry, as I know the Obama administration does as well.

I would encourage anyone who is unclear on the administration's position to contact Agriculture Secretary Vilsack.

I would like to conclude by asking my colleagues, if we allow the tax incentive to lapse, from where should we import an additional 10 percent of our oil? Should we rely on Middle East oil sheiks or Hugo Chavez? I would prefer we support our renewable fuel producers based right here at home rather than send them a pink slip. I would prefer to decrease our dependence on Hugo Chavez not increase it.

I certainly do not support raising the tax on gasoline during a recession. I would respectfully ask my colleagues to reconsider their support for this job-killing gas tax increase.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

Mr. DORGAN. Madam President, I support the comments from my colleague from Iowa on the importance of ethanol and the tax incentives and the ability to try to make us less dependent on foreign oil and produce more renewable energy in our country. So I appreciate the statement he has just made.

I want to talk about the START treaty and the importance of it. But I cannot help but respond, at least a bit, to some of the discussion that occurred as I walked on the Senate floor about the so-called tax cuts or the extension of the tax cuts.

You know, what is going to confound a lot of people who look back on history, perhaps historians who, in a rear-view mirror, look back 100 or 50 years—what is going to confound them about this time, this place, and these people, all of us, is what we did that seemed so irrational because, particularly economic models, if you are talking about economic historians, economic models are based on rational expectations. Then they create a model based on what would you do rationally.

Now here is what they are going to see at this moment. They will see a country that is at war halfway around the world. They will see a country with a $13 trillion national debt and a $1.3 trillion annual deficit. And what is the debate? Tax cuts that existed in 2001, through legislation I voted against, tax cuts that were extended and were set to expire this year would cost $4 trillion in the coming 10 years to extend.

With a $13 trillion debt, we have people coming to the floor of the Senate and saying they want to deal with this debt. Then, on the other side of the ledger, they say: And we want to extend all of the tax cuts.

That is another way of saying they want to take the $13 trillion Federal debt to a $17 trillion Federal debt. And, you know, historians are going to say: I thought there was some notion of rational expectations. What is rational about a country up to its neck in debt deciding: We are going to extend tax cuts even to the wealthiest Americans; those who make $1 million a year shall be given a $104,000-a-year tax cut?

Why? Because the minority is insisting upon it. Even though, just that piece of it, above $250,000 a year in income, even though just that one piece will add $1 trillion, that is the cost plus the interest to the Federal debt.

It is unbelievable. And the so-called little guy, the people out there who are working for a living and struggling—some of them lost their jobs, some lost their homes, some have lost hope—they are asking: Well, what about me? Why is it there is such energy to stand up for those who are making millions of dollars?

A guy named Barney Smith from Marion, Indiana stood up at the Democratic National Convention in Denver in 2008 and he asked this question. Barney Smith had lost his job, a job, that he said, is now being performed by someone overseas. Barney Smith said: When are you all going to treat Barney Smith like you treat Smith Barney? That is a pretty decent question. Who is on the floor standing for the interests of the Barney Smiths? I hope, perhaps in the coming days, there will be some rational expectations coming from this deliberative body, and that rational expectation should not include cutting taxes for the wealthiest Americans at a time when America is at war.

This morning, perhaps at 6 a.m., our soldiers were called out of bed halfway around the world, strapped on their ceramic body armor, took up their weapons, and went out on patrol. They will be shot at today halfway around the world. We are told our responsibility is to provide tax cuts for the wealthiest Americans.

I wish to read a comment from Franklin Delano Roosevelt. I don't see a notion in this country about self-sacrifice in order to meet common goals and reach the common purpose of our destiny.

Here is what Franklin Delano Roosevelt said when we were at war then:

> "Not all of us can have the privilege of fighting our enemies in distant parts of the world. Not all of us can have the privilege of working in a munitions factory or a ship yard, or on the farms or in the oil fields or mines, producing the weapons or raw materials that are needed by our armed forces. But there is one front and one battle where everyone in the United States—every man, woman and child—is in action. . . . That front is right here at home, in our daily lives, and in our daily tasks. Here at home everyone will have the privilege of making whatever self-denial is necessary, not only to supply our fighting men, but to keep the economic structure of our country fortified and secure. . . ."

That isn't only for soldiers who sacrifice for country. It is for all of us. It is distressing to me to see that the serious is treated so lightly and the light is treated too seriously in this Chamber. We know better. This country is loaded with debt. It is at war. We owe it to the American people and to the future to do better and try to steer this country toward better times.

START TREATY

Mr. DORGAN. Madam President, I rise to speak about the START treaty. This issue, while on the front pages in the last few days, is not front-page news generally, but it is so unbelievably important.

First, I compliment Senator KERRY, chairman of the committee. I compliment Senator LUGAR and others who have worked on this. I was part of the national security working group. We had many briefings during the negotiations with the Russians. I chair the appropriations subcommittee that funds our nuclear weapons, and I have stood next to nuclear weapons, know a lot about them, know about the horror of these weapons, as do almost all Americans. Let me describe how many nuclear warheads we have in the world.

This data is the Union of Concerned Scientists' that made an estimate in 2010. They said Russia has about 15,000 nuclear weapons; the United States about 9,400; China, 240; France, 300; Britain, 200. We can see Israel at 80. These are the expected number of nuclear weapons on the planet. That is somewhere around 25 to 28,000 nuclear weapons on this planet, the loss of one of which or the explosion of one of which in a major city by a terrorist group will change life on this planet forever.

The question is, What are we doing now to stop the spread of nuclear weapons, prevent terrorists and rogue nations from acquiring nuclear weapons, and then reducing the number of nuclear weapons? What are we doing?

I have told the story of the CIA agent called Dragonfire who, 1 month to the day, October 11, 2001, reported to his superiors there was evidence that a Russian 10 kiloton nuclear weapon had been stolen and smuggled into New York City by a terrorist group. That was exactly 1 month after 9/11 when Dragonfire provided that piece of information to the intelligence community. For a month or 2 months, there was an apoplectic seizure in the intelligence community, with the administration trying to figure out how to deal with this. No one from New York was informed, not even the mayor. It was later discovered this was not a credible piece of intelligence, and everyone breathed easier. But as they did the postmortem, they understood, it would have been possible, perhaps, to have believed a terrorist group could have stolen a low-yield Russian nuclear weapon. It would have been possible for them to have stolen it and to have smuggled it into a major city, New York or Washington, and it would have