

is and what action is needed to prevent that threat from becoming an all-out emergency, or a conflict that we could not ultimately solve. That is the purpose of government. Ultimately to protect the security of the citizens of our country.

Therefore, when I read a release that I received today from the U.S. Department of Commerce which clearly states that they have made a finding that growing U.S. reliance on oil imports threatens the national security of the United States by making it vulnerable to interruptions in foreign oil supplies, I would immediately gather all of my advisers around me and say, "All right, what are we going to do about this?"

I am deeply disturbed that as I read the release and talk to people who know about this problem and find that, essentially, nothing is being done. I think we as a nation are making a terrible mistake.

Let me try and point out what I think the problem is in a very clear fashion. If we in this Nation were suddenly told that we are now importing 50 percent of all of the food that we consume in this country, and much of it from nations that are very undependable as far as being allies of the United States, I would predict that the next day there would be lines of people surrounding the White House and surrounding this Capitol saying, "My goodness, this is a terrible threat that we are now having to import half of the food that we consume from countries that are not dependable as allies of the United States."

Yet this is exactly what is happening when it comes to energy security. I will tell Members how this came about, Mr. President. That is, that the Department of Commerce, under existing rules and regulations, were responding to a petition that was filed by the Independent Petroleum Association of America that was filed on March 11, 1994, alleging that "Increasing U.S. dependence on foreign oil threatened the national security of the United States."

They pointed out in their request that imports of crude oil products were estimated through 1994 to average 8.8 million barrels of foreign oil coming into the United States every day. This represents a 200,000-barrel-a-day increase compared to 8.6 million barrels a day in 1993.

The estimated import ratio has now, for the first time ever, broken the "peril point level" of 50 percent of foreign imports coming into this country.

There is no dispute about that fact. The IPAA presented information. No one objected to that. The Commerce Department finds, after looking at all this information, clearly that U.S. reliance on oil imports now threatens national security by making us vulnerable to interruptions in foreign oil supplies.

The Commerce Department recommended, however, that the President not use his authority that he has

under section 232 of the Trade Expansion Act of 1962 to adjust these foreign oil imports through the imposition of tariffs, because the economic costs of such a move outweigh the potential benefits and because current administration energy policies will limit the growth of imports.

Mr. President, I disagree with that, and I disagree with it strongly. I think current administration energy policies in this administration, in the last administration and in the administration before that, in Republican administrations and in Democratic administrations, have clearly allowed us to get to the point where today we are importing half of the oil that we use in this country.

I guess it has been an easy thing for administrations to do because we have been getting cheap oil, but does anybody remember what happened in the early 1970's when we had lines of Americans sitting in their cars waiting to buy the precious gas that was left at the stations to run their cars and run this country? Because at that time, the Middle Eastern oil suppliers turned the faucets off just a little bit and literally brought this country to our knees, because at that time, we were importing about 30 percent of the oil we use.

Today, we are importing 50 percent, and just turning that faucet a little bit in 1995 will bring this country to our knees in a much more serious fashion than we were brought to our knees in 1973.

Unfortunately, it seems that all the administrations since then did not learn the lesson, and the lesson is very simple: That we should never be dependent on something that is important to our national security; we should never be dependent on other nations to supply it, particularly nations that are not necessarily our friends nor our allies, that we cannot trust to be reliable when we have a need for a product that they have, whether it be food, as I mentioned earlier, or whether it be energy to run our plants, our factories, to heat our homes, to cool our homes in the summer, to run our cars, to run our trucks, to keep up with the commerce demands of a great Nation.

Yet today, for all of those needs, we are now dependent on foreign nations for over half of those energy needs. And the thing that bothers me the most is that after recognizing that there is a national security threat—and these are not my words, these are the words of the Commerce Department when they made the findings—that the situation today presents a national security threat to the United States but we are not going to do anything in terms of setting a tariff to try and reduce the amount of imports coming in in order to encourage greater domestic exploration and production right here in this country.

I think that that is something that is not acceptable, because there are some things that we can do. I do not suggest that maybe oil import tariffs are the

only answer. I have advocated them for a number of years. But there are a lot of other things that they could have said we are going to recommend that needs to be done, other than just saying we are going to rely on current policy. Because, folks, it is clear that current policy has us in the predicament we are in. Current policy has allowed us to have imports increase up to the point where they now constitute 50 percent of all the energy we have in this country.

Imports increased this year from last year by 200,000 barrels a day more than the year before. That is under current policy. And to say that we are going to continue to stay with current policy, there is no trend line to suggest that is going to solve the problem. The trend line is that imports will continue to increase under current policy.

So I suggest to my friends in this administration that they take the Commerce Department's findings that there is a national security threat to make some recommendations on new things that should be done in order to prevent a national catastrophe from falling on this country.

I suggest that there are a number of things that I would have hoped that the administration would have been able to say we are recommending instead of maintaining the status quo.

First, they could have recommended that the administration will actively support what the industry calls geological and geophysical expensing, which simply says that oil and gas operators in this country would be able to expense the cost of exploring and producing a well, whether that well is a dry well, a dry hole, which they can do now, or whether it is a producing well. That would encourage a substantial increase in domestic production in this country to reduce that 50 percent number to what would be a more acceptable number.

I look over the recommendations and that is not there.

They could have, second, suggested that we move toward and support OPRA 90 reform. OPRA is the Oil Pollution Act that this Congress passed in 1990, but the way it is being implemented is not the way this Congress intended it to be implemented, and legislation is necessary to clarify what we meant. Here is the simple problem:

Congress never intended when we passed that Oil Pollution Control Act that onshore facilities would have to carry insurance of \$150 million per well. We were talking about major offshore activity that had the potential to pollute if a catastrophic event occurred. We never intended that any facility onshore that may be very, very small, with only very limited potential to cause any pollution, would also have to have \$150 million of liability insurance. But that is how our folks in the bureaucracy have interpreted it.

An amendment, a legislative fix for this problem would allow independent operators who produce oil onshore to

do it in a fashion that they could afford. We are going to run independents out of business if we do not do something legislatively to fix this problem. That would have been the second thing that could have been recommended and should have been recommended.

The third is to have recommended some type of broad-based royalty reform to encourage exploration and production in difficult areas where it is more expensive to find oil, where many times a day it costs more to explore than it would pay them if they found a producing well, because the price of oil per barrel, partly because of cheap foreign imports, is less than it costs to find that oil. Broad-based royalty relief would have made a major impact on helping to increase domestic production. But there is no recommendation for that type of activity.

The fourth is to do something about the Alaska export ban on oil that is produced in Alaska. When Congress passed that law saying that oil that is found in Alaska could never be exported outside the United States, it probably made sense at that time. But it does not make sense today.

If oil from Alaska can be sold in other areas at a higher price, it would give companies greater amounts of money to explore for and find additional fields domestically in North America—in Alaska, in the gulf coast area—which would increase the domestic production and thereby lower that 50 percent import figure that we have.

Mr. President, not one of those proposals, not one of those initiatives is found in the Commerce Department's finding and recommendation as to what should be done.

I will just close by saying that it is insufficient, in my opinion, for a department of our Government to make a finding that there is a national security threat to this Nation, which they have made, and then to say we are not going to recommend anything new to address that threat. That is an abdication of responsibility. It is unacceptable. This Member, and I know other Members, will take their finding and offer constructive suggestions to, in fact, address what is now clearly established as a national security threat to the United States of America.

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

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

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION.

The Senate continued with the consideration of the joint resolution.

Mr. CONRAD. Mr. President, I will be very brief so that colleagues will know

that we can end the day, especially the desk staff will know that they can get home to their loved ones.

I did want to bring to the attention of my colleagues that yesterday in the Budget Committee, when Secretary Christopher was there, inadvertently a Republican staff document was attached to part of his testimony and was handed out. I might say that it is a very interesting document. The document that has been prepared by the majority on the Budget Committee shows function 150, International Affairs. It is headlined, "Fiscal Year 1996 Balanced Budget Resolution." Down in the corner it says, "For Internal Purposes Only." But it was handed out inadvertently.

What I think is interesting about this document is it suggests that the majority has a plan to move towards a balanced budget, and I commend them for that. I hope they do have a plan. But I would say to my colleagues that if they have a plan, then we should revisit the question of the right to know provision that we sought to add to the balanced budget amendment.

We sought to add a provision that called on the Republican majority to produce their plan on how they intended to balance the budget so that the States could be advised of that before they had to vote to ratify it, and so that our colleagues who are about to vote on a balanced budget amendment could know what was the outline of the plan.

The Republican majority resisted that right-to-know effort by saying they could not say what a long-term plan was because there were so many things, it would be hard to determine and hard to project and hard to forecast. And yet we find in this document, which was released inadvertently, that at least with respect to one function of the budget they do have a detailed plan, very specific as to what they have in mind; terminating a set of programs, reducing other programs in order to reduce the 150 function, which, of course, is the international affairs function.

This suggests at the very least that other functions for other areas have a plan, something that is in the works, something that is available, that could provide some guidance as to where the majority is going with respect to a plan to balance the budget over the next 7 years.

I would just say to my colleagues that if in fact there are plans for other functional areas, as there clearly is for the international affairs section, we ought to have a chance to see it. We ought to have a chance before we vote on a balanced budget amendment. The American people ought to have a chance to see what the plan is.

What does the Republican majority have in mind for how they intend to balance this budget? I think that would certainly influence some votes in this debate.

Let me just say that I am one Member who is undecided on the question of

how I will vote on a balanced budget amendment. I am not being coy. I am seriously undecided at this point. I want to see what is the final provision on which we will vote.

Let me just add that I am absolutely convinced we must balance the budget in the next 7 years. It is absolutely imperative that we do so. Whether we have a balanced budget amendment to the Constitution or not, this Senator believes we have to balance the budget because we have a window of opportunity here before the baby boomers retire, at which time Government spending will skyrocket. And that will put enormous pressure on the economy of this country.

So we have a chance here in the next 7 years to get our fiscal house in order. That must be done. But I have reservations about the elements of this constitutional amendment in terms of the provision that would provide for looting the Social Security trust fund in order to balance the operating budget, the involvement of courts. The last thing I wish to see happening is the Supreme Court of the United States writing the budget of the United States. No judge was ever elected to do that.

I am also concerned about the lack of a capital budget. The vast majority of States that have a balanced budget requirement provide for a capital budget. You can pay for big investments over a period of time. That is what State governments do. That is what we do in our own personal lives. I know very few people who buy a house for cash. Most people take out a mortgage.

So those are, I think, legitimate concerns. But beyond that, I think we also have the question of how we do it. How do we balance the budget? And if our Republican colleagues, in fact, have a plan, one that they have not released and not revealed—and I think the fact that they clearly have one with respect to one function of the budget suggests they probably have it for other functions of the budget—that is something that could form the basis for an important discussion and debate about how we accomplish a balanced budget.

Let me just conclude by saying I would very much like to see us structure a means to require both sides to put down a plan to balance this budget simultaneously.

What is going on is we have a bit of Alphonse and Gaston, the chicken and the egg; nobody wants to go first. And I am working on legislation now that would require us, if the balanced budget amendment fails, to have the budget committees of both Houses and the President put down a plan to balance the budget over the next 7 years and to lay it down by May 1—have both sides be required to come to the table and lay down their plans to balance the budget. It is clear to me now the Republican majority is working on such a plan. Perhaps they have one completed, at least in preliminary outline. I think it would be very important for that to be shared with our colleagues and with