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Senate

The Senate met at 10 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. Today's prayer will be offered by Rev. Bill Hall of Geronimo, OK. We are very pleased to have Reverend Hall with us.

PRAYER

The guest Chaplain, Rev. Bill Hall, offered the following prayer:

Let us join together in prayer this morning.

Our Father, at the beginning of this session, we want to join together to offer thanks for this great Nation and for the privilege of being a citizen of the United States of America.

We do approach Thy throne of grace today and ask for divine guidance. Let us become aware of Thy divine presence in this place at this hour.

At this time we ask that You will give each of these elected servants the wisdom and the courage that they will need to perform their duties today.

We also join together to pray for peace and security for our citizens. We pray Thy blessings to be bestowed upon our homes, on our schools and, indeed, throughout our Nation today. Let us be reminded that righteousness exalteth a nation but sin is a reproach to people. This morning together we make our petition and offer our thanks in the precious name of our Lord and Savior. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader is recognized.

Mr. LOTT. Mr. President, I am pleased to yield to the distinguished Democratic leader this morning to recognize our guest Chaplain; it has a special meaning to him and to all of us.

Mr. DASCHLE addressed the Chair.

The PRESIDENT pro tempore. The minority leader is recognized.

REV. BILL HALL

Mr. DASCHLE. Let me thank the distinguished majority whip, my friend from Mississippi, for giving me the opportunity to recognize a person very important to my family and to me. Rev. Bill Hall is my father-in-law, and it is an honor to have him offer the prayer that opens up the Senate this morning.

By having him here, we share with the rest of the world what my wife and I have known for a long time. He is a man of dedication, and a man of spiritual strength. For many decades he has had the good fortune to share his strength and his spirituality with parishes throughout Oklahoma and Kansas. We have watched in great awe and admiration his remarkable work with people in towns small and large, in families broken and healed, and in parishes of all sizes.

As we begin this special day, it is a unique honor for me and a very important occasion to recognize his contribution to the many, many people who have benefited from his wisdom and from his leadership as pastor of his churches. I commend his message to the Senate and to the country as we begin this day.

I yield the floor.

Mr. LOTT addressed the Chair.

The PRESIDENT pro tempore. The able Senator from Mississippi is recognized.

Mr. LOTT. Again, Mr. President, I join our distinguished colleague and friend from South Dakota in welcoming to our body the Reverend Billy Hall. We thank him for his beautiful prayer for our people and our country today. We know how proud he is of his son-in-law, TOM DASCHLE, and we are very proud of TOM and Linda.

We are deeply honored to have Reverend Hall here today.

We thank him very much.

SCHEDULE

Mr. LOTT. Mr. President, this morning there will be a period for morning business until the hour of 10:30 a.m. Following morning business, the Senate will resume consideration of H.R. 2937, the White House Travel Office legislation. The Senate will stand in recess from 12:30 p.m. until 2:15 p.m. today to accommodate the respective party luncheons. Senators are reminded that a vote on the motion to invoke cloture on the pending Dole amendment No. 3961 to H.R. 2937 will occur at 2:15 p.m. today unless a unanimous-consent agreement with respect to further consideration of H.R. 2937, the gas tax repeal, and other related issues can be reached. Therefore, other votes are possible today in relation to those items just mentioned or any other items cleared for action.

The majority leader had indicated yesterday that there is a likelihood of votes throughout the day today, Wednesday, and Thursday, with the budget resolution being taken up, I believe, probably on Wednesday morning, and we can expect votes probably at night on each of these 3 days.

Mr. President, I yield the floor.

MORNING BUSINESS

The PRESIDING OFFICER (Mr. SANTORUM). Under the previous order, there will now be a period for the transaction of morning business for a period of time not to extend beyond the hour of 10:30 a.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

The Senator from Minnesota [Mr. GRAMS] is recognized to speak up to 10 minutes.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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(The remarks of Mr. GRAMS pertaining to the submission of Senate Resolution 254 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota [Mr. CONRAD] is recognized to speak for up to 10 minutes.

THE GASOLINE TAX REPEAL

Mr. CONRAD. Mr. President, I rise today to discuss the effort to roll back the 4.3-cent-per-gallon gasoline tax that was part of the 1993 deficit reduction package. I seriously question the wisdom of repealing the 4.3-cent-per-gallon gasoline tax at this time.

I think it is important to remember how we got this 4.3-cent-per-gallon gasoline tax. We got this as a result of the 1993 deficit reduction package. It was a time when there was an understanding that there was great urgency to reduce the budget deficit in this country. At that time, when President Clinton came into office, the budget deficit for the previous year had been \$290 billion. Since that time, after we passed the 1993 budget plan, the deficit has been reduced to \$145 billion this year. In other words, the deficit was cut in half. It was cut in half because some of us voted for a package to cut spending and, yes, to raise taxes, primarily on the wealthiest among us, in order to get our fiscal house in order.

Now we have a proposal before us to reduce the gasoline tax by 4.3 cents. Most people think it is a political move. Most people think it is politically popular. But sometimes what is politically popular, at least for the moment, does not stand much scrutiny. I believe that is the case with this proposal. I just had 40 members of the rural electric cooperatives from my State in my office, and I asked them, "What should we do? How would you vote if you were here representing North Dakota?" By 38 to 2 they said, "Keep the gasoline tax and if there is a proposal to offset the revenue lost by repealing the gas tax, take those funds and reduce the deficit. That should be the priority in this country."

I think those folks from North Dakota have it exactly right. The top priority ought to be to continue to reduce the deficit. Yes, it is true we have cut it in half since 1993, but the job is not done, and we ought to complete that job. We ought to get it done.

Some are saying that this 4-cent-a-gallon gasoline tax is the reason gas prices have gone up. That defies common sense and it defies logic. Clearly, a 4-cent gasoline tax put into effect in 1993 has nothing to do with rising gas prices experienced in the spring of 1996. In fact, when that tax went into effect in October 1993, gas prices went down. They did not go up, they went down.

The recent rise in gas prices has been caused by a number of factors totally

unrelated to gasoline taxes: an unusually cold and longer than average winter that drove up demand for home heating fuel; refinery breakdowns across the country; more low-mileage sport utility vehicles that are on the road that increase the demand for fuel; the speed limit has been increased, again increasing the demand for fuel; and oil companies are holding lower than average inventories, moving to just-in-time inventory management in order to save money. But even with all of that occurring, driving up the price of gasoline in the spring, the price of gasoline is now showing signs of coming down.

In my home State of North Dakota, the price for a gallon of regular unleaded gasoline in Fargo, ND, the biggest city in my State, is now about \$1.25, down about 4 cents in the past 2 weeks.

It is not just in North Dakota that we have seen gas prices come down. As this news story from the Los Angeles Times indicates—the story ran last week—a major headline: "Gas Prices Show Signs of Decline as Production Surges."

Los Angeles, CA, we all know, has been the hardest hit by increases in gasoline prices.

Average cost at the pump falls half a cent, and state officials predict more reductions. . . . After lagging, refineries again operating at close to normal output.

Mr. President, that is what has happened. Gas prices are starting to come down because of market forces.

Additionally, the price of gasoline in the United States is very low in comparison to other industrialized countries.

Saturday's Washington Post included a column comparing gas prices in other countries. I thought it was an excellent graphic that compared what folks are paying in other countries versus what we are paying. It is \$4.66 a gallon in the Netherlands; \$4.49 a gallon in France; \$4.39 in Italy; \$3.68 in Britain; \$1.30 in the United States.

We have the lowest gas prices of any industrialized country in the world. Now we are talking about taking off 4 cents instead of applying it to deficit reduction, deficit reduction that over 7 years amounts to \$30 billion?

I really do not understand why we dig the hole deeper before we start filling it in. The people that I represent believe the highest priority is to eliminate these deficits so we can start to see this economy grow.

Mr. President, there is also a question of whether this repeal would ever benefit consumers. The whole theory has been if you take off the 4-cent gasoline tax, that is going to benefit consumers.

The Washington Post last week had a headline that says: "Experts Say Gas Tax Cut Wouldn't Reach the Pumps. Oil Industry Called Unlikely To Pass on Savings to Consumers."

Mr. President, these are not my views. These are not views of other

Members of the Congress or other Members of the U.S. Senate. These are the views of oil industry experts.

I go to one energy expert, Mr. Verleger, who is quoted in the story as saying:

The Republican-sponsored solution to the current fuels problem . . . is nothing more and nothing less than a refiners' benefit bill.

He makes the point these reductions in the gas tax will not be passed on to consumers, but the real beneficiaries will be the folks that refine the gasoline. Those are the folks that will get the benefit of any repeal of the 4-cent gas tax.

The president of the conservative Cato Institute, a former member of President Reagan's Council of Economic Advisors, said:

I don't think there is anything the Republicans can credibly do to guarantee that the tax reduction gets passed through to the consumer.

Mr. President, I think he is right. We have not only had the testimony of those energy experts, but we have heard from the oil industry itself. The CEO of ARCO, Mike Bowlin, said last week:

There are other market forces that clearly will overwhelm that relatively small decrease in the price of gasoline. . . . People's expectations will be that the minute the tax is removed, they want to see gas prices go down 4.3 cents, and that won't happen.

Mr. President, what could be more clear? I think these three experts have said it about as clearly as it can be stated. There is no way that this reduction in the gas price can be assured to be passed on to consumers. But what we can be assured of—what we can be assured of—is this is going to blow a \$30 billion hole in the plans to reduce the budget deficit in this country.

I believe deficit reduction is more important than taking off the 4-cent-per-gallon gasoline tax that we have no assurance will be passed through to consumers anyway. I understand the majority leader has provided offsets to pay for the gas tax repeal, at least for the next several months.

Mr. President, I would like to offer an amendment that would take his offsets and, instead of repealing the gas tax, apply it to reducing the budget deficit that is still \$145 billion this year. That is what we ought to do if we are, instead of playing politics, serious about managing the fiscal affairs of this country.

If we are really serious about helping families, I think we ought to look at the benefit of reducing the deficit in comparison to the benefit of repealing this 4-cent gasoline tax.

This chart shows the benefit to a typical family of balancing the budget versus what a typical family would gain from repealing the 4-cent-a-gallon gasoline tax, and that is assuming every penny got passed on to consumers. We already know, from what I have already presented, that that gas tax repeal is unlikely to get passed on to consumers. But let us just look at what