

(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

happens, what the benefits are of balancing the budget to the average family versus what the gas tax repeal would do.

Balancing the budget, balancing the unified budget, would reduce the home mortgage for a typical family in the United States by \$917 a year. That is because interest rates would be reduced; a car loan savings would be \$97 a year; student loan savings \$56 a year; in comparison to what the gas tax would mean to a family, \$42 a year.

Mr. President, it seems to me very clear that the priority ought to be in further reduction of the deficit rather than in a repeal of the gas tax, which is unlikely to ever be passed through to consumers. The benefit to consumers, the benefit to families, lies in further deficit reduction.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BURNS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana is recognized for 5 minutes.

Mr. BURNS. Mr. President, I thank the Chair.

#### AMERICA ON MY MIND

Mr. BURNS. Mr. President, I rise today with America on my mind to applaud our favorite Republican Senators and Republican Congressmen who have worked so diligently in trying to present a budget that stays in balance and would balance the budget in 6 years and still would not raise taxes.

It is interesting that my colleague from North Dakota would also put in there that he likes the balanced budget. We would like to see him vote for one. Take-home pay, if the budget is balanced, will increase, predictability in the marketplace, predictability of jobs. That is what worries people today: "Will I have my job in a year?"

Government has to be more responsible when it comes to spending. I look here at this cartoon. "What are you looking at?" He says, "Our paychecks!" He takes a magnifying glass to see it.

The Republican budget will balance by the year 2002 and does it by living within its means without raising taxes. This budget provides real welfare reform, real welfare reform that the President and the administration has called for but has vetoed. It provides tax relief for job expansion, predictability in the workplace, and, more importantly, it gets us on the road of saving and preserving Medicare for future generations, of which our colleagues, some of them, have stuck their heads in the sand.

Mr. CONRAD. Will the Senator yield?

Mr. BURNS. It looks out for the long term, not just the short term.

Mr. CONRAD. Will the Senator yield for a question?

Mr. BURNS. I would like to make my statement, and then I have a committee meeting to go to, if the Senator does not mind.

Balancing the budget, without raising taxes, and deals also with Federal spending. You know, spending money, especially other people's money, is sort of like alcoholism. A fellow asked, "Does he have a drinking problem?" And he says, "No, he has a stopping problem." That is what we have in this Government. But if we deal with the spending problem, here is what has to happen. Families have to balance their budget. Government does not have an income problem. It has a spending problem. Mr. President, 38.2 percent of the family's income right now goes for taxes. So there is no doubt about it, a balanced budget will put more money in the pockets of Americans, not just a selected few, all Americans—single-income taxpayer, double-income taxpayer, newlyweds, farmers, ranchers, high tech, low tech. Everybody wins with a balanced budget.

The best way to increase our take-home pay, not only earn more but save more, to keep more in your pocket at the end of the month—it is better than any other program—is to go with a balanced budget. I applaud my colleagues who have worked so hard on this budget, presenting it to this Congress later on this week. I stand in support of that budget. I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I ask unanimous consent we extend morning business so I may be permitted to make a 10-minute presentation that is accounted for in the previous order of the Senate.

Mr. BOND. Mr. President, I ask if the Senator would be so kind to extend that for another 5 minutes so I may have 5 minutes when he concludes his 10-minute presentation.

Mr. DORGAN. Mr. President, let me further amend the unanimous consent, if I might. My colleague, Senator CONRAD, had wanted to respond. Let me ask if we might add 2 minutes to respond because the previous speaker spoke of Senator CONRAD and refused to yield to him. I make a unanimous-consent request that Senator CONRAD be accorded 2 minutes. I continue to seek my 10 minutes, and I am happy to accommodate the Senator from Missouri.

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

#### A BALANCED BUDGET PLAN

Mr. CONRAD. Mr. President, the Senator from Montana, in his presentation, said that he would like the Senator from North Dakota to vote for a balanced budget plan. I do not know where the Senator from Montana has been. Not only have I voted for a balanced budget plan, I have presented three in the U.S. Senate in the last year.

I presented the fair share balanced budget plan last year; got 39 votes. It was the most ambitious deficit reduction plan that has been presented by

anybody in either House—got 39 votes in the U.S. Senate.

No. 2, I cosponsored with Senator SIMON last year the commonsense balanced budget plan. We got 19 votes in the U.S. Senate for that plan. That plan was the second most ambitious deficit reduction plan that anybody has presented in the U.S. Congress.

Third, I have been involved in the centrist coalition, which will have a substitute to the Republican plan that we will offer this week, which is a 7-year balanced budget plan that 22 of us have put together—11 Democrats and 11 Republicans. Not only have I voted for balanced budget plans, I have helped author them, or in some cases authored them in their entirety. I just want to set the record straight.

I thank my colleague from North Dakota for this opportunity to respond.

The PRESIDING OFFICER (Mr. COATS). The Senator from North Dakota.

#### SETTING THE RECORD STRAIGHT

Mr. DORGAN. Mr. President, I watched yesterday. We had, I think, six of my colleagues from the other side of the aisle come to the floor. We have seen six or seven of them virtually every day come to the floor of the Senate and describe to us what is wrong with the President's agenda and what is right about their agenda.

Yesterday, specifically, the discussion was about the proposed reduction in the gasoline tax of 4.3 cents a gallon. The point was repeatedly made that the gasoline tax was increased in 1993 in order to accommodate more Federal spending. That, of course, is not the case. The gas tax increase of 4.3 cents a gallon was a result of it being included in a very large package of spending cuts and, yes, some tax increases, in order to reduce the Federal budget deficit. It is worth noting that since that time, the Federal budget deficit has been reduced by 50 percent on a unified budget basis.

Last week, on Thursday, we faced the spectacle at that point of having a proposal brought to the floor of the Senate to reduce the gasoline taxes by 4.3 cents a gallon and to pay for it with kind of a Byzantine scheme of telecommunications spectrum sales beginning in 1998, and some other things that the Office of Management and Budget said would increase the Federal deficit by \$1.7 billion next year. In other words, a proposal was brought to the floor of the Senate that said, "Let's reduce the gasoline taxes by 4.3 cents a gallon."

The experts say there is no guarantee that the consumers will see the benefit of that, or that it will be passed through for a reduced pump price to the consumers. However, we would then see a \$1.7 billion increase in Federal deficit in the next year as a result of it.

In the very next breath, we are told that there is something wrong with