

## ROYALTIES FROM CRUDE OIL

Mrs. BOXER. Mr. President, I want to brief the Senate on an issue that is gaining steam in my home State of California, because, if it is resolved, it will result in about \$80 million going directly into the school system in California to help the children there.

This issue involves the underestimation by oil companies of royalties that they owe the Federal Government from crude oil that they have pumped. They have underestimated these royalties and have been sent a bill by the Department of the Interior, and they have not yet paid.

At this point the amount owed is \$385 million. We expect it will go up to \$440 million.

Ten oil companies, the largest one being Shell, have been sent their bills. Shell Oil's bill is over \$100 million. Those funds will go to the U.S. Treasury, and then a portion of those funds will go to the States in which the oil was pumped. California is the place where most of that oil comes from; and California will get between \$75 and \$80 million from the Federal Government when those funds are collected.

In California we have a law that the royalties all go to the State Schools Fund. I really hate to see years of protracted litigation, Mr. President, on this matter.

The oil companies are not cooperating. Many of them have refused the subpoenas. They are disregarding the subpoenas sent to them. The Justice Department is now involved. I hope that instead of being deadbeat oil companies, they will pay up. If they feel they have a case that the bills are too high, they can fight that out. They can try to settle it. But they should at least cooperate and begin paying some of what is owed.

Mr. President, I can tell you, the \$75 to \$80 million to California schools would mean that we could hire an additional 1,000 teachers or buy 40,000 computers. The children deserve that.

For Orange County alone the underpayments total more than \$5 million; for Los Angeles, \$18 million; for San Diego, \$5 million; for Fresno, \$2.25 million.

So I appeal to these oil companies, do right for our children, pay what you owe. Be good citizens, cooperate in this investigation, make some payments, work with us so that our children can get a better education.

I hope the people of this country will write to the CEO of Shell, will write to the CEO of Oryx, of Marathon, of Mobil and tell those CEO's that we are all in this together and that when an individual family gets a bill, when they do not pay it, they cannot stall, they cannot afford to hire lawyers. If, in fact, the individual says, "Well, I paid it," you know what you would do as a family member; you would say, "Here's my canceled check. I've paid this," or, "Come and look at this. This is a mistake."

That is not what these oil companies are doing. Three of them complied with

the subpoenas, but five are fighting them. So I feel, Mr. President, this is an issue that deserves attention.

I am very pleased that Cynthia Quarterman, the Director of the Mineral Management Services, and Bob Armstrong are working on this case. They are going forward to collect these sums. They have written a new rule so that in the future there will not be any confusion about what is owed.

So I look forward to a successful conclusion, and I really do think if the people of this country and citizens of California write to these oil companies, maybe we will see some of these payments.

Thank you very much, Mr. President. I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Ms. COLLINS). Without objection, it is so ordered.

#### VOTING RIGHTS OF MILITARY PERSONNEL

Mr. GRAMM. Madam President, I have risen today to talk about a problem in my State with regard to the voting rights of military personnel. Our dear colleague from Alabama, Senator SESSIONS, is on his way to the floor to join me in this discussion. While I am waiting for him, for at least a moment I want to talk about another subject. I want to say a little bit about the balanced budget amendment to the Constitution.

#### BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

Mr. GRAMM. Madam President, I understand that our colleagues today on the Democratic side of the aisle are offering in the Judiciary Committee an amendment that says that, if we require the Federal Government to live on a budget, if we fulfill the constitutional requirement that Thomas Jefferson thought necessary when he first saw the document upon returning from France, we ought to set up a system where we count the Social Security trust fund while it is in surplus between now and the year 2002 as part of the accounting system of the Government but that after 2002 we not count it as part of the budget of the Federal Government.

What our colleagues would have us do is to make it easy now to spend money but that when the Social Security system begins to move into the red, to not count that deficit as part of the deficit of the Federal Government. If we are going to balance the Federal budget, if we are going to guarantee the future of Social Security and Medicare and of Government services that

our people need and deserve, we are going to have to control spending. We cannot balance the budget by simply exempting the largest program of the Federal Government from the budget. And the idea of saying that in the future, when Social Security is running huge deficits, it will not count as part of the budget, it seems to me, is not only shameless but is typical of an era where our own President in this year's budget is proposing that we take the single fastest growing item in Medicare, home health care, that we take it out of the Medicare trust fund in order to make the books look better. I do not think you have to have much imagination to understand that, if you do not count the deficit of Social Security in the future, not only will we have no incentive to control that deficit and make the system solvent but more and more Government functions will be shifted over into the part that does not count for a balanced budget amendment.

So I think we all know what the game is here. The game is we have a lot of people who promised in the election that they would vote for a constitutional amendment to force Congress and the President to balance the budget and now we are seeing gamesmanship where they say, "Well, I would vote for it but only if the largest spending program of the Federal Government were excluded and only if we could use the benefit from the surplus now, and only if we do not have to make up the deficit later." Have our Democratic colleagues who have offered this proposal no shame?

We have a choice as to whether we are going to change America. If you want to change America, you are for the balanced budget amendment to the Constitution and you are for a balanced budget where every program counts, where every program is important, where the Federal Government is forced to pay its bills.

How many families would like to be required to balance their budget without counting their mortgage payment or without counting the cost of their new car? I believe we make a mockery of the process.

I look forward to the day when we are going to stand up on the floor of the U.S. Senate and we are going to say yes or no. As we look back at the campaign literature of some of the very people who are now undecided and we look at what they said about being for a balanced budget amendment to the Constitution, what we are going to really test is, does our word count for anything? When we tell people we are for something and they vote for us and send us here to do it, will we do it, or will we engage in gimmicks to try to confuse the people and try to cover what is little more than going back on our word?

Madam President, I look forward to having my name down as one who is for the balanced budget amendment to the Constitution.