impeachment has adjourned sine die. Censure is not meaningless, it will not subvert the Constitution, and it will be indelibly seared into the ineffaceable record of history for all future generations to see and to ponder. For those who fear that it can be expunged from the record, be assured that it can never be erased from the history books. Like the mark that was set upon Cain, it will follow even beyond the grave.

Mr. DORGAN. Mr. President, I yield the floor.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that I may have up to 10 minutes to make a statement.

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

Mr. MURKOWSKI. I thank the Chair and wish the Presiding Officer a good day.

ENERGY SECURITY

Mr. MURKOWSKI. Mr. President, first of all, I want to raise with my colleagues two issues that revolve around energy security. The first issue is the state of the domestic oil industry and the second issue is the Oil-for-Food Program for Iraq. I think that this marks the first departure from the debate on the impeachment, and I hope the Presiding Officer will find it refreshing.

Last week, the Energy and Natural Resources Committee, which I chair, held a hearing to review the state of the domestic petroleum industry, and to assess the threat to our economic security from our growing dependence on foreign oil. The domestic oil industry in the United States is in serious trouble. Companies are laying off workers in droves. In my State of Alaska, British Petroleum, just announced the layoff of some 600 workers, and another one of our major oil companies lost somewhere in the area of just under $800 million in the last quarter of 1998.

Exploration and drilling budgets are way down. Drilling contractors have been cut to the bone. Marginal and stripper wells are being shut in. These are production capabilities, Mr. President, that, once lost, will unlikely be regained. These, to a large degree, represent an ongoing operating petroleum reserve—one might conclude a strategic petroleum reserve—because while they are small, they are substantial in their numbers and contribute to domestic production.

Now, to quote a recent report by the John S. Herold Company, 1998 was a ''catastrophe'' for the U.S. oil industry, ''nothing short of murderous for investors'' in that industry. We are seeing mergers and consolidations, significant implications for the Nation's energy security, and certainly U.S. jobs—30 merged companies alone last year.

This situation in the oil industry is interesting, as we look at the commodities in this country. As the Presiding Officer is well aware, the agricultural industry—production, livestock, hogs, beef—the farmers can hardly raise them anymore. Many aspects of the agricultural industry are under water. This is true of the timber industry. It is true of the steel industry. It is true of the mining industry, and certainly true of the oil and gas industry.

So as we reflect on the prosperity of this country, it is interesting to note the job losses in the commodities industries of this country—and one has to wonder when it is going to catch up with itself. Of course, we enjoy low gasoline prices when we fill our car or boat, low heating oil prices when we warm our home, and low inflation due in large measure to low oil prices. Let's recognize where it is.

But a decimated U.S. oil industry creates a risk to consumers, to the economy, to our national energy security. And we only have to look back at history. Some say we learn from history, and some say not much. Well, we recall the 1973 Arab oil embargo when we were only 36 percent dependent on foreign imported oil. That had a devastating impact on consumers and the economy. We saw oil shortages, and long lines at the gas stations. Many people have forgotten that timeframe—soaring prices, double-digit inflation, and an economy put into recession. What was the prime rate at that time? Well, the prime rate was 20.5 percent in 1980. Inflation was in the area of 11 percent—double-digit.

If it happened today, we could be hit even harder. And we are getting set up for it because we are in worse shape today than we were in 1973. Since 1973, our foreign dependence has grown by leaps and bounds. U.S. crude oil production dropped by one-third. U.S. oil imports—oil imports—soared by two-thirds.

Today, U.S. foreign oil dependence is 56 percent, compared to 36 percent back in 1973. Our excessive foreign oil dependence puts our national energy security interests at stake and hence our national security at stake. We can't forget that the United States went to war in 1991 when Iraq invaded Kuwait and threatened the world oil supplies. Part of that was our supply.

In 1995, President Clinton issued a Presidential finding that imports of oil threatened our national security, and a short time ago the U.S. bombed Iraq because Saddam continues to threaten the stability in the Persian Gulf. Well, it is fair to say, Mr. President, if we do nothing, what will happen: We know things are going to get worse.

The Department of Energy projects in the year 2010 U.S. foreign dependence will hit about 68 percent. That means we will be depending on foreign sources for 68 percent of our oil supply.

I don't think we should put our trust in foreign oil-producing nations that have their interests in mind, not ours. I plan to work closely with the small and independent producers to develop a solution to this crisis. Already I have cosponsored Senate bill 325, a bill introduced by my colleague from Texas, Senator KAY BAILEY HUTCHISON, that would amend the Tax Code to add marginal producers. I will work as a member of the Finance Committee to consider this and see it is adopted.

I also intend, with Senators from producing States, to consider a non-tax means to assist domestic production through regulatory and land access issues.

Second, I want to talk about oil-for-food and our relations with Iraq. This deals with our energy security; that is, our U.S. policy towards Iraq, specifically, the U.N. Oil-for-Food Program. Six weeks have passed since President Clinton ordered America's Armed Forces to strike military and security targets in Iraq. What has Saddam's regime done since then? They have shot at U.S. fighter planes on almost a daily basis. They have challenged Kuwait's right to exist. They have demanded compensation for U.N. crimes against Iraq—isn't that ironic. They have demanded an end to sanctions and no-fly zones. They have reiterated that no weapons inspectors will be allowed to return. That is a pretty bold statement.

Now, what policy initiative has the Clinton administration launched to deal with Saddam's defiance? U.S. officials offered to eliminate the ceiling on the Oil-for-Food Program, a de facto ending of the sanctions on oil exports. My views on the absurdity to this proposal were included in a recent Washington Post op-ed, and I ask unanimous consent that be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 25, 1999]

OUR TOOTHLESS POLICY ON IRAQ

(By Frank H. Murkowski)

On the eve of Operation Desert Fox, President Clinton announced to the nation that ''we are delivering a powerful message to Saddam.'' That message now appears to be that as long as Saddam Hussein refuses to cooperate with inspections, refuses to comply with U.N. resolutions and refuses to stop illegally smuggling out oil, he will be rewarded by the de facto ending of economic sanctions.

At least, that was the message sent by the U.S. Ambassador to the United Nations Peter Burleigh on Jan. 14 when he offered a plan to eliminate the ceiling on how much oil Iraq can sell abroad. This proposal was in reaction to a proposal (made by France and supported by Russia and China) to end the Iraq oil embargo.

Do not be fooled. The distinctions between the U.S. plan and the French plan are meaningless. This is the end of the U.N. sanctions regime. Security Council Resolution 687, passed in 1991 at the end of the Gulf War, requires that international economic sanctions, including an embargo on the sale of oil from Iraq, remain in place until Iraq discloses and destroys its weapons of mass destruction programs and capabilities and undertakes unconditionally never to resume such activities. This, we know, has not happened.

But the teeth in Resolution 687 have effectively been pulled, one by one, with the introduction and then continued expansion of the so-called oil-for-food exception to the sanctions. Although the humanitarian goals of the oil-for-food program are worthy, Saddam Hussein already has subverted the program to his own benefit by using increased oil capacity to smuggle oil for hard cash and by freeing up resources he might have been forced to use for food and medicine for his own people.

The increase in illegal sales of petroleum products coincided with implementation of the oil-for-food program in 1995. Part of this illegally sold oil is moving by truck across the Turkish-Iraqi border. A more significant amount is moving by sea through the Persian Gulf. Exports of contraband Iraqi oil through the gulf have jumped some 50-fold in the past two years, to nearly half a billion dollars. Further, Iraq has been steadily increasing illegal exports of oil to Jordan and Turkey.

Oil is Saddam Hussein's lifeline; it fuels his ability to finance his factories of death and rebuild his weapons of mass destruction. Revenue from oil exports historically has represented nearly all of Iraq's foreign exchange earnings. In the year preceding Operation Desert Storm, Iraq's export earnings totaled $10.4 billion, with 95 percent attributed to petroleum. Iraq's imports during that same year, 1990, totaled only $6.6 billion.

The United States proposes to lift the ceiling on the only export that matters. In addition, it is prepared to relax the scrutiny applied to contracts for spare parts and other equipment needed to get Iraqi industry working better.

France, China and Russia, of course, did not support Desert Fox, and have wanted to lift the Iraq embargo for some time. They are willing to put economic gain before international security, because these appeasers of Iraq stand to earn billions in a post-sanctions world. In fact, earlier this month, the U.N. released more than $81 million under the expanded oil-for-food program to enable Iraq to buy electrical generating equipment, nearly all of which ($74.9 million) will come from China. Will these new turbines merely guarantee an uninterrupted power supply for Saddam Hussien's poison gas facilities?

Why is the Clinton administration prepared to take this course? Because our Iraq policy is bankrupt. We have relied on Koki Annan and the Iraq appeasers to sign meaningless deals with Saddam Hussein regarding inspections that were useless from the moment they were signed. When we called back our aircraft at the last moment in October, despite the unanimous support of the Security Council for the attack, our Iraq policy suffered a near-fatal collapse. It finally did collapse when we decided to strike at a time when the president's credibility was at its lowest and the approach of Ramadan guaranteed Saddam Hussien easily could outlast our attack. Indeed the absurdity of our policy is reflected in the fact that in December our bombers targeted an oil refinery in Basra and at the end of the attack we pledged support to rebuild Iraq's oil-export capacity.

The inept policies that have brought us to this point must be reversed. As a first step, the administration ought to turn back from its path toward lifting, rather than tightening, the sanctions on Saddam Hussein. Second, when the U.N. reconsiders reauthorizing the oil-for-food program in May, the United States should use its veto to end this program, which has allowed Saddam Hussein to rebuild his political and military support.

We can bring Saddam Hussein to his knees by eliminating his ability to market any of his oil, thereby cutting off his cash flow. Not only should the United States strengthen oil interdiction and inspection operations, the administration should consider adopting a policy similar to the air blockade we enforce in the "no-fly" zone. A strictly enforced "no-oil-export" policy is what is called for.

Only then will Saddam Hussein realize that cooperation with U.N. inspectors is the only way to rebuild his economy. The policy predicated on so-called humanitarian grounds—oil for food—not only has failed but has ensured the survival of Saddam Hussein.

Mr. MURKOWSKI. Mr. President, I don't have time to go into that in depth, but let me remind my colleagues of a few things. One, the United Nations Security Council Resolution 687 passed in 1991 at the end of the Persian Gulf War requires that international economic sanctions, including an embargo on the sale of oil from Iraq, remain in place until Iraq discloses and destroys its weapons of mass destruction programs and capabilities and undertakes unconditionally never to resume such activities.

But the teeth in Resolution 687 have effectively been pulled out one-by-one with the introduction and then continued expansion of the so-called oil-for-food exception to the sanctions: In 1995, UNSCR 986 allowed Iraq to sell $2 billion worth of oil every 6 months. Iraq produced 1.2 million barrels per day in 1997. In 1997, UNSCR 1153 doubled the offer to $5.2 billion in oil every 6 months. Iraq is now producing 2.5 million barrels of oil. In 1999, United States, France, and Saudi Arabia will offer varying plans on removing the limit on how much oil Iraq can sell and for what purpose.

This means that Iraq's oil production of 2.5 million barrels per day equals—their production now equals—the prewar production levels in the year preceding Desert Storm. Iraq's export earnings total $10.4 billion, with 95 percent attributed to oil, which is Iraq's only significant identifiable cash flow. Iraq's imports that same year were only $6.6 billion.

The President's National Security Advisor, Sandy Berger, takes issue with my characterization of the U.S. proposal. In a Washington Post editorial, he said that under the Oil-for-Food Program:

> We prevent Saddam from spending his nation's most valuable treasure on what he cares about most—rebuilding his military arsenal—and force him to spend it on what he cares about least—the people of Iraq. From Saddam's point of view, that makes the program part of the sanctions regime.

I ask unanimous consent that editorial in the Washington Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post]

OIL FOR FOOD: THE OPPOSITE OF SANCTIONS

(By Samuel R. Berger)

The Post's Jan. 17 editorial "Rewarding Saddam Hussein" endorsed the administration's policy of containing Iraq and our continued readiness to back that policy with force. Unfortunately, it also misconstrued important elements of our approach to sanctions to Iraq. The confusion was compounded by a Jan. 25 op-ed by Sen. Frank Murkowski (R-Alaska). Both took issue with what the editorial referred to—incompletely—as an administration statement offering "to eliminate the ceiling on how much oil Iraq is permitted to sell." The second half of that statement—which the editorial omitted—read: "to finance the purchase of food and medicine for the Iraqi people."

Under the U.S. proposal, Iraq could pump as much oil as is needed to meet humanitarian needs. All the revenue would go directly to a U.N. escrow account, as it does now. From that account, checks could be written—directly to the contractor—to buy food, medicine and other humanitarian supplies, as well as parts for equipment that we know is being used to pump oil for this program. These supplies then would be distributed under U.N. supervision. Saddam would never see a dime.

The Post and Sen. Murkowski also asserted that our proposal to increase the flow of humanitarian aid to Iraq is no different from proposals to lift sanctions. In fact, it is in direct opposition to them.

If sanctions were lifted, the international community no longer could determine how Iraq's oil revenues are spent. The oil-for-food program would have to be disbanded, not expanded. Billions of dollars now reserved for the basic needs of the Iraqi people would become available to Saddam to use as he pleased. The amount of food and medicine flowing into Iraq most likely would decline.

In contrast, under the current program, we prevent Saddam from spending his nation's most valuable treasure on what he cares about most—rebuilding his military arsenal—and force him to spend it on what he cares about least—the people of Iraq. From Saddam's point of view, that makes the program part of the sanctions regime.

Indeed, Saddam already has rejected our initiative to expand it. He knows that every drop of oil sold to feed the Iraqi people is a drop of oil that will never be sold to feed his war machine. Oil for food means no oil for tanks.

Saddam's intent is clear: He is cynically trying to exploit the suffering of his people—for which he is responsible—to gain sympathy for his cause and to create a rift in the international coalition arrayed against him. In this way, he hopes to build support for ending sanctions so that he can resume his effort to acquire weapons of mass destruction.

But he is failing. In recent weeks, opinion has hardened against Saddam in Arab countries. On Sunday, the Arab League called on Iraq to stop provoking its neighbors and to comply with U.N. resolutions. Newspapers in Egypt and Saudi Arabia have called for Saddam's ouster. But there remains strong public sympathy for the Iraqi people.

The effect of our policy is to make clear that the source of hunger and sickness in Iraq is not sanctions but Saddam. After the Gulf War ended, the United States made certain that food and medicine would never be subject to sanctions. Saddam always has been free to import them. When he refused to do so, the United States took the lead in proposing that Iraq be allowed to sell controlled quantities of its oil in order to purchase humanitarian supplies. Remarkably, until 1996, Saddam refused to do even that.

Currently, the United Nations allows Iraq to spend up to $5.2 billion in oil revenue every six months for humanitarian purposes. Saddam is so indifferent to the suffering of his people that he still refuses to make full use of this allowance. But the food supply in Iraq has grown, and soon will provide the average Iraqi with about 2,200 calories per day, which is at the top of the United Nations' recommended range.

To leave no doubt about who is responsible for the suffering of Iraq's people, we are willing to lift the $5.2 billion ceiling to allow Iraq—under strict supervision—to use as much oil revenue as is necessary to meet humanitarian needs. In the meantime, we will continue to enforce sanctions against Iraq and remain prepared to take action against any oil facilities being used to circumvent them.

Critics of this effort imply we should starve Iraq into submission. They forget that starving Iraq is Saddam's strategy. The oil-for-food program helps us to thwart it.

The program does not reward Saddam; it further restrains him, while relieving the suffering of ordinary Iraqis. It has helped to deepen Saddam's isolation, and it will remain a logical part of our strategy against him and the threat he poses.

Mr. MURKOWSKI. In conclusion, I don't care much about Saddam's point of view, but from the point of view of this Senator from Alaska, what this program does is allow Saddam to use his increased oil capacity to smuggle oil for hard cash and free up resources he can use to finance his weapons of mass destruction. Saddam's cash flow is oil. The smuggling is documented. The displacement issue is harder to track, but Saddam's war machine is still working and his troops are still fit.

Let me take issue with the definition of ''humanitarian supplies.'' The most recent U.N.-approved plan would allow Saddam to spend this oil-for-food money, and I think it is interesting to reflect where is he spending his money. Let's look at it, because I think it counters Sandy Berger's remarks that this is going for ''humanitarian'' purposes: $300 million for petroleum equipment; $409 million for electricity networks; $126 million for telecommunication systems; $120 million to buy trucks, repair the railway system, and build food warehouses; $180 million for agriculture equipment, including pesticides.

What is the humanitarian goal in guaranteeing an uninterrupted power supply for Saddam's poison gas facilities? What is the humanitarian goal in making sure his elite guards can communicate with each other?

And finally, with a new emphasis on building an effective Iraq opposition, I wonder how an opposition can take root when Saddam is able, through the Oil-for-Food Program, to take care of his citizens' basic needs?

The chairman of the Foreign Relations Committee, Senator HELMS, and I will be holding a joint hearing of the Foreign Relations Committee and the Energy Committee next week to ask the administration these questions. I have asked Sandy Berger to come up and defend his arguments, along with Secretary Richardson and Under Secretary Pickering.

I ask unanimous consent to have printed in the RECORD an excellent analysis of the various proposals for changing the sanctions by Patrick Clawson from the Washington Institute.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[The Washington Institute, January 19, 1999]

ASSESSING PROPOSALS FOR CHANGING U.N. RESTRICTIONS ON IRAQ

(By Patrick Clawson, with Nawaf Obaid)

In the last two weeks, France, the United States, and Saudi Arabia have all proposed changes in UN restrictions on Iraq. While all would have the effect of cutting Saddam some slack, intriguingly, the Saudi plan is about as good as the American.

The French Proposal. The French proposal is soft both on inspections and on sanctions. In the words of Foreign Minister Hubert Vedrine, the French proposal aims at ''preventing any *new* [emphasis added] development of weapons of mass destruction [WMD].'' Vedrine proposes no action be taken about what he describes as ''remaining [WMD] stocks that may have escaped control or destruction''—stocks that include some long-range missiles and biological weapons materials. The French-proposed inspection system would be built on the model of the International Atomic Energy Agency (IAEA), rather than UNSCOM. Since the Gulf War, the IAEA has continued its practice of looking primarily at fissile material rather than at the full scope of activities needed to make a nuclear weapon. Intelligence reports suggest Iraq has produced weapon components from which functioning nuclear weapons could be assembled soon after Iraq acquired fissile material. The French proposal may be the most intrusive regime that Saddam would accept. Yet, France is asking the wrong question; the issue is not what Saddam will accept, but what will accomplish the goal of eliminating the threat of Iraqi WMD. From this perspective, France's plan comes up short.

France has also proposed that Saddam be permitted to use oil export receipts as he wishes, subject only to the restriction that he not import arms or dual-use technologies. The practical effect of this proposal would be to allow Saddam to reduce food and medicine imports to fund his priorities. The French proposal would also eliminate the current system under which all earnings from approved Iraqi oil exports go into an escrow account abroad, and each payment out of the account requires documentation showing for what the funds are being used. The French would instead trust Iraq to keep honest accounts and report accurately to the UN, without diverting any money into clandestine accounts.

The U.S. Proposal. The U.S. government's January 14 proposal to the Security Council focuses not on the inspection system but instead on what can be done to alleviate humanitarian suffering while sustaining sanctions. The first element in the U.S. proposal would be to allow Saddam to export as much oil as he wants. Such a step may be a good way to win a propaganda victory without having any practical effect, because the UN-imposed limit is so far above what Iraq can produce. In the six months to November 1998, Iraq exported $3.04 billion through the oil-for-food program, or less than 60 percent of the UN limit of $5.26 billion. The practical constraint was not the UN limit, but Iraq's production capacity.

The only way Iraq can produce more is if it can import equipment needed to repair and modernize its oil industry. In 1998, the UN approved imports of $134 million worth of oil-field equipment. A team from the Dutch firm Saybolt, hired by the UN, visited Iraq in December 1998 to identify what more is needed. The issue is whether to expedite approval of the $300 million program that team recommended. A sticking point has been Iraqi oil exports outside the oil-for-food program, namely, shipments to Jordan (80,000 barrels a day of crude and 16,000 barrels a day of oil products) and the smuggling of oil products to Turkey and via Iranian waters (the amounts vary from month to month, with the total averaging perhaps 50,000 barrels a day). The United States could adopt a tough approach—for instance, insisting that Iraq not be allowed to import oil equipment while illegal exports continue—but that would run counter to the U.S. desire to expand Iraqi humanitarian imports.

The second element in the U.S. proposal is to expedite humanitarian deliveries and, for this purpose, allow Iraq to borrow in order to import more. Yet, the basic problem with the oil-for-food program is neither a lack of money nor an excess of red tape; instead, the problem is that Saddam does not care about the welfare of Iraqis. To generate more pressure to end the sanctions. Saddam continues to hinder international relief. For instance, the plan Iraq submitted to the UN for the latest six-month relief program would have provided insufficient protein; this caused the UN to delay its approval for two weeks (from November 29 until December 11) until Iraq agreed to an extra $150 million for food. Clear proof that Saddam, not UN restrictions, is responsible for Iraqi suffering can be found in the detailed UN reports about the improving living conditions in the Kurdish areas outside Saddam's control, where the UN administers the oil-for-food program directly rather than through the Iraqi government.

The fact is that Iraq has ample funds for food and medicine. Under current procedures, Iraq will have the resources to import at least $1.8 billion over the next six months, even if prices for its oil stay at $9 per barrel and even after the deductions for the Compensation Fund and UN expenses. But even after the UN modification, Iraq's plan calls for only $1.6 billion for humanitarian goods: $1.446 billion for food, medicine, and water and sanitation equipment, and $165 million for nutrition programs, education needs and, in the Kurdish north, demining and resettling refugees. Any extra money will go for activities that not all would call humanitarian. The UN-approved plan authorizes $1.135 billion for other purposes; $300 million for petroleum equipment; $409 million for the electricity network; $126 million for the telecommunications system; $120 million to buy trucks, repair the railway system, and build food warehouses; and $180 million for agricultural equipment, including pesticides. The telecommunications system repairs are presented as a way to coordinate food and medicine deliveries, but they also allow Saddam to stay in touch with his secret police and military commanders. To date, the United States has used its veto in the Sanctions Committee to block shipments of such dual-use items, even though such items are authorized by the plan approved by the Secretary General. Yet, as the January 14 U.S. proposal focuses on how to increase imports, the United States may consider allowing more questionable items.

The U.S. proposal also suggests letting Iraq raise money by borrowing from the fund to compensate those whose property was destroyed when Iraq occupied Kuwait. Eight years after these people suffered a loss, none has received more than $10,000. The Compensation Commission has approved two more rounds of payments, mostly to recipients who will get only $2,500 per claim, as soon as it has the funds available.

The Saudi Proposal. Saudi Arabia's Crown Prince Abdullah has presented a plan that overlaps the U.S. strategy in key areas, calling for retaining sanctions but abolishing the limit on how much oil Iraq can sell and making other changes to speed humanitarian deliveries. It is also said to call for revamping UNSCOM, with few details on what that means (evidently not much change is proposed). Saudi Arabia has lobbied for the plan vigorously at three meetings of the Gulf Cooperation Council and two other inter-Arab sessions. It is unusual for Saudi Arabia to be so bold at asserting leadership in the region, and even more unusual for Saudi Arabia to pursue the plan so tenaciously in the face of opposition from those in the region who want to distance themselves from the U.S.—British air strikes. Under the direction of the foreign minister, Prince Saud al-Faysal, the Saudis have successfully brought on board Egypt, which was initially skeptical.

The Saudi initiative underscores the convergence of U.S. and Saudi interests on Iraq. Although Riyadh was widely criticized in the United States for its reluctance to participate in the December air campaign. Saudi policy is in fact closely aligned with Washington's. For instance, the political commentator of the official Saudi news agency wrote. ''The Iraqi people deserve and need a revolution'' against ''the tyrant of Baghdad,'' whereas in Egypt, another Arab country whose ruler Saddam attacked, the government confined itself to saying ''the Iraqi leadership is primarily responsible for the Iraqi people's hardships.'' The reassertion of leadership in the region by Saudi Arabia, if sustained, would on many issues correspond well with U.S. interests.

Although it is unlikely that the Saudis will be able to convince enough Arab states to support their plan for the January 24 meeting of Arab League foreign ministers to endorse it openly, the United States should lend weight to the Saudi diplomatic effort. The Saudi effort focuses Arab attention on the issue most important for U.S. interests—how to relieve the suffering of the Iraqi people—rather than on the question raised by the French proposal, namely, how to water down inspections so as to win Saddam's assent.

Mr. MURKOWSKI. I will ask the administration to take a different tact to tighten, rather than loosen, the Oil-for-Food Program, to veto U.N. plans that allow Saddam to use this money to finance nonhumanitarian purchases, and to strengthen oil interdiction and inspection operations, including adopting something like the ''no-fly'' zone with a ''no-oil'' vessel zone. Only by taking these measures can the U.N. finally cripple Saddam's regime and increase energy security for all Americas.

If we cut off Saddam's oil supply, we will bring him to his knees. That is the only way it will happen.

Mr. President, I would like to take a moment to comment on the Department of the Interior s Mineral Management Service proposed oil valuation rule.

Earlier this week, speaking with regard to the Administration's FY 2000 budget, Secretary Babbitt said, ''We have met, and talked, and talked, and talked,'' about the proposed rule. But I submit that the only talking done by MMS has been at industry and at Congress, not with them. Mr. President, the proposed rule by MMS was unfair last year and it remains unfair.

Babbitt has declared that talks are ''over'' and that MMS is determined to issue its rule in June, when the Congressional moratorium expires.

This is simply unconscionable. The domestic oil industry is on its knees right now. But, again, this action by Interior is symptomatic of Administration attacks on the domestic energy industry.

The federal government should work to save marginal producers, not put them out of business. Yet that is just what Interior is doing by issuing an unfair royalty rule at a time when producers can least afford it.

I would ask Secretary Babbitt the following question: How many royalties can a bankrupt industry pay? I would also ask him if this rule is truly about raising revenue, or is it another Administration scheme to drive petroleum producers out of business. After all, 100 percent of zero is zero.

For the record, Mr. President, I will be speaking to MMS and looking into this flawed royalty rule.

I yield the floor.

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

Mrs. MURRAY. Mr. President, thank you.

THE PRESIDENT'S FY 2000 BUDGET

Mrs. MURRAY. Mr. President, I come here today to talk about our Nation's first investment in the next century: the budget for the year 2000. I want to say how great it is that we are turning our attention to the issues that are important to America's families.

When I first came to Washington, DC, the deficit was $290 billion. We had to make some very tough budget decisions to get the Nation's books back in balance. Now our economy is growing and it is strong. This year, the Office of Management and Budget projects a surplus to be $79 billion. That is the biggest surplus in American history. It hasn't been easy to get to this point and we still have a lot of work to do.

Now we have to use this opportunity to make critical investments in our Nation's senior citizens and in our children. We have an obligation to ensure the dignity of the previous generation and to prepare the next generation for a successful future. The budget we have before the Senate will help us do that.

This budget keeps our commitment to save Social Security first. It will set aside more than 60 percent of the surplus to extend the solvency of the Social Security trust fund until 2055. And it takes important steps to protect older women who depend on Social Security, but must continue to work to supplement their incomes. This budget will increase their survivor's benefits after the deaths of their husbands and eliminate the earnings limitation.

This budget will strengthen Medicare and provide more stability. It also gives assistance to the elderly and disabled who need long-term care in their families by providing a $1,000 tax credit.

We have to also make education a top priority. This budget provides desperately needed funds to fix our Nation's worn out schools and our overcrowded classrooms. It provides tax credits to help States and local school districts build and renovate public schools, and it continues our commitment to hiring 100,000 new and well-trained teachers. In addition, it provides flexibility at the local level for schools to ensure all children receive a quality education, and it calls for tough new accountability measures to hold schools and teachers to high standards.

This budget is by no means perfect. The funding for educating children with special needs is inadequate, and I will work to address this inequity. The Federal Government has made a commitment to meet 40 percent of the cost of educating disabled children, but we have yet to come close. As we work to improve our schools and raise our academic standards, we must not leave disabled children behind.

I know that as we go through the budget process we will have our disagreements, but I am looking forward to an open discussion of the issues and working together to accomplish a bipartisan agreement that serves the American people well.

This budget provides a real framework for action. I applaud the President's pledge to save Social Security and prepare for the challenges of a new century. Now we must move forward. The clock is ticking. It is time for us to work on the issues and the priorities of America's families.

Thank you, Mr. President. I yield the floor.

Ms. COLLINS addressed the Chair.

The PRESIDING OFFICER (Mr. BUNNING). The Senator from Maine, Ms. COLLINS, is recognized.

(The remarks of Ms. COLLINS and Mr. LEVIN pertaining to the introduction of S. 335 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I ask unanimous consent that the next 60 minutes of morning business be under my control.

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

THE PRESIDENT'S BUDGET

Mr. COVERDELL. Mr. President, the President has now given us his budget—quite a remarkable document.

I remember when the President came to speak to the joint session and said, ''The era of big government is over.'' There was broad applause—not only in the Chamber but around the country. Now we are confronted—it is not nearly as spot oriented or media driven—but it is sort of the statement: ''The era of big government is over'' is over. He has taken that pronouncement and absolutely quashed it in this new budget—driven it in the ground never to be seen again. It was a 77-minute speech,