

Many of us in the Senate have witnessed the stream of truckers from across the country who have descended upon Washington, DC, in recent weeks. They have come to their Nation's Capitol not because they want government to give them something, but because they cannot make a living when the Department of Energy is caught napping on the job. They expect, demand, and deserve an Energy Department that comprehends the importance of energy costs to our economy and has a long-term plan for meeting the needs of energy consumers.

Mr. President, I know I do not have to remind my colleagues of how the rising cost of oil threatens almost every aspect of our economy and communities. Senior citizens on fixed incomes cannot absorb wild fluctuations in their energy costs. Business travelers and airlines cannot afford dramatic increases in airline fuel costs. Families struggling to feed and educate their children cannot withstand higher heating bills, increasing gasoline costs, or the domino effect this crisis has on the costs of goods and services.

To begin addressing this problem, I have joined Majority Leader TRENT LOTT, Senator LARRY CRAIG, and a number of my colleagues in offering legislation to repeal the 4.3-cent gas tax while protecting the Highway Trust Fund and not spending any of the Social Security surplus. Our legislation is aimed at getting some short-term relief directly into the hands of energy consumers. Our bill will eliminate 4.3-cent tax on gasoline, diesel, and aviation fuel so the American consumer can see some relief at the pump when they fuel up for a day on the road, in the field, or traveling to and from school or work. Our bill will eliminate the 4.3-cent tax starting on April 16 through January 1, 2001. For farmers, truckers, airlines, and other large energy consumers, this action will have an even greater positive impact because of the large amounts of fuel they consume.

I have heard some of my colleagues argue that 4.3 cents a gallon has a negligible impact on consumers. To them, I say look at the amount of fuel a farmer or trucker consumes during an average week. Look at the thousands of gallons of diesel fuel required to operate a family farm or deliver products from California to Maine. Or look at the tight profit margins that can make the difference between going to work and being without a job. I'm convinced this action is going to help farmers, truckers, businesses, and families in Minnesota and that's why I strongly support it.

For those who are concerned that eliminating the 4.3-cent gas tax is going to deplete important highway and infrastructure funding, we've included language in this legislation that will ensure the Highway Trust Fund is completely protected. The Highway Trust Fund will be restored with on-budget surplus funds from the current

fiscal year as well as the fiscal year 2001.

If gas prices reach \$2 a gallon, on-budget surplus funds will allow additional reductions in the gas tax without impacting the Highway Trust Fund in any way. Depending on the size of the on-budget surplus, our legislation could provide a complete reduction of federal gas taxes until January 1, 2001 if prices rise to, and remain above, the \$2 mark. Let me make this very clear: we are not going to raid the Highway Trust Fund with this legislation. In fact, we've ensured that the on-budget surplus will absorb all of the costs of the gas tax reduction. I also want to assure my colleagues and my constituents that this legislation walls off the Social Security surplus. We will not spend any of the Social Security surplus to pay for the gas tax reduction.

Our legislation is quite simply a tax cut for the American consumer at a time when it's needed most. We're going to use surplus funds—funds that have been taken from the American consumer above and beyond the needs of government—and give them back to consumers every day at the gasoline pumps.

For me, this legislation boils down to a very simple equation. Are we going to sit by and do nothing as farmers prepare to enter the fields this spring, or are we going to take whatever short-term actions we can to support our farmers and provide them with a needed boost? Are we going to help those most impacted by high fuel costs, or are we going to ignore their needs and let them absorb thousands of more dollars in fuel costs this summer? There is overwhelming proof that the Clinton administration's complete rejection of a national energy policy has caused this mess, so I believe the Congress must step in and help get them out of it.

I joined my colleagues in the Senate earlier this year in requesting and receiving emergency releases of Low-Income Home Energy Assistance funding. We did so on at least three separate occasions, and I've supported the President's request for \$600 million in additional funding this year. This crucial funding for Minnesota and many other cold weather States was a vital short-term approach to mitigating the impact high fuel costs have had on senior citizens and low-income families. Our constituents were in need, and we responded exactly as we should have. Right now, even more of our constituents are in need, and by responding with a reduction in the Federal gasoline tax, Congress can again act in a way that is expected, even demanded, by our constituents.

As I started earlier, the gasoline crisis requires that Congress act now to stem rising energy costs in the near term. It also requires that elected officials and bureaucrats across Washington take a serious look at the direction in which our Nation is headed with its energy policy. I am prepared

to take a hard look at any options that might help my constituents right now, and I demand that this administration explore options to ensure that our nation reduces its reliance on foreign oil and establishes a much more sound energy policy for decades to come, to make this country energy independent and not so dependent on foreign sources of energy that when they turn them on or off, it can have dramatic impact on our economy. While those solutions will not happen overnight, I believe a reduction in the gas tax will help. It is going to help now, and it is going to help when that help is needed the most.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. KYL). Without objection, it is so ordered.

Mr. THOMAS. Mr. President, I ask unanimous consent to speak for about 15 minutes in morning business.

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

Mr. THOMAS. Thank you.

TAXES

Mr. THOMAS. Mr. President, I wish to talk a little bit about oil prices. I guess most everyone wants to talk about oil prices and gas prices at the pump—those things that affect each of us. First of all, I have had the opportunity to meet in the Chamber this morning and hear a little discussion about taxes. So I will comment for a moment on that.

We are now dealing with the budget, which of course is one of the basic responsibilities of Congress, and the question of how much money we spend in the Federal Government. That has to do with the whole philosophical question of how large a Government we want and the things we want the Federal Government to be involved in, how much involvement we want in all of those things—what is the division between the responsibility of the Federal Government, local government, and State government. I think these are obviously some of the most important issues with which we deal. These are broad issues. These are philosophical issues. The budget has a great deal to do with it.

In fact, I suspect that the total amount of expenditures is probably the most important issue we deal with all year, depending on how you view the role of Government. Keep in mind this year we will spend about \$1.8 trillion. That is \$1,800 billion in the Federal budget. About a third of that will be so-called discretionary funding, which is determined by the Congress. The remainder, two-thirds of that, \$1,800 billion, will be mandatory spending—

things such as Social Security, Medicare, and others.

We are dealing with setting a budget that basically is an expenditure limit on that discretionary spending, which last year, as I recall, rose about 7.5 percent more, much more than inflation. This year I think there is an effort being made to see if we can control that level of spending. It has to do with the size of Government. Clearly, everyone has different views, of course, as to how to adequately fund programs we think are most important—the priorities the public sets through their representatives in terms of Government programs.

One of the things it seems to me we haven't done as well as we might is to review programs that have been in place for a very long time. Some of them, obviously, are important programs that need to go on. Others were designed to do something for a relatively short time, but they are always there. They never go away because we do not have the opportunity to have the oversight to see if, in fact, those programs have accomplished the things they were designed to accomplish, and if, indeed, those dollars can be spent more productively in some other programs.

We find ourselves in a situation of having these programs that have been in place forever and are almost automatically funded and the obvious need for new programs from time to time as time and needs change. It is simply an accumulation of programs. Those of us who occasionally say to ourselves that we ought to control the size of Government, have to take a look at those kinds of issues.

I hear my friends talk about the evils of tax reduction. They ought to review that a little bit, it seems to me.

First of all, we ought not spend Social Security dollars for operating funds. We have been doing that for 40 years, but we have not done that in the last 2 years. We hear our friends on the other side of the aisle and the administration and President Clinton saying: Save Social Security. Not one program has come from them as to how to do that.

These young pages sitting here will pay out of their first paycheck 12.5 percent for Social Security. The likelihood is, if we don't do something, that they will not have benefits when they are eligible for them.

We need to do something. We have a plan. We set aside at least a portion of that for individual retirement accounts. Let it belong to the persons who made it, and, indeed, let them invest in private sector equities or bonds so that the return is much higher.

The choices we have are fairly simple. We can reduce benefits. Nobody wants to do that. We can increase taxes. I don't know of anybody who wants to do that. Social Security taxes are the highest that most people pay of any tax. Or we can increase the return for the trust funds. We are for that.

The administration has no plan at all other than to say: Save Social Security.

We need to do something about paying down the debt. Most everyone would agree with that. The debt that the President brags about paying down is taking Social Security money and putting it into debt. It would be replacing public debt. But it is still debt. It is debt to the Social Security trust fund.

What I propose and what I think we ought to do is set money aside just like with a home mortgage, and each year we will take so much money. It will take this amount of money to pay this year's obligation to pay off the debt in real dollars. So instead of being replaced by Social Security dollars, that debt is being reduced. That is what we are for. The President has no plan. All we hear is this great talk about it but nothing is happening.

Then, quite frankly, we talk about taxes. What we are talking about, at least to some extent, is not simply reducing debt. It is a fairness issue. The marriage penalty tax is a fairness issue. Why should two people who work independently and are married pay this amount of tax? That isn't fair. It is a fairness issue. It is not just tax reduction.

There are ways to change the estate taxes. The Presiding Officer has a proposal that estate taxes ought to be paid when they pay taxes as a matter of capital gains. Good idea. Then there is money left, unless one continues to spend it.

People talk about taxes and balancing the budget and the economy growing starting in 1993. I am sorry, it didn't start in 1993; it started in 1991. It has been going on for a good long time. I cannot imagine the President's tax increase has contributed a great deal to the economic growth.

People have different views. That is what it is all about. We have different views of how we best serve this country. There are many views.

We talk about energy. Thirteen leaders of the OPEC nations are meeting in Vienna to discuss boosting oil production. I appreciate the efforts of Secretary Richardson. I hope the answer is they will increase production. That is a good thing to have happen.

We have to talk about how we got ourselves in a position of having to go over to OPEC, saying: We have real problems; will you help us out? And then we do not get much of a response from the very group we have contributed so much to, not only in dollars but in the gulf war. Then we find them deciding whether they will do us a favor by increasing oil production.

How did we get where we are? I think we have had a lack of a policy regarding energy, not only in petroleum but in the whole sphere of energy. I come from the largest coal-producing State. This administration has made it increasingly difficult to produce energy as it has sought to close down energy powerplants because of maintenance.

We find ourselves depending on others and that puts at risk not only our economy but also our security. We find ourselves now in the neighborhood of 57-percent dependent on foreign oil. We see consumption going up each year; domestic production is going down at the same time.

What are some of the reasons? Some are what have happened in the last few months in terms of this administration which has set about to leave a "land" legacy—and I understand Presidents desire to have different legacies. This is called a land legacy where they will set aside more and more private lands and put them into public ownership to have a billion dollars a year they can spend at their own discretion without going through the process of Congress and appropriations to acquire more Federal lands.

In my State of Wyoming, nearly 50 percent of our land belongs to the Federal Government. Selfishly, it makes a lot of difference if the land can be used as multiple-use public lands, if we can protect the resource, protect the environment, but also use those lands—whether for hunting, for recreation, for grazing, whether it be for coal and gas production. We can do these things in such a way that we have multiple use as well as protection of the environment.

This administration has moved in a different direction. I have been on the Energy Committee since I came here in 1994. We have not had from the Energy Department a coherent policy on energy for a very long time. We had a meeting this morning on the Kyoto treaty, the meeting in Japan where we were supposed to sign a treaty which would reduce our energy by about 40 percent, while asking less of the rest of the world. Of course that has not been agreed to. As a matter of fact, this Senate voted 95-0 not to agree to it—not that we shouldn't be doing something about clean air, not that we shouldn't be doing something to reduce the effect of economic growth—but not to just sign a treaty that says we are going to put ourself at a disadvantage.

This is part of where we are, including access to Federal lands, where we have 40 million acres, using the Antiquities Act, to set aside other lands for single purpose uses. We have had for some time offshore oil drilling, one of the great opportunities to provide domestic oil. We have tried from time to time to do something to give a tax advantage for marginal oil wells so they would produce, but the administration is opposed.

We talked about looking at ANWR, to do something in Alaska, to provide more domestic oil so we are not totally dependent on foreign countries to provide that energy source. That is not only good for the economy and jobs, but it is a security measure.

Since 1992, oil production is down 17 percent in the United States; consumption is up 14 percent. In just 1 year under this administration, oil imports

increased almost 8 percent; they are now getting close to 60 percent. DOE predicts a 65-percent oil dependency on foreign oil by the year 2020. We have become even more dependent.

The United States spends about \$300 million each day on imported crude oil, \$100 billion each year. We are concerned the trade deficit from oil amounts to about one-third of the trade deficit. Now we are looking at short-term issues when what we have to do is take a look at the longer term resolution to these problems.

The policy that would change this, and one we look forward to, is increased access to public land, continuing to emphasize, however, the idea that we need also to protect the environment. We can do that.

I mentioned tax incentives that would increase production. We need to look at the Clean Air Act and the Clean Water Act which is being used to reduce the use of lands as well. It has a real impact to a lot of people in my State which is largely a State that has mineral production.

In 1990, U.S. jobs exploring and producing oil amounted to over 400,000; in 1999, these jobs are down to 293,000, a 27-percent reduction in the ability of America producing our own oil. In 1990, we had 657 working oil rigs; now it is down to 153, a 77-percent decline.

I think we need to take a long look at where we are and where we want to go. Any government looking at energy has to recognize the stewardship responsibility that we have for the environment. We do that. At the same time, we have to be able to produce for ourselves so we have the freedom and opportunity to continue to have the strongest economy in the world, the greatest for jobs, while strengthening our security.

I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho.

ENERGY POLICY

Mr. CRAIG. Mr. President, I come to the floor this afternoon to join my colleague from Wyoming who has so clearly outlined in the last few moments part of the problems our country faces at this time in our history relating to energy policy, or a lack thereof.

As I speak on the floor, as my colleague has just completed his comments, all eyes are turned on Vienna. That is not Vienna, NY, that is Vienna, Austria, where the OPEC nation members are meeting to decide whether they will be generous enough to turn their valves on a little more and increase crude oil production to a million or a million and a half barrels a day so that our gas prices will come down at the pump. How can a great nation such as ours now find itself so dependent upon a group of nations, almost all of them quite small but all of them very rich in crude oil? How do we find ourselves dependent on their thinking? What is the reason we find ourselves

dependent? This is part of what my colleague from Wyoming was talking about. It is the loss of production units and the drop in number of rigs out exploring, and that is all our fault, our fault collectively as a nation, for having failed over the last several decades to put in place an energy policy that had, as its first criterion, relative independence from other nations of the world as suppliers of our fundamental energy-based need for crude oil, crude oil production for our petrochemical industry.

I have been to the floor several times in the last couple of weeks to speak about this because the price at the pump today is not an aberration. It is not something that was just quick in coming. We, as a country, have known for some time this day would be at hand. Several years ago, we asked our Government to investigate whether a lack of domestic production would put us at some form of vulnerability as to our ability to defend ourselves. The answer was yes. Those studies were placed on the desk of our President, Bill Clinton. Nothing was done. A year ago similar studies were done, and they reside on the President's desk as we speak. They have been there since last November, and nothing has been done.

Only in the last month has the President sent his Secretary of Energy out and about the world, with his tin cup in hand, begging—begging producing nations to turn their valves on a little bit.

What is the consequence of turning your valve on at the pump? The consequence is a reduction in the overall world spot price of crude oil. When you do that, the cash-flow pouring out of this country to the OPEC nations of the world declines; oil production goes up, cash-flow declines. Why would they want to do that? Out of the generosity of their hearts?

For the last year-and-a-half or 2, they have been in political disarray. During that time, they were largely pumping at will into the world market. A year ago, we saw crude oil prices at \$10 a barrel on the world market. Today, they are over \$30. Now \$10 a barrel is probably too low, but \$30 is a huge and bountiful cash-flow to the treasuries of these countries—Saddam Hussein's country, the man whose country we fought against to free Kuwait and the Kuwaiti oil fields less than a decade ago.

In fact, it was Northeastern Senators who, some months ago, wrote a letter to our President asking him to become sensitive to this issue because they were aware, with the run-up in oil prices—and we knew it was coming the minute the OPEC nations got their act together—the Northeastern Senators would see their States hit by heavy home heating oil costs. Sure enough, that is what happened. It happened because of the run-up in price. It also happened because of a loss of refinery capacity that has been going on for some time.

What was going on in the Northeast, 2 and 3 months ago, is now going on across America. I come from the West, where energy prices are extremely high and the impact on goods and services, and our citizens, can be dramatic. So even if the OPEC oil countries decide to raise crude oil output, my guess is it will be just a little bit. It may sound like a lot to the average listener—a million, million-and-a-half barrels a day—and it could bring crude oil prices down a little bit. But the OPEC nations' goal is to keep crude oil prices above \$20 a barrel and therefore keep regular gas at the pumps at somewhere in the \$1.40 to \$1.50 range. That is still a dramatic increase, nearly doubling east coast prices. It will be even higher on the west coast.

The failure of the Clinton-Gore administration to recognize it, to understand it, and therefore to deal with it, is one of the great domestic and foreign policy tragedies of the decade. I say that from an economic point of view, but it is true also from a defense point of view—our ability to defend ourselves and stand as an independent nation in a community of nations around the world.

Here are some statistics. Probably everyone's eyes glaze over a little bit when you use statistics, but it is important for the record. U.S. crude oil production is down by 17 percent since 1992. We have actually had wells shut off and shut in. What does that mean? The price of oil got so low, they could not afford to pump them. It cost money to produce. So they turn the well off and they shut the well in, meaning it no longer has the capability of producing.

U.S. crude oil consumption during that same period of time went up 14 percent: 17 percent down in production, 14 percent up in consumption. It sounds like a ready-made situation for a crisis, and that is exactly where we find ourselves today. The United States is 55-percent dependent upon those nations that are meeting in Vienna at this moment; 55-percent dependent for so much of what we do. That is dramatically up from just a couple of decades ago when we were in the mid-30s, relating to dependency.

While all of this is going on and nothing is being done by this administration, and most of what we are trying to do here has either been denied or vetoed or blocked by this administration, the U.S. Department of Energy estimates we will have a 65-percent dependency on foreign producers by the year 2020. Some would say that is good because we will not have the environmental risks in this country; we will not be drilling and we will not be refining as much, and therefore the environmental risks will be gone.

What they did not tell you is, it puts hundreds of new supertankers out there on the open ocean on a daily basis—even if our foreign neighbors will produce and even if they will sell to us, hundreds more of those huge supertankers out there in the open ocean,