poultry inspection activities of the Food Safety and Inspection Service, it provides total funding of $377 million, a $53 million increase from the 2000 level, for USDA and FDA programs and activities included in the President's Food Safety Initiative.

Turning to ''Division B'', the reported bill recommended a net total of $2.2 billion for emergency and regular supplemental appropriations and rescissions for the fiscal year 2000.

A number of these provisions have been enacted into law as part of the conference report on the fiscal year 2001 Military Construction Appropriations Act. The substitute amendment deletes those provisions and makes other accompanying technical and conforming changes to Division B of the reported bill.

The Chairmen of the various Appropriations Subcommittees may speak to those provisions in Division B of the reported bill under their respective jurisdictions.

However, for programs and activities within the jurisdiction of the Agriculture Subcommittee, Division B, as modified, recommends $1.1 billion in emergency supplemental appropriations for fiscal year 2000.

Supplemental appropriations for emergency housing and relief to farmers as a result of the North Carolina hurricane and other natural disasters; for the Farm Service Agency to meet high workload demands; and to offset the assessment on peanut producers for program losses have now been enacted into law.

The remaining emergency supplemental appropriations recommended in the bill reported to the Senate still must be addressed.

These include the $13 million requested by the President to cover a shortfall in available funding for crop insurance premium discounts; $35 million to support ongoing acreage enrollments in the Conservation Reserve and Wetlands Reserve programs; and an additional $130 million for the Rural Community Advancement Program.

Just as devastating to producers as losses from hurricanes, drought and other natural disasters are losses from new and emergent diseases and pest infestations. The bill provides authority for the Secretary of Agriculture to compensate growers for losses as a result of the plum pox virus which has devastated the stone fruit industry; citrus canker; Mexican fruit fly; grasshoppers and Mormon crickets; and Pierce's disease, a new problem plaguing the grape industry.

In addition, emergency assistance totaling an estimated $443 million is recommended for dairy producers and $450 million for livestock producers.

Mr. President, this appropriations bill was reported by the Committee on May 10th. It was one of the first of the thirteen fiscal year 2001 appropriations bills to be reported to the Senate by the Appropriations Committee.

Although the companion bill was reported from the House Appropriations Committee around that same time, on May 16th, the House did not begin consideration of the bill until June 29. The House resumed consideration of the bill immediately following the July recess and passed the bill on July 11 by a vote of 339–82.

There are approximately 26 legislative days remaining before the October 1 start of the fiscal year. It is my hope we can expedite the Senate's consideration of this bill so we can go to conference with the House and get this bill to the President as quickly as possible.

I thank the distinguished Senator from Wisconsin, the ranking member of the subcommittee, Mr. KOHL, as well as other members of the subcommittee, for their support and cooperation in putting this bill together. It is never easy to determine funding priorities, or to balance the many competing and legitimate needs that confront agriculture in this bill and stay within the subcommittee's required spending limitations. I believe this bill represents a responsible funding recommendation. I ask the Senators to give it their favorable consideration.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SMITH of New Hampshire. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

MEASURE READ THE FIRST TIME—S. 2886

Mr. SMITH of New Hampshire. Mr. President, on behalf of the leader, I understand that S. 2886 is at the desk, and I ask for its first reading.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 2886) to provide for retail competition for the sale of electric power, to authorize States to recover transition costs, and for other purposes.

Mr. SMITH of New Hampshire. Mr. President, I now ask for its second reading, and object to my own request.

The PRESIDING OFFICER. Objection is heard.

The bill will receive its second reading on the next legislative day.

Mr. SMITH of New Hampshire. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that I be allowed to speak as in morning business for a period of about 15 minutes, or until the leader seeks recognition.

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

ENERGY

Mr. MURKOWSKI. Mr. President, I would like to chat a little bit about energy this evening because there are several misconceptions relative to the position that the United States is currently in relative to the high gasoline prices that we have been subjected to in the last several months.

First of all, the bad news is, there is no relief in sight. What we currently have is a situation where, simply, the available refining capacity associated with gasoline production and the demand is such that the two lines are almost parallel. In other words, our ability to produce gasoline and the current consumption of gasoline are about equal. So as a consequence, in reality, we are drawing down our reserves. This is at a time when normally our reserves would be substantially higher.

There is a reason for this. I think the American people should understand and appreciate reality because what we have is a situation where our refining capacity has been reduced dramatically over the last 8 years. We have lost about 37 refineries in the United States during the last 10-year period. There has not been a new refinery built in the United States in almost two decades.

What we have, then, is a concentration of our existing refineries operating at near full capacity, producing the requirements associated with the public's demand for gasoline, coupled with the problems associated with meeting the Clean Air Act, which mandates certain reformulated gasolines in various parts of the country.

We had testimony before the committee of which I am chairman, the Energy and Natural Resources Committee, earlier last week. One of the principals with the Environmental Protection Agency identified that the Environmental Protection Agency, under their interpretation of the Clean Air Act, has mandated as many as nine specific cuts of reformulated gasolines that have a regional application around the country. That means in California you have one type of reformulated gasoline. You have another type in Chicago. You may have another type in Atlanta.

These have gone into effect as a consequence of the June 1 new mandates for reformulated gasoline in various parts of the country. What this means is, the refineries have to separate and move and store separately these different cuts of gasoline. The cost, of course, is significant from the standpoint of what the American public has to pay.

We have seen, since the spiraling price of crude oil over the last year—where a year ago prices were $11, $12, $13, $14 a barrel—an average price of nearly $30 a barrel this year.

The difficulty we experience is, having become so dependent on imported oil, currently imported oil is running at 56 percent of total U.S. consumption. As we look at our neighbors in OPEC, we recognize that we have an increasing dependence on their resources. In other words, they control the supply and we are the market. As a consequence, when we have significant demand increases of consumption, we go to OPEC, as our Secretary of Energy has done from time to time, encouraging more production.

However, OPEC seems to have learned from experience. They have developed a strategy internally where they have set a price floor and a price ceiling. The floor evidently is $22 a barrel of oil; the ceiling is $28 a barrel. In recent days, there has been an anticipation that OPEC will increase production, today we have the president of OPEC indicating that since the price fell temporarily below $28 a barrel, OPEC was not going to increase production and was going to review the matter in another 20 days.

The American public should be aware that we are caught between a floor-to-ceiling $22 to $28. The American public should be aware that as a consequence of OPEC's internal discipline, there is no relief in sight for a reduction of gas prices of anything appreciable. There will be perhaps some regional reductions as we get the reformulated gasoline under control in various parts of the country.

It is also important to recognize that one of the most significant additives, MTBE, has been dismissed as contrary to the health of the public in the sense that this reformulated portion does get into the water table. As a consequence, we are substituting ethanol for MTBE, which is a grain and agriculture product that enjoys a partial subsidy but nevertheless is a satisfactory additive to make reformulated gasoline to meet the market demands in the various regions of the country.

The point I want to make is that on gasoline, our demand is up. Our production is relatively stagnant, even though we are producing at the maximum capacity for our refineries. We have a situation where we are actually pulling down our reserves. For many Members of this body, particularly in the Northeast corridor, who are concerned legitimately about the high cost of heating oil and the awareness that there might not be adequate reserves being built up during the summer to meet the demand if there is a cold winter, they justifiably should be concerned. What we should be doing now is dropping off substantially our production of gasoline and building up reserves for heating oil. But that is not the case. Our reserves for heating oil are at an all-time low.

We have had consideration from the Clinton administration and some Members to set up some kind of a heating oil strategic reserve. This is rather an interesting dilemma, if you walk through it and understand it. It doesn't necessarily create the relief we want and may suggest that the Government is involving itself in the manipulation of pricing of petroleum products.

Let me cite an example of what I fear. Currently, the thought is that there will be an arrangement made by the Department of Energy to acquire up to 2 million barrels of heating oil reserve somewhere in the Northeast, perhaps in the New York City area, where they can lease tankage. The tradeoff on where the oil would come from would be crude oil from the Strategic Petroleum Reserve in Louisiana. That oil, of course, is not refined. If we take an equivalent of 2 million barrels plus, because we want to have value for value, and take the crude oil out of SPR and refine it, we are offsetting the refining capacity of that refiner of making gasoline or perhaps heating oil with the substitution of the oil from SPR.

That is purchased by the Government, put in storage, and sits in storage until such time as circumstances dictate the trigger be pulled and the oil released. Then the question is, What is the appropriate triggering mechanism? Are we going to trigger the release of based on the price of heating oil, or are we going to do it as a consequence of a supply shortage?

Last year, we had a critical situation in the Northeast but did not actually have anyone go without heating oil. What happened last year is the reserves were very low, but there was enough to meet the demand. This year, the fear, rightly so, for many in the Northeast is that there might not be enough fuel oil to meet the demand if the winter gets cold. The dilemma is, if the Government is putting in 2 million barrels and going to basically store it, then is the industry that ordinarily would build up an inventory and tie up its cash-flow for a period of time going to do that, knowing that the Federal Government is doing the same thing? It is going to be a business decision, but it is going to be interesting to see what the private sector does.

It might be simply a tradeoff. Why should the private sector build up an inventory when it knows the Government has an inventory? In the end, is there any more fuel oil left for the Northeast corridor if indeed there is a cold winter?

I bring this out to point to the difficulty we are having in coming to grips with the reality that we have a greater demand for oil than we have of productive capability. We have become dependent again on our neighbors in OPEC—and not just the 10 official OPEC members. One of our other associates is a gentleman by the name of Saddam Hussein, who is the head of Iraq.

Many people forget that we fought a war over there just a decade ago. We lost 147 lives; we had 427 Americans who were wounded; we had 23 taken prisoner. Today, Iraq is the fastest growing source of oil for the United States. Isn't that rather ironic? I can't understand why Americans are not indignant over the fact that we are looking to this tyrant, who we know is selling oil, smuggling it out, generating funds for missile development—there was just an article today relative to the testing of a new missile by Iraq—developing his biological capability. This man is a bad man. He is up to no good. Yet the United States is looking to him to bail us out for our supply of oil. It is absolutely ironic that we would look to Saddam Hussein.

August 2 will be the 10th anniversary of Saddam Hussein's invasion of Kuwait. What a difference a decade makes. Let's do a little comparison. I think the American people should wake up and be a little sensitive to the fact that we have lifted embargoes on technologies that would allow him to increase his refining capacity. The U.N. no longer does any inspections of what is going on in Iraq or where his oil is going or whether it is going for the Food for Peace Program.

Ten years ago, Saddam Hussein invaded Kuwait to stimulate higher oil prices and to build up his war machine. We know that. That was 10 years ago. Now high oil prices yield Saddam Hussein $75 million a day under a legal U.N. oil-for-food program and $2 million a day in illegal smuggling revenue which is used to build up his war machine.

Mr. President, we know this for a fact. We know what he is doing with the funds he gets from smuggling oil. Ten years ago, Saddam Hussein was proved to be the biggest threat to peace in the Middle East. As of today, it has cost thousands of lives, some $10 billion of U.S. taxpayers' money, and 150,000 sorties, where we have flown to enforce our no-fly zone. It has cost the American taxpayers $10 billion to fence in Saddam Hussein.

Saddam Hussein is still the biggest threat to peace in the Mideast and certainly the biggest threat to Israel. I can't understand why there is not more of an awakening of the fact that we are supporting this tyrant. We are becoming more dependent upon him and we are playing into his hands.

Where is the logic? Where is the American foreign policy? I can simplify foreign policy with regard to Saddam Hussein and Iraq in one single syllogism. We buy his oil, we send him our dollars, we put his oil in our airplanes, and fly over and bomb him. He puts out a press release saying how many people we injured or killed, they rally around Saddam Hussein, and the process starts all over again.

Is this the foreign policy of the United States that we support? Or would we rather ignore it and pretend it doesn't exist? I think the latter is probably the case. It is absolutely incredible that we don't face up to what is happening and the fact that we are condoning this action. Ten years ago, Saddam Hussein was using oil revenue to purchase weapons of mass destruction. Now, Saddam Hussein—the same guy—is using his oil revenue to purchase weapons of mass destruction. We know this. They just tested them yesterday. He has the ability, with the advanced weaponry he has developed, to extend the missile clear to Israel.

Ten years ago, the United States purchased less than 400,000 barrels a day from Iraq—before the war started. Now the United States is purchasing 750,000 barrels a day. Ten years ago, the United States began to import more than 50 percent of our oil, and OPEC became an important voice in U.S. energy policy. Now, the United States, as I have indicated, is importing more than 56 percent of our oil. With Iraq, the fastest-growing supplier, Saddam Hussein has become an important voice—imagine that—in our U.S. energy policy. Saddam Hussein may have lost the war, but he certainly seems to have won the peace. With its energy policy—or lack thereof—the Clinton-Gore administration has snatched defeat from the jaws of the gulf war victory. I will repeat that. Saddam Hussein may have lost the war, but he has won the peace. With its energy policy, or lack of an energy policy, the Clinton-Gore administration has snatched defeat from the jaws of the gulf victory.

We are very much dependent on this source, and the likelihood of reducing it is not going to take place until we send a clear message as to what our energy policy will be. Now, the alternatives aren't really very complex. We either import more and pay the price, or we commit to development and exploration of our energy resources here in the United States. Wyoming, Montana, Colorado—the overthrust belt—have a tremendous potential for oil and gas development, as does Illinois, Pennsylvania, and numerous other States. We have withdrawn about 64 percent of the public land in the United States and exempted it from exploration, let alone production.

Now, we have a tremendous potential in OCS areas—off the shores of Texas, Alabama, Mississippi, and other States, some of which don't want to develop OCS areas off their States. That is their own business. But for those who do they should be allowed to do so. It is kind of interesting because our Vice President made a statement in Louisiana that if he is elected President, he will make an attempt to buy back OCS oil leases and cancel other leases.

Mr. President, that leaves one with the question: Where is this energy going to come from? We have energy coming from my State of Alaska. We have been producing 20 to 25 percent of our domestic crude oil for the last twenty years. We have the potential for a major discovery in a small sliver of the Arctic area, the Coastal Plain. Let me explain how small that sliver is. In the general area of the Arctic Wildlife Refuge, there are 19 million acres. That is as big as the size of the State of South Carolina. Half of that has been reserved in perpetuity as a wilderness. Nearly the other half has been set aside in a refuge, also in perpetuity, subject to the Congress, who are the only ones that can change it. Out of those 19 million acres, 1.5 million acres was left out to the discretion of Congress back in 1980. That was done as a consequence of the belief that this was the area where a likely discovery could be made.

Well, there have been a lot of estimates. When you look for oil, you never know where you are going to find it or how much you are going to find. If you are going to find it in Alaska, you better find a lot of it; otherwise, you can't afford to produce it. Recent estimates go as high as 16 billion barrels of recoverable reserves. That is based on the latest discovery and production technology, even though much of this area has not been made available for 3D seismic evaluation because it is under the Department of Interior. Sixteen billion barrels would be as much as what we would import from Saudi Arabia for a 30-year period. So it is a substantial amount.

What we need to do in this country—and we need to do it now; the longer we wait, the more dependent we are going to be on OPEC—is to set a clear and decisive policy toward a commitment to reduce our dependence on imports. That is what we have done, along with Senator LOTT and several colleagues, in the legislation we introduced, which is the National Energy Security Act of 2000. We have adopted a goal to guide our energy policy, and the goal is to reduce our dependence on imported oil to less than 50 percent by the end of the decade. When you have that kind of objective, you have an opportunity to send a clear message.

We have to send a clear message. We have to send a message to Saudi Arabia and to Kuwait, and we have to send it to Venezuela and Mexico, that we are committed to reducing our dependence and we are committed to increase exploration and production here in the United States. I admire the commitment of America's environmental community who, for the most part, oppose domestic oil production and exploration in the United States. But I remind them that we have the technology, the know-how, the American can-do spirit, and we can make the impact of development much smaller here and keep the jobs and the dollars at home, as opposed to the exploration that occurs in other areas of the world where they don't have the environmental safeguards. So what kind of a tradeoff is it? Is it better for the environment that we do it right here at home, or if we depend on those countries that don't have that internal discipline and consideration for the environment?

The industry says that if, indeed, they find oil in this sliver of the Arctic, out of the 1.5 million acres, which is part of the 19 million acres, which is the size of South Carolina, the footprint would be somewhere between 1,500 to 2,000 acres. My friends who are in the farming business know what kind of a farm a 1,500-acre or 2,000-acre farm is. The drilling and exploration would be done in the wintertime. The roads would be ice roads. There would be no permanent community. There would be a compatibility with the caribou. We have addressed all the issues, and we have proven it in Prudhoe Bay, where 20 percent of the crude oil has come from for the last two decades. But that was old technology; we have new technology now. Many don't want us to have an opportunity to find out if indeed the oil is there, and the oil is there in the reserves that we have.

Some people more or less dismiss it, and say, well, we are in a situation with oil. Don't worry. We have lots of natural gas.

As chairman of the Energy Committee, I have a little bit of a different view about the situation with natural gas in this country. Let me start out by reminding you and the American people that there is a rude awakening coming with regard to natural gas. It is going to affect Americans in their heating bills. It is going to affect Americans in their electric bills.

This is what has happened. A year ago in this country the price for natural gas was around $2.30. Six months ago, it was $2.56. Deliveries in January are $4.30. I know many utilities are going to their commissions advising them of rate increases. This hasn't hit the American public yet. If we thought the hue and cry on the increased price of heating oil or gasoline was going to bring down the roof, wait until you hear the cry of the American people this winter when they get their gas bills.

How did this come about? Somebody said, well, we have 160 trillion cubic feet in reserve. That was last year. We have 150 trillion cubic feet this year. We are, again, pulling down our reserves faster than we are finding new reserves. When you do that, you deplete your base.

What also is happening to put further pressure is the electric industry is turning to gas turbines for power generation—turbines. The permitting process is much easier and much cheaper than for building a coal-fired plant.

We have a situation where we are coming to grips. The American people aren't aware of it. They are not reflecting on it because it doesn't really hit them like they were hit in 1973 or 1974 when we had the Arab oil embargo. Some people in this body might be old enough to remember. We had gasoline lines around the block. The public was outraged: How could this happen in this country? How could we have these kinds of shortages? We did. The public reacted. We played the blame game and pointed the finger at everybody and everything. Gasoline and oil prices had no relief in sight.

I can guarantee it, natural gas has spiraled. It is escalating with no relief in sight. How did we get in this situation? One reason is we haven't had an energy policy for a long, long time.

What is our energy policy? Clearly, it is to provide more imports of oil into this country as opposed to developing domestic oil reserves. What is our gas policy on natural gas? We have withdrawn from public lands areas that ordinarily would be available for exploration—64 percent of the overthrust belt, as I have indicated.

What have we done with regard to nuclear power? Twenty percent of our power generation is nuclear energy. We can't pass a bill in this body to deal with the waste. We can't override the President's veto. We are one vote short to address what to do with our nuclear waste. There hasn't been a nuclear plant built in this country in 20 years. There is not going to be. They are building them in China. They are building them in Taiwan. They are building them in France. France is 76 percent dependent on nuclear energy. They don't have air quality problems. They are never going to be held hostage by the Mideast again. They learned that in 1973.

We don't have a policy on oil other than to import more. We don't have a policy for encouraging domestic gas exploration. We don't have a policy to address what we are going to do with our nuclear industry let alone resolve the nuclear waste problem. We have lots of coal. Are we building coal plants? Absolutely not. The permitting time for coal plants puts them out of reach of reality. There are none being built.

Tell me from where the energy is going to come. There are many who say, well, we should find alternative energy. I am all for it. But you name it.

We have spent over $70 billion in the last two decades subsidizing the development of alternative energy. What is it? Solar, biomass, wind? Some places in my State, such as Barrow, don't get much daylight in the wintertime. It is dark all the time. Sometimes the wind doesn't blow. These alternatives are fine. They have a place. We have to encourage them. But they are not going to take the place of oil and gas in the near future. By the time we are through evaluating our alternatives, it is not a very bright picture because the alternatives just aren't there. The alternatives provide us with about 4 percent of our current energy mix.

We have hydro. I have not spoken of hydro. It is a renewable resource. There is no question about it. But this administration curiously enough has identified hydro as nonrenewable. I grew up in Ketchikan, AK. We have a couple hundred inches of rain a year. I remember one year we had 226 inches of rain. We have a few little hydrodams.

To suggest rainfall and hydro are not renewable is beyond me. But, nevertheless, the administration proposes to remove some of the dams from the Columbia and Snake Rivers to rebuild the fish runs. Unfortunately, some time ago decisions were made, rightly or wrongly, with regard to the tradeoff on posterity. It is just that simple. You are going to have your natural runs of fish. You are not going to have dams. But they trade it consciously or unconsciously for the agricultural industry associated and what dams those rivers could do with benefits in low-cost power to the residents of the area. Whether you have an aluminum plant, whether you have Boeing, whether you have tremendous agricultural productivity out of land that was once desert, they traded those things off. You can't want it both ways. You want to rebuild the natural runs. Most of the biologists will tell you that you can enhance runs by bringing in new stock, if your ability to rebuild the native runs is pretty remote. Some people suggest it is not possible.

But if you tear down the dams, there is another tradeoff. How much barge traffic that moves the grain and commerce up and down the Columbia and Snake Rivers is going to go back on the highways? It is all going to go back, isn't it? Somebody said there will be 700,000 more trucks on our highways, if you tear down the dams. What kind of a tradeoff is that?

There is no energy policy identifiable with this administration. It is that simple—no oil, no domestic exploration, no hydro, no nuclear, no coal. That is the reality of where we are. It is a pretty bleak picture.

I ask unanimous consent to have printed in the RECORD a statement from Richard Butler from the Washington Post dated Monday, July 17, entitled ''Guess Who's Back.'' It is our friend, Saddam Hussein. It is entitled ''Saddam Hussein is reconstituting his capability to deploy weapons of mass destruction.''

I also ask unanimous consent to have printed in the RECORD a statement that came out of Reuters today entitled ''Venezuelan OPEC president Ali Rodriguez said Tuesday there would be no oil production rise at the end of this month because prices have fallen below the upper limit of OPEC's price target ban.''

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

[From the Washington Post, Monday, July 17, 2000]

GUESS WHO'S BACK

(By Richard Butler)

So you thought Saddam Hussein was out of your life? Sorry—he's back, manufacturing the weapons of mass destruction with which he threatens the Iraqi people, his neighbors and, by extension, the safety of the world.

Two separate developments have returned Saddam Hussein to the headlines. Earlier this month the administration revealed that its satellites had detected Iraq test-firing Al-Samoud missiles, home-grown, smaller versions of the Scuds last used against Israel during the 1990 Gulf War. The chief of U.S. Central Command, Gen. Tony Zinni, said that the range of the Al-Samoud easily could be increased.

The administration also revealed that Saddam Hussein has been hiding between 20 and 30 Russian Scuds as well as working through front companies outside Iraq to acquire the machine tools needed to build more missiles.

None of this is new. In my last report as executive chairman of UNSCOM, the agency charged with disarming Saddam, I warned the U.N. Security Council about Iraq's missile-development activities. That was almost two years ago, just before Iraq shut down all international arms control and monitoring efforts. I've also publicly detailed Iraq's refusal to yield or account for its holdings of at least 500 tons of fuel usable only by Scud-type missiles. Iraqi officials told me that a complete accounting for this fuel was unnecessary because, after all, Iraq had no Scud missiles. I disagreed, stating that the reverse was true: As long as Iraq refused to yield the fuel, it clearly had concealed Scuds or planned to acquire or build them.

Presumably unconnected with the administration's revelation but simultaneous with it, former UNSCOM inspector Scott Ritter, in an article in Arms Control Today, claimed that Iraq is ''qualitatively disarmed.'' He failed to offer any new information or evidence to support this dubious concept.

There were two levels of deception in Iraqi dealings with UNSCOM: concealment and false declarations on the weapons Iraq was prepared to put in play in the disarmament process. When Ritter worked for me, he was in charge of the UNSCOM unit responsible for finding and destroying the concealed weapons, and he was vilified by Iraqi leaders as their major persecutor. Now he says he has had private conversations with unspecified Iraqi officials that have persuaded him they are ''qualitatively disarmed'' and will accept a new monitoring program if the Security Council first lifts all sanctions against Iraq.

The facts are clear and alarming, and they do not support this assertion. Iraq has been free of any arms control or monitoring regime for almost two years, a consequence of the breakdown of consensus among the permanent members of the Security Council. Now Saddam Hussein is reconstituting his capability to deploy weapons of mass destruction. I've seen evidence of Iraq, attempts to acquire missile-related tools and, even more chilling, of steps the Iraqis have taken to reassemble their nuclear weapons design team. After the Gulf War, experts assessed Iraq was only six months from testing an atomic bomb. It retains that know-how. It also has rebuilt its chemical and biological weapons manufacturing facilities.

If the United States is serious about addressing the threat current developments raise, it should insist to its fellow permanent members of the Security Council that there be a new consensus on enforcing arms control in Iraq. Selective revelations such as those recently issued by the administration need to be accompanied by a robust policy within the Security Council, making clear particularly to Russia and France that the United States is not prepared to accept their patronage of Saddam Hussein.

CARACAS, July 18 (Reuters)—Venezuelan OPEC President Ali Rodriguez said Tuesday there would be no oil production rise at the end of this month, because prices had fallen below the upper limit of OPEC's price target band.

Speaking to reporters on his arrival in Venezuela after a tour of OPEC countries, the Venezuelan energy and mines minister said the mechanism to trigger an increase in production depended on the OPEC oil basket price staying above $28 a barrel for 20 consecutive days.

The price of OPEC's basket of crude fell to $27.46 a barrel on Monday, according to the OPEC secretariat in Vienna.

Asked what would result from the fall in the basket price, Rodriguez replied ''the 20-day process will begin again.''

OPEC's news agency carried a report on Monday quoting Rodriguez as asking other members to prepare for an output increase of 500,000 barrels a day if prices did not fall.

Asked whether he planned to consult with fellow OPEC members on a possible increase, Rodriguez replied "that does not require consultation," By he added there is unanimous consent in the cartel for an OPEC summit in Caracas in September.

Mr. MURKOWSKI. Mr. President, that is the president of OPEC.

The article further states:

Speaking to reporters on his arrival in Venezuela after a tour of OPEC countries, the Venezuelan energy and mines minister said the mechanism to trigger an increase in production depended on the OPEC oil basket price staying above $28 a barrel for 20 consecutive days.

Our Secretary of Energy made a deal when he was over there several months ago and petitioned the Saudis for greater production. That was at the time we were first beginning to feel the price escalation. He did generate a commitment for another 500,000 barrels of oil.

However, the American public and the American press made the assumption we were going to get all that increased production. We only got 16 percent. That is our allocation in this country. Mr. President, 16 percent of 500,000 barrels is not enough to fuel Washington, DC, in 1 day. It is a drop in the bucket. Other areas of the world are recovering, including Asia, Japan, and they are increasing in their demand for oil.

In any event, speaking to reporters, the Venezuela Energy and Mines Minister says the mechanism to trigger an increase depended on the OPEC oil basket price staying above $28 a barrel for 20 consecutive days. He further says the price of OPEC's basket of crude oil fell to $27.46 a barrel on Monday, according to the OPEC secretary in Vienna. Asked what the result from the fall in the basket price would be, Rodriguez replied: The 20-day process will begin again.

So we are on another 20 days; no relief for at least 20 days. They are not going to produce more oil, so the price will stay around $30, where it is currently.

OPEC's news agency carried a report on Monday quoting Rodriguez and other members to prepare for an output increase of 500,000 barrels a day if prices did not fall. Well, they fell. And asked whether he planned to consult with fellow OPEC members on a possible increase, Rodriguez replied that does not require consultation. He added that there is unanimous support in the cartel for an OPEC summit in Caracas in September. Remember where you heard it first. Right out of Caracas, from the president of OPEC, there is no relief in sight until September.

Maybe we ought to go out and fill up our tanks today because it might go up tomorrow.

There we are. A capsule, if you will, of the dilemma with regard to a lack of an energy policy, where we are on gasoline, where we are in heating oil, where we are in natural gas. Who bears the responsibility for this? I think it is fair to say, at times this is a partisan body of some regard, I think we have seen from time to time situations where we point the finger and don't want to bear the responsibility.

At the risk of generating some reaction from my colleagues on the other side of the aisle, I think it is fair I point out some inconsistencies with regard to the position of our Vice President. As we look at the coming election and the role of the candidate on energy and on the environment, I think we have to ask where the candidates really stand. I will give one person's view. As the campaigns march toward November, I think we have to ask ourselves where Vice President GORE really stands in the minds of the voters. I served with the Vice President in this body and I have the deepest respect for him, but I think we are aware that, while he is an expert politician, he is recognized as an extreme environmentalist to some extent. He has a mixed bag. He is involved in policy but he also appears to be a zinc miner, an oil company shareholder, and has a record of shifting his position on energy and environmental issues.

One looks back on gasoline prices, which I have talked a good deal about this evening, but in his book "Earth in the Balance," the Vice President, who certainly structures himself as an environmentalist said: Higher taxes on fossil fuels is one of the logical first steps in changing our policies in a manner consistent with a more responsible approach to the environment.

"Changing our policies" is certainly legitimate. Even as the Vice President was casting a tie-breaking vote in this body to raise gasoline taxes—and it was his vote that raised them 4.3 cents—the Environmental Protection Agency determined that more expensive reformulated gasoline needed to be sold in many areas of the country. According to memoranda from the Department of Energy and the Congressional Research Service, EPA's gasoline requirements balkanized the market and strained supply and raised prices.

One has to question whether, if the Vice President's policies were so effective in raising prices, one would expect the Vice President to be somewhat satisfied. But obviously, confronted with angry consumers, AL GORE, the politician, suggested that refiners and oil companies were to blame. There is a lot of blaming around here for anything that is an inconvenience to the public. We all scurry for cover. Again, I think we have to look at whether what AL GORE wrote in his book, "Earth in the Balance," suggests high energy prices would thwart the utilization of gasoline that, indeed, he might be satisfied with higher energy prices.

I have been handed a note relative to a matter that is of concern to all Members, and as a consequence I believe the leader is going to request the attention of this body.

I therefore suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. FITZGERALD). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Mr. President, section 314 of the Congressional Budget Act, as amended, requires the Chairman of the Senate Budget Committee to adjust the appropriate budgetary aggregates and the allocations for the Appropriations Committee to reflect amounts provided for emergency requirements.

I hereby submit revisions to the 2001 Senate Appropriations Committee allocations, pursuant to section 302 of the Congressional Budget Act, in the following amounts:

	Budget authority	Outlays
Current Allocation:		
General purpose discretionary	$541,565,000,000	$547,687,000,000
Highways		26,920,000,000
Mass transit		4,639,000,000
Mandatory	327,787,000,000	310,215,000,000
Total	869,352,000,000	889,461,000,000
Adjustments:		
General purpose discretionary	+28,000,000	+6,527,000,000
Highways		
Mass transit		
Mandatory		
Total	+28,000,000	+6,527,000,000
Revised Allocation:		
General purpose discretionary	541,593,000,000	554,214,000,000
Highways		26,920,000,000
Mass transit		4,639,000,000
Mandatory	327,787,000,000	310,215,000,000
Total	869,380,000,000	895,988,000,000

I hereby submit revisions to the 2001 budget aggregates, pursuant to section 311 of the Congressional Budget Act, in the following amounts:

	Budget authority	Outlays	Surplus
Current Allocation: Budget Resolution	$1,467,670,000,000	$1,446,408,000,000	$56,792,000,000
Adjustments: Emergencies	+28,000,000	+6,527,000,000	−6,527,000,000
Revised Allocation: Budget Resolution	1,467,698,000,000	1,452,935,000,000	50,265,000,000

VICTIMS OF GUN VIOLENCE

Mr. SCHUMER. Mr. President, it has been more than a year since the Columbine tragedy, but still this Republican Congress refuses to act on sensible gun legislation.

Since Columbine, thousands of Americans have been killed by gunfire. Until we act, Democrats in the Senate will read some of the names of those who lost their lives to gun violence in the past year, and we will continue to do so every day that the Senate is session.

In the name of those who died, we will continue this fight. Following are the names of some of the people who were killed by gunfire one year ago today.

July 18:

Sabino Cornejo, 39, Memphis, TN; Ronald Dowl, 24, New Orleans, LA; Steven Gardner, 45, Miami-Dade County, FL; Gregory Irvin, 17, St. Louis, MO; Willie Love, Detroit, MI; Iddeen Mustafa, 17, Detroit, MI; Phet Phet Phongsanarh, 20, Detroit, MI; Roberto Ramirez, 15, Detroit, MI; Ronald Regaldo, 19, Denver, CO; Lenou Thammavongsa, Detroit, MI; Jorge Vasquez, 18, Dallas, TX; Dawamda Withrow, 20, New Orleans, LA; Unidentified male, 25, Norfolk, VA.

One of the victims of gun violence I mentioned was Sabino Cornejo, a 39-year-old Memphis man who was a beloved and highly respected member of his community. One year ago today, gunmen burst into his home and ordered him and his family to the floor. Sabino was shot and killed in front of his four children.

We cannot sit back and allow such senseless gun violence to continue. The time has come to enact sensible gun legislation. Sabino's death is a reminder to all of us that we need to act now.

DEATH TAX ELIMINATION ACT

Mr. KYL. Mr. President, last Friday, the Senate concluded debate on the Death Tax Elimination Act, H.R. 8, and passed the bill by a bipartisan vote of 59 to 39. I am very grateful to Senators on both sides of the aisle who supported this important legislation.

The broad, bipartisan support the death-tax repeal bill received suggests that we have finally found a formula for taxing inherited assets in a fair and common sense way. Unrealized gains will be taxed, but they will be taxed when they are earned—not at death. Death itself will no longer trigger a tax.

This change—effectively substituting a capital-gains tax, which would be due upon the sale of inherited assets, for an estate tax at death—is itself a compromise.

When I first introduced a death-tax repeal bill in 1995, I did not propose any change in the stepped-up basis—a change that is at the heart of this bill. My original legislation would have repealed the death tax and allowed heirs to continue to step up the tax basis in the inherited property to the fair market value at the date of death.

That is obviously the ideal world for taxpayers: No death tax, and a minimal capital-gains tax when the inherited assets are later sold. The problem was, that approach sat idle for four years. We could not get it to the Senate floor for a vote, and we could not attract bipartisan support for it.

The idea behind this bill really came out of a hearing before the Senate Finance Committee in 1997. At the hearing, Senators MOYNIHAN and KERREY acknowledged that the death tax was problematic, but expressed the concern that, if we repealed the death tax without adjusting the basis rules, unrealized gains in assets held until death could go untaxed forever.

It struck me then that we had the basis for a compromise. If we could agree that death should not trigger a tax, we should be able to agree that death should not confer a tax benefit, either. The answer was to simply take death out of the equation. Coupling death-tax repeal with a limitation on the step-up in basis does just that.

So H.R. 8 represents a compromise. And that is why, I think, we were able to win the votes of 59 Senators, including nine Democrats. And that is why 65 Democrats were able to support the legislation in the House of Representatives.

During consideration of the death-tax repeal bill last week, some of our colleagues on the other side proposed a different kind of compromise. They said theirs would repeal the death tax for virtually all family-owned businesses and farms. Some have suggested that, if President Clinton vetoes the death-tax repeal initiative, the Democratic substitute might serve as a basis for further compromise. The problem is, the approach taken in the substitute—while well-intentioned—is fatally flawed.

Here is how the Wall Street Journal put it in an editorial on July 13:

> Senate Democrats also offer to expand a small-business and farm exception that is a tax-lawyer's dream. The loophole, known as IRS Code section 2057, is so complicated and onerous that few estates qualify.

Let me take a few moments to explain the deficiencies of this Democratic substitute. First, there are requirements that more than 50 percent of the decedent's assets must be made up of the qualifying business; that the decedent or immediate family must have actively operated the business for five of the eight years preceding death; and that a member of the immediate family must agree to continue to operate the business for at least 10 years after the decedent's death.

If any of these conditions is not adhered to for 10 full years after death, the government can still collect the original estate-tax that was due, plus accrued interest.

And understand this: to protect its right to recapture the estate tax if the business fails to comply, the Federal Government attaches a Federal tax lien to the property for a full 10 years. For a business, like farming, which is credit-dependent, such tax liens can make it virtually impossible to secure loans and financing for business operations, for growth, and for viability. In addition, the heirs are held personally liable for the estate tax and any penalties.

So, far from providing meaningful relief, the Democratic substitute leaves a cloud over the family business for up to a decade after death. The government can come back any time and recapture the estate tax that was due, plus interest, if the business, at any point, falls out of compliance. The threat of reimposition of the tax absolutely limits the family's flexibility in managing and disposing of business assets in its best interest.

The Democratic substitute relies on the current law's onerous material participation requirement, which, in effect, forces the family to work in the day-to-day operation of the business, or face the death tax, plus severe penalties. These requirements may be difficult to satisfy if, for example, the present owners are disabled or other family members are not yet involved in the business.

It relies on very complex rules for determining the value of farms and closely-held business interests. Historically, the IRS has challenged virtually every valuation method used, and these challenges typically wind up in Tax Court.

There are currently 149 tax cases which have been decided and reported involving 2032A issues. The IRS has challenged the validity of 2032A election or planning, and has won in approximately 67 percent of the cases. An equal number may be embroiled in the administrative process before court action. So much for relief—two-thirds of the few who do think they qualify, do not ultimately qualify and have to pay the tax with interest.

The so-called family business ''carveout,'' which is embodied in Section 2057 of current law, is so bad that the Real Property and Probate Section of the American Bar Association has urged its repeal.

The reason the ABA condemns this section so strongly is that it is extremely complex and has an extremely limited application. It provides little practical help to families trying to preserve the family-owned farm or small business. It incorporates 14 sections from Section 2032A, which the ABA considers the most dangerous section of the estate-tax law because of the risk of malpractice claims against estate-planning lawyers and accountants.

So the fact is, if you rely on these sections of the tax code, you can raise the value of the estates eligible for relief as high as you want, and still few estates are going to get the intended relief. Estimates are that only about three to five percent of estates would benefit, and even then, as I said before,