

THE ENERGY CRISIS

Mr. BENNETT. Mr. President, I recall a time very early in my career, not as a Senator but when I was involved here in Washington in support of a particular amendment that was being debated in the House of Representatives. I sat in the gallery in the House and listened to the debate and was somewhat startled when a Member of the House stood up and attacked the amendment as "the General Motors amendment."

He went on to thunder against big business in general, and General Motors specifically, and say: This amendment would take care of big business and it would hurt everybody else.

After it was over—and I can report gratefully that our side prevailed in that particular debate—one of his colleagues went to this particular Member of the House and said: What are you talking about when you are attacking General Motors on this amendment?

And the Member said: Well, when you don't have any substantive arguments, you are always safe in attacking General Motors.

That comes to mind because, as we talk about today's energy crisis, and the rising price of energy at the pump, there are those who are attacking big oil. I think they are a little like that former Member of the House. When your arguments don't have any substance, attack big oil and hope that the public will respond.

I want to talk today about why gasoline prices are so high and why a nameless political attack on big oil is not the answer. I do expect these attacks to continue. We are in an election year. There is at least one candidate for President who thinks, if he constantly attacks big oil, people will not pay attention to what is really going on. I want people to pay attention to what is really going on and focus on why we have energy problems in the United States.

I start with a memo dated June 5 of this year, sent to the Secretary of Energy, through the Deputy Secretary, from Melanie Kenderdine, who is the Acting Director of the Office of Policy in that Department.

She says a very startling thing. I must say, when I say startling, I am being sardonic about it. She says that it is due to high consumer demand and low inventories. What a great revelation—high demand and low supply is going to give us high energy prices. Of course it is.

I have said many times, and repeat here today, that one of the things I think should be engraved in stone around here for all of us to see every day is the statement: You cannot repeal the law of supply and demand.

We keep trying on this floor—we keep trying in the Government—to repeal the law of supply and demand and make prices and costs in the real economy respond to our legislative whims. But they do not. Prices respond to the law of supply and demand.

So this internal memo, from the Department of Energy, is interesting in that it says the real problem is that "high consumer demand and low inventories have caused higher prices for all gasoline types. . . ."

But then it goes on to say there are other things that have exacerbated the problem, made it worse. These things are, in fact, legislative, or, in this case, regulatory actions taken within the Clinton-Gore administration in response to the constituency that Vice President GORE seeks to cultivate as he pursues his Presidential campaign.

It talks about, specifically:

. . . an RFG formulation specific to the area that is more difficult to produce . . .

The "area" we are talking about here is the Midwest. We are talking about Chicago. We are talking about the State of Michigan. We are talking about the Midwest, where gasoline prices are currently over \$2 a gallon.

These are regulatory actions—I will not read them all—that have been taken by the Clinton-Gore administration that have raised the price of gasoline simply by constricting further the supply. If we understand this, that we cannot repeal the law of supply and demand, if we understand that everything that has anything to do with constricting supply is going to drive up prices, we will begin to understand why we have runaway prices.

What can we do to increase supply? That is the answer. You don't have to be a Ph.D. to understand that. You don't have to be smart enough to go on "Who Wants to be a Millionaire" and name all of the foreign heads of state if you want to understand this. You have to understand the very basic principle. If we are going to bring gasoline prices down, we are going to have to increase supply.

As an aside, let me point out that this problem is not limited to gasoline prices alone. Americans are facing higher heating oil prices next winter. Americans are facing higher hot water prices from natural gas. For any source of energy, the price is going up. Why? Because the supply is not sufficient to meet the demand—economics 101.

Let us look at the sources of supply in this country and what the Clinton administration—under the prodding of Vice President GORE who is acknowledged to be the leader on this whole subject within the administration—has done to supply. Let's start with oil. What has happened to the supply of oil in the United States? We find that 56 percent of our oil comes from foreign sources now, which is up from 35 percent, the level when we faced the oil crisis in the 1970s. If we are going to decrease this dependence on foreign oil, we ought to increase the amount of supply in the United States. It is very simple. If we have oil in the United States, let's start pumping that oil to increase the supply.

What have we done since President Clinton has been in office? Under the prodding of Vice President GORE, when

there was an opportunity to increase supply up in Alaska, this administration said, no, we will not allow you to do that. We passed legislation, both Houses of Congress, and sent it to the President, that would have increased supply, had more oil available in the United States. Under the prodding of Vice President GORE, the President said, no, we will not allow you to drill for oil in Alaska, even though there are indications there is as much oil up there as there is in Saudi Arabia, according to some reports. No, we will not allow you to increase that source of supply.

There are other sources of supply domestically. What about the Outer Continental Shelf? President Clinton said, no, you can't drill anymore, no more exploration on the Outer Continental Shelf until 2012. Vice President GORE, in his campaign, has pledged to stretch this prohibition perpetually. President Clinton says, we will prohibit you from doing it until 2012. Vice President GORE says that is not good enough; we will prohibit you from going further.

So they won't let us look for supply in Alaska. They won't let us look for supply on the Outer Continental Shelf. What about the Federal lands? Is there oil in the Federal lands? No, we won't let you drill. We won't let you explore in the Federal lands, even to find that out. So we are at the mercy of foreign sources of supply. This administration has determined to keep us at the mercy of foreign sources of supply when we are talking about oil.

Now let's talk about natural gas. The geologists say the United States has an almost unlimited supply of natural gas. Maybe it is all right for us not to increase the supply of oil, even though that is what is driving up the cost of gasoline at the pump, if we can provide our energy through natural gas. Federal lands in the Rocky Mountain West, where I come from, contain up to 137 trillion cubic feet of natural gas. But this administration has put those lands off limits for exploration. We cannot even find out how much is there. No, Vice President GORE says, we can't look for natural gas on Federal lands.

So what other sources of energy do we have? Well, one of the major sources of energy in my State is hydroelectric power coming from the Glen Canyon Dam. The Sierra Club has said: Let's tear down the Glen Canyon Dam. Let's take it down and eliminate that source of power supply altogether. The administration, to its credit, has said, no, we don't think that is such a good idea. But the Vice President, who has been endorsed by the Sierra Club, says he endorses their agenda, which raises the question, if he were to become President, would he in fact say, let us tear down the Glen Canyon Dam and thereby destroy that source of power? They have already suggested they want to study tearing down the dams on the lower Snake River, which produce hydroelectric power. Now, in this election

season, we have a statement out of the administration and the Vice President that says: We will not take down these dams now. We will not take these dams down in the short term. We will study it.

There are those who suggest that means we will wait until after the election, and then we will take down the dams. If, indeed, the dams are taken down, hydroelectric power goes away. Hydroelectric dams generate roughly 10 percent of this Nation's power.

So we can't drill for oil, we can't explore for natural gas, and we want to dismantle some of the hydroelectric power. What about nuclear power? That is where most of the power comes from in Europe and in many other countries that don't have the hydroelectric facilities we do.

On April 25 of this year, President Clinton vetoed legislation that would have allowed storage at Yucca Mountain of nuclear waste. Nuclear waste is building up at every nuclear facility in the United States. At some point we have to deal with it. The Congress thought it had dealt with it by creating Yucca Mountain. The President said, no, even though we have spent billions and billions of dollars preparing Yucca Mountain to receive this nuclear waste, we won't let it go there, thus jeopardizing the opportunity for this country to have a long-standing, long-going nuclear program.

All right. If we are not going to be able to handle nuclear power, if we can't drill for oil and oil power, if we can't explore for natural gas, and if we are trying to cut back on hydroelectric, where are we going to get the power? There are those who say, well, most of the power in this country comes from coal. Coal, of course, has a problem as far as the environment is concerned.

I am proud to report that we have in the State of Utah some of the best low-sulfur coal in the world, which, if burned, would have an enormous benefit for the environment. Just 4 years ago, President Clinton, with Vice President GORE clearly identified as the driving force behind the decision, shut down the possibility of ever using any of that coal from Utah when he created the Grand Staircase-Escalante National Monument, using the Antiquities Act in a way it was never anticipated to be used, violating all aspects of consultation as required under NEPA, refusing to even admit to elected officials in the affected State that he was even thinking about it. The President, with a stroke of a pen, said, you can't use any of that low-sulfur, good-burning coal.

So you have to go to other kinds of coal. Fifty-five percent of our Nation's electricity is generated by coal, and 88 percent of the electricity in the Midwest comes from coal.

But now they are saying we must put controls and restrictions on coal and the activity with respect to coal—to the point we have seen the senior Sen-

ator from West Virginia, who represents a number of coal producers, demonstrate his concern with this administration.

So what is left, Mr. President? What is left to increase the supply? Well, you can't drill for oil. You can't explore for natural gas. You can't expand hydroelectric power. We hope to get that back. You can't use the coal. What is left? Prayer? I believe in prayer. But I also believe that the Lord prefers those who pray to him to do a little bit about it, to work at it. If I can go back again to the roots of my State, founded by the pioneers who came across the Plains, the story is told about a wagon train that got caught in a river. One of the leaders of the wagon train immediately dropped to his knees. The other fellow who was involved said, "What are you doing?" He said, "I am praying." And the second man said, "I said my prayers this morning. Get up and pull."

I think if we are going to pray for divine assistance to help us increase the supply for energy in this country, we better get up and pull at the same time and recognize that saying no to the expansion of every single source of energy in this country in the name of appealing to an environmental community, as the Vice President has historically done, puts us in the position where we are going to have high energy prices for as far as the eye can see.

I hope as people address the question of why gasoline is over \$2 a gallon in the Midwest today—and those high prices are spreading—and as people address the question of why fuel oil will be twice as much in the winter than it has historically been, as people address the question of why the natural gas prices are continuing to go up, they will understand that, once again, we cannot repeal the law of supply and demand. If we want to bring energy prices under control in this country, we ought to help the President and the Vice President understand that truth and say the only solution to high prices, Mr. President and Mr. Vice President, is increased supply for the demand that is built into our economy. As soon as they understand that and will work with this Congress to try to get increased supply in the various ways we have sent them legislation to do, we will then—and only then—begin to see these high prices come down.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

ENERGY AND WATER APPROPRIATIONS

Mr. DOMENICI. Mr. President, the energy and water bill on appropriations has been held up. I understand that the distinguished minority leader has an objection to it. I share with Senators the importance of that bill. I suggest, hopefully, that the minority leader rethink this because I do have some confidence that he is not exclusively interested in partisan politics, and that

perhaps this very good bill on energy and water could be passed and sent to the President; although, my hopes are dwindling.

Essentially, one looks at the energy and water appropriations bill, and while I would devote some time to the energy crisis, which my friend spoke about eloquently, I will interrupt my comments to say this to the Senator: Incredibly, there is a position being formulated by the Vice President's campaign to claim that George W. Bush and Dick Cheney would be bad for American energy consumers. Isn't that a joke?

What is bad for American energy consumers, and the reason gasoline prices are so high, and natural gases are skyrocketing, and we are growing in dependence upon foreign countries for our very lifeblood, for without energy, we have no economy. Of late, we have decided it must be so clean that the only thing we are using in any increased abundance is natural gas. We are even shying away, in this administration, from clean coal technology. Did the Senator know that technology to clean up coal is being pushed down by this administration instead of up?

Mr. BENNETT. The Senator is correct. If I may make one other comment, the comment has been made that they want wind as the source. I have heard environmental groups have complained that they do not want windmills out on the prairies because they will damage the birds.

Mr. DOMENICI. Let me tell the Senator this: I asked this administration and I asked this Vice President to send to us what their great energy policy has been during the last 8 years. Every time we say there is none, they say they have got one, they have had one and we turned it down. I would love to see it. I would like to evaluate it and send it out to the energy people and ask them what would it have produced had we given more money to solar and wind than we did. How would that have had an impact on the consumers of America—paying this enormous price for gasoline, this enormous new price for natural gas?

Frankly, I say to my friend from Utah, if Americans don't know it—because we worry so much about Social Security and its future, Medicare and its future, what happens to this surplus, and what happens to the debt—probably the biggest challenge to the American way of life and our standard of living, driving automobiles and finding jobs and factories growing, is that we have no energy policy. And we are going to move slightly and slowly, because of this administration, into a position where we are not going to have enough energy to make America go, or it will be so high that Americans will wonder what in the world happened to us.

Do you know when that will be? That will be when our dependence on foreign sources of energy grows some more. Americans should know that over 50