

ought to have. But in any event, it probably is about a 5-percent increase, which is less than the increases of the past number of years—less because when you have a surplus, it is awfully hard to hold down spending. It was an appropriate thing to have this budget that does reflect at least some control in spending and we are pleased about that.

Of course, currently pending and perhaps the most important thing we will do in a very long time will be the tax reduction that is now being considered by committee. It has passed the Senate as well as the House. And when the conference committee completes their work, it will be back here for consideration. We are anxious for that to happen.

The Bankruptcy Reform Act was passed as well. We had brownfields revitalization, which is something that has gone on for a very long time that allows lands to be put back into use more easily. We have construction of a memorial honoring World War II and those who served there. We have intellectual property, a number of things that are quite important and that have, in fact, been achieved during this relatively short time.

So we are looking forward to that. But in the meantime, I am going to soon yield the floor to my friend from Idaho. I believe one of the most important bills we will be passing in this session of the Congress is the bill to cut tax rates across the board, bury the death tax, fix the marriage penalty, and double the child credit. We can do a lot to make this economy stronger, more fair, and to allow people to utilize more of their own money for the purposes upon which they decide.

I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

ENERGY POLICY

Mr. CRAIG. Mr. President, I thank the senior Senator from the State of Wyoming for yielding to me, and I thank him for his leadership on all of these many issues that he has discussed. He comes from a fascinating State, a State with a basket full of potential energy for this Nation if we can change a few of our policies and allow Wyoming, Montana, and other such States to be able to use the abundance of their coal to produce electricity at the mouth of the mine itself, and then through transmission lines to transport it across the Western States and to the State of California, where they are so desperately in need of more energy.

I say that in my opening comments because we are on the threshold of beginning to work on a national energy policy. The President has presented one. The Senate has produced a bill. The Energy Committee, on which I serve, will now begin to review all aspects of that proposed policy and begin to shape for our Nation new public

laws, amended public laws, a new regulatory process, a reduced regulatory process that will allow this country, once again, after nearly a decade, to get back in the business of producing energy.

Senator THOMAS and I were downtown yesterday speaking to a group, and I, at that time, said we are a rich Nation. Compared with all other nations of the world, we are one of the most wealthy. It is because of a combination of assets that we have had and have uniquely combined in the American character.

First of all is the free enterprise system where an individual is allowed to create at his or her level and with his or her talent, and to use that creation not only to create wealth for themselves but for everyone around them. That is probably the No. 1 resource in our country and always has been. But tied to that resource is an abundance of energy in almost all forms—electrical, hydrocarbon, you name it. We have never wanted for energy in our country. But today we do. The American public is paying a higher price for gas than at any time in our Nation's history. They are paying higher electrical rates than at any time in our Nation's history, and they are asking a fundamental question: Why? Why are we? Why do we have to?

Of course, we already know that those higher costs have depleted or reduced the wealth-generating capability of our country. It has cost thousands of jobs. It has hurt households. Every day, the commuter to his or her job is paying nearly double in the commuter costs than a year ago.

This country cries out for a new energy policy of production. But they also want to see it done in a clean and responsible way when it comes to the environment. All of those things can be accomplished if this Senate will put its mind to it to assuring that we make that happen, and that we partner with States and local governments to assure they are fully involved and engaged with us in this most important process.

A lot of people are saying right now: Well, George Bush, why aren't you helping out in California?

After about 20 decisions coming out of the new administration, 3 decisions coming out of the FERC, at some point we have to do the very common and necessary thing and say to California: Help yourself.

California, finally, is beginning to do that. They are beginning to recognize that after 10 long years of not producing any energy, they are going to have to produce some. They used to buy a lot of energy from Idaho. We used to ship a lot of energy down there. But we Idahoans now need our energy because we are growing. We also had a drought in the Western States of Idaho, Oregon, and Washington. We used to produce most of our power by turbines and dams and hydro power. As a result, this year we have less capability to produce and therefore we have less power to sell to California.

Those are some of the critically important dynamics of the policy we will have to develop in the Senate. I have already had some of my folks calling me from Idaho saying, with what happened yesterday and with Democrats taking control of the Senate, is the energy policy dead?

No, I don't think it will be. It can't be. My colleagues on the other side of the aisle cannot be viewed as obstructionists who are advocates of \$2 or \$3 gasoline or \$400 or \$500 megawatt power. They aren't now, and they can't be later. They must work with us and the Bush administration to get this country back into the business of producing and conserving and balancing out our electrical needs.

President Bush said: Give me a tax cut now and give me some immediate response so at least in the short term a consuming family will have just a little bit of relief in their energy bill or any other part of family expenses.

That is what we are struggling with at this very moment. The House and the Senate are meeting in conference to work out the differences between what we have produced in the Senate and what our colleagues in the House have produced. I hope in the end it will look very closely like what our President is asking—to return some of their tax dollars to them in the form of tax relief, both in the short term and in the long term, to stimulate the economy and to allow the producer to keep more of his or her hard-earned cash.

In the midst of all of that, for just a little bit of time, maybe they can afford to pay just a little more for energy. I wish they didn't. I wish we had been smart enough 10 years ago, 5 years ago, 4 years ago, to shift the policy. But we had an administration that said all you have to do is conserve and maybe use a little gas—that is, natural gas—to generate electricity, and we will get through all of this. We know that didn't work very well. Conservation was an important part of that energy message, and it is today.

The average consumer today is now making a choice. I heard on the television a couple of mornings ago that the American Automobile Association says consumers are going to travel less this summer. Instead of a 10-day trip in their automobile, they are going to take an 8-day trip or a 7-day trip. That is the American consumer doing what they do best—evaluating the cost of the trip and what they have in their pocketbooks and what their family can afford and stepping back.

It is OK to do that in the short term, but when it comes to industry and the creation of jobs and the fact that industry may have to produce less and step back because of the input cost of energy, that then begins to hurt the whole economy of our country.

So how can I talk about tax relief and energy in the same conversation? They are, in fact, integrally related. The ability to create a job, the ability to earn a paycheck, and to have a fair

amount of that which you can apply to yourself, your family, and your kids' education has, in part, always been in direct relation to the amount it takes you to live; and the cost of living has gone up substantially in the last 2 years because of the fundamental cost of energy. All of these issues are tremendously important. Thank goodness we now have a President who speaks boldly, clearly, and bluntly about these kinds of issues.

He says we are in an energy crisis and we can get out of it if we simply produce and get back to the business of providing for the consumer of this country. He has laid out a plan on how to do it. On most of it, I agree. I certainly hope this Senate in future days, and under its new leadership, will recognize the importance of such a policy to the American people. You simply cannot deny it any longer. If conservation is the only message out there, then look at California, the greatest conserving State in the Nation. They have conserved themselves right into darkness. That is no way to run a State. They now know they have to produce along with that conservation, and we ought to allow this great country of ours that opportunity.

I have always been one who believed that the freer our citizens, the freer our economy, the more flexibility to do what we do best—generate this great country's wealth and, therefore, this great country's world presence.

Wealthy nations can provide for their people, and we do. Poor nations cannot. There is nothing wrong with the idea of creating wealth and allowing people to share it, allowing people to have the fruits of their labor and their genius. It is what has made us great, and it is what allows us to turn to those less fortunate here and around the world, to say we can help, and the only reason we can help is because we are, fortunately, a rich nation.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

Mr. DORGAN. Mr. President, my understanding is the next 8 minutes are under the control of the Senator from Wyoming, Mr. THOMAS. I ask unanimous consent that I be recognized, and in the event someone comes to whom Senator THOMAS wishes to yield that time, I will be happy to discontinue my comments.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from North Dakota is recognized.

ENERGY POLICY

Mr. DORGAN. Mr. President, my colleague from Idaho just discussed the energy issue. There is not any question the energy policy is a critical policy for this country. We must develop a national energy plan that makes sense for our long-term future.

Every American every day has a claim on the need for energy. We need

a consistent, predictable supply of energy that is reasonably priced. We need a policy that allows that to happen. When the price of oil went to \$10 a barrel for some long while, people stopped looking for oil and natural gas. It is pretty predictable. There were fewer rigs looking for oil when the price of oil and natural gas was very low. When the price of oil went up and natural gas spiked back up, there were more drilling rigs and more people are searching for more oil and natural gas. That is predictable. That is how the market system works.

It is not in this country's best interest to have a roller coaster of exploration, and that is what happens. That is what describes only part of our current problem with the imbalance between supply and demand for energy.

We are too dependent on the OPEC countries. All of us know that. One day we will wake up—I hope this is not the case—it is likely we will wake up when some grotesque terrorist act in the Middle East interrupts the supply of oil, even if temporarily, and it will allow us to understand how overly dependent we are on a source of energy and oil, natural gas from a region that is so unstable.

In addition to having this roller coaster on exploration and being overly dependent on a supply of energy from the Middle East, we also are a country that has largely decided to ignore conservation. One can drive down the road these days and see someone driving a new vehicle that looks a lot like a Humvee, except it is bigger and heavier and is sold at your local dealership as a family vehicle. People have a right to drive that, but the point is that is moving in the opposite direction of having a national conservation ethic.

It is true, as the Senator from Idaho said, that we must produce more. I do not think you will find Members of the Senate in disagreement on that. We must produce more oil and natural gas. We must use coal resources. There are ample resources in our coal fields. We can do it using clean coal technology. We must use our fossil fuels in a thoughtful way, and we can do that in a manner that is not inconsistent with a good and clean environment.

That is important, but it is also important to understand we just cannot produce ourselves out of this problem. We cannot produce our way out of this problem. We have a President and a Vice President who come from oil backgrounds so it is probably not surprising their energy plan is to just drill more. They have an easy solution to America's energy problem: Just drill more.

That is one approach, but it is not a balanced approach. Yes, we must produce more, and I support that, but we also must conserve more. Conservation of energy is another way of producing energy. We must have a conservation component that is real, not just talk, but real as we deal with this energy policy.

We also must have an efficiency process in this energy plan. All of the appliances, the things we use every day in our lives that make our lives better, easier, can be made more efficient and should be. We have efficiency standards. The question is whether we continue to press for greater efficiency in all of these appliances or not. The answer should be yes.

Finally, renewable resources. We ought to use renewable forms of energy, and I know the big oil companies have never liked that very much, but I happen to believe that using ethanol, taking a drop of alcohol from a kernel of corn and using it to extend our energy supply, makes good sense.

We can take a drop of alcohol from a kernel of corn and still have the protein feedstock left. So we have extended America's energy supply and we still have protein feedstock for animals. What a wonderful thing to do. Plus, it is renewable. We are not depleting it every year.

Wind energy. North Dakota happens to be the Saudi Arabia of wind, according to the Department of Energy. There is nothing wrong, as an important part of our energy plan, of putting up more efficient wind turbines and using that wind energy to extend America's energy supply.

It is true, as my colleague from Idaho says, we need to produce more, and all of us support that, but a balanced energy plan will include production, conservation, renewable energy, and also efficiency with appliances and the things we use day to day. If we have a bold energy plan that includes all of those components, I believe we will find a broad area of support for it in this Congress.

As I mentioned, we have a President and Vice President who come from the oil industry, so it is not unnatural for them to produce a plan that says: By the way, let's just drill more. But that is not a balanced plan. We can, should, and must do much better than that and have a plan that balances all of these interests.

And, finally, another thought on this issue of an energy plan. We have other dislocations occurring in this country in a very significant way. In California, the price of electricity is going through the roof. Some say that is supply and demand. That is nonsense. That market is broken. It is flat dead broke, and the regulators should have intervened.

The Federal regulators are doing their best imitation of potted plants. They sit on their hands, we pay them salaries, and they do nothing. The fact is, they should have put a cap on wholesale prices for electricity in California.

We have big traders and big economic interests that take an Mcf of natural gas, trade it from an unregulated market to a regulated market, and in 24 to 48 hours, the price of that same Mcf of natural gas will double, triple, or quadruple. Guess who gets hit right square in the jaw with that. The consumer.