

wouldn't let them do it. In order to prevent a vote, they adjourned the conference, and it never again met.

We come to the end of this session in total chaos in all of these bills because some want to prevent a vote. This is the center for democracy. The process of democracy is to vote, even if it is controversial—vote, and then count them, and the winning side wins.

That is what ought to happen here. This isn't rocket science.

I say to those putting this schedule together to remember the old days. Did you get a tinker toy set or an erector set when you were a kid? You put it together piece by piece. That is the way this should work.

There are 13 bills. There is a sequence by which you pass the bills, put them in conference, have votes, resolve the controversial issues, get them done, get them to the President, and meet the deadline.

But I fear what is going to happen in the next week or two is that the same people who tried to hijack this process last year could do it again this year. The losers will be the American public—the American people and family farmers who rely on us to repeal this provision that says let's continue to use food as a weapon.

It is immoral. It is wrong for our family farmers. It is immoral for our country, and a terrible thing for our family farmers. It hurts hungry, sick, and poor people around the world. We ought to stop it.

I will have more to say about that next week.

ENERGY PRICES

Mr. DORGAN. Mr. President, as we look ahead, aside from the wrench in the crankcase here in Congress that prevents any kind of movement to get things done, one of the significant challenges for us both now and in the months ahead is this issue of energy. What is happening to energy prices? What is happening to the supply of energy? I want to talk for a minute about where we are.

Go back a year, or maybe a year and a half, and the price of oil was \$10 a barrel. In fact, in North Dakota it was \$6 to \$7 a barrel. The price of gasoline at the gas pumps was about 90 cents a gallon. The price of natural gas was about \$2 per million cubic feet.

Now, fast forward: What has happened is the OPEC countries have cut their production of oil. We have seen a circumstance in this country where the price of oil has spiked up on the spot market to \$36 and \$37 a barrel. Gasoline is anywhere from \$1.50 to \$2 a gallon. Natural gas prices have more than doubled from \$2 per mcf, and in some cases \$5 to \$5.50.

We have people frightened to death with the reports that home heating fuel costs are spiking way up. Those in

my State and others—particularly in the Northeast as they enter what could be a cold winter—are trying to figure out how they, on limited incomes, will pay for home heating fuel that is going to double, and in some cases triple in price. These are significant and serious issues. The question is, What do we do about it? What is causing all of this? And what can we do about it? We start out by understanding that it is complicated. It is not simple.

One of the first and most important aspects of understanding this is our country is far too dependent on foreign sources of energy. We are far too dependent especially on the OPEC countries for our oil. When we have to send people from our country to the OPEC countries to beg them to open the faucets and produce more, it has a significant impact on our economy and our future and our economic growth. We ought to understand that this makes us far too vulnerable. We need in the long term to move away from that vulnerability.

Second, with respect to consumers, they ask the question: Not only is OPEC cutting back, but why? The answer to that is, yes; OPEC is cutting back. Why? Because it is in their interest and they can do so. But they are also asking: Is somebody profiteering at the gas pumps? They see merger after merger in the energy industry. They see that British Petroleum and Amoco get married. They see Exxon and Mobil decide they are going to get hitched.

All of these big companies gather together, and then at a time when we have an energy crisis, we have a circumstance where the largest 14 oil companies show profits of over \$10 billion in one quarter—up 112 percent—and those who drive to the gas pumps, those who are buying home heating fuel, and those who are paying for natural gas prices are asking the question: Is somebody profiteering at my expense?

As I say, this is a complex issue. But all of these questions need to be answered. The Federal Trade Commission has a current investigation going on. I hope they can wrap that up soon and tell the American people what is happening with respect to prices.

The issue of supply and demand in energy is something I want to talk about just for a moment. There has been a lot of discussion in the last few weeks on this issue of energy. We have some people saying in the last 6 to 8 years we have seen a decrease in production. That is causing our problem. We have been talking about energy supplies. Let's talk about the production of oil. Let's take a look at this line of production and what you see going back to about the late 1960s or 1970s. There has been a continual and diminished production.

That has happened under Republican administrations and Democratic ad-

ministrations. That has happened under a series of administrations over many years. You see the line on the chart. There is no change in it at all. There is a systematic reduction in the production of energy.

With respect to the consumption of energy, we also see what has happened. In the 1970s, we had this energy scare for a number of reasons. We had a very brief reduction. We had a significant conservation movement in this country to conserve energy. We had some brief reductions. But the fact is, we have begun to trend upward once again in a significant way. You will see that imports are continuing now to increase once again, which makes us much more dependent on foreign source energy.

This is important to everybody. I am a Senator who represents the State of North Dakota. It is important to us. When the price of gas at the pump spikes way up, or the price of diesel fuel begins to spike way up, this is what it means to a State such as North Dakota. We have farmers who are heavy users of fuel in order to put the crop in and to get the crop off the field. Higher prices for fuel means real trouble especially at a time when we have collapsed grain prices. It means people living in North Dakota, or other State such as ours, who drive a lot just to get places, that we pay a much heavier burden than others do. Do you know that North Dakotans drive almost twice as much per person as New Yorkers just to get to a grocery store? Why? Because we are a very large State with a sparse population and you have to drive long distances to get to places.

I have a friend in New York. They have relatives in New Jersey 50 miles away. I am told they pack an emergency kit in the trunk, put blankets in the car, and plan for 6 months to take a little trip to see their relatives 50 miles away. I don't know if that is true. But on the east coast, you don't travel as much. Populations are near. In North Dakota and Montana and States like those, we have to travel a lot. Therefore, we pay twice as much for our energy and for our transportation needs.

There is a significant interest in what is happening. The consumption is going up. Our production has for 25 years been trending down, and imports are moving up.

Here is the consumption by sector on the chart: Transportation, industrial, residential, and commercial. What we see is a significant trend up in transportation.

It is interesting as we talk about all of these issues, one of the things happening in the Congress is a consistent resistance in Congress to ask anybody to work on vehicles that are more efficient. We have had these issues called CAFE standards, and I know it is very controversial. Does anybody think it is prudent for this country to resist trying to get more efficient automobiles?

It makes sense to begin to continue to apply pressure to say we need more efficiency in our vehicles. We can see what is happening in transportation consumption of energy. Yet this Congress continues to demand we not try to establish some new goals with respect to fuel efficiency.

I have not been the biggest cheerleader on these issues because we drive a lot of pickup trucks. We have to make accommodations for that in sparsely populated areas, but we ought to expect the auto industry and others to join in trying to move in a relentless way toward more efficient vehicles and toward trying to provide some balance in this top line. More efficiency will result in less consumption on the transportation side. That is one way to deal with this.

We need to respond to this issue, to respond on two sides of this coin; one is production, and one is consumption. I will describe both quickly, especially in the context of the discussion of the last couple of days.

Vice President GORE says we ought to consider taking some oil out of the Strategic Petroleum Reserve. They call that the SPR. We have over 500 million barrels of oil in the Strategic Petroleum Reserve, and Vice President GORE says we should take some out to provide stability in oil prices. Frankly, I have not been the biggest fan of moving to SPR anytime quickly. We have had this discussion before—8 or 9 months ago.

There is a circumstance today with the intransigence of the OPEC countries in being unwilling to increase production sufficient to provide some short-term balance in energy supply. We could, it seems to me, take half a million barrels a day out of SPR for 6 months, 9 months, 120 days, without dramatically diminishing the Strategic Petroleum Reserve, and at the same time contribute stability to international supply in a way that brings prices down and provides people the ability to see over this hump.

When we get over the heaviest use of supply in this fourth quarter and get into the next year, we will see more production because \$35 and \$36 a barrel has moved all kinds of rigs into areas where we have not had production before. A year and a half ago, we had zero production rigs drilling for oil in North Dakota; today, we have 20. I am told if there were enough workers, we would probably have 30 rigs in North Dakota. That is just a small amount compared to what is happening all over the world relative to today's oil prices.

My point is, what will provide some stability in the next 2, 3, 4 months? We have an economy that is a blessing. This has been the longest sustained economic growth in this country's history. It doesn't take much to tip an economy. We saw that in the early 1990s with some energy price spikes.

Now it seems to me we ought to engineer a serious public discussion about the value of using, in a very cautious and conservative way, a portion of the Strategic Petroleum Reserve—only a very small portion—to come in and provide a cushion for the daily needs, as of yet unmet, that will provide some stability in energy prices. This will then provide, in my judgment, the opportunity to not have to worry quite so much about having these price spikes in energy, tipping this economy out of balance and moving toward a slowdown and a recession.

Vice President GORE talks about SPR. I say again, I have not been a big cheerleader for saying let's run into tapping the Strategic Petroleum Reserve. Normally, the use of the SPR is for national security interest reasons. We have barrels of oil put away for emergencies. Given the production that exists in OPEC, the amount we are short on a daily basis, and the production we expect to come in around the corner sometime beginning January of next year because of the new rigs, it seems to me we can provide some filler with a small amount of inventory from the SPR in a way that provides stability to this market. In providing stability to the market, we will provide some insurance for this economy. I think that would be very important.

We must, however, understand this is a wake-up call for our country. We cannot allow this moment to pass without understanding we are far too dependent on foreign sources of energy. We need more production at home, we need more conservation at home, and less dependence on foreign energy.

In production in this country, I have favored some ability to use royalties as well as the Tax Code to provide some stabilization of prices with respect to production. Ten dollars a barrel for oil was too low; we all understood that. When oil went to \$10 a barrel, nobody was drilling anymore; \$10 a barrel was too low. We need some price stability for that industry; I understand that.

Even as we work on price stability and to encourage greater production in this country, we also need to understand the issue of conservation is a critically important issue, because in this consumption line we have to understand part of our balance is a production line that we need to get up, and the other part of our balance is a consumption line that we need to trend down, if we can.

We face serious challenges. This is the moment for our country to stop and think a bit about how we get over this short-term problem. I think we ought to have a good discussion about the short-term use of SPR in a very cautious and conservative way to stabilize these markets. This ought to spark a good discussion about conservation and greater fuel efficiencies in our vehicles. It ought to spark a significant discussion about conservation.

Even as we do that in the short run, we need to understand in the long run, we can't sustain an industrialized economy—the strongest, biggest economy in the world—the economy with the longest sustained economic growth in the world, we cannot sustain that with the vagaries of production decisions made by oil sheiks in other countries. We are too vulnerable to allow that to happen.

I make an additional point on a related issue. A part of the problem of these increasing oil imports—but only a part and really not even the largest part—is what it is doing to our trade deficits. When I talk about challenges we face, aside from the fact that this process around here is broken, and we are not passing appropriations bills when we should, and we are in a state of confusion on how to get this 106th Congress adjourned, there are two larger challenges about which we need to be very concerned.

One I just mentioned, and that is the oil issue, the energy issue, and what has happened to energy prices, what might happen to our economy as a result of what is happening in energy prices. The second is our trade deficit. It relates to the energy issue, as well. This is the second challenge to our economic opportunities in the future. Our trade deficit is spiking up, up, up, way up. Importing more oil, obviously, is causing part of this, but it is just part. Our trade deficit is a very serious, abiding, long-term problem.

We are now headed toward a yearly merchandise trade deficit that is going to be around \$430 billion in the year 2000. In July, the overall trade deficit in goods and services was \$31.9 billion. The merchandise deficit was \$38.7 billion. That is unsustainable. A \$7.5 billion monthly trade deficit with Japan, a \$7.6 billion trade deficit with China, a \$6.3 billion trade deficit with the European Union, \$4.7 billion with Canada, \$2.2 billion with Mexico—we can't sustain that. That cannot continue. The merchandise deficit with Japan for the first half of 2000 was nearly \$40 billion; with China, \$36 billion; Europe, \$26 billion; Canada, \$23 billion.

Not many people seem to care much about this. Nobody talks much about it. But this is a deficit that must be repaid. It regrettably will be repaid in the future with a lower standard of living in this country, and the higher the deficit, the more difficulty we will have to respond to this obligation.

This results from a wide range of things. It results from China, Japan, Europe, Canada, Mexico—which have the largest bilateral trade deficits—deciding they should sell more to us than they are willing to buy from us. This cannot continue.

Even Alan Greenspan, with whom I have had substantial disagreements for a long period of time, says something has to give; this trade deficit is unsustainable.

I was intending to speak at greater length about our trade deficit, but I will save that for a later time. Suffice it to say that if this trade deficit continues to spike up, we could very well see it undermine confidence in the U.S. dollar and we could see the dollar begin falling on international currency markets. That could cause all kinds of problems for our country's economy.

There are two challenges we must meet—dealing with an energy policy both short term and long term that makes sense, and the challenge of dealing with a trade policy that begins to straighten out this trade mess.

I know other colleagues have things they want to talk about. I will come back later to talk about the specific trade issues we have with China and Japan and Canada and Europe. But it is my hope to end where I began today. It is my hope, in the next 2 weeks or so when the 106th Congress is expected to adjourn, that we can decide to bring the issues I have discussed to the floor for a vote. If someone believes we should keep using food as a weapon, good for them. They are dead wrong, but they have a right to think that. Everybody has a right to be wrong.

The point is, if 75 percent of the Senate and 75 percent of the House believes we ought to stop using food as a weapon and stop holding our farmers hostage by preventing them from shipping food to other countries, and stop hurting poor and sick and hungry people in Cuba and Iran and Libya and other places, if you believe that, then let us have a conference and cast a vote to stop it, as the Senate has done with over 70 percent of its Members. But those who bottle this up and try to hijack it by saying, "We are not going to allow you to vote on this," that is not the way the system is supposed to work. If they try to do that in a dozen or so areas—where we have already passed legislation but they are trying not to have a conference and are trying to hijack the process—this place is going to slow way down in a big hurry.

Let me ask for cooperation on the part of the majority leader, the majority party, and my colleagues on my side and let's get this done. Let's do it right.

Another thing, we can't end this session without dealing with the issue of the minimum wage for the people at the lowest rung of the ladder in this country. We have an obligation to do that. That has been kicking around like a Ping-Pong ball for months.

We can't end this session without passing a Patients' Bill of Rights. Of course we ought to do that. That just makes sense. There are the votes to do that, in my judgment. It passed the House. We have the votes in the Senate. If we get it back up, we will win it by one vote.

There are a series of important things we should do, we ought to do—

things the American people should expect us to do—and we only have a couple of weeks. I say to the people who run this place: Let's go back to regular order. If you don't like a provision, fine, try to kill it. But at least give us a vote on it. We will see, how the American public feels about it, how our colleagues feel about it. The way they are killing things these days is by putting them in a closet someplace and hoping nobody will see. It is happening to the issue of reimportation of prescription drugs, to the issue of food as a weapon in international sanctions. Frankly, that is the wrong way to legislate. If you have the votes, beat us. If you do not have the votes, give us the chance to win on the floor of the Senate and House as well on these important issues.

Mr. REID. Will the Senator yield?

Mr. DORGAN. I am happy to yield.

Mr. REID. I say to my friend from North Dakota, it is too bad there are not more discussions about trade. I say my colleague has tried, more than any other Member of the Senate. If we take a look at what is happening with these tremendous trade deficits—we are all kind of fat and sassy around here these days. Because the economy is so good, it buries these trade deficits. But if the economy begins to lag a little bit—and it will someday—we are going to feel these trade deficits more than you can imagine—not more that you can imagine but more than most people can imagine.

So I compliment you for trying so hard to keep the fact that we need to be concerned about our trade deficit in the forefront of what we are doing. We cannot have this imbalance of trade going on forever and remain the strong, powerful country that we are. If the trade deficit continues and it keeps getting larger and larger, as the Senator's pictures have shown—I am trying to figure out a way to say "a picture is worth a thousand words," and it really is. What you have shown here tugs at my heartstrings because it really is an issue we need to be addressing, and we are not.

Basically, I want to say to the Senator from North Dakota how much I appreciate his doing everything within his power, not only today but over the past 5 years, to bring this to the forefront so we start talking about these issues.

I have to say we failed. We have not followed your lead. We have not discussed, in any depth at all, the trade deficit.

Mr. DORGAN. Mr. President, the Senator from Nevada is very generous. I must say the two things I came to talk about today are the energy problems that we have that are abiding and serious and that have a huge impact, not only on the State of North Dakota and the citizens I represent, but an impact on all Americans. And also the

trade deficit, which has a similar impact on an agricultural State such as the State I represent. These are big issues, big challenges. Unfortunately, they are going unresolved.

There is the old story about a Cherokee Indian chief who is reputed to have said at one point:

The success of a rain dance depends a lot on the timing.

That was tongue in cheek, I expect, but that is true also with Congress and what it is willing to address and not willing to address, what it is willing to bring out here and sink its teeth into and what it wants to put in a closet and pretend doesn't exist.

These are big issues. We deal with a lot of small issues every day as well, but these are big issues and we have to deal with these issues. These issues will affect the economic lives of millions of small businessmen and women. It will affect the economic future of kids coming out of school, and they want a job and they need a good, growing economy to get a job.

These issues are the kinds of things that can tip a growing economy over into a recession, or something worse. That is why it is important. When you see storm clouds gather on the horizon, you pay attention to them. These are storm clouds on the horizon. Things are good now. This is a blessing. We have a great economy. You wouldn't rather be anywhere than here because we have a wonderful economy and things are very good in a lot of areas of this country, but these are storm clouds and our job is to anticipate and respond to things that we know are going to have a significant impact on the future of this country—energy and trade. We better get busy. We better respond to these issues.

I yield the floor.

Mr. REID. I say, before my friend does leave the floor—I ask I be recognized.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, we in the United States, because of the power of our economy, are not feeling the increase in fuel prices. We are feeling it a little bit. But other places in the world are feeling it very dramatically.

What I say to my friend, talking about the trade deficit and problems with energy, is that we may not be feeling them now, but if we do not address these problems we are going to feel these fuel problems dramatically because it was not long ago a barrel of oil was costing \$10. We did nothing. At the time, of course, because of the low prices, we could have done something to put this fuel into our reserves. We did not do anything about that. We, of course, during the good times, have done nothing to develop alternative fuel sources. We could do that. We have not done that. Now that there is the spike in oil prices, we are looking back

and saying: Gee, I wish we would have done something. Tax policy does not do anything to favor alternative fuels.

There are a lot of things that are facing this country that we need to get ahold of while we have the opportunity. This economy is looked upon as the greatest of all time. But as good as our economy is, it can falter just as it has gone up. It does not take a lot of things to start going wrong before we have a problem with our economy.

So, again, before my friend leaves the floor, he could not talk about two issues that are any more important to this thriving economy than the trade deficit—that is pronounced and we are not doing anything about it—and, of course, energy, about which we are doing very little.

Mr. DORGAN. If I might respond, Mr. President, the folks in this country who are now worried sick about what is happening to energy prices are people such as senior citizens who know they are going to pay a home heating fuel bill that is multiples of what they paid last year. They are living on fixed incomes and do not have the money. They are saying: How do I do this? These are people who are living on fixed incomes, who drive up to the gas pump and now discover it costs a significant amount of money to fill their gas tank. Or small truckers—I just make this final point.

Mike and Jenny Mellick from Fargo, ND, called me. They operate seven trucks. It is a small company, a man and wife trying to run an operation with seven tractor-trailer rigs that haul loads across the country. They said the increase in fuel costs is devastating to them and they are worried about losing their business.

This is having repercussions all across this country. This could tip the economy. We have to get ahead of this and say we need more production and more conservation and we need to care about these folks who are being dislocated by the significant energy crisis we face.

I yield the floor.

Mr. REID. Mr. President, the one thing I am appreciative of is the Vice President has a plan; that is, he has recommended that if these prices stay where they are, we should start drawing down our reserves. This is one alternative. I am glad he is doing this rather than just complaining.

We have to have an energy policy. This is not a problem of Democrats or Republicans; it has been a problem of administrations for the last 30 years. They simply will not get involved and work with Congress to come up with a long-term energy policy, and we need one.

Mr. DORGAN. Mr. President, I mentioned earlier about the Vice President's proposal. I have not been a big cheerleader to move to SPR. By the same token, SPR is 570 million barrels

of stored reserves. If we take half a million barrels a day, we could for 90 or 120 days, which is what we need at this point to get back into a supply equilibrium, provide some significant stability in energy prices just by taking a very small portion. So we take a very small fraction of the SPR and with it provide stability to oil prices.

We need to work on the longer issues as well. There is merit in having this debate and discussion. The Vice President has raised a very important issue. Good for him. We have a short-term issue, intermediate issues, and long-term issues. In the short term, we ought to take a look at this issue. Maybe half a million barrels a day will be the catalyst to provide the stability we want in oil prices at this moment in order to get to the next intersection, which I think after the first of the year is an intersection of much more production.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. WARNER). The Chair recognizes the Senator from Nebraska.

THE NEED FOR AN AMERICAN ENERGY POLICY

Mr. HAGEL. Mr. President, the one driving factor in the advancement of mankind has been energy. Fire, oil for heat and lamps, water mills, coal, electricity, refined oil, hydro power, nuclear power. Advancements in energy have fueled the great advancements of civilization.

Today, energy touches every facet of our lives. It heats, cools, powers, and lights our homes, our places of business, our schools, and our hospitals. It fuels our modes of transportation whether on road, rail, sea, or air. It powers up our computers, the Internet and the information superhighway. It goes into the production of food, medicine, clothing, and every consumer product ranging from household appliances to health and beauty products. It allows the stock markets to open each morning around the world. It powers the transactions of commerce and business. It fuels the planes, ships, tanks, submarines, and weapons that protect America.

Energy is the great connector. It fuels the productive capacity of the world. It affects world stability.

Energy is serious business. America must have a national energy policy that ensures we have reliable, stable, and affordable sources of energy. This cannot be neglected. To do so leaves our Nation vulnerable on all fronts.

Energy policy ties together America's economy, standard of living, national security, and our geopolitical strategic interests around the world—and our future.

Perhaps the area where energy has the most immediate and visible effect is on the pocketbooks of individual

Americans and the economic growth of our Nation.

Oil prices have more than tripled in less than 2 years, to nearly \$37 a barrel this week—the highest price since the buildup to the Persian Gulf war in November of 1990. The President of the Organization of Petroleum Exporting Countries, OPEC, said last Friday that the price of oil may temporarily hit \$40 a barrel this winter. I suspect we might see \$50 a barrel in the next few months.

American consumers have felt this most immediately at the gas pump.

This winter, consumers are likely to feel an even stronger bite when they heat their homes. Natural gas and home heating oil prices are also on the rise. The prices for natural gas, which is used to heat 58 million homes, have doubled since the beginning of the year. Customers of heating oil, including more than one-third of the homeowners in the Northeastern part of the United States may pay more than \$2 a gallon—or twice the current price—to heat their homes this winter.

As energy prices rise this winter, Americans will again be reminded of the lessons we learned in the 1970s about the volatility of energy prices and the impact on our economy. The forecasts are not optimistic. Said Leo Drollas, chief economist at the Center for Global Energy Studies, "I think the only thing we can do is pray for a very warm winter." Praying for a warm winter is not an energy policy.

The concern over natural gas prices is so great that on Wednesday, several of our Nation's Governors met in Columbus, Ohio, to discuss the "natural gas crisis."

And it is not just gasoline, natural gas and heating oil prices that are affected by the current energy predicament. It is all energy. Over the past 12 months, costs paid by consumers for all forms of energy have increased by 13 percent.

High energy costs ripple through the economy. They drive up inflation. Then deflation. The Consumer Price Index has risen 3.4 percent in the last year, with energy price increases responsible for nearly one-quarter of that increase.

It also saps the strength of our economy. Energy fuels economic growth. "Oil shocks" send a shock through the economy, increasing prices for everything that uses energy. It is a draining force on our society and economy. When consumers are forced to spend more on energy, they spend less on other items.

Higher energy prices increase the cost of doing business, of moving goods, of manufacturing, and of farming.

We are seeing the beginning of the consequences of higher fuel costs in Europe. Protests virtually shut down Great Britain last week, at one point more than 90 percent of their petrol stations were dry. These protests