

that wish, and commitment to work with General Ralston to meet the needs of our own military forces in Europe, and foster continued close ties with NATO.

Let me also take one moment to welcome General Ralston's successor as Vice Chairman, General Dick Myers.

Senator INOUE and I enjoyed a close relationship with General Myers during his tenure as commander of the Pacific Air Forces, which included units in our States of Alaska and Hawaii.

Most recently, General Myers served as Commander in Chief of the U.S. Space Command. I know he will bring the same skills and judgment to this position that he demonstrated in these earlier assignments.

All Senators are invited to the reception at 5 p.m. this afternoon in S-128, in honor of the conclusion of General Ralston's tenure as Vice Chairman.

Thank you, Mr. President, for the opportunity to take just a few minutes to express why so many of us are sad to see Joe and Dede leave Washington, but proud of their service, and the new challenges they will assume on behalf of our Nation.

I yield the floor.

Mr. THOMAS. Mr. President, I yield to the Senator from Iowa for 15 minutes.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

ENERGY PRICES

Mr. GRASSLEY. Mr. President, presently we are experiencing the country's highest petroleum prices this decade. And there is every indication the price is going to go higher and higher. I think we need to start looking at why and not look at where to place blame. I think we have to find a common sense solution to the situation because it's not going to get any better in the short term even if OPEC decides to pump more oil and ship more oil to the United States. The fact of the matter is that regardless whether OPEC complies with our wishes there are still two reasons we are bound to face a similar dilemma again in the future.

The No. 1 reason is that the United States and other energy-consuming nations are going to continue to consume a greater amount of gasoline and petroleum products over the next several decades. The demand is going to increase.

The second reason is that as long as OPEC remains a powerful cartel willing to violate the principles of a free marketplace and continue its stranglehold on the production of oil, it will be able to radically effect our economy and financial stability.

As I look at how this administration is responding to the high price of oil, all I can see is that Secretary of Energy Richardson has been dispatched to the various oil-producing nations. The

administration in a sense is having the Secretary get down on his knees and beg for OPEC nations to produce more oil. Even if he is successful—some indications are that he might be to the tune of 1 million or 1½ million barrels—it is going to be another 60 days before that oil makes any impact on the price of gasoline at the pump in my State of Iowa or anyplace in the United States. Regardless of whether he is successful or not, this is a pretty poor energy policy.

Every time the price of oil gets so high that administration sends the Secretary of Energy around to beg for more oil to be produced, we ought to be looking at what we can do to be energy independent. This sort of extreme energy policy that President Clinton has seemingly implemented is gouging the consumers of America.

One example of something the President could do right now would be to develop greater reliance upon alternative energy and renewable sources. The President should be relying upon the ethanol and other renewable fuels instead of the ability of his Energy Secretary to be persuasive.

I am not only speaking for the economy of my State when I make this point about ethanol. I am talking about all renewable fuels. Ethanol is one of those renewable fuels. The reason I continue to hound the administration about ethanol is that right now the Environmental Protection Agency has an opportunity, if the President would bring it to their attention—and I called upon him in a letter last year to do this—to eliminate MTBE from gasoline nationwide and replace it with ethanol.

MTBE, a nonrenewable source of oxygenated fuel which is a competitor to ethanol, is already documented as poisoning water and has been outlawed in the State of California. The EPA should make the decision that MTBE ought to be outlawed in all 50 States, as the Governor of California has decided to do in the State of California. This action would encourage the production of ethanol and fill the void which MTBE has left in California.

The amount of ethanol that could be marketed in California is equal to the use of ethanol in all 50 States right now. The President, in making that decision, would be able to not only continue to use oxygenated fuel to clean up the air, he could also help agriculture, create new jobs, and make us less dependent upon foreign sources of oil, which strengthens our economy and national security. Obviously, since one-third of our trade deficit comes from the importation of oil, he would also reduce our trade deficit by relying on renewable fuels. But the most important aspect is that to the extent which we rely on domestically produced renewable sources of energy, we would not be forced to plead with

OPEC every time they meet and decide they are going to gouge the American consumer.

Just the fact that the members of OPEC, many being Arab nations, agreed to reduce production and dramatically increase our cost bothers me tremendously. Is this how they show their respect for the Americans who shed their blood in the Persian Gulf war so that the region would not be dominated by Saddam Hussein? This surely is true of Kuwait, the third leading exporter of oil in the world. Kuwait ought to show a little sense of gratitude to the American military and American taxpayers for saving them from that sort of dominance. But this only goes to show me we are actually dealing with a domestic problem. We seemingly cannot force OPEC to act reasonable, because if these nations want to continue their monopolistic practice, unless we are willing to take retaliatory action, we are going to be beholden to them. Consequently, this extreme policy of having no domestic policy on energy is devastating the consumers of America. We need to have that reliance upon alternative fuels.

Another glaring problem with the Administration's energy policy is their policy has reduced the domestic production of energy, oil, natural gas, et cetera, by limiting the areas in the United States where exploration can take place.

If they had anticipated \$30 oil, I don't think they would have followed that policy. They had other thoughts in mind when they adopted that policy and restricted the exploration of oil. Consequently, they have put the United States in a position where we have not had much drilling going on in the continental U.S. or offshore. Now we are paying the price.

In addition, there is a lot of regulatory red tape involved with the Federal Energy Regulatory Commission. One of the pipeline companies put in an application to build a pipeline to the Northeast. The Federal Energy Regulatory Commission put so many conditions upon the building of that pipeline, it became too costly and the pipeline company decided not to build.

If one wonders why the price is \$2 a gallon for heating oil in New England—when a year ago it was only about 60 cents—it is because of a regulatory policy that makes it almost impossible for people who are willing to invest to derive economic benefit from their investment.

We ought to look at some of the regulations of this administration that tend to discourage exploration, that prohibit exploration, or that have made it very difficult to deliver the product from the refineries to the consumers.

OPEC's attempt to drive up the price of oil, at great cost to the US consumer, is causing economic instability

which also serves to injure our national security. The United States has long been the locomotive preserving peace around the world and when we are in jeopardy, peace is in jeopardy.

The concept of world peace promoted by the US has led to an era of trying to free up trade internationally through the World Trade Organization. There are countries in OPEC who want to belong to the World Trade Organization. By simultaneously being a member of the petroleum exporting countries, and being a part of that organization, their whole approach to determining price is antithetical to the free trade principles of the World Trade Organization. I don't think we ought to be supportive of OPEC nations joining the World Trade Organization if they don't want to follow the principles of free trade established within the WTO, which are contrary to OPEC's recent monopolistic action.

There is also \$415 million of the taxpayers' money that the administration hopes to provide to some of the OPEC nations in the form of foreign aid. While we have traditionally done this for three or four decades, should we continue to give taxpayers' money, paid for by working men and women in this country, to the very same countries that have imposed egregious oil prices upon those same men and women? And at the same time encourage those consumers and working people of America, every day when they go to work, to pay more taxes into the Federal Treasury even though the price of gasoline continues to increase?

There is a third lever we can use against some of these countries. Mr. President, 20 percent of all the money for International Monetary Fund loans comes from the American taxpayer. We should encourage the International Monetary Fund to review the anti-competitive energy policy exhibited by foreign states as a factor when considering approval for loans. At the very least our 20% contribution should be conditioned on this criteria. We should not stand by while the same countries who gouge American taxpayers benefit from our 20 percent contribution.

I hope we use all the leverage we can against OPEC, but the only real solution is ultimately less reliance upon imported sources of oil and more on domestic production and/or renewable fuels.

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

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

AFFORDABLE EDUCATION ACT OF 1999—Resumed

Mr. LOTT. Mr. President, what is the pending business?

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

The assistant legislative clerk read as follows:

A bill (S. 1134) to amend the Internal Revenue Code of 1986 to allow tax-free expenditures from education individual retirement accounts for elementary and secondary school expenses, to increase the maximum annual amount of contributions to such accounts, and for other purposes.

Mr. LOTT. Mr. President, I advise my colleagues on both sides of the aisle that I have had some discussions this morning with Senator DASCHLE and I think we are making some progress on getting an agreement as to how we can proceed on the education savings account legislation. In our discussions this morning, we talked about the possibility of going forward with an agreement that education amendments and education tax-related amendments would be in order, plus one amendment by Senator WELLSTONE. I thought that was an excellent way to proceed.

I am about to enter that as a unanimous consent request. I understand there still may be need to have some further discussions, but I hope we can get this worked out. If we do, it will mean we can vitiate the cloture vote that is scheduled for tomorrow, now at 2:30.

So I renew my request of last Thursday and ask consent that all amendments be relevant to the subject matter of education or related to education taxes, with the exception of the Wellstone amendment regarding a report on a TANF program, and that time with respect to that amendment be limited to 2 hours equally divided and it be subject to relevant second-degree amendments.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, reserving the right to object, I think progress has been made over the weekend. I, of course, would prefer to have the bill brought up and have no restrictions on amendments that could be offered. It does not appear we are going to be able to do that. Therefore, I hope during the next few hours, certainly before the scheduled cloture vote tomorrow, we can work something out and proceed on a unanimous consent basis. I hope it does not come to a point where we have to have the cloture vote.

That being the position of the minority, I object at this time.

The PRESIDING OFFICER. Objection is heard.

Mr. LOTT. Mr. President, then I hope we can come to an agreement on the bill. This is important education legislation that does have bipartisan support. I believe we are close to getting an agreement. I appreciate what Sen-

ator REID has been doing to try to bring about an agreement, including the amendment by Senator WELLSTONE that has basically already been agreed to.

However, if an agreement cannot be reached on the subject matter on which Members may offer amendments, then Senators are reminded there will be a cloture vote to occur tomorrow.

With that in mind, I now ask unanimous consent that the cloture vote be scheduled for 3:30 instead of 2:30 p.m. on Tuesday, if it is necessary to have that vote.

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

Mr. LOTT. With these final negotiations going on, then, I ask the bill be open for debate only until 4 p.m. and that at 4 p.m. I be recognized.

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

Mr. LOTT. Mr. President, I realize we have at least one more Senator on the floor who wishes to speak, but I want to take a moment to speak on this legislation. This is legislation about which I feel very strongly. I believe the American people support it.

It is a bill we debated a couple of years ago. It did pass the House and Senate, but it was vetoed by the President. At that time, I had some discussions with the White House that indicated they understood this had a lot of appeal and, while it is opposed by some people—specifically, I guess, teachers' unions—that it has overwhelming appeal. And it does.

Let me explain to those who may be listening basically what this legislation will do. It is not just about tax relief, although tax relief is very important for parents who want to help their children. It also is very much about education, quality education. Under this legislation, parents would be able to save up to \$2,000 a year per child for their educational needs, K-12. That is the gist of it. I cannot understand some of the comments I have heard about how this is bad educational policy, that it was bad education policy 2 years ago, and it is still bad educational policy. Excuse me. What is bad about this? To allow people to save for their own children's educational needs?

We are not talking about a massive amount of money. We are talking about a bill, also, that has offsets to pay for it. But you are talking about up to \$2,000 a year, with the interest of course receiving special tax consideration, where that money can be used for children's educational needs at the fourth grade, if they need some remedial reading attention, or at the eighth grade, if they need a computer, or maybe it is even just clothes, I guess. Whatever the educational needs of your children would be—and I am not sure it would be applicable to clothes but supplies, tutors—I can think of a lot of things that could be done for our children at a critical age.