

or very important that they know who pays for or sponsors a political ad.

I ask our opponents, do they not believe that the public deserves to know who is trying to influence their vote? The public both wants and deserves that information, and Senator SNOWE and I provide it to them with our provisions.

I think this is an incredibly important part of the bill. I strongly urge all of my patriots to study the Snowe-Jeffords provisions to make sure they fully understand that all we are requiring is disclosure. We want to make sure people know from where the information to influence them is coming.

With that, Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. DORGAN. Mr. President, I ask unanimous consent to proceed in morning business.

The PRESIDING OFFICER. We are in morning business.

Mr. DORGAN. I ask unanimous consent to proceed for as much time as I may consume in morning business.

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

THE ECONOMY OF OUR COUNTRY

Mr. DORGAN. Mr. President, I have listened with some interest today to some of the discussion on the floor of the Senate, first about campaign finance reform, and then to Senator Byrd, and others.

I come to the floor to talk about the economic circumstances this country finds itself in for the moment. I want to visit about a number of issues that relate to our economy.

Mr. President, I came across one of my favorite books last evening while going through a pile of old books that had been stacked for some long while. The book is written by a man named Fulghum. Most people in this country have read this book or seen the book. It is entitled "All I Really Need to Know I Learned in Kindergarten." It is a wonderful little book.

In "All I Really Need to Know I Learned in Kindergarten," he describes: "Put things back where you got them." "Don't hurt others." "Play fair." "Clean up your own mess." "Don't hit people." "Wash your hands." "Flush."

There is a whole list of things you learned in kindergarten that represent enduring truths throughout life.

I started thinking about this in the context of the grappling that we do in this country with our economy. We forget the most basic of things—almost kindergarten-like lessons—about our economy so very quickly.

Let me describe just a few of them.

We have been blessed, of course, with a long period of economic expansion, a period in which we have seen almost

unprecedented economic growth: new jobs, better income, and more opportunity for most American families. The stock market began to increase in value and rolled to increasing new heights. People felt good about the stock market. They invested in the Dow Jones, in the Nasdaq, and would see their net worth increase daily or weekly or monthly.

We saw college dropouts who were still fighting their acne problems, and hadn't yet learned to shave, making million-dollar deals in technology companies, and then selling them and starting new technology companies. It was a go-go economy with remarkable and almost unimaginable new things that were happening. We had higher economic growth and lower inflation.

Of course, the one constant in all of this was a Federal Reserve Board. The Federal Reserve Board sat down behind its thick doors, and in its concrete building, and continued to ring its hands and fret about inflation, despite the fact that inflation was receding rather than increasing.

So that is what kind of economy we had. It has been quite an economy.

Then about 10 months ago, the Federal Reserve Board, and its chairman, Alan Greenspan, decided they once again would increase interest rates—then 50 basis points—because our economy was growing too rapidly. They had great fear that an economy that was growing too much would produce inflationary pressures.

What they did not understand—and have not understood for some long while—is the workers in this country are more productive. Productivity was on the march, on the increase. You can have lower unemployment and higher economic growth if you have higher productivity.

But, nonetheless, 10 months ago, the Federal Reserve Board took its last step to increase interest rates because they felt America was growing too fast. It was the last, I believe, in six steps over about a year to substantially increase interest rates and slow down the American economy.

At about the same time, we began to see some energy problems in this country—price spikes in natural gas, propane, and home heating fuel. We began to see the dislocation of energy restructuring, especially electricity restructuring in California. And now we see—in recent days—rolling blackouts in the State of California. So we have significant energy problems.

Part of that resulted from the euphoria of having the price of oil drop to \$10 a barrel, which resulted in very few people deciding they wanted to look for additional oil and natural gas, and the drying up of new drilling rigs. Therefore, because the price of oil dropped so low, and we had so few new people looking for oil and natural gas, we now find a dislocation—increased demand

for natural gas especially and oil, and reduced supply.

Now we have new exploration because oil went to well over \$30 a barrel at one point, and we have new people looking for oil and natural gas. I suspect 8 months, 12 months, 2 years from now we will have new supplies on line, and we will have some additional balance. But with a Federal Reserve Board determined to slow down the economy with high interest rates, and a significant energy problem that has visited this country and provided great injury, and still does today for many Americans who fought through a bitterly cold first 2 months of the winter and discovered their natural gas prices to heat their homes had been jacked up, in some cases double and triple, it has been a tough time.

At the same time, the bubble began to burst on the stock market. The Nasdaq began falling. The Dow began falling. The economy began to slow down. We had, and still have, a form of liquidity crisis. We have good businesses that are building out to try to provide competition in communications and other areas that can't find the kind of capital they need to continue doing that business. This serious liquidity crisis accompanies the slowdown and the bursted bubble on the stock market.

At the same time we have a trade deficit that is growing very dramatically. This trade deficit is the highest in history of anywhere on Earth. Personal debt continues to go up in this country. As I indicated, economic growth is slowing.

Amidst all of this, we have, it seems to me, probably just forgotten some of the fundamentals. Going back to "All I Really Need To Know I Learned In Kindergarten," some of the fundamentals we should never have forgotten. Mr. Greenspan should never have forgotten that increased productivity allows less unemployment. Increased productivity allows higher growth. Don't be afraid of the American workers being more productive and earning more money and being employed at a higher rate if their productivity is up. All we really need to know, we should have learned in the primer course on that subject. Yet the Federal Reserve Board consistently has insisted that is an equation that doesn't work. They have forgotten the fundamentals.

In our market for securities and investors, we have forgotten the fundamentals. This is not the first time. You can go back to bubbles of speculation throughout history. One of the most interesting ones for me was to read about the bubble of speculation in "Tulipmania" four or five centuries ago in which there was a time when they paid \$25,000 for a tulip bulb because tulip bulbs became the subject of massive speculation. We have had a lot of speculation bubbles in recent centuries. This was just the last.

Is it surprising that it doesn't work out when you purchase stock that is selling for 200 times its earnings or when you purchase the stock at a wildly inflated price of a company that has never made a profit and doesn't look as if it is going to make a profit? Is it surprising that that doesn't work out at some point? I don't think so. Yet many of us, probably all of us, temporarily forgot those lessons when the Nasdaq and the markets continued to go up and up.

Will Rogers once said his dad gave him some advice. He said his daddy said that he should buy stock, then hold it until it goes up, and then sell it. And if it doesn't go up, don't buy it. At least that is what he said his dad said. He said that doesn't work out so well.

The lesson from all of this that we probably should have learned long ago is that some of these prices were never justifiable; that is, with respect to the market.

What about energy? Perhaps we should understand with respect to this energy crisis that it is not enough just to applaud when the price of a barrel of oil goes to \$10 because there will be a consequence later. It is not enough when you find yourself short of energy to just go find new energy because that is only part of the solution.

Opening up ANWR, as some of my colleagues suggest we should do, and as I oppose, is not a substitute for an energy policy. I don't believe we ought to open ANWR. But some say: Let's just address this energy policy by simply finding new supplies. Well, let's find new supplies. Let's incentivize the finding of new supplies of oil and natural gas, and let's use clean coal technology to produce our coal in an environmentally friendly way.

Let's also do other things. Let's understand that conservation is very important. If you are sitting in a 6,000 pound gas hog and complaining about the price of gas, we have to be concerned about the issue of conservation in this country as well. We need to produce new energy. We need to conserve more, both with appliances and vehicles and other ways. Additionally, we need to incentivize new sources of renewable energy: wind energy, biomass, ethanol, and more. I know the oil industry doesn't like it, but that is precisely why I do. When the oil industry believes it is in its self-interest to impede the development of other sources of energy, I say that is exactly why we ought to develop other sources of energy. Yes, we need the oil industry. We need natural gas. But we also ought to develop wind power. The new generation of wind turbines are very effective and efficient. Wind, biomass, ethanol, all can contribute to this country's energy supply, and we ought to understand that.

Again, all we need to do is to make sensible decisions. The sensible deci-

sion is not to just rely on additional production. That won't solve America's energy problem. We introduced a piece of legislation yesterday—Senator BINGAMAN, myself, and others on the Energy Committee, along with my colleague Senator DASCHLE, the Democratic leader—which is a comprehensive energy policy. It moves us in the right direction in a range of areas, one that is thoughtful and will lead this country out of the dilemma that currently exists with the imbalance between supply and demand for energy. Our economy cannot survive, progress and succeed the way we want it to unless we have assured supplies of energy.

I talked about the stock market. I talked about the economy. Energy is also a very important element of these issues. We have to respond to them, and we have to deal with them.

At the same time we are confronting the other issues, we are confronting the challenge of international trade. I mention the challenge of international trade only because, while all of the other elements of our fiscal policy seemed to have improved dramatically over the most recent 8 years, the one area that continued to decline was trade. By decline, I mean our trade deficit continued to grow year after year. We have the highest deficit in human history. It is not rocket science to fix this. Again, all we really need to know we learned in kindergarten. Everyone needs to play fair. Our current merchandise trade deficit is a huge problem at over \$440 billion just this last year. The problem is that when we have trading partners, whether it is Europe, China, Japan, Mexico, or Canada, we say to them, we will open our markets to you, but in exchange, you must open your markets to us. We have never had the nerve or the will to do that.

Let me give some examples of what we have done in trade. We just negotiated a deal with China. We said to China, after a long phase-in, we will give you this deal. You have a huge surplus with us or we have a huge deficit with you, and after a phase-in, we will give you this deal. You have roughly 1.2 billion people who are looking for new products. However we negotiated a deal that when we sell American vehicles to China, they can impose a 25-percent tariff. But if the Chinese sell automobiles to the United States, we will impose a 2.5-percent tariff. In other words, we will make a deal with you. You can charge a tariff that is 10 times higher than the United States on automobiles. That is with a country with which we already have a huge deficit, an over \$80 billion last year. I scratch my head and look at that and think, on whose side were our trade negotiators? They certainly weren't for America. At least, they forgot for whom they were negotiating. That is one example here are a few others.

The average agricultural tariff in the United States is 12 percent. The global average is 26 percent. The average tariff in the European Union is 30 percent. We have a long series of trade agreements, and big disputes, with the European Union. How is it that our trade negotiators let our European counterparts take advantage of our farmers?

The average Japanese tariff is 58 percent. Every pound of T-bone steak that goes to Tokyo has right now a nearly 40-percent tariff on it. That is after the beef agreement with Japan—unforgivable. Japan has a \$70 billion trade surplus with the United States but they won't cut a deal for our ranchers.

After our beef agreement, almost every pound of beef going into Japan has a huge tariff on it. Yet this country seems to lack the will, the strength, or the nerve to do much about it.

Every time we get involved in a trade negotiation, we lose in a very short period of time and agree to trade concessions that continue to ratchet up the trade deficit. I hear all my colleagues say: These trade agreements are really important so we can sell around the world. Yes, they are important. Every time we have a new trade agreement, we have a higher trade deficit. Does that add up?

We have a trade agreement with Mexico. We had a surplus; we turned it into a deficit. We have a trade agreement with Canada. We had a deficit; we nearly doubled it. We have a trade agreement with China. We didn't have a vote on that, but we just had a bilateral agreement with China.

I will make a wager with my colleagues that in a year and a half, when we evaluate our relationship with China, our deficit will have increased and we will be getting fewer agricultural products into China. Incidentally, after the trade agreement with China, in December, a load of barley was shipped to China from the U.S. and it is still waiting to enter. China stopped the shipment and apparently isn't going to let it get in. And China will give no reason for it. It is reasonable to ask: Who is looking after our interests?

You could put on a blindfold and listen and you could not tell the difference between George Bush, Bill Clinton, George W. Bush, Ronald Reagan, or Richard Nixon. It is all the same mantra on trade: This country is ill served by the trade agreements we have had. I support expanded trade and expanded opportunity for American products abroad. That is not what is happening in these trade agreements.

Now we come to a backdrop of an economy with energy issues and issues with respect to the market, trade, and other things I have discussed, and we have a new President who wants to cut taxes. In his campaign for the Presidency, when he was campaigning against Mr. Forbes in the primaries, he said he wanted to cut taxes by \$1.3 trillion over 10 years. That was nearly 2

years ago that he made that announcement. That \$1.3 trillion is scored by those who know it all works out that we will offer \$2 trillion in real costs. So we have a President who, a couple years ago, said he wants a very large tax cut, and that there are surpluses as far as the eye can see. He and virtually all others from all political parties say they expect surpluses every year for the next 10 years, so the American people ought to receive some of those surpluses back in the form of tax relief.

I agree. I think it is time for a tax cut for a number of reasons. No. 1, I think our economy is weaker than most people believe. We are headed toward some pretty troublesome circumstances. Our fiscal policy ought to be stimulative. It is time for a tax cut that will help stimulate this economy and help provide additional economic growth.

But I do not believe we ought to lock in a tax cut for 10 years that is so large that it could pose a danger of putting us right back into very large, significant budget deficits once again. It took well over a decade to get out of that problem. This country should not want to be back in the same set of circumstances.

First of all, I don't think anyone here really believes that we know what is going to happen 2 years, 5 years, or 10 years from now. Nobody believes that we know there will be surpluses. We have never had surpluses for 10 straight years. We have never had those surpluses. Nobody knows what is going to happen 6 months from now in the economy. Yet we have people here who are prepared to say we are going to lock in a very large tax cut in a way that will put us in jeopardy of going back into Federal budget deficits 2 years, 5 years, or 10 years from now. I don't think that is wise. We should only lock in a tax cut for the first 2 years, and do the right kind of tax cut so that it is fair to everybody and in a way that stimulates our economy.

The first 2-year phase—make that portion of it permanent. Make the first phase stimulative, and at the end of 2 years, if we still have surpluses and the economic outlook is good, do a second phase. That is a much more conservative and a much more thoughtful way to address these issues.

I hope as we have these discussions in the budget debate, and in the subsequent tax debate that will come following that, we will be able to think through exactly what kind of projections we have for the future and exactly what we think is going to happen and, as a result of that, what kind of tax cuts we should enact.

There are a number of priorities for this country. Tax cuts are one at this point, especially because, A, we have a surplus and, B, we have an economy that is weakening. There are other priorities as well, one of which is to pay

down the Federal debt. If you run it up in tough times, pay it down during better times. To those who say we are paying down the debt, I say when the budget document gets here, we will go to the page number I say and look at gross debt. It is going to increase, not decrease. Tell me why you think we are paying it down. Gross debt will increase, not decrease. That is why a significant part of the surplus that exists, in my judgment, should go to reducing the Federal debt.

Second, there are other things for us to do. Yes, a tax cut is a priority. So, too, is paying down the Federal debt. But there are other things we should do. We need to improve our schools in this country. That is something that is important to our future. We need to try to be helpful to senior citizens—to all Americans, but especially senior citizens—to pay the cost of prescription drugs. We ought to do that in the Medicare program and in a way that is affordable and effective.

So those are the other needs and priorities that we ought to consider. Finally, let me say that without disparaging any of the economic thinkers, either in the administration, or in Congress, or the Federal Reserve Board, no one knows what is happening in the future. We are all united by that profound lack of understanding. No one knows what the future holds for this economy. The most important element, by far, for this economy is the confidence of the American people. There are some who think we are so sophisticated that the control room on a ship of state has all kinds of gauges and knobs and dials and levers, and if you just go down there and adjust them all right, pull the right lever, adjust the right knob, move the right gauge, whether it is M-1B or tax cuts or spending or any number of devices, somehow the ship of state will sail forward at maximum speed. That is not the case at all. That has very little to do with the speed at which this ship moves forward.

What has everything to do with it is the confidence of the American people. This economy rests on the confidence of the American people. If the people aren't confident, the economy is going to contract and there isn't anything anybody can do much about it. People make judgments about their future, about buying a house, buying a car, buying other things—making decisions about their life that affect the economy. They make decisions based on their view of what will happen in the future. If they are optimistic, they decide one thing. They may buy a new home, a second car, or a vacation home. They may make a decision to buy new clothing. That confidence creates a wave of improvement in any economy. That economy rests on a mattress of consumer confidence, and it always has.

When people are not confident about the future, they delay decisions, postpone decisions, or simply decide they will not make purchases. So they behave differently and they create a contraction in the economy. That is the important thing for all of us to understand. This is all about confidence, about the American people's perception about the future and their confidence in the future.

I want to talk for a few more moments about this tax cut. When we do a tax cut, as I indicated, it ought to be stimulative and fair. Let me talk about this issue of "the top 1 percent" because there has been so much discussion about that. I open my mail and people write to me, and some support this and some support that; it is all over the mark. As some journalists write, some of my colleagues call it "class warfare" and so on.

Let me describe the 1-percent issue. The top 1 percent have done very well, far better than anybody else in the country. That is good for them. When you add up the individual income taxes and the payroll taxes paid by the American individual taxpayers, it is about a trillion dollars in individual income taxes and about \$650 billion in payroll taxes. The top 1 percent bear about 21 percent of that burden. President Bush, in his proposal, says he would like to give the top 1 percent about 43 percent of the proposed tax cut. I think that is unfair. When I raise that and somebody says that is class warfare, I say it is not about class warfare; it is about class favoritism. Why have a tax policy that plays favorites, that says: you pay 21 percent of the total taxes, but you ought to get 43 percent of the tax cut? That is about class favoritism. What I say is, let's take care of the 99 percent first, look at their burden; let's look at what they have done, and their struggles. Then we should evaluate what kind of a fair tax cut can be helpful to working families, which can reflect their tax burden—yes, including the payroll tax because three quarters of the American people pay a higher payroll tax than they do in income taxes. That is very important to understand. That is where we get these differences in numbers.

I hear people get on the floor and say these are fuzzy numbers and you are jockeying around these numbers. Look, there is only one set of truths, only one. We know what the tax burden is the American people bear, and we know what the proposals are to relieve that burden—and there will be more, I am sure. The proposals that say the payroll taxes people pay don't count are proposals that shortchange working families who pay a significant amount of payroll taxes and are told when it comes to handing part of the surplus back to them, their tax burden didn't count.

That is not fair. It is not class warfare to describe that as unfair. It is class favoritism to decide the top 1 percent should get nearly double what they would normally deserve if we had a proportional tax cut related to their tax burden.

I know there are differences in how we see the economy that probably relate to our attitudes about this. There are people in this Chamber who firmly believe the economy works based on this so-called trickle down theory. That is the notion that there are some people who run this country who know about allocation of capital, and they are the ones who make the country go; they are the ones who run the big businesses and they hire the people, and if you give them something to work with, it all trickles down to the bottom, and everybody is better off.

I had an old farmer write me a letter some years ago. He said: I've been reading about this trickle down stuff for 20 years, and I ain't even damp yet.

The old trickle down does not always trickle down.

Others believe there is a percolate-up theory of economics: The engine works best when everybody has a little something with which to work, when American families have something with which to work. After all, you can have the best business in the world, but if nobody has the income to buy your product, your business "ain't" going to do very well.

Hubert Humphrey used to talk about the trickle down theory. It is an old story everybody has heard, I am sure. He said: It's sort of like when you give a horse some hay and hope later the sparrows will have something to eat. It is kind of a description of believing that somehow everybody will get something ultimately.

As we look at this tax issue, which I think is going to be one of the significant issues in Congress this year, we ought to be pretty hardheaded on two fronts: One, how do we do this in a way that helps this economy because this economy is in tougher shape than some know; and No. 2, how do we provide a tax cut that reflects the understanding we now have a surplus and ought to give some of it back in a way that also saves some for debt reduction, but in a way when we give it back it is fair to all the families in this country, it is fair to everybody.

There is an old song by Ray Charles that has a lyric:

Them that gets is them that's got, and I ain't got nothing lately.

That is an apt discussion, it seems to me, of the way some people look at tax cuts. When they are proposed, they say: Gee, let's take a look at the top; they pay a lot of income tax. We will give them a large tax cut and the rest we will try to figure out. But we will trickle down, and somehow if we give enough at the top, it will trickle down and everybody will be better off.

It seems to me when we talk about taxes, we need to talk about the total tax burden people face, which is income taxes and payroll taxes, and give a tax cut that reflects the burden for working families. That is not the case in the proposal that has come from the President.

I think it is very unwise not to be somewhat conservative, and I am, frankly, surprised that those who call themselves the most conservative Members of Congress are often saying: Look, we are not conservative on this; what we want to do is provide a very large tax cut, and we are going to do that on surpluses that do not yet exist, but surpluses we expect we will have in 6 years, 7 years, 8 years, 9 years, 10 years.

That is not very prudent, in my judgment. It was an awful struggle to get rid of these Federal budget deficits, but they are gone. The last thing we want to do is get put right back into the deficit ditch.

We have a lot of interests and a lot of opinions about all of these things. I come from a farm State, and the Presiding Officer is from a farm State. I mentioned other things we want to do: provide a tax cut, pay down the debt, and reach other priorities that are necessary, such as improving our schools. I did not mention one that is most important to me, and that is doing what is necessary to preserve a network of family farmers in this country.

Again, there is a difference of opinion about that. Some say if farmers are worth saving, let the market system save them. If the market system does not provide a price that saves family farmers, tough luck. So what, America will get its food. Food comes from a shelf, and it comes from inside a package. Farmers are like the little old diner: They are kind of a nostalgic thing, like the little old diner left behind when the interstate came through. It is fun to look back and see that vacant diner and think of what was, but we have an interstate now, we don't need to stop there.

That is how some feel. It is total nonsense. Farmers produce more than grain. They produce a community, they produce a culture, they produce something so valuable for this country, and yet we are losing on this score.

We have a farm program that does not work. We have family farmers struggling to hang on by their fingertips because commodity prices have collapsed. Our farmers put a couple hundred bushels of grain in the truck and drive to the elevator and the elevator operator says: This grain you produced doesn't have much value. Almost half the world is hungry, and probably a quarter of the world is on a diet. We have instability in places of hunger, and our farmers are told: Your food does not have value.

What a strange set of priorities. If there is any one thing this country can

do to promote a better world and promote more stability in the world it is take that which we produce in such abundance—food—and move it to parts of the world where it is needed for survival. What a wonderful thing for us to do and do it in a way that gives those who produce it a decent return.

We are able to do that with arms. It is interesting, we are the largest arms merchant in the world. The United States is the largest arms merchant in the world. We sell more weapons of war than any other country. If we can do that with armaments, we ought to be able to do that with food.

Most of us in this Chamber have been to refugee camps and places in the world where people are dying. I held a young girl who reached out of her bed. I was the only one she had. I was only going to be there a minute or two. She was dying of hunger, malnutrition. I can go anywhere in the world and see this. It is happening every day.

My late friend Harry Chapin, who was killed in 1981, used to say the reason people dying from hunger is not a front-page story is because the winds of hunger blow every minute, every hour, every day; 45,000 people; 45,000 people a day, most of them children. It is not a headline because it happens all the time, and we produce food in such wonderful quantity and are told it has no value. We can do a lot better than that.

I did not mean to speak at length—I will do so later—about agricultural policy, but in terms of our priorities as a country, as we think through all of these issues—taxes, trade, reducing the debt, and other priorities—and talk about prescription drugs and Medicare, about improving our schools and a farm policy that works for family farmers—all of these things represent values. It is about values: Who are we, what are we doing here, and what kind of future do we want?

In conclusion, when I talk about the economy, some say the economy is what it is and what it will be; the market system establishes the economy. The market system is a wonderful allocator of goods and services, but it is not perfect. In some cases it is perverted. It needs a referee, a certain structure. It needs rules and guidelines.

My thoughts are, our economy is what we decide we want to make it. If we want to make an economy in which family farmers can make a decent living, then that is the economy we can have. Europe has it. Good for them. I am not criticizing them. Good for them. This economy is what we make it. The tax policy is what we make it.

We need to think our way through this. I do not intend to be partisan. We have a new President. I like him. I want to work with him, but I say to him: You have given us a plan—that is good—but it is not the only plan. It is not the only idea. What we ought to do

is get the best of what everyone has to offer. When people write to me and say support the President, I say this is not about the President, it is not about me; it is about this country's future: What are the best ideas to ensure this country's economic future? What are the best ideas we can get from Republicans and Democrats to ensure economic growth and opportunity for all Americans?

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent the order for the quorum call be dispensed with.

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

Mr. MURKOWSKI. Mr. President, let me first thank the clerks who have been kind enough to notify me I might come over at this time. I am most appreciative of that courtesy. I will try to keep my remarks short. I recognize it is Friday afternoon and Members are anxious to be on their way.

THE ENERGY BILL

Mr. MURKOWSKI. The purpose of addressing my colleagues today is to talk a little bit about the energy bill. As most Members know, a bipartisan bill was introduced by Senator BREAUX and myself some time ago. It was a very comprehensive energy bill. It covered all aspects of renewables, alternatives, conservation, and also went into what we think is very important, and that is the issue of supply because what we have in this country—and it is certainly evident in California and moving out to New York and other areas—is we have increased consumption. In other words, we increased demand but we have not increased the supply.

This particular bill attempts to not only, in the sense of renewables, encourage alternatives and conservation, but it addresses how we can go back to our conventional sources of energy and try to do a more efficient job of ensuring that they, too, continue to contribute to our needs.

That sounds simplistic in one sense, but in another it should be recognized we have not been able to build a new coal-fired plant in the United States since the mid-1990s. It is not that we do not have the coal or the method of transporting the coal; it is simply a matter of permitting and the difficulties associated with meeting air quality and the costs associated with the particular type of construction required to meet the new emission standards.

We have not built a new nuclear plant in this country in over 25 years. Nobody in their right mind would even approach the subject because of, first,

permitting, but probably even more pertinent is the difficulty of what we do with the high level radioactive wastes. We have been working out in Nevada for the last decade building a repository that is still 6 to 8 years away, even though it is basically complete today. The permitting is taking that long. It is at Yucca Mountain. We have expended over \$7 billion.

My point is simple. As we address our conventional sources, we find we have eliminated them for one reason or another simply because we have not had the conviction to overcome the objections by some groups that do not want to see nuclear and they do not want to see coal. It is pretty hard to identify what their contribution is to the recognition that we are short of supply.

You can go on into hydro, which is renewable, but nevertheless there are those who propose to take down hydro dams in our rivers. Out west, if you take down the dams, you close the rivers to navigation. Then where do you put the tonnage that goes on the rivers? You put it on the highways.

We have also seen a tremendous increase in natural gas consumption because that is the one area that our electric producing entities can permit. Nevertheless, we have seen gas prices go from \$2.16 per thousand cubic feet last year to somewhere in the area of \$5.40 or \$8.40 or whatever—it has doubled; it has tripled. The realization now is we are pulling down our recoverable gas reserves faster than we are finding new ones.

I am not suggesting we don't have more gas in this country, but we have pretty much identified natural gas as the preferred fuel. Now we are finding ourselves faced with higher prices associated with that.

I have kept oil for the last provision in our dependence because I think it reflects on a little different portion of energy. America moves on oil. We do not move necessarily on natural gas. Our industry depends on natural gas, our power generating on natural gas, our homes by natural gas, but you don't fly out of Washington, DC, on hot air. You fly out on kerosene in your jet airplane, your bus, your ship. Unfortunately, we have little relief in sight from the standpoint of our dependence being replaced by any other technology.

We talk about fuel cells; we talk about wind, solar panels. We have expended about \$6 billion over the last 5 years developing alternative energy. While that development has made some progress, the unfortunate part is it still only reflects about 4 percent of our overall general mix in energy sources.

What we have attempted to do in our bill, Senator BREAUX and myself, is to concentrate to a large degree on increasing the supply by using technology to develop more efficiently,

more effectively, with smaller footprints.

We have also had a bill that has been introduced. I would classify this at least initially as a partisan bill introduced by my good friend Senator BINGAMAN, with whom I share responsibility on Energy, as chairman of the committee—he is the ranking member—and Senator DASCHLE. They introduced a partisan bill. The rationale behind many of our initiatives is similar. In the area of tax initiatives, they are nearly identical. Both have marginal wells, energy efficiency, renewable, accelerating depreciation, infrastructure, other nontax provisions, electric reliability, and Price Anderson issues that address liability on nuclear plants, and alternative fuels.

However, there are some significant differences. I would like to point those out at this time.

There is very little in this bill about existing older coal-fired plants that generate a significant portion of the energy in this country in the form of electricity.

There is nothing substantial for nuclear. I have indicated that nuclear energy provides about 20 percent of the power in this Nation. It is clean. It has no emissions.

As a consequence, more and more utilities are looking at American nuclear. But clearly we have to address the waste issue.

There is no expedited procedure in the Democratic bill for hydro relicensing, which we think is a necessity, because in the interest of safety and efficiency hydro dams need to be relicensed in an expeditious manner.

Lastly, they have not included opening up ANWR—that small sliver of Alaska that we believe has the potential to decrease, if you will, substantially our dependence on imported oil. It will not replace it. I want to make sure everybody recognizes that. It is not the answer to California's energy problem. It never was and never will be. But it certainly is the answer to California's dependence on oil because all the oil that is produced in Alaska is consumed in California, or the State of Washington. Oregon has no refineries. So a portion of the oil from Washington's and California's refineries go to Oregon.

My point is a simple one. As Alaska's oil production declines, California, Washington, and Oregon will continue to need oil.

The question is, Where are they going to get the oil? They are going to bring it in from overseas in foreign vessels, maybe from the rain forests of Colombia or other areas where there is no environmental consideration given for the development of the field, or compatibility of the environment, or compatibility of the landmass where they develop oil, or for the technology that we mandate in developing our own oil fields.