

congressional Republicans have urged the entire energy industry to spend upwards of \$50 million on the ads—or about as much as the tobacco industry spent to defeat comprehensive tobacco legislation in 1998.

Congressional GOP leaders have issued dire, albeit private, warnings to the energy industry that they may not be able to block legislation imposing caps on prices or other measures designed to give the federal government a greater role in setting rates for wholesale electricity, oil or natural gas.

The ad campaign reflects a deepening sense of dread among congressional Republicans that the Bush energy policy, while long on specifics, has failed to address short-term political pressure on Republicans.

Republicans inside and outside of Congress tell CNN they are terrified about confronting a summer of Democratic attacks on energy prices as they gear up for re-election campaigns. The concerns are all the more acute because of the GOP's narrow, five-seat House majority and fear among Senate Republicans that they could lose more ground to the Democrats in next year's elections.

The final straw for many House and Senate Republicans was Mr. Bush's trip to California, which, in effect, put the issue of price caps in the spotlight.

"It was a total disaster," said an adviser to the House Republican leadership. "He came out there to let every Californian, including Republicans, know he was against price caps. Now everyone in California knows (Democratic Gov.) Gray Davis is for them and the president is not."

What's worse, several senior Congressional Republican sources told CNN, the White House returned from the trip thinking the president had the upper hand.

"It's ludicrous," said another House Republican. "Members have lost confidence in their ability to understand how this issue is affecting us."

Congressional Republicans will not play any role in the content or overall strategy of the campaign. Neither is the White House involved. But House and Senate GOP leaders have shared their concerns with top White House officials, among them Mr. Bush's senior political adviser, Karl Rove.

"The White House is aware and approving of the effort," said a senior Senate Republican aide.

House Republican leaders, beset by complaints from rank-and-file Republicans about the beating they're taking on the energy price issue, have been demanding action from energy companies to make the public case against price caps or other controls on energy markets. Chief among the advocates has been House Majority Leader Tom DeLay of Texas.

DeLay and his wife, Christine, dined with President bush and the first lady on Wednesday. Sources close to the situation said the evening was mostly social, but they added that DeLay expressed concerns about the withering attacks the House GOP has been absorbing from Democrats on the energy issue.

From news conferences to special orders on the House floor, Democrats have blasted Republicans as allies of big energy conglomerates and as unwilling to question high energy prices.

The White House, sources inside and outside the administration tell CNN, has gotten the message. Senior advisers convened an emergency "California energy message" meeting Thursday to discuss future strategy. The meeting involved Rove, White House counselor Karen Hughes and senior advisers

from the president's economic team and the Energy Department.

The political danger for Republicans has become so pronounced that House GOP leaders pulled an energy bill sponsored by Republicans Rep. Joe Barton, R-Texas, because they could not be sure they could kill a Democratic attempt to add energy price caps in California to the legislation.

Similarly, senior Senate Republicans aides said a push for electricity price caps in California could prove unstoppable if the issue comes to the floor. With Senate Democrats eager to push other matters first—such as HMO reform—the price cap issue will probably not make it to the Senate floor until congress returns from its Fourth of July recess.

At a recent gathering of Senate Republicans, one top senator said there "wasn't five votes" among Republicans to block price caps on electricity in California.

Last week, House Majority Leader Dick Armey, R-Texas, and Conference Chairman J.C. Watts, R-Oklahoma, sparred publicly over whether to hold hearings into energy prices. Armey said the exercise was "nonsense." Watts said he wanted energy companies to at least explain price fluctuations so the public would see that Republicans were at least willing to hold them accountable to consumers.

"We're not fighting fire with fire," said one exasperated senior House Republican aide. "This is a war and if the energy companies don't step up to the plate, we can't stop bad things from happening anymore. They have to be willing to fight and fight on the air."

Before the emergency White House meeting California, top White House communications aides sent a memo to all congressional Republicans last week advising that they should no longer use the phrase "price caps" but "price controls."

The theory behind the semantics, Republicans say, is that price caps sound consumer-friendly and nonthreatening, while price controls sound bureaucratic and meddling. The White House has long argued that price caps in California—or anywhere else—would distort markets.

This distortion, the White House has argued, would artificially lower prices, encourage consumption and diminish the supply of energy that can be profitably brought to market.

Republican sources said several utilities will participate in the advertising and that the thrust of the pitch would be that government interference in energy markets would, in the case of California, bring more blackouts.

The campaign may, in later stages, remind viewers of the gas lines in the 1970s, which many energy economists say were brought on by price controls that drastically reduced the supply of gasoline and by consumers hoarding gasoline, frightened of never having enough.

"We've been carrying their water for a long time," one Republican said of the energy industry. "And now they're going to have to provide some air cover."

The one irony is that energy economists have of late forecast that gasoline prices—which were feared to be headed well above \$2 per gallon—will likely drop later this summer and that the energy crisis in California may not be as acute as anticipated.

The main reason, these economists say, is that high prices for gasoline and electricity sparked widespread conservation that has boosted supplies of gasoline and taken pressure off California's electricity needs.

But that doesn't mean the political equation has changed.

"Members are scared to death," said another senior House Republican aide. "They are going to be redistricted this year and they will have to sell themselves to some new voters next year. They need to be able to tell them what they did about energy."

#### SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

#### SPEAKING OUT FOR RURAL AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. MORAN) is recognized for 5 minutes.

Mr. MORAN of Kansas. Mr. Speaker, tonight we would like to pay tribute to rural America and to particularly highlight the efforts of the 140-member Congressional Rural Caucus. We have pledged ourselves to having attempts to preserve rural America, and I commend my cochairman of this caucus, the gentlewoman from Missouri (Mrs. EMERSON), and the gentlewoman from North Carolina (Mrs. CLAYTON) for their leadership and dedication to the rural caucus on issues that matter to rural residents across this country.

Our job as members of the Congressional Rural Caucus is to promote economic and social policies that support the continued viability of our rural communities. In many instances throughout my State of Kansas our rural communities continue to struggle. We continue to see populations in once-thriving communities decline across the Great Plains. Of 105 Kansas counties, 61 have smaller populations today than in 1900; 82 Kansas counties have lost population since just 10 years ago; and 65 counties are predicted to lose population in the next 10 years.

Kansas communities are confronted with serious challenges of prosperity and survival. While working on the farm bill, Mr. Speaker, we hope there will be a strong component for rural development in that farm bill. And as parts of the rural caucus, I chair the task force on telecommunications. Seems awfully important for us to make certain that the provisions that are often available in more urban areas of our country are made available in rural communities as well. Our communities' survival depend upon access to increasing technology.

Mr. Speaker, by providing one voice for rural America, the Congressional Rural Caucus will ensure that rural communities will remain viable and competitive. Our job in Congress is to raise the awareness of rural issues and to preserve that way of life. As Congress debates important issues like

rural development in the farm bill, and access to telecommunication technologies, we must address the opportunities and challenges that we face in rural America.

Rural Americans across the country need us to demonstrate our commitment for a better quality of life, and I urge my colleagues to join us in this fight and to speak out for rural America.

Mr. REHBERG. Mr. Speaker, will the gentleman yield?

Mr. MORAN of Kansas. I yield to the gentleman from Montana.

Mr. REHBERG. Mr. Speaker, agriculture is the number one industry in the State of Montana. That is why the two pieces of legislation I introduced, along with the gentleman from South Dakota (Mr. THUNE) and the gentleman from Missouri (Mrs. EMERSON) are so important to me and to rural America.

The heart of America is her rural communities. The Montana farmers and ranchers who work the soil understand that our State's motto, Oro Y Plato, gold and silver, is truly the gold of ripe wheat fields and the silver of water resources. The harvest of the farmer and rancher translate into the gold and silver of economic health in rural communities.

Families spanning generations have sustained themselves in agriculture, but it is no longer feasible. The past few years have brought disasters and record low prices to the ag economy. While safety nets are important to producers, especially in lean years, America's farmers and ranchers do not want to be dependent upon the government. So we must develop a long-term market-oriented approach to Federal farm policy to give producers the tools to help themselves and at the same time to bring much-needed economic growth to their communities. Short-term financial aid is helpful; but long-term planning, along with creative, innovative opportunities, are vital lest America's rural families lose their farms and small towns die with them.

We need to encourage producers to add value to their product. Value-added ventures will enable producers to reach up the marketing chain and capture profits generated from processing their raw commodities. Two barriers prevent producers from pooling together and adding value to their products: first, though farmers are experts in their own fields, often they do not have the technical expertise needed to launch complex value-added business ventures; second, producers are strapped for cash. Even if they had enough capital to initiate development of value-added processing, many of the combined players in the market could squeeze producer-owned entities out before they become profitable. Something needs to be done to level the field for producers.

Developing value-added agricultural industries will bring increased eco-

nomics development along with the spirit of hope to Montana and other rural States. And that is good for our pocketbooks, it is good for our communities, and it is good for our quality of life.

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#### SOLVING PROBLEMS OF RURAL AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mrs. CLAYTON) is recognized for 5 minutes.

Mrs. CLAYTON. Madam Speaker, in 1908, President Roosevelt charged the Country Life Commission with the task of solving the rural problem. He identified this problem as the fact that the social and economic institutions of this country are not keeping pace with the Nation as a whole almost 100 years ago, and that would just as easily describe our situation in America today.

Many people are aware that there is a farm crisis plaguing rural America. However, fewer people are aware that this crisis does not stop at the farm but extends to the whole of rural America. Crumbling infrastructure, lack of educational and employment opportunities, outmigration of youth, inadequate health care facilities, and a growing digital divide are just a few of the struggles that our rural communities must overcome. We must take steps to close that gap and to recognize the vital contributions of rural communities to American economic, cultural, and civic life.

Just over a year ago, I joined with my friend and colleague, the gentleman from Missouri (Mrs. EMERSON), in resurrecting the Congressional Rural Caucus. The Rural Caucus is grounded in the belief that the needs of rural America are diverse and unique. We stand united in the belief that it is past time for Congress to stand up for rural America. We must do all we can to ensure that our rural communities are not just to survive, but they may thrive as well. Only when we tailor policies which address the unique needs of rural America will we see that day.

The 107th Congress will provide numerous opportunities to speak up for rural America, but I would like to mention two in particular.

The first is the upcoming farm bill. This Congress will be updating our farm policy for the first time since 1996. We must seize this opportunity not just to rethink our commodity policies, but to pause and to reflect upon the needs of all rural citizens. An important component of the farm bill certainly is our commodity policy, but the needs of rural America go far beyond commodities. The question that we must ask with the farm bill is not how do we fix our commodity programs, although this is clearly an im-

portant question and requires our attention. Rather, we must ask ourselves: What is our social contract with rural America; and what actions do we need to take to reinforce that contract?

Our obligation and debt to our rural communities is greater than ever. We must fulfill that debt by pledging to work harder than ever to assist rural America.

I am not alone in this belief. On May 23, I joined 120 of my colleagues in sending a letter to the leadership of the House Committee on Agriculture urging them to make rural development an integral part of the upcoming farm bill.

However, the farm bill is just the beginning. The second opportunity lies in strengthening our partnership with the White House. The Rural Caucus is committed to moving forward with the White House as full partners. Together we can make great steps in strengthening our rural communities, but the White House must do their part.

We have programs that assist rural America, but they are scattered throughout departments and agencies with little coordination between them. We must recognize that decades of incremental and piecemeal efforts have resulted in policy which no longer address the realities of life in these rural communities.

Before stepping forward with a comprehensive new blueprint for rural America, we must step back to survey the landscape of rural America and our patchwork set of policies that are directed towards it. It is time to follow the lead of other industrialized countries in the world in crafting an integrated and comprehensive rural policy. They have done it. We can do it as well.

The time has come to address the entire rich fabric of our farming and rural communities across the country and not just the single threads that bind it together. At stake is not just the continued existence of our rural communities. At stake is the very soul of this great country. If rural America dwindles away, all of America is deprived of a great asset. If rural communities turn to ghost towns, the spectre will haunt us all.

Madam Speaker, I urge Congress to support our rural communities.

#### APPROPRIATORS SHOULD FULLY FUND FIRE AND EMS DEPARTMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. WELDON) is recognized for 5 minutes.

Mr. WELDON of Pennsylvania. Madam Speaker, the numbers are in, and the results are overwhelming. This Congress for the first time in the history of America last year authorized and appropriated \$100 million for the