

morning business be extended until 2 p.m. with Senators permitted to speak therein for up to 10 minutes each.

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

Mr. CRAPO. Mr. President, 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. MURKOWSKI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

#### STARTLING ENERGY FACTS

Mr. MURKOWSKI. Mr. President, I rise to share with my colleagues circumstances that should be evidenced in prompt action on the energy bill which has been introduced as a bipartisan bill by Senator BREAUX and myself, Senator LOTT, and a number of other Senators.

I have said for some time that we have an energy crisis in this country. Let me share some startling facts.

The majority of the Fortune 500 corporations in this country, reporting fourth quarter earnings, have indicated their earnings have come in far less than projected as a consequence of the increased cost of energy in this country. There is a multiplier associated with that.

This has an effect on inventories, an effect on transportation, on virtually every facet of our economy from buying furniture to big-ticket items such as automobiles. Think for a moment that 50 percent of the homes in this country are dependent on natural gas. The average billing for energy for those homes has gone up 50 percent in the last year. There is no end in sight.

We have a situation where companies that traditionally make fertilizer—urea, the technical name—and use natural gas in the conversion of the fertilizer are no longer making fertilizer. They are reselling their supply of gas because they have some relatively low-cost gas sources. We have aluminum companies in the Northwest that are no longer manufacturing aluminum. They have shut their aluminum production down and are reselling their electricity because they have long-term contracts at favorable rates. In other words, it is cheaper to resell the power than it is to make the aluminum from the standpoint of return on investment. We have in Colorado copper mines that are no longer operating as a consequence of the cost of power. More and more people are becoming unemployed in these industries as a consequence of a lack of an energy policy.

It is not my intent to point fingers because that doesn't get us anywhere. We have to recognize that we have a crisis, and we have to recognize how we are going to get out of it. We are not going to get out of it by drilling our

way out, nor are we going to get out of it by conservation. We are going to have to go back to the basics of our conventional energy sources, as well as the prospects for greater dependence on alternatives and renewables, and recognize the use of our technological capabilities to achieve a balance because our energy supply is out of balance.

We haven't built a new coal-fired plant in this country since the mid 1990s. Why? A number of reasons: Permitting, costs, the problems associated with removing high sulfur, and the realization that we have had to take many of our old coal-fired plants, which became inefficient and no longer could meet permits, out of the mix.

We haven't built a new nuclear plant in this country in nearly 20 years. Why? It is not because we don't have the technology. Nuclear contributes about 20 percent of our energy. It is emission free. The reality is that we have not been able to address what to do with our nuclear waste. We can't come to grips with the technology or with how or where we are going to dispose of it. As a consequence, nobody in their right mind would build a nuclear plant in this country. We talk about hydro, but we have limited the hydro available. We are debating whether to take some dams down, but there is a tradeoff. If you take the dams down, you eliminate the ability to move traffic by barge, so you put it on the highways.

So we have turned to natural gas as our preferred source of energy. A year ago, natural gas was about \$2.16 per thousand cubic feet; now it is \$8 or \$9, and it has been up as high as \$10. The point is that we are pulling our natural gas reserves down at a very rapid rate. The realization is, as we have seen in the California dilemma where they have become dependent on outside energy sources within their State of about 25 percent, the danger of becoming dependent on outside sources.

Let me conclude with a reference to oil, which is something I know something about. Currently, 56 percent of our oil comes from overseas, primarily the Mideast. The CSIS study shows that for the next decade we are going to increase our dependence on hydrocarbons. That doesn't mean we are not conserving more, or should not, or develop more alternatives. The realization is we are simply using more energy. Society moves by computer and e-mail, by technology, and it is fostered by energy.

The picture I am painting today is not very pretty, but there is one more facet of concern to this Senator from Alaska. When do we begin to compromise our national security interests by increasing our dependence on imported oil? I have said this in this Chamber on many occasions, and I will say it again.

If we look at our policy toward Iraq, a country we fought a war against in 1991 and 1992 to ensure that Saddam Hussein didn't invade Kuwait and go on

into Saudi Arabia and basically control the world's supply of oil, isn't it ironic that since that time we have flown over 20,000 sorties, enforcing the no-fly zone, and the cost of that to the American taxpayer is difficult to calculate. You might say it is a Pentagon energy tax, but it costs each one of us to enforce that no-fly zone.

The other day, the raids in the northern part of Iraq were carried out to destroy Saddam Hussein's technical capability that he developed with his radar sensing system, which endangers our aircraft and our pilots. If you look at that scenario—and I have said this before—we seem to have an arrangement where we buy his oil, 750,000 barrels a day, and we put it in our airplanes, and then we go bomb him. That may be an oversimplistic statement, but I think it is fairly accurate.

What does he do with our money? He develops his missile capability, the delivery capability, and his biological capability. At whom is it aimed? Our greatest ally in the Mideast, Israel. So we have some inconsistencies.

I was asked the other day to explain at what point I thought we would compromise our energy security interests by increasing our dependence on imported oil from the Mideast. I thought for a while, and I responded by saying: I guess we have already been there. We fought this war and lost 147 lives. We have had 427 wounded. Now, the Department of Energy says we are going to be close to 63-, 64-, 65-percent dependence in the early years of the 2007 period, or thereabout. If we are going to increase that, at what point are we really vulnerable to being held hostage by the Mideast, Mr. President?

What does that mean? Well, it means that since we have become so dependent on one source—the Mideast, which is a very unstable part of the world—we face the reality of them controlling the price to the point where they can pretty well dictate the terms of our addiction to oil. They can do that simply by reducing the supply at any given time, and they have shown the discipline to do that. As a consequence of that, they can increase the price.

The point of my discussion is to suggest to you that we should all come to grips with the reality that this administration has to adopt an energy policy with great dispatch. It has been estimated that the high oil prices are reducing our U.S. economic growth by as much as 2 percent a year. Our lost GDP has been estimated at about \$165 billion a year. It is estimated that we are losing approximately 5.5 million jobs that we would have had, had we had the availability of relatively low-cost energy.

The last point I want to make is as to our vulnerability. As I indicated in my opening remarks, we are not going to drill our way out of this, by any means. We are not going to conserve our way out. We have to go back to the basics and get the balance. There is legislation introduced in this body to put the

one single area in North America where you are likely to find a major oil discovery into a wilderness in perpetuity. I really question the judgment of that action in a time of supply shortage of the present magnitude. To suggest that that arbitrary action is going to resolve our energy shortage is not only shortsighted but unrealistic.

If, indeed, this body chooses to open that sliver of ANWR—and I say a sliver because it is just that—out of 19 million acres, an area of the size of the State of South Carolina, we would propose to open a million and a half acres. The technology is in place, and we would have a footprint of between 1,000 and 2,000 acres. Imagine that, an area the size of the State of South Carolina. That is the sliver about which we are talking.

We have the technology to protect the environment, the ecology, and the caribou. The answer is certainly.

This alone will not, by any means, resolve the energy policy, but it will go a long way in two particular areas. If the oil is there in the abundance the geologists suggest, that one act will reduce our dependence on Mideast oil to less than 50 percent.

The goal of our energy bill—and its objective with which I think most people will agree—is to reduce our dependence on foreign sources of energy by the year 2010. The question is, How do we do it? We develop domestic sources with our technology in the overthrust belt, offshore of the Gulf of Mexico, my State of Alaska. We expand our energy sources by using technology to do it better.

To suggest this is the time to consider putting the wilderness off limits is unrealistic and I think bad politics because each one of us is going to bear the responsibility to our constituents to explain why we cannot get together on a workable, responsible energy policy, one that addresses the merits of a balanced effort to lower the cost, increase the productivity of our Nation, and do it with some dispatch.

I encourage my colleagues to take a look at this bill. It is a 300-page bill. God knows why it has to be 300 pages, but nevertheless that is what it came out to.

Also, this bill is a composite of Republican and Democratic ideas. It is a bipartisan bill—Senator BREAUX is one of the original cosponsors—and it attempts to promote alternative fuels, increase our conservation, and explore our own resource base and use our technology. As a consequence, we should get on with the challenge ahead because the sooner we get on with it, the sooner we can rectify this terrible situation that is beginning to throttle our economy, increase unemployment, and result in a situation where there is perhaps a similar exposure to that we have already seen in California.

California is striving for more energy as a consequence of not having produced energy in a manner to keep up with demand. We are in that same situation nationally.

I encourage my colleagues to review the legislation. I encourage them to communicate with us on changes and additions, and I encourage the administration, which is in the process of developing their view of an energy policy to do it with some dispatch because the rates are going up, the problem is getting worse, and the economic impact on our society and our businesses is evident, as I have already said.

#### EXTENSION OF MORNING BUSINESS

Mr. MURKOWSKI. Mr. President, I have been asked by the leader to propound a unanimous consent request.

I ask unanimous consent that the period for morning business be extended, with speakers permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I ask unanimous consent to speak 20 minutes in morning business.

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

#### FISCAL POLICY

Mr. DORGAN. Mr. President, we will begin, following the President's State of the Union Address, hopefully a thoughtful and aggressive debate about this country's fiscal policy including tax cuts, the budget, and related matters.

These are very important issues. I wish to speak about some of them today, not from the standpoint of politics or polls, but more from the standpoint of what I think the choices ought to be for this country's future. I know there is a heavy dose of politics surrounding all of this. That is not my interest. I am much more interested in trying to think through what would be good for this country, what is going to keep us on track for the next 5 and 10 years to provide an economy that expands and provides jobs and opportunities for our children and their children.

Having said that, I want to make a couple of comments to set the stage for where we are.

There are a lot of people who continually complain about this country, and it is hard to complain about this country with a straight face. This is the most remarkable place on the face of the Earth. We are the country that created a system of public education, saying to every child in this country: You can go to school and be whatever you want to be. We are not going to move you off in one direction or the other. Universal education.

It is us, our country, that has spawned an educational system that has created the scientists, engineers, and the thinkers. We split the atom and spliced genes. We have cloned animals. We invented the silicon chip and radar. We built television sets, the telephone, and computers. We built air-

planes and learned to fly them. We built rockets and flew them all the way to the Moon. We cured small pox and polio. That is us; that is what we have done in this country. What a remarkable place in which to live.

We are also a country that in all of my adult lifetime, and the adult lifetime of most of the people who serve in this Congress, have had two enduring truths underlining everything else we have done. One of those truths is we were involved in a cold war with the Soviet Union, and that affected virtually everything we did, including the choices we made in this country in fiscal policy. The second enduring truth is we had a budget that seemed to produce deficits that every year grew larger and larger.

Those two truths which underlined virtually everything else we did in our lifetimes are now gone. There is no Soviet Union, there is no cold war, and there are no budget deficits. Everything has changed, and the result is a different kind of economy in this country in which we have surpluses. The question is what to do with these surpluses.

My great concern as a policymaker, not from the standpoint of someone who represents a political party, is that we not make the mistake we made before.

Twenty years ago this country embarked on a fiscal policy advocated by a President who said we can do the following: We can double our spending on defense, because then we were in the middle of a cold war with the Soviets; we can double our spending on defense; and we can have a very substantial tax cut, and it will all add up to a balanced budget.

In fact, it did not. It added up to trillions of dollars of Federal debt that then marched toward \$5.7 trillion of Federal indebtedness in this country.

Let us not make that same mistake again. The author Russell Hoban said:

If the past cannot teach the present, if a father cannot teach the son, then history need not have bothered to go on, and the world has wasted a great deal of time.

Let us learn from the past. Let us learn the lessons of the past in fiscal policy.

What does that mean for us with respect to these surpluses and with respect to proposed tax cuts and budgets?

Let me speak first about uncertainty. Nine months ago, Alan Greenspan—who is canonized in a new book, the American soothsayer, the economist who knows all and sees all—said our economy was growing way too fast and he needed to slow it down. Think of that. Nine months ago our economy was growing too rapidly, according to Alan Greenspan and the Federal Reserve Board. Nine months later, we are wondering whether we might be nearing a recession. Certainly, the economic growth rate has now dropped to near zero.

My point is this: If we can't see 9 months in advance, and the Federal