

The Senator from Wyoming.

Mr. THOMAS. Mr. President, I request the opportunity to speak in morning business.

The PRESIDING OFFICER. The Senator is recognized.

THE SENATE AGENDA

Mr. THOMAS. Mr. President, all of us are pleased to be back, able to go on and finish the business we have yet to do. There is a lot of it, of course. I have read from time to time that we have been on vacation. I have to tell you, it is scarcely a vacation. All of us spend this time, as we should, traveling in our States and visiting with the people we represent. Frankly, it is a real pleasure and honor to travel about Wyoming this time of year. It is important that we reflect on what we have heard, some of the issues laid before us, some of the notions of the people at home. After all, it is our responsibility to be here to represent those people.

There are a number of things we all hear about and hear about repeatedly while we are in our States. One of them is the tax issue, the idea of tax reduction, and specifically the returns that have been made during this period of time. Many people have received their \$600 or \$300. I heard a great deal about that. I heard a great deal of praise and support for tax relief, having an opportunity to receive those dollars that were deemed to be surplus. They were not dollars that belonged to Washington; they were dollars that belonged to the taxpayers.

I heard that quite often. Frankly, I was very pleased to hear that and also to share the belief that the return of tax dollars certainly is appropriate in a time of a slowing-down economy.

We also hear a great deal about budgets. Most people do understand that, depending on your point of view about the size of government and the involvement of government, sticking to budgets is a very important issue. Of course, it is very significant now as we enter into this last month. We are supposed to pass all the appropriations bills and come up with next year's spending outline during these next several weeks. That is a relatively short time to do that.

The majority of people I spoke with said: You passed a budget; stay with the budget and a 4 percent increase, which is a reasonable increase; stay with it. Of course, that is not what we have done over the last number of years. I think that shows a good deal of knowledge about what is happening.

In Wyoming, where we are involved in the production of energy, whether it be gas or oil or coal, there is a great deal of interest in energy policy. That is something we have not had for a very long time. The President set one forth and, as a matter of fact, the House has passed an energy bill. We have not. It is one of the issues that ought to be a priority. The folks at home indicated to me it ought to be a priority.

When we first started talking about energy 6 or 8 months ago, California was undergoing an energy shortage. It certainly seemed that it was a crisis. Then we got over that a little bit; some of the gas prices began to go down some, although they are coming back up again now, but the problem still remains. We have not resolved the energy problem at all. I hope that will be a high priority for us during these closing weeks. Some of us had hoped it would have been a priority before now, but it has not been. Now I think it is clear it needs to be.

One of the other things I heard a great deal about, which I suppose is a little different in a State such as Wyoming where 50 percent of the State belongs to the Federal Government, is that this administration has indicated and is beginning to demonstrate that they are willing and anxious to have more local input into the decisions that affect public land and affect the people who live by and depend on public land. That is not saying it is going to protect the environment. It says that each area, each park, and each forest is unique, and to try to set nationwide standards from Washington, as has been done in the recent past, is not a workable situation. Our folks are very pleased about that.

Finally, I will take a moment to say, as someone who feels some responsibility, that I like the idea that we are paying down the debt. That is good.

We have a number of things to do. Certainly this whole business of appropriations needs to be done.

I have already mentioned energy.

I hope we are able to work some more on simplifying and making Medicare a little more workable and putting pharmaceuticals into it. We are working on that, of course, in the Finance Committee, and we will continue to do so. There are dollars in the budget to do those things.

Education: We need to complete our work on education, of course. Sometimes it seems the only solution to education is the dollars. Dollars are necessary, but dollars alone do not work. We need to have some accountability. We need to have some local control.

In any event, I think we have some real challenges before us and an opportunity to accomplish them. Frankly, I am a little discouraged about what I read and hear—that we are entering into a time when many people, particularly I think on the other side of the aisle, are more interested in developing issues for their upcoming campaigns than they are in solving the problems. I hope that is not the case. We are trying to, of course, work towards mid-term, which becomes very political, a little more than a year from now. Politi-ticking is fine, issues are fine, but when a political issue becomes more important than resolving the problem before us, I think that is a mistake. I think we are going to see some of that.

Certainly, there are different views about how we go forward. There is no

question about that. Some in this body, of course, want more government. Some want more spending. Some are very sorry about tax relief because it may reduce the spending.

I have to tell you that I think we really ought to stay within the budget we passed, which is about a 4-percent increase. I hope we don't go back to last year's history and increase it by 14 or 15 percent. I think that is a mistake. Certainly, things are a little different now when we are faced with this slowing of the economy.

Speaking of the political issue, back in April, for example, there was a lot of talk about tax relief. There was a Democrat amendment to increase the amount of tax relief to \$85 billion. It was defeated by 94 to 6. In July there was another Democrat amendment that would repeal the immediate tax rebate. It failed 91 to 3.

The idea that there is now an effort to move some responsibility to the White House for added tax reduction and so on is just not the case. It is just a political kind of issue. We hear all kinds of political views in the Senate, and various Senators on the other side of the aisle have said it should have been larger and kicked in sooner. Some are using radio programs to say to their constituents that this was a great thing to do. Indeed, it was.

We are going to have a lot of talk about the surplus, of course, and about the differences between OMB and the Congressional Budget Office. The fact is that both sets of figures show that this is the second largest surplus in history. It is. The new numbers, of course, really say that what is most important is that we do not have irresponsible spending. If we can follow the budget we passed and say that is what we want to do, then we will be in good shape.

The President's budget protects Social Security and Medicare. Besides, the surplus, frankly, has no impact on those trust funds. The President's priorities are to protect Social Security and Medicare. We are going to improve Medicare to help seniors. We are going to work on that.

We are paying down a good deal of publicly held debt. Sometimes we have to review what happens to a surplus. If we use it to pay down publicly held debt, then debts are created for the various programs under the trust funds. That is the way it works. It is the only place to put the money to have a return on the money that is there and meeting the needs that are set forth.

I hope we can hold the political rhetoric to a minimum and deal with the real issues and the fact that we have the second largest surplus in history. Besides, the budget surplus really has no impact on the trust funds. It has been that way over the years. We have to pay down a historic amount of publicly held debt and work to foster economic growth. That is one of the ways to do that.

I see my friend from Iowa is here.

I urge setting those issues before us and moving to resolve them in a fashion that is best for this country.

I yield the floor.

MEASURE PLACED ON THE CALENDAR—H.R. 4

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. Mr. President, I understand there is a bill at the desk due for its second reading.

The PRESIDING OFFICER. The clerk will report.

The Legislative clerk read as follows:

A bill (H.R. 4) to enhance energy conservation, research and development and to provide for security and diversity in the energy supply for the American people, and for other purposes.

Mr. REID. Mr. President, I ask unanimous consent that there be no further proceedings at this time on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered. The bill will be placed on the calendar.

The Senator from Iowa is recognized.

(The remarks of Mr. GRASSLEY pertaining to the introduction of S. 1397 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. How much time do we have remaining?

The PRESIDING OFFICER. Seven minutes twenty seconds.

ENERGY POLICY

Mr. THOMAS. Mr. President, I want to expand a little bit on the question of energy policy. As I mentioned before, there certainly have been some changes in the California situation. There have been some changes throughout the country in gas prices and other kinds of energy prices. They are not significant changes and, indeed, now we see them moving back again.

The point we do not want to overlook is that when we had what we called an energy crisis 6 or 8 months ago, we had a problem; and the problem basically, of course, was that demand was growing but supply was not. We had a problem in terms of the amount of refining capacity in this country. It had not grown for a very long time. The same was true with electric generation.

We overcame that problem largely, I suppose, because, among other things, winter was over and some of the refineries that had to make fuel oil for New England had changed their production. But the fact is, the problem is still there. We do need an energy policy.

I urge that we do move forward. The President has put forth a policy—and much of it is incorporated in what has passed in the House—that I think makes a lot of sense. It includes conservation, having some opportunities for conservation in the usage of energy. There are many things we could do in

that area. We can do it as individuals and we can do it as governments and still continue to be productive. Conservation should be part of our energy plan. There are many groups that believe conservation is very important.

One of the other areas of energy policy has to do with renewable energy. We have renewables that are growing. We have wind energy, hydroenergy, and other kinds of energy that I suppose have potential for the future. Outside of hydro, renewables now represent about 1 percent of our total energy usage, but, nevertheless, we ought to be doing something in that area. To do that, of course, we need research and research dollars.

Our committee has already dealt with research, but there needs to be a considerable amount of research in the whole area of conservation, of renewables, of how to have more efficient production with less impact on the environment. So that is a very real part of energy research.

Then, of course, the real key is production. We have allowed ourselves in the energy production field to become dependent on OPEC. Nearly 60 percent of our energy resources now come from overseas. When they change their views, or when things happen over in those countries, it impacts our economy and our society.

We need to have an opportunity to increase production and to do it with diversity so we can use various kinds of energy, which includes coal. Part of the research is to make coal even more clean in terms of the air. We need to have diversity in terms of using gas, coal, nuclear, oil, and renewables so we do not find ourselves becoming dependent on one source.

Unfortunately, the plans that were sort of underway for having additional generating plants almost all had to do with natural gas. Natural gas is a good source of energy, but our largest energy resource is coal. If we can continue to make coal even more clean, why, certainly that is a source of energy that ought to be used for generation.

Also, we have not built generation plants for a very long time. Part of the reason for that is because of the uncertainty of some reregulation and ideas that are out there. In the past, when utilities served a particular area, they produced and generated the electricity. That was a pretty simple arrangement. Now we find more people looking at generation as a marketable commodity. It does not have to be tied to any particular area. But what is the secret to making that work? More transportation. More transmission.

If you cannot move energy from the place it is developed and manufactured to where the markets are, of course, then that is part of the problem. The main source in the West for coal and gas has been the Mountain States area: Wyoming, Montana, Colorado, and New Mexico. But in order to get it to the market, you have to have transmission

capacity, particularly if you have mine mouth which is very efficient. So these are issues that need to be dealt with in terms of an energy policy.

One of the issues in terms of transmission capacity is to have a nationwide grid so electric power can be moved across the country and can be moved into the RTOs, the regional transmission organizations, and become an efficient transmitter of energy. We can, in fact, do that.

I believe there needs to be an emphasis on this energy question between now and the time we adjourn so we can get into the field and begin to make some difference in terms of where our energy sources are coming from so we can continue to have reasonably priced energy in order to fuel an economy that we would like to have, which obviously is necessary in order to do that.

So I am hopeful that as we set our priorities for where we go we will include that in the very near future. We have talked about it a great deal. I think actually in a lot of ways there isn't a lot of controversy. There has been controversy, of course, in relation to having access to public lands and the idea of protecting the environment which has to go with energy development.

Some have used ANWR up in the north region as a poster child for not getting into public lands. The fact is, the House-passed provision is 2,000 acres out of 19 million that would be accessible for a footprint. So we are pretty close to some agreements on how we can set this country forward in terms of a source and an opportunity to have affordable energy.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I have another subject upon which I am going to speak. I do want to make a couple of comments on the statements made by my friend, the distinguished Senator from Wyoming.

This last couple weeks has been somewhat troublesome to me because we have all been spread around the country not able to respond to the President who, of course, has the ability to speak from any place in the world. What has concerned me a great deal is the President and his Director of Budget Mitch Daniels talking about this great surplus we have, the second largest surplus in the history of the country. They failed to mention the surplus is all Social Security surplus.

Of course, we have a surplus because Social Security is not something that is funded as we go along. We forward fund Social Security. We have huge amounts of money coming into the Social Security trust fund today that we are not paying out. That is the way it was planned in 1983 when there was a compromise reached by Tip O'Neill, Ronald Reagan, Claude Pepper, and a few others. So people, including the President of the United States, who talk about this huge surplus are not being fair to the American public.