

then be used much more efficiently in terms of the movement of the fuel as well as using it for automobiles. We can do that.

Natural gas, of course, is one of our very important resources. Again, we need to be able to move that. We need to be able to use it at the highest priority and use these fuels where we get the best bang for the dollar. That is what we are seeking to do: to give some diversity, to utilize the domestic resources, to have an overall energy strategy.

I think too often—and we are a little guilty of that right here in the Senate—we get into one of these issues and we start talking almost entirely about today's problems and solving the problems we have or our constituents have out there right now. That is fine, and we need to do that. But this is a policy. This is designed to give us a roadmap to make changes over time.

Again, electricity is a good example. Years ago, when you had a distribution area, you had a city or a county, and you had an electric supplier that provided for that group. They had a generating plant and a distribution system, and it was all contained right there in the city or right there in the county.

Now 40 percent of energy is generated by what you call merchant generators that do not do distribution, but they sell it to distributors. Of course, to do that, you have to have transmission lines that move the energy around. So things are changing, and we need to keep ahead of change the best we can.

There are also great opportunities for doing something with nuclear power, which is one of the cleanest sources of power we have. We will be talking about doing some things with Alaska, for example, whether it is pipelines or ANWR.

So I just want to say, Mr. President, we are going to be spending a considerable amount of time on energy in the next several weeks. Our goal, hopefully, in the Senate is to get through with the program by Memorial Day. The House will be moving forward as well and has a program that is ready to go, pretty much.

Part of this, of course, will be in the area of tax incentives. As I said, what we need to do is provide incentives for people to do better, to have better ways of drilling, to do better in geological surveys, and so on. Part of that will be a tax title that has been passed out of the Finance Committee. And now the energy bill has been passed out of the Energy Committee. So we are ready to go.

I am hopeful we can come together. I know there are going to be different views about what we do on conservation, what we do about ethanol, what we do about alternatives, but all of those must be resolved if we are to come forward with something that will be good for our country in terms of an energy policy.

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

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

Mr. DORGAN. Mr. President, I ask unanimous consent to speak for as much time as I may consume.

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

INCREASING THE FEDERAL DEBT LIMIT

Mr. DORGAN. Mr. President, later this week, I am told, we will be getting in the Senate a proposal to increase the Federal debt limit. My assumption is that the increase in the Federal debt limit we will be asked to consider will be nearly \$1 trillion—\$900-some billion. I am told it is shaved just enough to be under \$1 trillion.

That increase in the debt limit will equal, incidentally, all of the debt accumulated from George Washington until 1980, until Ronald Reagan took office. For all of those years, we accumulated less than \$1 trillion in debt. The debt limit increase we will be asked to vote on will be just slightly under \$1 trillion.

What does that say about the country's fiscal policy? It says we are running very large Federal budget deficits. Two years ago, it was expected that we would run large budget surpluses as far as the eye could see. President Bush said: Let's have the American people keep their own money. Let's move the surpluses back. Let's have a \$1.7 trillion tax cut.

Some of us said: Maybe we should be more conservative. What if these Federal budget surpluses don't materialize? What if we are wrong about that?

They said: Never mind. And they pushed it through the House and the Senate, and with great fanfare they signed the bill.

Two years later, we have budget deficits as far as the eye can see; this year, the biggest budget deficit in history and this week, apparently, a proposal to increase the Federal debt limit by nearly \$1 trillion. I don't understand that.

In addition to that, there is a major debate on how much additional tax cuts there should be: Should the President get his program of additional tax cuts? There are not only tax cuts in what is called reconciliation, but tax cut proposals outside of reconciliation, which altogether total \$1.3 trillion in additional tax cuts.

The easiest lifting in American politics for any politician anywhere in America is to say: I support tax cuts. If in fact tax cuts produce new jobs, then sign me up. I propose we have a trillion dollars in tax cuts or, better yet, \$2 trillion in tax cuts. But, of course, we

know what we have ahead of us are very large Federal budget deficits.

For Congress and the President, the question is, What is it that we don't want to do in our Government? Do we not want to have regulatory agencies that provide protection for American citizens and consumers? Do we not want to build roads? Do we not want to fund schools? Do we not want to fund the Customs Service, the Immigration Service, the Border Patrol, the Food and Drug Administration? What exactly is it that we should not be doing? Those are the important questions.

Of course, there is waste in government. And we ought to cut spending where it is wasted. Let me give an example. Senator WYDEN and I some while ago asked the Federal Bureau of Prisons, why are you advertising for a dance instructor? In fact, it was advertising for a dance instructor in the State of Texas. Why are you advertising for that for the Federal Bureau of Prisons? What do we need that for? What is the purpose of that? We have since discovered that the Federal Bureau of Prisons has had dance instructors at eight federal prisons. I don't understand that. Learning how to dance the salsa when you are in prison, is that necessary? In areas where there is waste, let's attack waste.

Let me cite one other example. Senator WYDEN and I mentioned this past week—and this is not direct spending on our budget—that the U.S. Postal System inspector general's office is wasting massive amounts of money. The inspector general's office has 700-some people in the Office of the Postal Department doing events supposed to promote teamwork, where employees wrap themselves in toilet paper. They wear animal costumes. They dress up and do role playing. It is the most Byzantine thing I have ever heard of. They spend millions of dollars on these events. That inspector general ought to lose their job. It is a waste of money.

But there are government functions that are essential for our country. Like those nettlesome regulatory agencies that are supposed to protect us from the kind of grand theft that occurred on the west coast with Enron Corporation and others, where what they did was ratchet up the price of electricity. They were turning it, double, triple, 10 times, charging the consumers on the west coast a massive amount of money for electricity as they were manipulating the price. They were taking plants offline and manipulating the quantity of energy, and they were engaged in efforts that the Federal Energy Regulatory Commission and the Justice Department now apparently say are criminal.

I believe they were criminal. I said so last year when I chaired hearings on Enron Corporation. What we have seen on the west coast, with respect to what was going on with the pricing of electricity, is grand theft. The Federal Energy Regulatory Commission is now beginning to take action, after the fact,

after the west coast consumers were cheated, bilked to the tune of billions of dollars.

So is that a part of government that we don't want to have around? We don't want the regulatory agencies looking over the shoulder of companies such as Enron that were manipulating price and supply in order to cheat consumers in an approach that now appears criminal? That is what FERC says. Do we want to reduce the number of regulators who protect consumers?

What about Wall Street? We saw last week there was a \$1.9 billion settlement because Wall Street firms were saying: Let's push this stock to the customers, despite the fact that internally these firms were saying: The stock is a dog; this stock is terrible. Yet what their salesmen in the field were being told by research analysts at these companies was: Push this stock along to an unsuspecting public.

Do we want to cut the money for the Securities and Exchange Commission, and others that are supposed to be regulators protecting consumers, and say let the buyer beware? I don't think so.

Fiscal policy has to be sensible and thoughtful. Tax cuts are fine. If you can afford tax cuts, that is fine. But when you face deficits as far as the eye can see, should this Government say: Let's send our sons and daughters to war and, by the way, we won't pay for it? And when you come back, what we will do is increase the Federal debt by \$1 trillion and say, as soon as you take your uniform off, you have to help pay the debt, because we wouldn't pay it, or your children and grandchildren will have to pay it because we wouldn't?

We are talking about implementing tax cuts that predominantly benefit the upper income people, to such an extent that if you were lucky enough to earn \$1 million a year, you would get an \$80,000 a year tax cut. Is that a priority?

Warren Buffett, the second richest man in the world, said he didn't support it because he said it favors the rich. That is what the second richest man in the world said about the President's tax plan. Is that what we ought to embrace when we are deep in debt, and headed deeper in debt, and about to vote on a \$1 trillion increase in the Federal debt? I do not think so. There are some activities in Government that are important. I mentioned schools and roads. There are activities we perform of which we are proud and of which we should be proud.

I once visited a Communist country. It was a country with which we were doing business. I met with the American Chamber of Commerce in that Communist country. Do you know what their message was? Their message was this is a great market for us to tap, but the problem is we need more government in this country to do business.

I said: What do you mean by that? They said: You cannot do business unless you have a judicial system that

can sort out the disputes, unless you have a system of administrative practices in which you have referees and regulators. If you do not have that government, the mechanism that establishes the rules and makes sure the rules are followed, you cannot do business. You just cannot.

I said this is really interesting because normally the Chamber of Commerce would not be calling for more government, but they are saying that in this Communist country, government is essential for us to do business.

We ought to remember that in this country as well—whether it is the Securities and Exchange Commission, the Federal Energy Regulatory Commission, you name it—there are structures and processes that are important for the governance of this country, and to decide they do not matter is to suggest our system does not matter. It is to say, let the buyer beware. Let the Enrons run wild and overcharge consumers by billions, and it does not matter.

That is not the kind of government I want. I want a government that allows the system to work, that helps establish fair rules and enforces them.

I mentioned we have these proposals for tax cuts that are very large at a time when we have very large Federal budget deficits. There are things we can do. A, we can cut wasteful Federal spending, and B, we can go after the tens and tens of billions of dollars that are not paid to this country in taxes because the companies that make a lot of money selling products to the American consumers have decided they are going to locate in tax-haven countries but take advantage of the American marketplace to generate their profits.

If it is the case that \$50 billion or \$70 billion would otherwise be owed to this country in taxes but are not paid because those companies have located in tax-haven countries, then this country should take a look at doing something about it and say to them: If you want to be an American citizen, part of the responsibility of citizenship is to help pay the bills in this country, to help pay for that which makes this country great—our schools, our roads, our infrastructure, everything that makes this a great place in which to live.

I think that is an area we ought to be tackling and trying to solve some problems. I would hope perhaps rather than just talk about tax cuts for the upper-income people, we might talk about tax responsibility for some corporations that have decided they do not want to be a part of American citizenship anymore.

My solution to all these companies that have decided they do not want to be an American citizen is, if you want to go to Bermuda, that is fine. If you get in trouble somewhere around the world and some government is about to expropriate your assets, who are you going to call? Call the Bermudan navy. I think they have 36 people in the Bermudan navy. Call them out. If you

do not want to be an American citizen, then do not ask the American military forces to protect your investment around the world.

That sort of behavior is not, in my judgment, something that is very patriotic, and it is something that requires, in my judgment, this Congress to do something about.

THE TRADE DEFICIT

Mr. DORGAN. Mr. President, I wish to ask another question. Why do we have a ceiling on Federal indebtedness? The answer is because we want to try to control it. But there is another form of indebtedness for which there is no ceiling, and that is the trade debt. There is definitely no ceiling on that.

We have a foreign trade debt of about \$2.8 trillion at the moment. Every single year, there is more and more red ink. There was a \$470 billion trade debt, merchandise trade deficit in 2002. Overall, \$2.8 trillion deficit is now about 27 percent of our GDP? How does that happen?

The foreign debt comes from record foreign trade deficits. We are the biggest debtor in the world. As one can see by this chart, we run a deficit every year, and every year it grows. One-fourth of the trade deficit is with China; \$103 billion last year alone. China is not the only country. We have deficits with Canada, \$50 billion a year; Mexico, \$37 billion a year. We have deficits with every major European country except Belgium and The Netherlands. We have deficits with every major Asian country except Singapore, and we are about to fix that because we are doing a free trade agreement with Singapore, and I am sure we will turn that into a trade deficit quickly. We have deficits with all the major countries in Latin America.

In addition to having deficits with the countries, let me talk about how our deficits are constituted: A \$110 billion deficit in motor vehicles; a \$47 billion deficit in consumer electronics; a \$58 billion deficit in clothing. I have been on the floor many times to talk about vehicles, so I will not do that today except to say, to use Korea as an example, Korea sends over 600,000 Korean automobiles every year; some 600,000 Korean cars come in to this country.

We sell 2,800 cars into the country of Korea. Why? Because our market is wide open, and the Korean market is largely closed, and nobody has the spine, the backbone, the nerve, or the will to do much about it. That is always the problem.

If you want to use potato flakes from the United States to make fast food in Korea, the potato flakes will find a 300-percent tariff going in to Korea.

The fact is, we have big problems in a range of areas and nobody does much about it. We used to have a big surplus in meat. That surplus declined by \$1 million last year. Our deficit in livestock trade reached \$1.5 billion last