

the hand of OPEC countries by pushing for higher prices, and threatening to cut off the flow of oil to the United States.

As Chavez continues to march towards socialism, he seems determined to wipe out free enterprise, drive out private investment and wreck the economy in order to establish iron-fisted control of Venezuela's economy, just as Fidel Castro in Cuba.

Venezuela and Hugo Chavez are flush with record-high oil revenues, but Chavez is threatening to kill the oil-drenched golden goose.

Just last month, the Venezuelan oil minister showed up at two oil fields run by European companies in order to reclaim them on behalf of the Venezuelan government and Hugo Chavez. Hoisting the Venezuelan flag over the fields, he said the move symbolized the return to state control.

This dramatic move is proof, as if more is needed, that Chavez is putting Venezuela on a path to a nationalized energy industry. These moves, and his saber-rattling military buildup and crackdowns on freedom at home, continue to roil the international oil markets and are enabling Chavez to help keep crude prices high.

Venezuela supplies the United States with about 15 percent of our oil imports; and few Americans probably realize that Venezuela's state oil company owns Citgo Petroleum, which owns refineries that are geared to handling the heavy Venezuelan crude, together with a network of thousands of independent gas stations.

Chavez's radical strategy to nationalize his energy industry is being felt across Latin America. Just this week in Bolivia, newly-elected President Evo Morales nationalized the country's natural gas industry, ordering foreign companies to give up control of fields and accept much tougher operating terms or leave the country. Morales even ordered soldiers to commandeer many fields across the nation.

The move solidifies Morales' role alongside Chavez and Castro in Latin America's new axis of socialism united against American interests and free people everywhere. Make no mistake, the images of soldiers toting automatic weapons outside refineries and gas fields is reminiscent of military dictatorships past.

Chavez has been promising to build a Bolivarian axis of like-minded, anti-American governments throughout Latin America. Only recently, few people took him seriously. Not anymore. Just this past weekend, Chavez and Morales signed a free trade agreement with Castro.

Mr. Speaker, history has proven that no nation with a state-controlled economy can prosper, and anyone who lives in such a nation lives without the freedom and liberty they deserve.

A Venezuela with President Hugo Chavez at the helm is a nation doomed to repeat the failures of history and a people who will be forced to live with-

out the freedom, security and prosperity they once had but still deserve.

THE OIL CRISIS AND HIGH PRICES OF ENERGY

The SPEAKER pro tempore (Mr. PRICE of Georgia). Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

Mr. DEFAZIO. Mr. Speaker, well, let us talk about the energy crisis and the high prices of energy.

The oil man in the White House and the Vice President and the Republican majority say it is just market forces at work. Let us talk about the market forces.

First off, the crude oil market, unlike every other commodity in America, is virtually unregulated. About 75 percent of the crude oil marketed here is sold off the books, and they are doing trades that would be illegal if it was a regulated market, and of course they do not want to regulate it. One trader will sell to another who will sell back, they sell back, they sell back, they sell back until, guess what, they have raised the price and made a lot of money.

Now, unfortunately, someone is going to pay for that. So it is the consumer. In crude oil trading, we have seen a 46 percent increase over 1 year in the margins there. Quite simply, if we just subjected crude oil to the same market controls that are used for all other commodities traded in the United States of America, if we took away this exemption for big oil, then we could drive down the price, it is estimated, 20 to 25 percent immediately at the pump. That would be quite an economic stimulus for this country and do more for the American people than all of George Bush's tax cuts have done for average people, of course, not for the millionaires and billionaires.

Then they say, guess what, prices are high because we do not have enough refineries in America. That is interesting. The American Petroleum Institute circulated a memo just about 10 years ago this day saying, hey, guys out there, they mostly are all guys, guess what, there is too much refinery capacity in this country; if you could squeeze down refinery capacity, you could drive up profits.

Have they done that?

Of the three bucks you are paying for a gallon of gas, the increase in the margin for the refiners has gone up 255 percent in 1 year; and, guess what, there are no new refineries under construction.

Now they want to pretend it is those darn environmentalists. Well, no, it was not the environmentalists. Of the 55 refineries closed in America in the last 10 years, they were all closed for economic reasons, mostly oil company mergers. Not a single one was closed for environmental purposes or objections.

So they are doing a wonderful thing here. Valero, fastest-growing, biggest

energy refiner, who had a very small company just a few years ago, their chief operating officer, when asked about building more refineries, he said, why would we want to do that? It is working quite well the way it is. Artificial shortage of refinery capacity.

So perhaps we could impose a windfall profits tax on the likes of ExxonMobil, \$36 billion of profit last year, largest corporate profit for anybody in the history of the world in 1 year, \$100 million a day of profit.

Now they did give away 4 days of profit to their CEO when he retired. He got a \$400 million retirement, but they had the rest of that money to spend elsewhere.

What did they spend it on? New refinery capacity? No. Exploring for new oil? No. They bought back a bunch of their stock to increase the value of the stock options of the other executives at ExxonMobil. So about a windfall profits tax on money that they make that they do not invest in new refineries, new production capacity or alternative fuels, but the rest of it, it should be taxed at a very high rate to stop their price gouging and excess profit-taking.

Now the Republican answer has been that they want to give everybody a \$100 rebate. Is that not nice? Well, except we are running a deficit. So they would borrow the money, obligating American taxpayers today and their kids and grandkids because we will pay it off over 30 years. They would borrow the money to give everybody a measly \$100 rebate. Because God forbid that we should ask the oil companies to rein in the profiteering and the speculation in crude oil, that we should have them stop creating a false refinery capacity squeeze which has driven up their profits tremendously.

But they do want to investigate price gouging. It was in a bill that passed the House last year. Guess who they think is price gouging? These little guys down here, the distributors and retailers.

I just met with the independent distributors today. They are getting six cents a gallon. Five years ago, they got six cents a gallon. Five years ago, that was 6 percent. Today that is 2 percent. So it is not the distributors and retailers here, with the exception of some of the company-owned stations, that are making that big profit.

It is right up here. It is big oil. It is the artificial refinery shortage that they have created, and it is this profit-sharing and hot money speculation in crude oil. We could take significant steps here to fix it, but, guess what, they get a little too much money from them at campaign time. It ain't going to happen.

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

(Mr. BURTON of Indiana addressed the House. His remarks will appear