

This is done all the time. It is done all the time in the business world. Various assets at various prices are combined, and the landlord thinks about extracting what he can at that time when you come to renegotiate. This happens all the time in the real estate field, all the time in the minerals field.

All we are saying to the government is, these people have such a huge advantage because of the failure of the cap, we don't think they ought to get any additional leases. They can keep those leases without the caps and not lease, or they can negotiate those caps with the government to be like the rest of the oil companies and they can lease. This is a business transaction. It just happens to be a business transaction on behalf of the people of the United States of America who own these lands.

What is it about the marketplace that you think at \$70 a barrel you need royalty relief? I think you are confusing this with the idea that the oil companies are somehow royalty and we must bow down to them. At \$70 a barrel, the conservative chairman of my committee, the Resources Committee, said nobody deserves royalty relief. The President of the United States says at these prices nobody deserves royalty relief. And here you are on the floor of the House of Representatives arguing for people who get \$70 a barrel.

I talked to the CEOs of these companies when this royalty relief came up, and most of them thought it was balderdash. Most of them thought it was about trying to rescue a couple of companies that made some real bad decisions in the gulf shelf when oil was a bad price. Fine, we agreed that under \$34 a barrel you can have some royalty relief. Oil today, my friends, maybe you haven't been out of the Chamber here, it is \$70 a barrel; and that is why we are asking the marketplace to work on behalf of the taxpayers of the country who are paying \$3.50 for gasoline.

The gentleman's amendment should be unanimous in this House on behalf of people who are buying gas and com-

muting to work and are paying that price every day. Why do they now have to pay it through this tax break through this royalty relief?

Mr. TAYLOR of North Carolina. Mr. Chairman, I yield 4 minutes to the gentleman from Idaho (Mr. SIMPSON).

Mr. SIMPSON. Thank you, Mr. Chairman. I appreciate what the gentleman from California was saying, but he was wrong. Just dead wrong.

These leases were signed by the government. They were legal leases. They were valid leases. All we are saying is that the government ought to keep its word. When they sign a contract, they ought to honor the contract. The gentleman is absolutely wrong. Congress and the government should keep their word when they sign a contract. That is all we are saying.

Do we want them to pay royalty on this? Certainly we should, and I do not know why in the world the Clinton/Gore administration, the Clinton/Gore administration, let these leases go without any royalty. I do not know why they did that, but the reality is that they were signed contracts. And all we are suggesting is that you should not penalize those companies that actually signed these contracts in good faith. You should not penalize them for future leases. Why should we penalize them? There is absolutely no reason why we should penalize them. We should honor our word and our contracts, and then we should go forward.

We hope, we hope that they will renegotiate for leases, but this is not giving a break to those companies. That is not what we are intending. We hope they renegotiate. That is the reality.

Mr. HINCHEY. Mr. Chairman, the Bush administration has allowed these leases to continue for 5 years, and they haven't renegotiated them. I would just like to draw that to the attention of my friend from Idaho.

Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. GEORGE MILLER).

Mr. GEORGE MILLER of California. You have a loan on your home. You

have a second mortgage on your home and you want a new line of credit. It is a valid line of credit and it is a 4 percent loan. What does the bank tell you? We want you to pay it off, and the new rate is 7 percent or 6 percent.

People renegotiate these contracts all the time. You just refuse to negotiate them on behalf of the taxpayers. You renegotiate them all of the time on behalf of the oil companies. We do it all of the time.

This is what people do when they want to refinance their homes. The banker says, here are the new rules. You can stick with your loan and be happy as you are; but if you want another \$50,000 out of your house, here are the points you have to pay. People understand this.

Why don't you let the marketplace work for once and why don't we run the government like a business, like so many of our constituents stand up and tell us to do. We now have an opportunity. We now have an opportunity, and you are refusing to take the opportunity on behalf of the taxpayers.

Mr. TAYLOR of North Carolina. Mr. Chairman, I yield 2 minutes to the gentleman from Idaho (Mr. SIMPSON).

Mr. SIMPSON. I am sorry the gentleman from California left the floor. We do renegotiate all the time, but it is up to me to decide whether I want to renegotiate or not.

What we are doing is imposing a penalty on these companies if they choose not to renegotiate. And I really don't care what CRS says. I don't think they are a bunch of attorneys down there. All I know is that in Idaho, we believe that when you write a contract you abide by the contract. We have written a contract. We ought to abide by it.

We are the Government of the United States. If you can't trust us to abide by the contracts we sign, why should we trust anybody else to?

Mr. HINCHEY. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. MORAN).

## NOTICE

*Incomplete record of House proceedings. Except for concluding business which follows, today's House proceedings will be continued in the next issue of the Record.*

### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. LARSON of Connecticut (at the request of Ms. PELOSI) for today on account of a family medical emergency.

Mr. LEACH (at the request of Mr. BOEHNER) for today on account of giving a commencement address in his district.

Mr. SHADEGG (at the request of Mr. BOEHNER) for today on account of traveling with the President of the United States to Arizona.

Mr. FLAKE (at the request of Mr. BOEHNER) for today on account of traveling with the President of the United States to Arizona.

Mr. FRANKS of Arizona (at the request of Mr. BOEHNER) for today on account of traveling with the President of the United States to Arizona.

Mr. HAYWORTH (at the request of Mr. BOEHNER) for today on account of traveling with the President of the United States to Arizona.

Mr. KOLBE (at the request of Mr. BOEHNER) for today on account of trav-

eling with the President of the United States to Arizona.

### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DEFAZIO) to revise and extend their remarks and include extraneous material:)

Mr. DEFAZIO, for 5 minutes, today.

Mr. EMANUEL, for 5 minutes, today.