we start this bill, but the 10 minutes is off the 20 hours allotted to this bill.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

UNANIMOUS CONSENT AGREEMENT—S. 295

Mr. GRAHAM. Mr. President, I thank the Senator for allowing us to have this time. I have a unanimous consent request to make for the RECORD. This has been approved by the majority leader and minority leader.

I ask unanimous consent that the consent agreement relating to S. 295, which is a bill about China currency, which was entered on July 1, be modified so that it is applicable under the same terms including any days in December that the Senate is in session but under no circumstances no later than March 31, 2006, with all other provisos remaining.

At this time, I yield to my colleague from New York.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Mr. President, I thank my friend and colleague Senator GRAHAM, who has been a pleasure to work with on this issue, for his help and support.

This extends the privilege we have been granted by the majority leader and minority leader to bring our bill, our proposal, on Chinese currency up at a later date. After our bill on April 6 got 67 votes on a procedural motion, Senator GRAHAM and I agreed to an up-or-down vote on our bill, S. 295, before the August recess.

In July, at the behest of Treasury Secretary Snow and Federal Reserve Chairman Greenspan, we agreed to delay our vote on our bill until the end of the first session of the 109th. Well, that may well be this week. We are finishing up business while the President is, in fact, going to be in China. Senator GRAHAM and I do not think it would be appropriate to vote on this bill while the President is there so we have agreed to delay.

Senators may recall that back on July 21, China promised to let market forces work and they revaluated their currency by a small but significant 2.1 percent. But they said the market should allow the currency to rise or fall about .3 percent a day. Unfortunately, that has not happened. Since the original 2.1 percent revaluation of the yuan, the currency has moved as much in nearly 4 months as China said it would allow it to move in a single day. So in the whole 4 months, it has not even moved a day's worth. Senator GRAHAM and I, frankly, are disappointed in the progress so far. We said at the time it was a good first baby step, but we need additional steps. Thus far, none have been taken.

We are hopeful the President's trip to China will produce positive results. We are willing to forestall our amendment to see what happens on the President's trip.

Under the new agreement, Senator GRAHAM and I can call up the bill in early December, when Congress returns for votes, or early in the second session, with a promise that the bill will be considered no later than March 31, 2006.

We hope and pray China will move. We do not want to dictate anything to the Chinese. We do not want to tell them how quickly they should move or to what degree, but we do need to see some more movement on something that just about everyone agrees ought to happen. The delay of this resolution will be salutary, we believe, to bringing some results.

I yield back my time to my colleague Senator GRAHAM for some concluding remarks. I would also yield the 5 minutes I have been ceded to Senator GRAHAM so he may finish.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. GRAHAM. Mr. President, I thank my colleague for giving a very good explanation of where we started and where we are today and where we hope to be in the future. Where we started was a situation where China saw no self-interest in allowing their currency to meet international monetary standards of being valued by the market.

The practice of pegging the yuan to the dollar has created a tremendous manufacturing disadvantage for our manufacturers. It has hurt every competitor China deals with. It is a practice that needs to change because China has changed.

Our goal is to allow that change to come about in a reasoned way, in a win-win fashion. The change that occurred, as Senator SCHUMER spoke about, where there was a slight revaluation, was a very good signal coming from China. It was an optimistic event. Since then, 4 months later, very little has happened.

I know the President is going to put it on the table when he goes to China. We stand behind our President in this regard, that we in the Senate, 67 of us, anyway, and the President, through Secretary Snow, and the President himself, have been urging the Chinese to change their currency practices. It is the position of the administration that it should float, while it is also the position of the Senate that China needs to change their currency practices. As Alan Greenspan has said so well, it is in China's self-interest.

I do hope, as Senator SCHUMER said, that after this meeting with President Bush there will be further progress. So I am guardedly optimistic but resolved to make sure we have a level playing field when it comes to dealing with China. This is an opportunity for a win-win. I hope the Chinese will take us up on it and we can have a better relationship.

This one issue is one of the defining moments in the U.S.-China relationship economically and we will see what time yields in terms of these negotiations.

I yield back all time.

The PRESIDING OFFICER. Without objection, the request is agreed to.

The Senator from Montana.

Mr. BAUCUS. Mr. President, I commend my colleagues from New York and South Carolina. This is an appropriate way to handle this issue. Clearly China pegging their yuan to the dollar has caused immense dislocations. It is also fairly clear that a 27-percent tariff on Chinese products coming to the United States is an untenable position and it would not be the right action for the United States Congress to enact legislation which would enact a 27-percent tariff on Chinese goods coming into the United States that, in effect, is a 27-percent tax on products that American consumers would otherwise be purchasing.

Having said that, it is a problem—that is, the Chinese failure to let their currency float. They did let it float a little bit by a couple percentage points not long ago, but most all observers agree that is not enough. To some degree, this issue is tied to Chinese banking reform. Chinese financial institutions have asked the United States and other countries for advice on how to reform their system. There are too many nonperforming loans in the Chinese banking system, which is related to China's inability thus far to let its currency valuate totally freely. There will come a time—and the time is probably sooner rather than later—when this will become an issue and it will come to a head.

Right now is not the time. The Finance Committee clearly takes this issue very seriously. We in the Finance Committee will pay great attention to the degree to which this measure, the Schumer-Graham amendment, should be taken up and passed or modified before reporting it to the floor. Waiting until the end of March of next year certainly is appropriate.

I say to everyone concerned with this issue, we will act in time, and hopefully it is a time when it is an accommodation rather than a confrontation. It is up to both sides of the Pacific, frankly—China and the States—to recognize that we have to get a resolution here. We are two great countries. It is by far better for each country to gauge each other appropriately with eyes wide open. It is not appropriate for either country to sort of stiff-arm each other.

We are here. We are on the world scene. China is on the world scene. China has a huge interest, of course, in China's development but also a huge interest in the stability of the U.S. economy. And vice versa; we do, too, in China.

I urge real leadership in both countries to try to find a solid resolution so we can avoid confrontation. I again thank my friends from New York and South Carolina for their statesmanlike approach to this; namely, not pressing the issue abruptly but rather agreeing to postpone, until March 31, the next deadline.

Mr. President, I would like to turn to the bill before us. The Book of Proverbs counsels: ''Do not quarrel with a

man for no cause.'' One might rephrase that for modern times: ''Know when to take 'yes' for an answer.'' That is how I feel about this tax bill before us today.

Last Tuesday, when the chairman of the Finance Committee gave notice of his intention to hold a markup on the tax reconciliation bill, I thought that we were going to have a knock-down, drug-out fight over capital gains, dividends, and the budget deficit. Now it appears that we are going to have an entirely different debate.

When Chairman GRASSLEY first raised the issues of this tax bill with me, I told him: If you take capital gains and dividends out of the bill, I can support it. And the chairman and now the Finance Committee have taken capital gains and dividends out of the bill. And now I do support it. I am willing to take ''yes'' for an answer.

I am gratified that the chairman and the committee have chosen to forgo the capital gains and dividend provisions that they once contemplated. That is a fundamental change. And from this side of the aisle, that is a welcome change.

The job of a committee chairman is a large part of brokerage job. A committee chairman tries to do the most that he can with the votes that he has. I compliment the chairman of the Finance committee for being among the best at counting the votes. And I think that the bill that the Finance Committee brings before us today represents the moderate consensus of the Senate.

For many reasons, the bill before us today is not all that I would have preferred. It is not always the case, as with any Senator. I would have preferred that we had handled this tax cut legislation outside of the reconciliation straightjacket. I would have preferred that we had done more to address the immediate needs of the people affected by the hurricanes that ravaged the gulf States. I would have preferred that we had done more to address active financing, the provision that we have to help our companies be competitive with companies overseas. And I would have preferred that the committee would have paid for the tax cut in this bill. It is not appropriate by any stretch of the imagination that we add to the deficit rather than not adding to the deficit.

But I know that the chairman and the majority leader would have preferred that the votes had added up a little differently in other ways. That would have been their preference. I gave my preference. They, their preference. Neither of us prevailed.

There are many good things in this mark. Extension of the R&D credit is crucial for American businesses to remain competitive. The devastated Gulf States desperately need the help to rebuild that is in the mark. And I appreciate the work that was done to extend the tax provisions that we all know need to be extended. This is the business of the Finance Committee, to make sure that these extensions are extended so there is no cutoff date which causes a lot of problems for people trying to plan, trying to determine what the future is. That is also the business of the Senate.

The bill before the Senate today thus advances what we have in common. It avoids a massive quarrel.

Later, we will need to resist the fiscally irresponsible road down which the House of Representative seems headed. If the conference reports comes back to the Senate with capital gains and dividends it is, we will be back to a different bill. And will be back to the knock-down, drag-out fight we have thus far avoided.

I am pleased that we have a bill before us without capital gains and divided tax cuts it in. I am pleased that we received ''Yes'' for an answer. ''Proverbs'' is something I think we should listen to from time to time. And as a result, I look forward to fewer quarrels on this bill over the balance of the week.

I yield the floor and suggest the absence of a quorum. I will ask the quorum call be equally charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

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

Mr. GRASSLEY. Mr. President, I want to tell my fellow Senators why they should support this legislation, and most importantly thank Democrats for being so patient while Republicans were figuring out a compromise that we could get a majority of Republicans and all members of the committee behind. I thank Republicans for helping us work something out that we could get done. I have enjoyed the cooperation of Senator BAUCUS. Even though we haven't agreed on the details of this specific piece of legislation—I think you heard Senator BAUCUS speak about the bill that just passed the Senate, the pension bill—there was full cooperation not only between Republicans and Democrats but between two different committees that had jurisdiction over it. There will be differences between Republicans and Democrats on this bill.

I compliment my colleague, Senator BAUCUS, for helping us move things along and being so patient in the process.

This afternoon we begin consideration of an important tax relief measure. The bill before the committee today does three important things. First, it acts on our commitment to provide rebuilding assistance to areas of the country devastated by this year's relentless hurricane season. Second, it provides tax relief for American families by ensuring that there is no interruption in tax provisions that are expiring this year. And third, it provides incentives for increased charitable giving while prohibiting transactions that misuse or abuse charitable organizations and their assets.

An important part of this bill is delivery on a commitment we made to residents of the gulf region, as well as more recently impacted areas of Texas and Florida, to provide much-needed relief and resources for economic rebuilding to those areas.

I want to thank the members of the delegations from States that were devastated by Katrina, Rita, and Wilma during this hurricane season. Specifically, I would like to thank Senator LOTT, a senior member of our Finance Committee. I would also like to thank Senators COCHRAN, LANDRIEU, VITTER, SHELBY, MARTINEZ, and BILL NELSON for their input.

I know some are disappointed we could not do more, especially with respect to Rita and Wilma. But, with the revenue available, we could not answer every need.

As promised, we have made our best effort to marry up our compassion for displaced persons and damaged communities with attention to fiscal discipline and the best use of taxpayer dollars. This hurricane relief package represents an effort to most efficiently and effectively use resources under the Finance Committee's jurisdiction to assist in the rebuilding and revitalization of those regions. I will reiterate the guiding principles of our hurricane relief legislation.

First, because market forces will be the driver in getting these regions back on their feet, our bill includes only provisions that encourage and incentivize redevelopment.

Second, our package provides resources only to those who incurred uninsured losses and does not provide for a bailout of those who assumed risk as an insurer in our capitalist, free-market system.

Third, we have focused our limited Federal resources on those most in need—like the many devastated small business employers who were the backbones of these economies and who will be the engines of their future growth and prosperity. And, finally, the bill provides front-loaded incentives on a timely basis to encourage people and businesses to return to the region as quickly as possible.

This bill also extends popular tax relief ranging from tax deductions for families sending kids to college to relief from the expanding reach of the alternative minimum tax. If we let these provisions lapse, we are raising taxes on a significant number of taxpayers.

I would like to talk briefly about some of the important initiatives in our bill. The largest provision in the bill—about $30 billion of tax relief—amounts to half of the net tax package and is designed to keep people out of

the Alternative Minimum Tax. This piece of the package affects 14 million American families in every State in this Nation. The AMT is terrible and should be repealed. Until such time, we owe it to American taxpayers to ensure that they are not hit by this stealth tax.

I have a chart here dealing with the AMT. It shows, by magnitude, the number of taxpayers, mostly families with kids, who would benefit from the so-called AMT ''hold-harmless'' in this bill.

Now, everyone should know this information comes from the IRS Statistic of Income. This is the latest available government data on State-by-State effects from tax relief proposals in the 2001 and 2003 legislation. With respect to the AMT, the number for 2006 will roughly double what is shown on this chart. So, any Member who looks at his or her State, should understand the number of families affected will double next year.

There will be critics. You are familiar with them. We all know who they are. They will appear with their charts and their over-the-top rhetoric. They will appear here today and they will claim that our hold-harmless isn't good enough. These critics are very good at criticizing. Let me assure everyone that I don't just want the hold-harmless. I want to reform or eliminate the AMT. I challenge the critics in advance, just as I did in the Spring debates on the budget resolution, to propose an AMT reform plan. Don't just whine about it. Join me in fixing it. I look forward to the critics' plan to fix the AMT.

This bill also includes popular and broadly-applicable tax benefits. I will talk about them individually and use charts as I move along.

Let's take a look at the deductibility of college tuition. This is a benefit for families who send their kids to college. By definition, this benefit goes to middle-income families. A lot of these folks aren't low-income, so their kids don't qualify for Pell grants. But they are not high-income either. They get the full benefit of the deduction if they make up to $65,000 as a single person or $130,000 as a couple. Beyond those levels, the benefit phases out. A lot of these folks are paying significant Federal, State and local taxes and they get no help in defraying the high cost of their kids' college education.

This tax deduction provides help to these hard-pressed middle-income families with a benefit and furthers an important national goal of support for higher education. This deduction runs out at the end of this year. These families will face a tax increase if we don't act on this bill. This chart shows the number of families on a State-by-State basis that benefit from the deduction.

Another benefit addressed in this bill is the small savers' credit. Here, I am talking about a tax credit for low-income folks that save through an IRA or pension plan. We all think savings is important. We all want low-income folks to save for retirement. This chart shows the number of low-income savers who benefit in this bill on a State-by-State basis.

The bill also extends a tax deduction for teachers who buy their own supplies for their students. This provision, developed by Senators WARNER and COLLINS, makes whole teachers who go the extra mile by paying out-of-pocket expenses. Who could argue with that? I'm going to point to a chart that shows on a State-by-State basis the number of teachers taking this deduction.

This bill also extends small business expensing. Many small businesses use this benefit to buy equipment on an efficient after-tax basis. It is good for small business. It is good for small business workers. It is good for economic growth.

My final chart deals with the State and local sales tax deduction.

For the States of Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington, and Wyoming, this bill helps 12.3 million taxpayers in your States. Tennessee is the home of my friend, the majority leader. He has worked hard to get this bill to the floor. Nevada is the home of my friend, the Democratic leader. Unfortunately, the Democratic leader has fought this bill tooth and nail. Hopefully, he will see the light now that we are on the floor. I hope he will work with me to guarantee that folks in his State will be able to deduct their sales taxes next year.

These provisions are bipartisan and millions of American taxpayers rely on them. Every Senator ought to help us pass this bill for these provisions alone.

The bill addresses expiring business and individual provisions known as the ''extenders.'' These provisions include the research and development tax credit and the work opportunity tax credit.

This bill also includes many of the charitable incentives introduced in the CARE Act and which have previously passed the Finance Committee and the Senate. I appreciate the work of Senators SANTORUM and BAUCUS in working with me to balance these incentives with several of the much needed reforms that are supported by the charitable sector, the Treasury Department, I.R.S. and donors and taxpayers overall.

Last, but not least, this bill contains loophole closers and tax shelter fighting provisions that raise revenue.

This bill is bipartisan. I thank my friend and ranking member, Senator BAUCUS, for his cooperation. He and I were not partners on this bill at the beginning and through a large part of the process, but we teamed up yesterday in the Finance Committee. As always, his cooperation and good humor make a big difference.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Montana.

Mr. BAUCUS. Mr. President, I suggest the absence of a quorum and ask unanimous consent it be charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. 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 addressed the Chair.

The PRESIDING OFFICER. Who yields time to the Senator from North Dakota?

Mr. BAUCUS. Mr. President, I yield to the Senator from North Dakota for purposes of offering an amendment.

The PRESIDING OFFICER. The Senator is recognized.

Mr. DORGAN. Mr. President, I was not aware that time had to be yielded for the purpose of offering an amendment. I appreciate that, but the Presiding Officer was asking ''who yields time.'' My understanding is a Senator can seek recognition and, therefore, offer an amendment on his own volition.

The PRESIDING OFFICER. The Senator is correct. The Chair was not aware that the Senator from North Dakota was going to offer an amendment, but thought we were in general debate.

AMENDMENT NO. 2587

(Purpose: To amend the Internal Revenue Code of 1986 to impose a temporary windfall profit tax on crude oil and to rebate the tax collected back to the American consumer, and for other purposes)

Mr. DORGAN. Mr. President, I offer an amendment on behalf of myself, Senator DODD, Senator BOXER, Senator REED of Rhode Island, and Senator LIEBERMAN. I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Dakota [Mr. DORGAN], for himself, Mr. DODD, Mrs. BOXER, Mr. REED, and Mr. LIEBERMAN, proposes an amendment numbered 2587.

Mr. DORGAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

Mr. DORGAN. Mr. President, this is not a new subject. It is one myself, Senator DODD, and others have spoken about on the floor, as a matter of fact, in recent days and weeks.

Let me describe briefly that it is, in fact, an amendment that is identical to the legislation we have offered that would create a windfall profits tax on profits of the major integrated oil companies, profits above $40 a barrel for oil, the purpose of which would be to collect that money and rebate it in its

entirety to consumers. Or in the alternative, if the major integrated oil companies are using that money to invest into the ground or to build refineries above ground to expand the supply of energy and, thereby, bring down the price, they would be completely exempt from the windfall profits tax.

If they are using their profits above $40 a barrel for the purpose of buying back stock, ''drilling for oil on Wall Street,'' as I will describe in a few minutes, or for other purpose that will not expand the supply of oil or the supply of energy, then they would be paying a windfall profits tax on profits above $40 a barrel at the rate of 50 percent—a 50-percent excise tax—all of which would come into the Federal Government, all of which would be rebated by check to individuals in this country in order to help pay for the higher cost of energy that individuals are now facing.

This is very simple. This is not a complex amendment. We are not trying to recalculate income or do things that are particularly difficult. The proposition is simply this: Last year, the major integrated oil companies in this country earned the highest profits in their history. The average price for a barrel of oil was $40 a barrel, and at that price the major integrated oil companies had the highest profits in their history.

Now the price is dramatically above that. It has bounced around from $50 to $60 to $70 a barrel, well above the $40 a barrel, and the profits by the major integrated oil companies—and that is all our amendment deals with, the major integrated oil companies—the profits have been extraordinary.

The third quarter profits: $9.9 billion for ExxonMobil. I have a list of a number of them I can show. But the third quarter profits are very substantial—the highest in the history of corporate America. So you have all of this gain by the major integrated oil companies, and then all of the pain on the other side. The major integrated oil companies have all of the gain. Who has all the pain? All the American people who are trying to pay for the price of a tankful of gas or trying to figure out how they are going to heat their home in the winter or trying to figure out, if they are a farmer, how on Earth they can order that next load of fuel so they will be able to go into the field in the spring. How do they pay for all that? That is where all the pain is. You have all the gain on one side, and all the pain on the other side.

Now, we are told this is just a free market. In fact, I had kind of a minilecture about that from the president of Exxon, the CEO of Exxon. He came to the Commerce-Energy Committee hearing we had, the joint hearing, and he kind of gave me a short little minilecture about the marketplace: This is the marketplace. Interestingly, he did not say: The free market. He said: The world market.

Well, let's think about this for a moment: the world market. For ExxonMobil, $9.9 billion in profits they made just in the last quarter. The world market, he says. Well, let me tell you about the world market. The world market, first, is the OPEC ministers sitting around a table someplace in a closed room talking about production and, therefore, the impact on price. Second, it is the major integrated oil companies that are larger by far than they have ever been because of blockbuster mergers. They all have two names now. It used to be Exxon and Mobil. Now it is ExxonMobil. It used to Chevron and Texaco. Now it is ChevronTexaco. We didn't know they were dating, and they got married. Now, pretty soon, it is going to be ''ChevronTexacoShellExxonMobil.'' It will be all one name. They don't seem to drop any names; they just get bigger and bigger.

So the second part—after the OPEC ministers talk about production and price—is these folks, the major integrated oil companies, that are bigger because of blockbuster mergers and have more raw muscle in the marketplace than they have ever had before.

Third, and finally, we have what are called futures markets. The futures markets are supposed to provide liquidity for trading. Instead, it has become a speculative bazaar, a grand bazaar of speculation. And that then gives us what is called the world price—not a free market price. This has no relationship to either freedom or the marketplace. This is not a free market. What we have is all of this gain and all of the pain on the part of the consumers.

Let me describe a little about what is happening here. Last year, we had the highest profits in our history for the major integrated oil companies. BusinessWeek wrote an article. BusinessWeek is not some liberal rag someplace. We are not talking about some progressive magazine. BusinessWeek is a solid, conservative business magazine. Here is what they say: Why isn't big oil drilling more? Rather than developing new fields of oil, giants have preferred to buy rivals, drilling for oil on Wall Street.

All right. They were talking about last year. Last year, ExxonMobil made $25 billion in net income. They spent almost $10 billion to buy back their stock. Does anybody think that expands the supply of oil? No. No. No. That is an approach that certainly makes the stock options of the CEOs much more valuable. It enhances and enriches the corporation. It does nothing at all with respect to expanding America's energy supply and thereby bringing down prices.

So BusinessWeek says: Why are they drilling for oil on Wall Street? Oil has been over $20 a barrel since mid-1999. That should have been ample incentive for companies to open new fields since projects are designed to be profitable with prices as low as the mid-teens. Nevertheless, drilling has lagged. Far from raising money to pursue opportunities, oil companies are paying down debt, buying back shares, and hoarding cash.

That, from BusinessWeek. Question: If this was the case at $40 a barrel, and oil goes to $60, $65, and $70 a barrel, and consumers bear all of this pain—an increased pain from high prices that in many cases they cannot afford—for a product they must have to drive to work, to heat their homes, to prepare for spring planting, is that fair?

The answer clearly is no.

Will somebody do something about it? Will somebody stand up and say it is time to do something about it? I hope the answer to that is yes.

Just a few headlines. This is from last month: High energy prices lift profits of ConocoPhillips by 89 percent. Its third-quarter profits almost doubled, the first big American company to report earnings for the third quarter. Net income jumped 89 percent.

ExxonMobil, from October 27: $9.9 billion in one quarter, up 75 percent.

From earlier this year: Big Oil's Burden of Too Much Cash. The world's ten biggest oil companies earned more than $100 billion in the year 2004, a windfall greater than the economic output of Malaysia. Their sales are expected to exceed $1 trillion for the year 2004, more than Canada's gross domestic product.

It goes on to say: ExxonMobil, the world's largest publicly traded company, earned more than $25 billion last year and spent $9.95 billion to buy back its own stock.

I mentioned that earlier, but that, in fact, is the case. At the hearing with the major CEOs of the big oil companies, I asked that question of the CEO of ExxonMobil. These were people that run ExxonMobil gas stations in the Washington, DC-Virginia-Maryland region. September 9, this is titled, ''Finger Pointing Begins As Gas Prices Jump 24 Cents in 24 Hours; Exxon Dealers Say They Are Chafing Under Higher Prices Decreed From Atop; Station Owners Accuse Big Oil Company of Profiting From Impact of Hurricane Katrina.''

That is very important to point out. Hurricane Katrina hurt these oil companies. Oil was well over $60 a barrel before the first hurricane started circulating in the gulf. That is not what got us $60-plus-per-barrel oil. You have gasoline station dealers saying that Exxon was the one that said, through wholesale prices, you must charge 24 cents more in a 24-hour period. They said: What is going on here?

So I asked Mr. Raymond. Well, he wasn't sure that happened. I said: This was a public charge about your company. Didn't you investigate it?

No. We didn't. We might have. I don't know. He wasn't sure.

Let me back up a step to talk about the slightly larger picture and then come back to this question of fairness. We have a serious problem with energy, there is no question about it. This old planet of ours hosts the U.S. citizens in this little part of the planet. There are

about 6.4 billion people who live on this planet as we spin around the Sun. We have a prodigious demand, a huge demand for oil in this little spot called the United States. We suck up—when I say ''we,'' the royal ''we''—everybody sucks up about 84 million barrels of oil every day from this earth. Eighty-four million barrels a day are produced from underneath this earth. We also use 84 million barrels a day on this planet. It turns out that 21 million of that 84 is used right here in this country. This country uses one-fourth of all of the oil that is pulled out of the ground.

Is that going to change? Sure. China now has 20 million cars on the road. By the year 2020, 15 years from now, it will have 120 million cars. Add 100 million cars to the mix and the demand to run something through those carburetors or fuel injectors, probably gasoline, ask yourself, in a planet where you are pulling up 84 million barrels a day and this country is using 21 million, one-fourth of it, and we have a demand that now comes from other countries saying, We want some of that, and by the way, we want to have more vehicles on the road—China, as an example—where does the additional oil come from? We have serious issues and significant long-term problems that we have to deal with.

I have my own feelings about that. I largely helped write the hydrogen fuel cell title in the Energy bill. I have ideas about what we need to do. We need to grow energy in our fields with renewable fuels, ethanol, biodiesel. There are so many other things we need to do, including encourage the transition of hybrid cars as we move toward a hydrogen fuel cell future. All of those things I will discuss at greater length at some other time. But at the moment, we live now. We can talk about the longer run. John Kenneth Galbraith used to say, in the long run, we are all dead. But we go into this winter, as consumers in this country, confronting a fuel bill that has dramatically increased over last year, and then reading in the newspaper in the morning, wearing a sweater in a home that you have to keep a couple of degrees cooler in order to afford to heat your home, that ExxonMobil has a 75-percent or 89-percent profit or all the majors are showing massive profit increases. So while they sit there fat and happy, racking up the profits, everybody else is trying to figure out how they pay the price. How do you scrape up the money to heat the home, to fill the car, to fill the tanks so that your tractor and farm equipment is ready in the spring?

People say: Well, if that is a problem for you, that is tough luck. There are a couple of economists writing in recent days—I won't name them—who can tell us everything about the future but can't remember their home phone number. You know the type. They are telling us what will happen here is if people can't afford to pay the cost of energy, it will force them to conserve more. Easy to say for one of these economists who drive around town in their Volvo or Mercedes cogitating about the future. What about the people who have to use a car to drive to work, have to fill the tank with gas but don't have the money to do so, or the people who understand they live in the northern part of this country where we have tough winters and they have to pay the heating bill and it costs a lot of money and they don't have it? What about that?

Senator DODD and I have offered a proposal. It is widely reviled by the major oil companies. I understand that. For them, it is the hog rule: Give us what we want, we want everything, and what you don't get doesn't matter to us. After all, energy is not something that is like every other commodity.

I did an interview with a radio person the other day, and he said: If you are going to have a windfall profits tax with respect to oil profits above $40, what about a windfall profits tax on the shares of Google? I said: Do you drive up to your gas station and say, Fill it up with Google? Gasoline is different. Gassing up your car, providing natural gas or home heating fuel for your home is different. It is a necessity. Everybody needs to do it. It is part of what we are as Americans. It is the way we live. In the long term, we have to make some changes, maybe so. But in the short term, we live now at a time when the major oil companies are exhibiting the highest profits in their history, and everybody else is trying to figure out how on earth to pay the bills.

Senator DODD and I put together the simplest possible plan. We have said: If oil continues at this level, understanding that last year, at $40 a barrel, they had the highest profits in their history for the major integrated companies, we say, for the major integrated oil companies, if the price of oil is over $40 a barrel, we believe that is a windfall profit having nothing to do with fairness or the free market. If the oil companies, however, use that extra money to sink back into the ground for exploration and drilling or to build refineries above ground, to do the things that would expand the supply of energy and thereby reduce energy prices, our proposal will not impact them at all. They will not be taxed. We still don't like the prices, but it won't affect them. They are doing the right thing to expand the supply of energy, which will ultimately bring down the price of energy. But if they do not do that—and they are not; they are buying back their stock, hoarding cash, drilling for oil on Wall Street; they are not doing the right thing—then they would be subject to a 50-percent excise tax on those windfall profits above $40.

Senator DODD and I, unlike others, would not suggest we bring that money into the Federal Government and let it rest here. We suggest that money be brought here and sent out immediately in its entirety as a rebate to the consumers of this country who are paying the bills. They are the ones who are hurt. They are the ones from whom these profits came. They are the ones entitled to have the rebate, if the oil companies are not going to use those profits to expand the supply of our country's energy and oil.

This is a hard proposal to misunderstand. Let me just say, there are many who have deliberately done so. Yesterday, a study came across my desk that appeared to have been paid for by an entity called Investors-Shareholders Alliance. Actually, I Googled them on my computer to find out who on Earth this is. But they have been able not to leave traces, even with a Google search. But I don't need to know who they are without understanding who funded that study. That study purported to evaluate a windfall profits tax by number, which was our bill, and the two authors of the study had not bothered to read it, misdescribed it, and analyzed it in a way that was dishonest.

So the press people called me and asked for my reaction. I said: It is a complete joke, perhaps a Ph.D. joke. These people have really big degrees and tiny glasses and think they are pretty smart. It is just that they forgot to read our legislation because they evaluated something else and attached our number to it. I am assuming that was paid for by the big oil companies. God bless them. They have plenty of money. They will have lots of money to defend themselves against this proposal that we offer today.

I wish no ill will toward the oil companies. I don't. That is not the purpose of this. We produce oil in my State, and I have done plenty of things to be supportive of those who really want to expand America's energy supply and drill for oil. But when I see $65-a-barrel oil and I see people who can't afford to pay the price struggling to figure out how to live day to day, putting gas in the car and heating homes, and then I see record profits announced every single day in the newspapers, I say something is wrong, something is disconnected. It seems to me it falls on the shoulders of this Congress to stand up and do something about it.

On this vote, the question is, Who do you stand with and who do you stand for? We have separate interests, the interests of the largest oil companies who would like even higher profits. When one person said to me, Well, why is it a windfall at $65 a barrel, I said, Let me ask you a question. What if it were $165 a barrel? Would you think that was too much, or doesn't that matter to you?

At $40 a barrel, I would say, finally, last year the major integrated oil companies, larger by far than they have ever been because of blockbuster mergers, made the highest profits in their history. Now they have dramatically expanded those profits at the expense

of American consumers. I believe it is unfair. Our amendment would at least begin down the road to try to do something about it. I am pleased to have offered the amendment with my colleague from Connecticut, Senator DODD.

I yield the floor so he may amplify on my comments.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I commend my colleague from North Dakota who has more than adequately and eloquently described this simple proposal that has some significant implications but, nonetheless, one that is clear and straightforward. Let me repeat what my colleague from North Dakota has stated.

First and foremost, these are not two Senators who believe that oil companies ought not to be able to earn a profit. In fact, our economy depends entirely on the capitalistic system, the profit motive. But all of us have learned historically that there are times when, in the absence of some restraint, the profit motive can cause such disruption, such a misalignment in economic circumstances, that it is imperative that those in positions of responsibility try to step in to do something about it. That is clearly what we are trying to do here. The underlying purpose of this amendment is to provide some relief to consumers.

The New York Times reported the other day that one business has been paying roughly $700,000 for its energy needs. The company anticipated its energy costs this year will be $1.4 million, virtually doubling the cost of its energy needs in a brief period of time.

We know, as a result of these rising costs, what consumers are likely to pay for home heating oil. And while we have seen some abatement in the cost of the price of gasoline, clearly the prices are still very high. We believe these individuals deserve a break.

We talk about tax breaks for people who need them. Clearly, the people who will be paying these costs deserve to have some relief. But we quickly point out that this is a choice the industry can make because what the Senator from North Dakota has said is: If, in fact, you do what you ought to be doing, and that is to plow these profits back into energy creation, energy production, development of resources, there won't be an excess profits tax. That is an option that the industry can have at this juncture and one we would hope they would be engaging in. It was stunning to find out that they are taking virtually half of their profits and just buying back their own stock rather than investing in the expanded development of energy resources.

So at the outset, I want to be very clear. We do not begrudge any company, even an oil company, making a profit and a good profit. It is the engine that keeps our economy moving forward. But as we have said, there is a huge difference between profits and profiteering, and it is profiteering, in our view, that is occurring here.

In the opinion of many, the big oil companies have been engaged in just that, in profiteering. The concept of profiteering is not a new one, and this would not be the first time that the Congress of the United States has acted as a watchdog against such profiteering.

One of the most high profile cases was during World War II when Harry Truman, then a Member of this body, chaired an investigation into the profiteering that was going on among wartime businesses. The concept of profiteering is also not new to this particular industry which operates in a market dominated by the OPEC cartel and a few large corporate conglomerates.

Over the past several years, we have seen a steady and steep increase in the price of oil. In the year 2000, when the Northeast Heating Oil Reserve was established because of concerns that I and others had about heating oil supply and price, crude oil was trading at $30 per barrel. Today, just five years later, the price of crude oil has more than doubled. Refining capacity is near 100 percent, yet over the past 25 years, 176 refineries have closed in the United States. And last month, the five largest oil companies recorded record third-quarter profits.

So here we are. Refining capacity is nearly 100 percent, and 176 refineries in the last 25 years have closed their doors.

ExxonMobil, as this graph here points out, had profits in one quarter, 3 months, of $9.92 billion. Imagine the work that went on in the accounting department to make sure it wasn't $10 billion—we will squeeze it down to $9.92 billion, the largest quarterly profit ever reaped by an American corporation in the history of our Nation. In order to make that profit, ExxonMobil took in a record $100.7 billion in revenue in just those 3 months. To put those numbers in perspective, it is larger than the annual gross domestic product of the United Arab Emirates, a large oil-producing nation. Shell Oil earned third-quarter profits of just over $9 billion. BP earned profits of $6.53 billion, and ChevronTexaco earned $3.6 billion. ConocoPhillips earned profits of $3.8 billion. That is all in 3 months. That is a total of $32.8 billion in profits in 12 weeks.

Mr. President, we all recognize that the gulf coast hurricanes temporarily shook the oil industry as it did other industries, interrupting refining and distribution systems across the country, and it may be some time before all operations are back to normal. We recognize that. But that does not explain the steadily rising oil and gasoline prices that consumers and businesses experienced in the months before the hurricanes. Long before any wind and rain hit the gulf coast, these prices were skyrocketing.

There is evidence that the oil industry deliberately restricted supply to boost profits.

Let me explain using their own language in their own reports, by the way. One major oil company in their 2004 annual report says the following:

> We achieved the highest net income in our history, 18.2 billion. This was 48 percent higher than in 2003 as a result of higher oil and gas prices.

The report goes on to say that these higher profits occurred at the same time that the company produced 3 percent less oil than the year before. They produced less and had almost a 50-percent jump in profits. Mr. President, that is not a coincidence, in my view. It was a deliberate move to raise prices by restricting supply.

It was not long ago that Enron traders were caught on tape colluding to manipulate energy prices during the California energy crisis of 2001. One trader was reported telling the operator of a power plant:

> We want you guys to get a little more creative and come up with a reason to [shut the plant] down.

Mr. President, we don't have anything on tape here from these oil company CEOs, but clearly when you look at some of the reports, they brag about 50 percent profits and yet also point to a 3-percent drop in production.

So given the circumstance of fewer refineries operating at or near capacity, coupled with the increased demand for oil and gas, all we are asking is that these industries reinvest their profits to find alternative sources and types of energy.

In the Energy bill that passed only a few weeks ago, we provide massive tax breaks for the energy industry, and yet even with that they don't want to go out and invest in energy resources to boost energy supply. Instead, profits are used to buy back stock or engage in these mega mergers.

My colleague is right to point out; just look at the names. There used to be a Conoco; there used to be a Phillips. Now it is ConocoPhillips. There used to be a Chevron; there used to be a Texaco. Now it is ChevronTexaco. There used to be an Exxon; there used to be a Mobil. Now it is ExxonMobil. I was born at night but not last night, Mr. President. I know what is going on. You don't have to be an economist or have a Ph.D. in economics to figure out what is going on here.

The simple question is, Do we let this happen and just twiddle our thumbs or do we try to do something about it? And we have offered a simple alternative. The alternative is to provide the rebate and give the people who are paying these increased prices a break.

Let me also be clear that the windfall profits rebate is nothing like the one imposed in 1980. First and foremost, the money would be rebated to consumers. The 1980 windfall profits tax was passed to ensure that the oil industry paid its fair share of taxes to the

Federal Government. We are not suggesting that here at all. Just as important, this amendment would apply only to large integrated oil companies, not the independent producers and refiners. They are exempt under the Dorgan-Dodd proposal. The structure of the tax is different as well. In 1980, the tax was imposed on the difference between the market price of oil and the statutory 1979 base price, adjusted quarterly. Our amendment proposes a 50-percent profits tax only on the profit over $40 per barrel. As my colleague from North Dakota has already eloquently pointed out, that number was not chosen arbitrarily.

At that level, record profits were earned by the industry. Yet that price today is substantially more than $40 per barrel. In 1980, the tax included nearly every barrel of oil produced, and thus domestic production suffered. If oil companies do the right thing to increase supply, then there will be no windfall profits tax incurred. I don't know how else to get their attention. Jawboning doesn't seem to work. So why don't we join in a bipartisan way and say to the oil companies—invest in the energy needs of our Nation and, if not, provide some relief to the people out there who are paying these tremendously increased prices.

If domestic production stays relatively constant at 5.2 million barrels a day and oil continues to sell at nearly $65 a barrel, then the windfall profits tax will be approximately $65 million a day.

This is money that constituents of ours across the country could use to offset the record price increases expected for home heating oil this winter or to combat the rising costs of goods and services that are transported on trucks and rails.

I pointed out one business that the New York Times identified the other day as expecting their energy costs to double from $700,000 to a $1.4 million. Obviously, they are going to pass it on as a cost of production. The consumers will pay the additional cost.

I noticed—I see my good friend from Utah—last night the snow was beginning to fall in the home State of my spouse and the State the distinguished Senator represents. This is not just a New England issue. It is going to happen across the country where many expect record cold temperatures this winter. This is not a situation where consumers have a choice. You don't have a choice to stay warm or not warm, to provide for your family or not provide for your family. These people who travel to work every day don't have a choice whether to get into an automobile. They don't have mass-transit systems. There is no other choice but to put gasoline in that car and go to work. Those companies have no choice other than to shut down or swallow the cost and pass it on to their customers.

It is clear that rising energy costs are a drag on the economy, for individuals, for families, businesses, or farmers, and while gasoline prices are coming down all across the Nation to some degree, they are still on average 32 cents per gallon higher than they were just a year ago. And as the winter weather begins to bear down on us, consumers are bracing for higher heating costs. The prices in my State and across the northern tier States are going to go up.

This windfall profits rebate is a solution for working families across our Nation. It is more than the administration or many of our colleagues have proposed. Every time we try to ease the financial burden on individuals and families, we are met with opposition. We have not been able to raise the minimum wage in 9 years. We can't increase the funding for low-income home energy assistance at all. We have been unable to realistically address fuel efficiency. Senator JACK REED of Rhode Island has offered the home heating assistance amendment. Senator KERRY of Massachusetts has also offered it. In the past, we have had joint efforts by Republicans and Democrats on the LIHEAP program. That has all been turned down. Why not do this? If you don't want to have the general revenues pay for increased help, why not ask that these additional huge profits that are being made go back and provide some relief to people?

The administration has been asleep at the wheel for the last several years and was adamantly opposed to embracing conservation measures. In fact, in 2001, Vice President CHENEY said:

> Conservation may be a sign of personal virtue but it is not a sufficient basis all by itself for sound, comprehensive energy policy.

So you can imagine my surprise when the administration trotted out a conservation program, headed by the ''Energy Hog,'' as they call him. I applaud their late arrival to the benefits of conservation, but I am very disappointed that they have done nothing to stem the rising cost of fuel in our Nation. They brought the oil companies in when they were originally crafting their energy policy, but they have been unwilling to jawbone either OPEC or the large oil companies when individuals, families, and businesses are suffering.

This is an amendment that will have tangible benefits to consumers without undermining the oil industry. It gives the oil companies a choice. I hope our colleagues here on both sides of the aisle would embrace the Dorgan-Dodd amendment. I urge its adoption.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. HATCH. Mr. President, I came over to make some remarks in morning business until I heard the remarks of my colleagues on the other side. I have to say that the windfall profits tax that we enacted a number of years ago, I voted against it. It did not work. It was a disaster. I think this would be an equal disaster. A lot of these folks on the other side are the people who today own a lot of drilling offshore where we know billions of gallons of oil are, who have fought against ANWR where they have estimated at least 6 to 8 billion barrels of oil lie ready to be recovered from a plot of ground as small as 2,000 acres—equal to the Dulles airport acreage.

And you could go on and on about how they have made it almost impossible to drill, to build refineries, to do the things that have to be done to bring oil and gas prices down—almost every argument that has come from the other side. And now we are here trying to tax the companies that now are making very good profits, the very companies that are considering how can they find more oil and gas, how can they drill offshore, how can they drill up in Alaska where there is a lot of oil and gas, and how can we duplicate what they have done up there in Canada with their tar sands. Canada has not been stupid about recovery, and it has cost billions of dollars of investment by oil companies to do what they are doing.

Today Canada is producing a million barrels of oil a day, and before too long that number will grow to 3.5 million barrels a day, mostly from their tar sands. I might add that they now have the second largest oil reserves in the world today, second only to Saudi Arabia, and that is 1 million barrels a day from the tar sands and approximately 1 million barrels from other energy sources. We have just as big of a resource in the U.S., but our companies can not get access to it. It's becoming too difficult to get the necessary permits which are often completely bottled up by the environmentalists, even in areas where drilling would be environmentally safe.

I think the height of stupidity was locking up the Saudi Arabia of coal, which happens to be in Utah, by creating the Grand Staircase-Escalante Monument. President Clinton closed up 60 miles south of Utah, an area larger than the Grand Canyon, without having talked or consulted with one political official in all of Utah—not the Governor, not Members of the Senate or House of Representatives, not even Democrats in Utah. That coal is high-moisture, low-sulfur content, environmentally sound coal, which, if blended with the less clean coal of the east and the central part of our country would save billions of tons of particulates in the air. The arguments for closing off that huge source of clean energy are very similar to the arguments being made today by my two illustrious colleagues, for whom I care a great deal.

It is wonderful for some to get out here and beat up on the big old oil companies. It was just yesterday when I was chatting with one of the largest oil companies, and more than anything, they want to invest in new development and take advantage of incentives we put into the Energy bill. They want to develop the tar sands and oil shale

in our country, we are 15 to 20 years behind Canada on this, so that we can lower the price of oil and gas in this country, so that our good friends in the eastern and northeastern part of this country do not have to pay the high prices they are paying. These oil companies are often not able, even when they make these profits, to drill because they cannot get permits and, in some areas, cannot even drill where we know there are billions of barrels of oil that would lower the price of oil and gas.

That is why I have found this a little hard to take, as I have been sitting here—I didn't plan on talking on this issue. But I am one of those who put into the Energy bill incentives to develop our tar sands and oil shale, our geothermal, our natural gas, and to develop more refineries because over the last 35 years, we have lost 200 refineries and only built 1. Why? Because it is so doggone hard to get approvals to build refineries in this country.

We can't even produce the amount of refined petroleum we need for our automobiles on the road now. Why? Because we have gone so far to the left wing extreme that we cannot develop our own resources, even in an environmentally sound way.

Also, in that bill I put in the CLEAR Act, which provides incentives for alternative fuel vehicles, alternative fuels, alternative fuel stations, alternative fuel cells. Given some time and some investments, I believe we can solve an awful lot of the pollution problems in our country the right way, through incentives, not by punishing the very companies that make our country work. We need to give incentives and government cooperation so companies can get permits to develop more oil and gas, so that we could bring down the price of oil and gas. But every time they want to do that, every time one of these companies wants to do something like that, guess who is throwing up every roadblock they possibly can and all in the interest of politics, in my opinion, which I think is the sum and total of most of the remarks made today on the floor by my two friends and colleagues—and they are friends—on the other side.

Mr. DORGAN. Mr. President, will the Senator from Utah yield for a question?

Mr. HATCH. I listened to the Senator from North Dakota, and I will be happy to take a question. I didn't come here to talk about this, but I got a little bit upset listening to what I consider to be political talk, which we have all too much of on this floor.

Everyday we have people coming around here giving these populous talks about how we have to bring oil and gas prices down, and yet they make it almost impossible to do it. Come on, America, wake up. I am sick of it. I used to be in the oil business. I know how hard it is.

Let me tell you, in eastern Utah, western Colorado, and southern Wyoming, we have upwards estimated 3 trillion barrels of oil, 1 trillion or more of which they say is recoverable, at probably $30 or less per barrel. But developing that oil will take billions of dollars of investment and all kinds of bureaucratic anguish to get the permitting and other steps necessary to go in and do it. And we are 20 years behind Canada. They didn't allow this type of talk to stop them from developing their tar sands.

I talked to a company yesterday who said they may be willing to put a tremendous multibillion-dollar investment in there, and when industry is through, it will be over $100 billion, close to $120 billion invested. Mr. President, where do we think this money is going to come from? By the way, that 1 trillion barrels of oil in eastern Utah, southern Wyoming, and western Colorado is more recoverable oil than all the proven reserves in the Middle East. But it is going to cost more to come out because it is a different form of extraction. To do it costs billions, if not hundreds of billions of dollars of investment over the years. But it will save our country if we have the wisdom and the fortitude and the foresight to go and do it.

I might also add that we haven't built a refinery, as I have said, in 35 years—1 refinery and we have lost 200 of them. Why? Because it is so difficult to get anything done because of the so-called environmentalists, and I have to call some of them extreme environmentalists because true environmentalists should want us to get some of the things I put into the Energy bill.

I don't believe that oil companies should make excessive profits that they are unwilling to use for furthering their business interests either, but if they are given a chance to use them and go out and get more oil for us and more gas for us, they are going to do it. But every step of the way, they are stymied by the very people here who have been complaining.

I am personally tired of it. I feel sorry for the people in the Northeast. I feel sorry for the people in Utah. Our folks are paying more than I wish they had to pay for gas. I feel sorry for those over in Europe, where they have paid more than $4 a gallon for gasoline now for decades, some as high as $6 a gallon for gasoline because they were overrun by the same type of philosophical talk. And that is all it is, talk that we get on this floor.

I can tell you, the American people have to wake up. This populist talk is not what is going to get us oil and gas, nor is it going to bring prices down, nor are rebates going to help our people over the long run. What will help our people is to develop, in environmentally sound ways, resources that will help get us out of these difficulties.

As for that Saudi Arabia of coal I mentioned in the Kaiparowitz Plateau in southern Utah, we now have the capacity to take that high-moisture, low-sulfur content, environmentally sound coal, and develop clean-burn diesel and clean-burn jet fuel. We have that ability today, and it is locked up because of what I consider to be a political stunt that we are stuck with, for now. It wasn't on this side of the floor or this administration that caused that political stunt.

I think it is time to get rid of the populist talk and start talking reality. It is nice to come out and beat up the oil companies who are making great profits, but who would use those profits if they could to develop more of their products.

Mr. DORGAN. Mr. President, I wonder if the Senator from Utah will yield on that point.

Mr. HATCH. I will be happy to.

Mr. DORGAN. I say to the Senator from Utah, I have 20 minutes left, and I will use them after the Senator from Utah is completed. It may take all the 20 minutes to correct the errors of his presentation.

Mr. HATCH. I would be interested in the corrections because I don't believe you can find what I said to be false.

Mr. DORGAN. Almost all of it was wrong.

Mr. HATCH. No, it wasn't wrong. I lived in this industry. I understand it. If you have a question——

The PRESIDING OFFICER. Senators need to be reminded that they have to go through Presiding Officer.

Mr. DORGAN. I asked if he would yield for a question. I will ask one simple question.

Mr. HATCH. OK.

Mr. DORGAN. I wonder if the Senator from Utah has seen the chart I used on the floor that comes from BusinessWeek, not a progressive rag or a conservative business journal, that says this about the major oil companies which the Senator defended so aggressively at the moment:

> Rather than developing new fields, oil giants have preferred to buy rivals, drilling for oil on Wall Street. While that makes financial sense, it is no substitute for new oil.

They are the ones saying the oil companies are not using these profits to drill and build refineries. They are the ones saying it, not us.

Mr. HATCH. Do you have a question?

Mr. DORGAN. Yes. How do you justify what you said with what is in the BusinessWeek article, and virtually everyone else knows that they are buying back stock, hoarding cash, and drilling on Wall Street?

Mr. HATCH. First of all, BusinessWeek is not a conservative publication. Anything that is not liberal you consider conservative on that side. Secondly, the fact of the matter is, I have been making a pretty good case that it is pretty tough to get permits and get past the environmentalist roadblocks. It is in my State and every other State that has energy. Thirdly, I mentioned the coal that has been locked up because of the machinations of the Clinton administration, the last administration.

Fourthly, I don't think it is even plausible that the oil companies, if they can get permits fast enough to do it, would not invest in more production, since that is their business. Some of them are going to China, to Russia, and elsewhere to make these profits because they are forced to.

I think it is very unfair for my colleagues, as much as I admire you, it is very unfair to come on this floor and brand the oil companies as a bunch of antipatriotic companies.

Let me finish with my remarks, and I will yield the floor. I have been in this business. I know doggone well what it takes and how much it takes and how much it costs to develop oil and gas. I also know how difficult it is to get past the roadblocks environmentalists put up.

I get tired of the populist rhetoric on the other side of the aisle that never gives any consideration to how difficult it is to be in this business. I don't have any financial interest in oil. All I can say is that I have been there, I know what it is like. Of course, these companies are out to make money, and if they have a business plan to buy back their stock, good for them. There are a lot of companies that are buying back their stock so they can compete.

I feel strongly about this, which is why I fought for incentives in the Energy bill—and I fought hard to get them there—to develop the tar sands and oil shale, to develop geothermal, to develop refineries. We hear all this rhetoric about how these oil companies are making all this big money and not building refineries, tell me where they can build them; tell me where they don't have to spend billions of dollars to build a refinery or hundreds of millions to build a refinery, all because of what many people would argue are pseudo-environmental arguments and delays.

We have gone so far on that side that we made it almost impossible for us to develop our own natural resources for our own benefit.

I don't like any company that gouges, and if these companies are gouging, then let's do something about it. But let's not take away, as we commonly do around here, their ability to be able to go out and find oil, drill for oil and do what I think both of my colleagues sincerely want them to do, to go out and produce energy.

You talk to any oil company executive and talk about how difficult it is to get permits and to do what has to be done in this country, it is amazing.

I again point out—and it was not false—the fact that I chatted with one of the major oil companies recently that is going to go into the tar sands and oil shale at the tristate area, and their estimate is that it could cost industry as much as 120 billion bucks. That is a lot of money even for the oil companies. But, boy, would that save our country.

But it will never happen if we keep doing this type of stuff on the Senate floor. I think we have done it for so many years now that we are getting used to it and we ought to answer it.

Mr. President, I want to address another subject that I came here to address. I apologize to my colleagues if I offended them, but do not tell me that what I am saying is false. I know it is true. I for one am doggoned tired of this type of rhetoric.

I want to address the nomination of Judge Samuel Alito to be Associate Justice of the Supreme Court, and I would like this put in morning business.

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

(Several Senators addressed the Chair.)

Mr. DORGAN. Mr. President, I object. We are on an amendment on the reconciliation bill.

Mr. HATCH. I have the floor, do I not?

Mr. DORGAN. I ask the Senator to make his unanimous consent request.

Mr. HATCH. I just got the unanimous consent.

The PRESIDING OFFICER. The Senator from Utah has been yielded time and may speak on any subject.

Mr. DORGAN. Did he not just ask for time in morning business?

Mr. HATCH. I will withdraw the morning business request, and I will put it in this RECORD.

The PRESIDING OFFICER. The understanding is that the statement would be placed in morning business, not under this debate but under morning business, and the time will be charged.

The Senator from Montana.

Mr. HATCH. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Utah has the floor.

Mr. BAUCUS. Parliamentary inquiry to the Chair.

The PRESIDING OFFICER. Will the Senator yield for an inquiry?

Mr. HATCH. Of course, I will.

Mr. BAUCUS. Mr. President, I would just like to know how much time has been yielded to the Senator from Utah, as well as how much time is remaining on the amendment offered by the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota has 24 minutes remaining. The Senator from Utah does not have a limit on his time, but he is speaking on the amendment, for which there is 40 minutes remaining.

Mr. BAUCUS. I thank the Chair.

(The remarks of Mr. HATCH are printed in today's RECORD under ''Morning Business.'')

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, this has been entertaining, if not enlightening, to see my colleague get a full tank of indignation in almost a nanosecond, on two subjects in fact. Let me cover the first at least.

My colleague is a good-natured fellow—I like him—my colleague from Utah. In fact, he didn't get angry at me one day some years ago in a full-scale debate when I said to him, if there were an Olympic event for sidestepping, he would win the Gold Medal by far. In fact, he demonstrated that agility again today by sidestepping this point. The center of our colleague's agitation was he said: You cannot produce any more oil because those leftwingers, those environmentalists, will not let you do it.

So I ask, well, how does one explain this then? The Wall Street Journal says the major oil companies are drilling for oil on Wall Street. They are paying down their debt, buying back their shares, and hoarding cash. That is what they are doing with their money. How does one explain that? Did not hear anything, did we? No explanation.

My colleague said he was sick—he said three times he was sick. It is interesting, I suppose I have felt sick about some debate on the Senate floor over these years. I do not think I have ever admitted that, but I would much prefer to see a colleague of mine agitated about the price of energy in a full-scale agitation about what this is doing to consumers, agitated about what it is going to do when somebody on a fixed income cannot figure out a way to heat their home this winter. I would much sooner see a colleague agitated about that than having just come fresh yesterday from, as he described, a meeting with a major oil company, come to make the case for the major oil companies on the Senate floor, and say: You know what the problem is in this country? It is those populists dripping with venom—that word ''populists''—those leftwingers, those environmentalists on this side of the Chamber, they are what is wrong with this country.

Let us see if we can peel back a little bit and expose the truth, if I might. My colleague says those environmentalists and those leftwingers have shut down all of these refineries. Oh, really?

No, that is not true. Take it from me, that is not true. By the way, if my colleague would like to come back to the floor of the Chamber at some point, I would love to have a wide-open debate. Let us just talk back and forth and figure out where the facts are.

Let me give a few facts about refineries. I will not read them all, but I could. Do my colleagues want to know the names of the refineries that were shut down in 1995, 1996, 1997, 1998, 1999, 2000? Do my colleagues want the names of the refineries? I will give names of refineries, and when I tell the names of the refineries I will say who shut them down. The oil companies shut them down.

Now, they did not do that so somebody could come to the Senate floor and blame somebody else. They did it because they were approved for big mergers. They became bigger and bigger, and they decided to shut down refineries. Why? They wanted to tighten

the refining capacity and therefore increase margins. And they have done it.

I will not say I get sick about somebody coming to the Senate floor to blame others for the oil companies shutting down refineries. But do I think it is fair, and do I think it is truthful? Absolutely not. The evidence is exactly the opposite of what my friend from Utah said. He has a right to say it, and he even has a right to say it with a full tank of indignation. That does not make it right. The American people need to know the truth about these issues.

Shutting down refineries has, in fact, occurred in this country. Why? Because as the oil companies merged and merged and became bigger, they were shutting down refineries. And I will read the names if anyone would like me to. But my colleague has gone and will not be interested in these names, I guess. I would be happy to yield.

Mr. DODD. I say to my colleague, since 1980, 176 refineries have closed their doors, not because environmentalists shut them down. Is it not true, I ask my colleagues, these were decisions made by the industry themselves?

Mr. DORGAN. Absolutely.

Mr. DODD. Does my colleague not further agree that in recent reports one of the major companies we are talking about, in effect, bragged that they had reduced production by 3 percent while profits over the same year had increased 50 percent? That was not some environmentalist reducing production by 3 percent. That was the industry itself that made that decision. Is my colleague familiar with that?

Mr. DORGAN. Absolutely. These record profits, the highest profits in history, are accompanied, by the way, in most cases—let me give an example. Exxon reports a 75-percent increase in net profits to $9.9 billion and they produced 5 percent less oil and gas at the same time.

Part of that was due to the hurricane. But the company admits that even without the hurricane, they would have produced less oil and gas at the same time they had the highest profits in history. How does that square with what our colleague from Utah said? What our colleague from Utah said is not accurate. It is not. He said it with great conviction, he said it with great agitation, and it is wrong. Flat wrong.

There are plenty of other things to talk about with respect to this issue. Our colleague raises the suggestion that we can't drill anyplace. You can't drill anyplace.

Look, I support drilling in Lease 181 in the Gulf of Mexico. The only place he was accurate about was the issue of ANWR. Do I think we should drill in ANWR as a first resort? The answer is no. I think it ought to be the last resort if we ever drill there. We have people on the floor who want to open up all these pristine places, especially ANWR, that we have set aside and let's drill. Katie bar the door, drill anywhere. We have set ANWR aside, but there are plenty of places I think we ought to drill.

This was one of the most partisan rants I have heard for some while on the floor of the Senate. We are used to it. The minute you offer an amendment that does anything to a particularly large industry, I am telling you we have people coming through these doors saying, Who do I stand for? Let me stand for the big interests here.

My colleague said he met with a major oil company executive yesterday. Good for him. As I said before, I don't bear ill will toward the major oil companies. But I wish he were as agitated about the impact of these prices on America's consumers. He is not. He has raised a lot of questions about why the oil companies are not producing more oil, why prices are where they are. The fact is, point after point after point has been inaccurate.

I say to my colleague with respect to Exxon, let's take Exxon. He says the problem is these Senators and all the environmentalists and all the others prevent them from drilling.

What did Exxon do last year? They made $25 billion and used $9.9 or $10 billion to buy back their stock. How does he square that with what he said to the Senate? He is flat wrong.

Sigmund Freud had a grandson named Clement. I was thinking about it, as my colleague was supporting the major oil industries' profits tonight. Clement, Sigmund's grandson, said this: ''When you hit someone over the head with a book and get a hollow sound, it doesn't mean the book is empty.''

We have offered a proposal here in the Senate that has great merit. It has been misdescribed by the oil industry for reasons I understand—I am talking about the major integrated companies—misdescribed by our colleague from Utah tonight as something that would reduce the supply of oil. In fact, the single largest incentive that would exist for expanding the supply of energy in this country would be our proposal because the major integrated oil companies would have a choice. They can either use these windfall profits above $40 a barrel to sink back into the ground, exploring for oil, or building refineries. They can either do that, and therefore be exempt from the windfall profits tax we propose, or they can choose to pay a 50-percent excise tax on the windfall profits—one of the two. Which would you choose? There is no question what you would choose. You would choose to expand the supply of energy and reduce energy prices as a result. That is the incentive in our piece of legislation. That is why it makes so much sense and it is why I was sitting here gritting my teeth, listening to the caricature of this legislation offered by my colleague from Utah and the spirited defense of the highest prices in history by the major integrated oil companies and the disparaging comments about the efforts to see if we can give some relief and give some help and stand on the side of consumers.

I chaired the hearings on the Enron scandal several years ago in the Commerce Committee. I had a lot of people there under subpoena, understanding what they did on the west coast with price manipulation.

I must say this issue of pricing, pricing of energy is critically important because this is not some luxury item. This is a necessity for every family, for their daily needs. We need to get this right. The question is, when we vote on this: Who do you stand with and who do you stand for?

Let me yield some time to my colleague. How much time remains on our side?

The PRESIDING OFFICER. There is 13 minutes remaining.

Mr. DORGAN. Let me yield 8 minutes to my colleague from Connecticut.

Mr. DODD. Thank you. I may not use all that time because we made our points. But I want to join with my colleague and friend from North Dakota.

Let me say at the outset I have a great friendship with my colleague from Utah. We have done legislation together over the 24 years we have served together in this body. He has been here a little longer than I have. I enjoyed that relationship. I am somewhat stunned when my colleague from Utah becomes as exercised as he was over the oil industry and its profits. They have done very well. There is no reason to be upset about the oil industry. The profits they recorded in the space of 12 weeks are unprecedented in American history.

I began to wonder whether my colleague from Utah had even read the amendment the Senator from North Dakota and I offered. It very simply says that, with the profits when oil is in excess of $40 a barrel, you either pay an excise tax which would rebate to consumers to the tune of about $65 million a day, which could be meaningful to families who will be paying much higher costs this year, or reinvest this money, these additional profits, into increased production or developing alternatives the industry says it wants to do. That is what the amendment says.

We have watched the industry shut down 176 refineries in 25 years. One company brags about how profits are up 50 percent, and they themselves reduced production by 3 percent.

In any class in 101 economics, when you reduce supply like that, obviously it gives a justification for increasing price. They admit it in their annual reports. I didn't make up that quote. I am quoting one of the major integrated companies in its message to its shareholders: Profits are up 50 percent, we reduced production by 3 percent.

Then I hear my colleague from Utah talking about some environmentalists as if somehow they had shut down the refineries or they were responsible for reducing refinery capacity. It is the oil

industry itself that has been closing refineries.

There are not going to be many more opportunities because we are about to adjourn here. We will not be back until the middle of January. This may be the one opportunity we have to express ourselves on whether we think the industry ought to be doing a better job when it comes to increasing production and providing some relief for the people out there who will be paying these increased costs.

This is not an excessive request. It is one that goes right to the heart of what we have talked about, what we talked about during the consideration of the Energy bill. In fact, as I pointed out earlier, we provide literally billions of dollars in tax breaks for the industry to go out and do some of the things the Senator from Utah talked about.

I voted against that Energy bill, not because there were not some things I liked in the bill but, frankly, because I thought those tax breaks were unnecessary. When you are recording $9 billion, almost $10 billion in profits in 12 weeks, why do you need a tax break? But when the integrated companies report more than $32 billion in profits in 12 weeks and we turn around and provide billions of dollars in tax breaks, I didn't understand that. But that is what we decided to do.

Here we have a chance to say: Listen, you got these additional profits. Put them into energy production or provide a rebate to the people of this country who are going to be paying these increased prices. It is one chance here to decide which side you are on. As I mentioned earlier, we tried to get Low-Income Home Energy Assistance increases for the poorest of our poor, the elderly on fixed incomes, and that has been denied over and over again despite amendments even in the last few days and weeks to provide some relief. That has been repeatedly voted down.

What about providing some relief for people who are going to be paying these additional costs? That is what we are trying to do with this amendment. I commend my colleague from North Dakota. I know some people say, It is a futile effort, why do you even bother? We bother because we think it is right to stand up here.

Other Congresses in other times—where are the Harry Trumans today? We are in the middle of a war right now in the Middle East. He stood up as a Member of this body and he called it profiteering, and he was not accused of being a populist. We celebrate Harry Truman today as someone who had the guts to stand up and tell the truth, whether people wanted to hear it or not. We ought to tell the truth now. These companies are making excessive profits at the expense of our economy and hard-working, honest people. They look to us to provide some help.

That is what we exist for, in part, to make sure you don't have unrestrained activities that will do damage to the average person or average business out there trying to make ends meet.

I again urge our colleagues to support this amendment. It is one chance we have to try to make a difference for these people.

I yield.

Mr. DORGAN. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 8½ minutes.

Mr. DORGAN. Let me yield myself 4 minutes. I want to reserve 4 minutes. But let me make a comment. I agree with my colleague from Connecticut. Spirited debate is fine on this floor. I didn't like the representation that was made by our other colleague that somehow what we were proposing here is not only unworthy but part of some cabal that is trying to injure this country and, second, using information that is simply not accurate.

The refineries have been closed by the oil companies, not environmentalists. That is a fact. What has happened is when they merged, they closed refineries in order to restrict supply and boost the yields of the refineries. The fact is, we had experts come in. I am talking about experts, I am not talking about politicians. The so-called experts came to the committee. We said, Why are refineries closing? One reason, because their yields are too low and the major oil companies are closing them. That is exactly the case.

My colleague from Utah talked about tax breaks he had sponsored for the oil industry. He talked about yesterday he was visiting with an executive of the big oil industry—which is fine. He talked about the price they pay in Europe, $3 or $4 a gallon. The interesting thing is in Europe the money between the cost of oil and the $3 or $4 a gallon doesn't go into the pockets of the oil companies, it goes to build infrastructure in Europe. They collect it in taxes and use it to invest in the infrastructure of Europe.

But I think it is important to point out what happens here on this floor. When you offer a proposal such as we offered, it doesn't matter if it is the tobacco industry or pharmaceutical industry or oil industry, we will have people trot through these doors of the Senate and rise to the defense of the pricing policy of the pharmaceutical industry or rise to the defense of the pricing policy of the oil industry. I will ask this. If you are going to get agitated in this Chamber, get agitated about something worthwhile. The agitation ought to be on behalf of some families who are trying to figure out how on Earth will I pay the bill? As I read in tomorrow's paper of the largest profits in the history of this country coming into the treasury of the oil companies, how am I going to pay a 50-percent increase in the bill to heat my home? You want to get agitated, get agitated on behalf of those folks and help us do something.

This notion of partisan blame, coming to the Chamber and ignoring the substance of a proposal and then casting partisan blame, in my judgment is a little tired and a little old. This proposal stands on it own merits. If you don't like it, that is fine. I understand that. Vote against it. But don't suggest somehow you are on the side of the consumer if your interest here on the floor of the Senate is to come and stand with the big oil companies, and to believe that profits above $40 a barrel is fine. It is not. It is not fair.

We believe one of two things should happen: Either it all ought to be sunk back into the ground or above ground for exploring for oil and building refineries and expanding America's supply of energy and bring down prices, or it ought to be recaptured and sent back as a rebate to the people in this country who are having trouble paying their bills, as a rebate to every American using energy.

That is our proposal. Controversial for some? Maybe. Is it the right thing to do for the American people? I believe it is, and I hope this Congress, I hope this Senate will as well.

I yield the floor and I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. GRASSLEY. I yield whatever time he consumes to the majority whip.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. GRASSLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAUCUS. I ask unanimous consent that the order for the quorum be rescinded.

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

IMMIGRATION AND COMPETITIVENESS

Mr. BAUCUS. Mr. President, in 1882, an Irish immigrant named Marcus Daly set off an explosion that shook the world. It happened 300 feet under the ground, near Warm Springs Creek, 26 miles west of Butte, MT. When the dust settled, Daly saw before him the shiny ore of the largest copper deposit ever known.

The rich copper vein transformed the American economy. It made America the world's largest copper exporter. And it inaugurated an economic boom for my home State that lasted for decades. It also enriched many parts of America.

Thousands of immigrants made the boom happen. They came from Ireland and Italy, Canada and Scandinavia, Serbia and Croatia, Greece and Syria. They came to America to find work in the new mining town, christened Anaconda. By 1900, immigrants made up 40 percent of Anaconda's population.

These new Americans formed the backbone of the mining economy. And their descendants have woven the colorful fabric of Montana.

Immigrants helped build the American economy. In the 1850s, hundreds of

thousands of young Chinese men helped construct the Transcontinental Railroad. At the beginning in the 1870s, Basque shepherd immigrants helped shape the western ranching economy. Beginning in the 1890s, hundreds of thousands of Norwegian farmers lay the foundations of a competitive farming economy in Wisconsin, Iowa, Minnesota, and the Dakota territories. And in the first decades of the 20th century, more than 100,000 Jewish immigrants created New York City's famous garment industry.

Immigrant entrepreneurs and innovators revolutionized the American economy. Scotsman industrialist Andrew Carnegie transformed the American steel industry and consolidated the Nation's railroads. Hungarian Joseph Pulitzer produced a legacy in newsprint. Polish-born producer Samuel Goldwyn left his mark on film.

Once-foreign names became American household brands. Russian-born Max Factor made makeup. Bavarian-born Levi Strauss manufactured clothes. Hessian-born Adolphus Busch brewed beer.

And today, immigrant innovators still populate the cutting edge. Moscow-born Sergey Brin helped found Google. Taiwan-born Jerry Yang founded Yahoo. French-born Pierre Omidyar founded eBay. And Hungarian-born Andy Grove founded Intel.

America remains a nation of immigrants. More than 33 million people living in America were born abroad. More than 9 million came to our shores just between 1990 and 2000.

Since colonial times, immigrants have been vital to the American economy. Their skills and their labor have made our companies, our industries, and our economy more competitive.

Some immigrants come with little more than their strength and ambition. They become our economy's machine operators, factory workers, farm laborers, and service workers.

But many come with master's and doctorate degrees. They work in research laboratories and universities. They sharpen our economy's cutting edge.

This is my seventh address to the Senate on economic competitiveness. Since summer, I have highlighted the importance to competitiveness of education, international trade, healthcare, national savings, and energy, all components we must focus on to make our country more competitive so we have better high-paying jobs and more paying jobs for more Americans. Today, I speak about immigration and economic competitiveness.

Immigrants make our economy more competitive in at least four ways.

First, immigrants provide labor. Marcus Daly needed workers to dig his Montana copper mine. Similarly, today's booming industries require global talent.

Without foreign-born workers, the largest economic expansion in our Nation's history would not have been possible. In the boom years of the 1990s, the labor force grew by nearly 17 million workers. Nearly 40 percent of them were born abroad. Most of these immigrants came when unemployment was at record lows. They filled 4 out of 10 job vacancies, often in regions short on workers, and often in jobs that natives had no desire to fill. Had these immigrants not lent us their strength, our economy would surely have faltered.

Second, immigrants help balance the budget. Tally up taxpayer-funded benefits to immigrants—education, healthcare, social security—and match those costs against what immigrants pay in State, local, Federal taxes. On balance, each immigrant provides a net benefit to the American economy of about $90,000 in taxes over a lifetime. Overall, immigrants contribute $15 billion to our economy every year.

And immigrants will make an important fiscal contribution as the baby boom generation retires. In just 5 years, the number of Americans approaching retirement will increase by nearly half. Most new foreign-born immigrants, on the other hand, are between 10 and 39 years old. And immigrants are likely to have more children than the U.S.-born population.

These younger workers will help fund the coming Social Security, Medicare, and Medicaid benefit payments. Immigrants bolster the deteriorating ratio of workers to retirees. Immigrants provide a shiny vein of ore in a graying economy.

Third, immigrants push the envelope of innovation. Foreign students earn more than a quarter of the Nation's science and engineering degrees. They earn more than a third of science and engineering doctorates. Most of those are in computer sciences and electrical engineering. Foreign students account for as many as four out of five doctoral students in a number of highly-ranked universities. And foreign students bring $13 billion a year to our economy in tuition and fees.

Foreign students' minds help sharpen our economy's cutting edge. Foreign student researchers support work on new medicines, software, and other innovations. Universities patent this research. A 10 percent increase in the number of foreign graduate students would increase patents granted by more than 7 percent.

Patents mean new inventions. Inventions mean new products. And new products mean new profits and new jobs.

Just as important, nearly three-quarters of highly-skilled students stay in America. Instead of taking their skills home and using them to compete with us, they join highly specialized professions in research and academia. They contribute their knowledge to our economy.

At IBM Research and Intel, for example, foreign nationals make up about a third of high-level researchers. At the National Institutes of Health, foreign-born workers make up about half of researchers. In America's top immigration States, foreign-born workers account for 40 percent of teachers and more than a quarter of physicians, chemists, and economists.

Fourth, immigrants drive entrepreneurship. Entrepreneurship is the irreplaceable genius that sparks economic growth. For every famous immigrant entrepreneur like Hungarian financier George Soros or Belgian designer Liz Claiborne, legions of other immigrants push the limits of the economy, or simply provide a neighborhood service.

For more than a century, immigrants have been more likely than native-born Americans to be self-employed entrepreneurs. Since the 1970s, immigrants have helped reverse a national decline in self-employment. Immigrant-run businesses create jobs, tax revenues, and growth. Even small neighborhood businesses can revitalize entire neighborhoods. And small businesses are the primary driver of new jobs.

Immigrants also swell the ranks of high-technology entrepreneurs. Most of the foreign-born scientists and engineers in Silicon Valley have helped found or run a start-up company. Sixty percent of Indian scientists there have participated in start-ups. And fully three-quarters of Indians and most of the Chinese scientists there have plans to start a business. These entrepreneurs are thinking about tomorrow's economy today.

Immigrants devote their labor. They boost our balance sheets. They drive innovation. And they energize entrepreneurship. Immigrants are vital to our economic competitiveness.

Unfortunately, America is not welcoming global talent and labor. In some cases, we have pulled in welcome mat.

State Department visa procedures and security checks intended to keep out terrorists are instead keeping out talent. In the post-September 11 world, America must vigilantly protect its borders. But we must also strike a balance between this vigilance and economic health.

Look at the case of foreign students who want to study at American universities. In 2003, foreign applications to American engineering doctoral programs fell by more than a third—with Chinese applications dropping nearly in half. Despite considerable efforts to reverse this trend, total foreign graduate school applications declined further last year, by double digits in some cases. This year, the number of international students entering American graduate schools finally held steady, despite a 5 percent drop in applications from foreign students.

The decline in applications is not an anomaly. It is a clear trend. At the same time, our economic rivals are actively attracting the world's brightest. Canada doubled its foreign student enrollment last year. And South Korea will triple its foreign student enrollment by 2010.

We unfortunately have also closed the door on talented workers who drive

our companies' competitiveness. Our leading high-tech companies—companies like Intel, Microsoft, and Hewlett-Packard—are imploring Congress to raise the cap for visas for highly-skilled workers—known as H-1B visas. These visas are capped at 65,000. That limit is so out of line with demand that we reached the 2005 cap months before 2005 began.

Today's visa and immigration restrictions also make it difficult for major American companies to employ and train their workforce.

Take this example: A global American entertainment company with headquarters in New York hired Indian managers to run its Bangalore office. The company wanted to train these new hires to company standards, as it does with all employees. The company wanted to send the new hires to New York to receive this training, as it does with all management. The company applied for visas on behalf of its soon-to-be Indian office managers.

What happened? The company filed the paperwork. Months came. Months went. It took 3 months just to get an appointment at the U.S. Embassy. Delays continued. Patience wore thin. Costs mounted, with untrained managers on the payroll. And the company finally gave up.

The company applied for visas to Ireland, where the company had its European branch. The visas came in 4 days. The company trained these new managers at the company's facilities in Ireland, and then sent them back to India to work. This created jobs in Ireland, because the company set up a training program there, instead of using existing trainers in America.

This is no way to do business. We are shooting ourselves in the foot.

We must lift the cap on H–1B visas. We do not have a centrally planned economy. The American Government does not tell companies how many workers they need each year. But the cap has that effect, the effect of a centrally planned economy. That is wrong. Let us listen to business leaders and help them maintain and improve their competitiveness. When our premier global companies implore us to lift the H–1B visa cap or risk hampering their growth, the time for politics is over.

We must simplify temporary entry for foreign workers who need to come to America to help our companies succeed. If we wish to remain a cutting-edge economy, we can no longer obstruct companies from training their overseas employees, participating in meetings and conferences, or traveling to trade shows. Our companies have global markets, global supply chains, and global strategies. We need a global workforce.

Our current commitment of 65,000 H–1B visas each year is outdated. It is outmoded and out of touch with today's needs. We should make a bold commitment to expand that cap. Such a commitment would allow us to lock in similar commitments from our trading partners and enhance exports and American services.

We must actively encourage talented foreign students to study, do research, and innovate at American universities and American research institutions. Visa renewals during multiyear studies need to be routine. These renewals should not require all students to first return to their home countries.

For the most exceptional of these students, who have earned advanced science degrees at American universities, we need a simpler process to obtain permanent residence. These are talented, highly educated individuals, who are in a position to keep our economy competitive. If we do not welcome them into our economy—guess what—then China, India, Europe, or Japan will welcome them into theirs.

Three weeks ago, the National Park Service designated the old mining town of Anaconda, MT, as a national historic landmark. Anaconda's mining boom times are now preserved as part of our Nation's history. But Marcus Daly's explosion—when he found all that copper ore—continues to reverberate through the American economy today.

Let us not stamp out the spark of future booms. Let us, rather, welcome the labor, the innovation, and the entrepreneurship of our new immigrants. Let us ensure for ourselves and for our children the shining ore of boom times to come.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. CORNYN. Mr. President, I yield myself such time as I may consume from the manager's time.

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

The Senator from Texas is recognized.

AMENDMENT NO. 2587

Mr. CORNYN. Mr. President, I come to the Chamber to respond to some of the arguments that have been made by some of our colleagues in support of an amendment that would impose a so-called windfall profits tax on crude oil and the use of the tax collected to provide an energy tax credit to consumers.

This is an amendment that, while it may make Senators feel good to try to lash out at the oil companies that are making admittedly significant profits, it is the wrong thing to do for reasons I wish to explain.

I think we are here representing our various States to do more than make popular arguments. We are here to make arguments that ultimately make sense and benefit the national interests of the United States of America. I believe passing a windfall profits tax would damage America. It would damage our national security by making us even more reliant on imported oil and, conversely, less reliant on domestic oil because there would be less of it. It would essentially confiscate the legally earned profits of a legal business that has actually made less money than other industries that I will talk about in a minute.

If we are going to determine in the Congress how much of a profit is too much and how much is not enough, I think we are sending a very bad signal. We are ostensibly believers in the free enterprise system in the United States. Certainly there are examples of gouging and illegal profiteering, but those are at the margins. We should not be in the business in the Senate of saying how much is too much and how much is not enough.

I point out the bill pending on the floor already includes a $4.9 billion tax penalty on large integrated oil companies. That is already in this bill—without this windfall profits tax—and imposes a significant penalty tax on the oil industry.

Now, proposals to limit so-called windfall profits are premised on the notion that the oil industry profits are somehow excessive. I would point out to my colleagues that in the second quarter of 2005, the oil industry earned 7.7 cents, not quite 8 cents, for every dollar of sales. The average profit for all U.S. industries during the second quarter was 7.9 cents. In other words, the average profit was two-tenths of a cent more for sales across all industries.

There were 13 industries in the United States that earned higher profits in the second quarter than the oil and gas industry, including banking, at 19.6 cents; software and services, at 17 cents; consumer services, at 10.9 cents; and real estate, at 8.9 cents. Are we going to impose a windfall profits tax on each of these industries that reaped a higher return on their investment than the oil and gas industry? Well, I doubt it. And thank goodness we are not. It simply is wrong to target an industry, particularly one that has not made excessive profits relative to other industries in the United States during this last year, and say: We are going to treat you differently, we are going to discriminate against you because we know you are unpopular, and we are going to tax you at a higher rate than we would otherwise tax business activity in the United States.

Now, we have seen a spike in gasoline prices, up to, on average, $3.07 a gallon, which, thankfully, has dropped a lot now. I was back in Texas this last weekend, and I saw gasoline selling for $1.98 a gallon. That was certainly good news. Those prices are a little bit higher in other parts of the country, obviously, but the good news is, the price is coming down.

It is that law that does not emanate from inside the beltway but one that governs all of our economic activities that applies here. It is the law of supply and demand—the law that this amendment would attempt to tamper with and create perverse incentives that are not good for America. They do not just target this industry, they actually are bad for our national security. They are unfair when you consider other industries. And it violates our fundamental principles as a nation

that believes in the benefits of a free market.

But the fact is, one of the things that cramped the supply of gasoline recently was the hurricanes that have damaged refineries and oilfields, including out in the Gulf of Mexico. A lot of the refineries and the oil wells have been offline while they have been repaired and now are largely being restored. What we are seeing, as they are coming online, with more supply, and given the same demand, is that the price is coming down.

But the fact is, as well, that significant portions of the profits of the oil industry are going to have to be used to restore prehurricane infrastructure in the Gulf of Mexico and in the affected region.

One of the problems with this ill-conceived windfall profits tax is it will reduce needed investment. One of the things we need in this country, of course, is a greater supply of oil and gas because we know we are in a worldwide economic competition with countries such as India and China that are becoming increasingly industrialized and consuming more energy than they produce. Here again, the law of supply and demand pertains.

By actually putting a tax on the profits that oil and gas companies have received as a result of their lawful business activity, we will deny them money they can and will invest back into creating a greater supply—exploring for more oil and gas, expanding their refineries—which will, in turn, bring down the price of oil and gasoline.

The other thing I would point out is, we have been here before. We have been there. We tried it. And we found that the effect of a windfall profits tax—no matter how good it feels—simply does not solve any problems and, in fact, creates more problems.

In 1990, the Congressional Research Service analyzed the effects of the windfall profits tax that was enacted between 1980 and 1988. The Congressional Research Service found that the tax reduced domestic oil production from between 3 and 6 percent and increased oil imports from between 8 and 16 percent over its lifetime.

At a time when Senator after Senator, Congressman after Congressman, has stood on the floor of our respective bodies and said, We need to reduce our dependence on imported oil and increase our domestic production, this tax, if imposed, would do just the opposite. It would decrease domestic production. It would increase our reliance on imported oil. It would make America less secure. And it would damage our domestic companies that employ hard-working Americans.

It seems like there are so many good reasons not to adopt this amendment. I cannot think of a single good reason to do it, other than perhaps it makes Senators feel good to try to punish the big bad oil companies for making an excessive profit. But I do not think we want to be in the business of determining how much is enough and how much is too much.

The last thing the Federal Government needs to do is get its clumsy hands on the free enterprise system in a way that damages our precious energy supply. We should be encouraging domestic production. We should be encouraging alternative forms of energy, which, by the way, the higher the price of oil and gasoline gets, the more people begin to look at what are other commercially available alternatives. That is good because what it does is it diversifies our dependency on an energy supply so we are not dependent on just one type of energy.

That is the reason we need to—in addition to producing more oil domestically, expanding the size of refinery capacity so we bring the price down—look at nuclear energy, which is, in part, what we did through our Energy bill we passed this last summer. France, for example, generates 80 percent of its electricity using nuclear power. We need to look at other alternative forms of energy that reduce our dependency on fossil fuels, which cause environmental problems. Everyone who cares about the environment should care about our looking at alternative forms of energy.

There are so many reasons this amendment is bad. I hope my colleagues will consider these arguments. I hope we do not stampede into adoption of this bad amendment based on the populist arguments that oil companies are big, so they must be bad, or somehow argue that to make a profit implies some sort of corruption or inappropriate activity. We have laws on our books against those who violate our anti-gouging laws, but it is no crime to make a profit in a free market system.

It is that profit that creates an investment that expands the supply and ultimately brings the price down. It is the profit earned by these companies that allows them to employ hard-working Americans. If we want to put Americans out of business, if we want to increase our dependency on imported oil and reduce the production of domestic oil, then I guess we should pass this ill-conceived amendment. I hope my colleagues will reconsider and vote against the amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. BUNNING. Mr. President, I am glad that we are debating this bill on the floor of the Senate. Despite some concerns which I will discuss later, I supported this bill in the Finance Committee. I have heard a lot in the last few weeks from some of my colleagues talking about how we can't afford the so-called tax cuts that this bill was expected to contain. As we have been saying for weeks, the growth package is not about tax cuts. It is about stopping tax increases, tax increases that will affect American families.

The so-called tax cuts that Democratic Members of Congress are talking about are nothing more than keeping current tax law in place. There are dozens of provisions that American families and employers have come to rely on that will expire at the end of this year, if we do not pass this bill. These are provisions that are important to our constituents and to our economy. Let's take a look at some of the items that are in the bill before us.

First, the research and development tax credit will expire at the end of this year unless we act. This is an important provision of the Tax Code that spurs innovation and new technologies. A majority—believe me—of Senators have supported this provision in the past. The bill before us not only extends this provision, it also adds some improvements to make it more relevant to today's economy.

A lot of other important provisions also expire if we do not pass this bill. The deduction of tuition expenses, that provision affects 36,000 Kentuckians; the tax deduction for teacher classroom expenses, this one affects 38,000 Kentucky teachers; and the low-income saver's credit affects 94,000 low-income Kentucky taxpayers. These are Kentuckians that do not deserve a tax increase. I am going to do all within my power to make sure they don't get one.

I am extremely disappointed that this bill does not contain a provision that I considered to be a vitally important one—keeping the tax rate on dividends and capital gains income from increasing. It is very important that we extend this 15-percent rate through the end of the budget window. As this bill moves through the legislative process, I will fight to make sure that the bill that the President ultimately signs includes these vital provisions. It is very hard to dispute the positive impact that the 15-percent rate has had on the macroeconomy. Dividends paid by companies in the Standard & Poor's 500 have been up over 50 percent since this tax change was implemented. Capital gains revenues from taxes to the Federal Government is estimated by some to exceed the CBO forecast by billions of dollars in fiscal year 2006.

But let's talk about which taxpayers are benefiting from these 15-percent rates. In my State, Kentucky, 18 percent of taxpayers benefited from the reduced rates on dividend income, and 13 percent benefited from the lower rate on capital gains income in 2003. These numbers are especially interesting when you consider that Kentucky has a median income that is below the national average. This does not even count the millions of workers and retirees who hold these assets inside their 401(k)s. As we all know, these dividends are very important to the elderly. Many of our retired folks rely on dividends to supplement their fixed incomes from pensions and Social Security.

While it is true that the lower rates do not sunset until the end of 2008, it is

important that we send a message to the economy by extending these rates this year. If we have not made these provisions permanent, investors and financial markets will grow increasingly uncertain about the future tax treatment of dividends and capital gains as 2008 gets closer. We cannot risk adding unwanted volatility to the markets and the economy which continue to grow.

Again, let me be clear, the proposals that we are planning to extend in this package are not new tax proposals, they are simply current law. If we do not extend these provisions, we will cause a substantial increase in the tax bills of American families and businesses.

I also express my concern about two provisions currently part of this bill that I strongly oppose. First is a provision that will limit the ability of taxpayers who itemize their taxes to take a deduction for their full charitable contributions, as they do under current law. This change would amount to a tax increase on some taxpayers who make small charitable contributions, and I strongly oppose it.

The second is a provision that will change accounting rules for the oil industry. The accounting rules at issue are not some loophole for the oil industry. All taxpayers with inventories can elect to use LIFO inventory rules—all. It would be unfair to impose different rules standards on only one industry and would set a dangerous tax precedent.

Additionally, as my colleagues well know, we just passed an energy bill this summer. It contains incentives to increase refining production which is so desperately needed and which we have been neglecting for too long. To turn around and take away these incentives just a few months later, as this bill does, makes no sense whatsoever. Our focus needs to be on trying to increase domestic production of oil and refining capacity, and this provision will do exactly the opposite.

I am planning to support this bill on the floor of the Senate, but I am only doing so with the expectation that we will improve it and that the bill that lands on the President's desk will ultimately reflect the views of the full Senate and this Congress.

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

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

A NEED FOR ANSWERS

Mr. REID. Mr. President, tonight the Vice President has come out of his bunker and is speaking at a gathering of Washington, DC, insiders. Of course, it is closed to the press.

Unfortunately, he brought his bunker mentality with him in the speech. He is repeating the same tired attack we have heard from administrative officials over the last 2 weeks.

Mr. President, in the last 24 hours in faraway Iraq 10 of our brave soldiers have been killed. On such a night, you would think the Vice President would give a speech that honors the fallen and those still fighting by laying out a strategy for success. But no, instead we have the Vice President of the United States playing politics like he is in the middle of a Presidential campaign.

Yesterday, a bipartisan majority of this body, the Senate, gave the administration a vote of no confidence for its Iraq policy. The Senate said the era of their no-plan, no-end approach is over.

Apparently, though, the White House didn't get the message. The Vice President's speech tonight demonstrates that once again this administration intends to stay the course and continue putting their political fortunes ahead of what this country needs, a plan for success.

Our troops and the American people deserve better.

The White House needs to understand that deceiving the American people is what got them into trouble. Now is the time to come clean, not to continue the pattern of deceit.

So again, Mr. President, I ask Vice President CHENEY to make himself available and answer the American people's questions. If he has time to talk to DC insiders, as he is doing tonight, oil executives, and even a discredited felon, Ahmed Chalabi, who by the way is under investigation for giving this Nation's secrets to Iran, it would seem he has time to answer the questions of the American people.

Mr. CHENEY needs to stop stonewalling and hold a press conference.

Finally, I would urge the members of the Bush administration to stop trying to resurrect their political standing by lashing out at their critics. Instead, they need to focus on the job at hand, giving our troops a strategy for success in Iraq.

This week we have seen Stephen Hadley, Donald Rumsfeld, President Bush, and Vice President CHENEY lash out at their critics. Yet they all remain silent when it comes to giving our troops and the American people a plan for success in Iraq. I believe this tired rhetoric and these political attacks do nothing to get the job done in Iraq. I truly believe, Mr. President, America could do better.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I ask unanimous consent that the pending amendment be set aside for the purposes of offering an amendment.

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

AMENDMENT NO. 2596

Mr. DURBIN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows.

The Senator from Illinois [Mr. DURBIN] proposes an amendment numbered 2596.

Mr. DURBIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To express the sense of the Senate concerning the provision of health care for children before providing tax cuts for the wealthy)

At the appropriate place, insert the following:

SEC. ___. SENSE OF THE SENATE CONCERNING HEALTH CARE FOR CHILDREN BEFORE TAX CUTS FOR THE WEALTHY.

(a) FINDINGS.—The Senate makes the following findings:

(1) There are more than 9,000,000 children in the United States with no health insurance coverage.

(2) Sixty-seven percent of uninsured children live in families with at least one full-time worker.

(3) According to the Center for Studying Health System Change, uninsured children, when compared to privately insured children, are—

(A) 3.5 times more likely to have gone without needed medical, dental, or other health care;

(B) 4 times more likely to have delayed seeking medical care;

(C) 5 times more likely to go without needed prescription drugs; and

(D) 6.5 times less likely to have a usual source of care.

(4) More than half of these children are eligible for coverage under either the State Children's Health Insurance Program (SCHIP) or Medicaid, but are not enrolled in those safety net programs.

(5) Most States, struggling with budget deficits, have curtailed outreach efforts.

(6) A focus on simple and convenient enrollment and renewal systems, as well as proactive outreach and educational efforts, could help reach these children and reduce the number of uninsured American children.

(7) Some States, seeing that the Federal Government is not providing assistance to middle class families who can't afford health insurance, are trying to extend coverage to some or all children.

(8) State efforts to cover all children will not be successful without financial assistance from the Federal Government.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the Senate should not vote to extend the capital gains and dividend tax cuts, a majority of the benefits of which go to households with incomes over $1,000,000, until Congress has taken steps to ensure that all children in America have access to affordable, quality health insurance;

(2) the Senate should vote instead to use the funds generated by the expiration of the capital gains and dividend tax cuts to further the goal of ensuring that children have access to health insurance coverage by—

(A) awarding grants to States, faith-based organizations, safety net providers, schools, and other community and non-profit organizations to facilitate the enrollment of the 6,800,000 children who are currently eligible for enrollment in the State Children's Health Insurance Program but who are not enrolled;

(B) paying to each State with an approved State Children's Health Insurance Program or Medicaid plan, an amount equal to 90 percent of the sums expended for the design, development, implementation, and evaluation

of enrollment systems determined likely to provide more efficient and effective administration of the plan's enrollment and retention of eligible children; and

(C) establishing a grant program under which a State may apply under section 1115 of the Social Security Act to provide medical assistance under the State Children's Health Insurance Program to all children in their State.

Mr. DURBIN. Mr. President, as we gather in the Senate this evening, there are 45 million Americans who are uninsured.

I have introduced this sense-of-the-Senate resolution and invite cosponsors from both sides of the aisle to establish a national goal that we will eliminate the 45 million uninsured in the next 10 years.

Some are critical of a sense-of-the-senate resolution saying this is ''pie in the sky,'' we could not do that, we could not eliminate 45 million uninsured in America in the course of 10 years. I disagree. If we set it as a bipartisan national goal, if the President and Congress agree it is goal we are going to seek, we can reach that goal.

The amendment which I have just offered will eliminate 20 percent of the uninsured Americans—20 percent of them.

Now, which would be the first group that you would turn to, to give health insurance and give the protection of health insurance? Well, I think most Americans, certainly most American families, would say our children. Would we not want to take care of them first?

There are 9.1 million children in America without health insurance. Let me show you what 9 million children might look like in this depiction. Look at the States in yellow. If you took the children in every one of these States, they would total 9 million children. It gives you an indication of the gravity of this challenge. And it also tells you that we need to do much more. The number of children without health insurance in our Nation exceeds the number of all children living in 21 States and the District of Columbia combined.

According to the Center for Studying Health System Change, uninsured children when compared to privately insured children in the year 2003 were, first, 3½ times more likely to have gone without needed medical, dental or health care; second, 4 times more likely to have delayed seeking medical care; third, 5 times more likely to go without needed prescription drugs; fourth, 6½ times less likely to have the usual source of care.

Let me give you the hard number. Six million children went without needed health care in America in the year 2003.

I am sad to report this year I am afraid it is even more. There are more than 250,000 children in my State of Illinois without health insurance. Most come from working families, such as the Akeys family of Chicago. Annette and her husband own a real estate company. They make about $60,000 a year. That is not a huge sum of money in the city of Chicago. They were forced to give up their family health insurance when their premiums rose to $500 a month. Unfortunately, their 6-year old daughter Katana became ill with a kidney problem and a heart murmur.

Katana was in the hospital for 3 days and the Akeys were left with a $10,000 medical bill to pay out of their own pocket. How did they do it? They took a second mortgage on their home.

The Baldwins from Moline, IL, are another working family who can't afford insurance. Amanda Baldwin manages a fast food restaurant. She makes $556 every 2 weeks. Her husband David is a truck driver. He grosses $1,100 every 2 weeks. They have a 1-year-old son Zachary, but the Baldwins of Moline, IL, have no insurance. Why? Because it would cost $400 a month, which is about one-sixth of their monthly income.

Paula Brooks of Adwardsville, IL, has coverage through the nonprofit agency where she is employed, but she can't afford to add her daughter Brittany, who is 9 years old, to her policy.

There isn't a State in this Union, there isn't a city or town or village in this Nation where you could not find this story repeated over and over and over again—families that can't afford health insurance, children that go without protection.

Let me tell you what has happened since Congress has failed to address this issue. If this is impossible to read as you are following this debate, it is because the print is so small, but what I have is the response of 19 States that have decided they are tired of waiting for Congress. They are trying to expand health care to their citizens. It is pretty clear that many of these States have become desperate. California, Colorado, Connecticut, Florida, Hawaii, my home State of Illinois, Kansas, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Missouri, New Hampshire, New York, Ohio, Vermont, Rhode Island, and Wisconsin, they are doing what we are not doing; they are showing leadership on the issue of expanding health coverage to the people living in their State. For the life of me, I can't explain why this President and this Congress ignore one of the most pressing problems facing America today.

Luckily for the kids of my home State of Illinois, Governor Blagojevich signed a bill yesterday that covers all the children in the State. He calls it the All Kids Program. It will offer Illinois's uninsured children comprehensive health care that includes doctor visits, hospital stays, prescription drugs, vision care, dental care, and medical devices, such as eyeglasses and asthma inhalers.

Parents will pay monthly premiums based on their income. For instance, a family of four that earns between $40,000 and $60,000 a year will pay a $40 monthly premium per child and a $10 copay per physician visit.

But let's make it clear, this Governor in my home State is trying. In Illinois, we are doing something that is not being done in Washington. In Washington, we are not even trying. At the very least, Congress should take steps to ensure all American children have access to affordable, quality health insurance coverage.

Does anyone doubt the popularity of that suggestion, that if you went to the people of America and said, I have a plan that will make sure every kid in America will be covered for a hospital stay, can get to a doctor, can have their prescriptions filled when they need them, regular dental care and vision screenings, is there anyone in America who believes that is an extravagance? I don't think so.

Kids are the least expensive people to insure. The average cost to cover a child in the program in Illinois is $93.23 a month. To cover all 9.1 million children in America, if we decided to expand the program in Illinois to all of America, the cost would be $10 billion per year. Now if you are following this and you say, $10 billion, wait a minute, Senator, that is a huge amount of money for a program, remember this: It is health insurance for every child in America.

Where would we find the $10 billion? We would find it in the legislation that is being debated by the House and the Senate right now: the 2-year cost of the extensions on capital gains tax cuts, tax cuts for the wealthiest Americans. The 2-year cost from 2008 to 2010 is $20 billion. So if we defer the tax break the administration is pushing for the wealthiest people in America, if we say they are not going to receive that tax break for the next 2 years, we would have enough money to provide basic health insurance for every uninsured child in America, and we would eliminate 20 percent of the uninsured Americans with that single act alone.

We could cover all the kids in America for 2 years for the cost of capital gains and dividend tax cuts, and that figure doesn't even include the State share of the program.

The first thing Congress can do is provide States more funding to enroll children who are eligible but not enrolled in SCHIP. These kids account for more than half of all uninsured children.

Before his last election, President Bush campaigned in Pennsylvania, and here is what he said on October 22, 2004:

We'll keep our commitment to America's children by helping them get a healthy start in life. I'll work with Governors and community leaders and religious leaders to make sure every eligible child is enrolled in our Government's low-income health insurance program.

President Bush, then a candidate, went on to say:

We will not allow a lack of attention, or information, to stand between millions of children and the health care they need.

That was a few days before the election. Since then no proposal to cover the uninsured children in America has come from this White House nor from

this Congress—a campaign promise that hasn't been kept.

The majority leader inserted $25 million in funds for outreach in last week's reconciliation bill. That is hardly enough. That isn't going to reach and insure these children. The bill of the Senator from Tennessee to fund outreach to kids would appropriate $100 million. Once we get all eligible kids enrolled, we should provide the Department of Health and Human Services with funds to grant to States that want to cover more children in their State.

Very briefly, here is what my amendment does. It expresses the sense of the Senate that the Senate should not vote to extend the capital gains and dividend tax cuts until Congress has taken steps to ensure that all children in America have access to affordable, quality health insurance.

The majority of the benefits of capital gains and tax cuts go to households with incomes over $1 million a year. Aren't kids in America a higher priority than millionaires? And how many times do people in the course of a campaign or on this floor talk about family values and moral values? Here is a nice moral choice for the Senate: Is it more important to give a tax break to someone making more than a million dollars a year, or provide health insurance for 9 million uninsured children in America?

How does that play out, whether your inspiration is the Bible, the Torah, whatever it happens to be? I think most who have religious convictions and feelings and believe there are moral values we are fighting for say this is a pretty simple choice: a choice between tax cuts for people making over $1 million a year or health insurance for 9 million uninsured children.

Specifically, my amendment would provide grants to States, faith-based organizations, safety net provider schools, and other community and nonprofit organizations to facilitate the enrollment of 6.8 million children currently eligible for SCHIP and not enrolled.

It covers 90 percent of the costs associated with the design, development, implementation, and evaluation of enrollment systems that will provide more efficient enrollment and retention of eligible children.

It will establish a grant program under which a State may apply for a waiver to expand coverage of children in their State.

When I go back home and speak to the families I represent, time and again they say to me: Are you people in Washington in touch with the reality of what is facing us in America? Whether it is a business owner who had to cancel his health insurance because one of his employees had a sick baby which drove the premiums through the roof for every other employee in the pool, whether it is a member of a labor union who says, I am working harder this year, I am getting paid more this year, but I have no take-home pay because it is being taken away from me in health insurance premiums and, Senator, I am getting less coverage, or whether it is a parent worried about a sick child and a medical bill they might never be able to repay—these are the realities of the life in America. It is not the reality of the debate in the Senate. We live in a different world in the Senate. We live in a world where people with a straight face can stand before us and say it is a much more moral thing to do and the right thing to do to give a tax cut to a wealthy person than to provide basic health care for a child in America.

That is the choice, and that is what my amendment will offer to the Members of the Senate. I hope they will choose the children over the millionaires.

Mr. President, I yield the floor, and 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. DURBIN. 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. DURBIN. Mr. President, I reserve the remainder of the time for debate on the amendment I just offered.

The PRESIDING OFFICER. The Senator from Iowa.

MORNING BUSINESS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business, with Senators permitted to speak for up to 10 minutes each.

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

FUNDING FOR UNIVERSITY OF ALASKA

Mr. MCCONNELL. Mr. President, a provision of the Science, State, Justice, Commerce, and Related Agencies Appropriations Act conference report was intended to transfer certain funds. Unfortunately, an error in drafting made that transfer ineffective. It was clearly the intent of the conferees on that act to provide for the transfer of certain unobligated and unexpended balances to the University of Alaska. We will be taking steps to correct that error at the earliest possible opportunity.

Before the Senate votes on this conference report, I want to take a moment to express my gratitude to Deb Fiddelke at the White House and Michael Allen at the National Security Council for their helpful input and insights into the State Department portion of this bill and the fiscal year 2006 foreign operations and related programs conference report. I appreciate the many courtesies they extend to my staff.

Finally, Secretary Rice and the entire State Department should be aware of the outstanding job Cindy Chang performed in conveying the priorities of the Secretary—indeed, the President—regarding funding for the State Department and our foreign aid programs. My staff and I appreciate the solid working relationship that Cindy has developed with the State Department, Foreign Operations and Related Programs Subcommittee, and she remains vigilant in support of the President's foreign policy agenda.

TRIBUTE TO VIRGINIA ROSE

Mr. REID. Mr. President, I rise today to recognize the contributions of Virginia Rose to Lovelock, NV. After serving the city of Lovelock for 35 years, Virginia retired as deputy city clerk on September 23, 2005.

Virginia has proudly lived in Lovelock all her life. As a young woman, she established a strong work ethic on her family's dairy farm performing daily chores with her nine brothers and sisters.

She continued her hard work as an office clerk for the city of Lovelock from 1961 to 1968. In 1977, Virginia returned as a deputy city clerk and spent the next 28 years as city clerk and treasurer. Virginia's colleagues at the city describe her as a highly motivated and gracious leader who knows how to organize and accomplish what needs to get done.

Virginia continues to serve her community today through active participation in her church, the Pershing County Alumni Association, the Pershing County Democratic Committee, the Lovelock Volunteer Fire Department Ladies Auxiliary, the Sierra Swiss Club, the Lovelock Community Singers, and several other organizations.

Well liked and respected by her community, she has been honored on numerous occasions since 1964. Most recently, she received the Northern Nevada Women of Achievement Award and the Diocese of Reno Outstanding Christian Service Award.

Virginia would likely describe her greatest honor as mother to Kim and Timothy and grandmother to Sarah, Adam, Lauren, and Caroline. She shares in this joy with Glenn, her husband of 46 years.

I have known Virginia for many years. While she is considered a pillar in the Lovelock community, she modestly describes her contributions as a privilege. Her dedication, diligence, and exceptional work has improved the lives of her fellow residents. I hope that you will join me in acknowledging Virginia Rose for her service to the Lovelock community on the occasion of her retirement from the city of Lovelock.