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Senate

The Senate met at 9:30 a.m., and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious Father, we claim Your promise given through Isaiah, "Your ears shall hear a word behind you saying, 'This is the way, walk in it'"—Isaiah 30:21. We humbly ask for that kind of clear guidance for everything we do today. We know that it comes as a result of seeking Your direction, listening carefully to Your answers communicated through our thoughts, and being faithful in following Your leading. We confess anything that may stand in the way of receiving Your inspiration. Make us clear channels for the flow of Your spirit. Maximize our native intelligence with Your wisdom, our analytical skills with Your discernment, and our agendas with Your priorities. You know how pressured life becomes. Therefore, give the Senators clear minds and trusting hearts. You have called them to greatness through Your grace and goodness. With them, we dedicate all that we have and are to You and our beloved Nation. Through our Lord and Savior. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader, the distinguished Senator from New Mexico, is recognized.

Mr. DOMENICI. Thank you, Mr. President.

SCHEDULE

Mr. DOMENICI. Mr. President, for the information of all Senators, this morning the Senate will resume debate on the Interior appropriations bill with Senator BOXER being recognized to offer an amendment regarding oil roy-

alties. There will be 3 hours for debate on the amendment. At the conclusion or yielding back of time, the Senate will proceed to a vote on a motion to table the Boxer amendment. Following that vote, it is expected that further amendments to the Interior bill will be offered and debated. Therefore, Members should expect rollcall votes throughout today's session and into the evening in relation to the Interior bill or any other legislation or executive items cleared for action. The leader expresses his thanks to colleagues for their attention.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1999

The PRESIDING OFFICER (Mr. ALLARD). The Senate will now resume consideration of S. 2237, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2237) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1999, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Daschle amendment No. 3581, to provide emergency assistance to agricultural producers.

Mr. DOMENICI. Mr. President, we are awaiting Senator BOXER. 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.

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

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

Under the previous order, the Senator from California is recognized to offer an amendment related to oil royalties in which there shall be 3 hours for debate equally divided.

The Senator from California is recognized.

Mrs. BOXER. Thank you very much, Mr. President.

AMENDMENT NO. 3594

(Purpose: To strike the section delaying issuance of a notice of final rulemaking with respect to the valuation of crude oil for royalty purposes)

Mrs. BOXER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from California [Mrs. BOXER], for herself, Mr. BUMPERS, Mr. DASCHLE, Mr. DURBIN and Mr. WELLSTONE, proposes an amendment numbered 3594.

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

Mr. DOMENICI. Reserving the right to object, is it a short amendment?

Mrs. BOXER. Pardon me?

Mr. DOMENICI. Is it a short amendment?

Mrs. BOXER. Yes.

Mr. DOMENICI. I would like it read.

Mrs. BOXER. That is no problem with us at all.

The PRESIDING OFFICER. The clerk will read the amendment.

The assistant legislative clerk read as follows:

On page 74, strike lines 13 through 20.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. BOXER. Mr. President, I said it was a short amendment. It is in fact a short amendment. It is a very straightforward amendment. It would actually strike a rider that has been placed in this bill that deals with oil royalty payments that are due Federal taxpayers.

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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Mr. President, Senator BUMPERS, Senator DURBIN, Senator DASCHLE and Senator WELLSTONE are joining me today to offer an amendment to repeal a special interest rider that has been attached to the Interior appropriations bill. And I think, to put it in very, very straightforward terms, the taxpayers are being robbed. Now, that is a pretty strong statement, but I can back it up. They are being robbed to the tune of \$5.5 million a month, and that is a lot of money, Mr. President. It adds up real fast to many, many millions of dollars, and over years, hundreds of millions of dollars.

If any one of us were standing outside on the street and we saw someone's purse being snatched, and we saw somebody grab that purse and take the money out and pocket it, we would act like good Samaritans and we would say that is wrong. Well, I think it is wrong when we see the most powerful companies in this country—only 5 percent of the oil companies in this country are doing this—not paying their fair share of royalty payments.

How do I know this is a fact? Because there have been lawsuits, Mr. President. All over this country the oil companies have, in fact, settled and admitted—admitted—they underpaid their royalties.

I am very pleased that the Senator from Illinois has wound his way over here because he and I have worked on this together, as well as Senator BUMPERS and Senator WELLSTONE. I was very proud that in the committee my motion to remove this rider got the support of Senator BYRD. And that is because wrong is wrong and right is right. It is wrong for the powerful oil companies, with teams of lawyers, to be able to take away the rightful funds of taxpayers.

Now, what does this rider do?

The rider prevents the Interior Department from acting to ensure that oil companies pay their fair share of royalties for oil drilled on public lands.

Now, if you are asking what a royalty payment is, it is very simple. It is like a rent payment. The oil companies drill on Federal land, they have to pay a royalty payment, 12.5 percent of the value of the oil that they find on Federal land. What do we do with it in the Federal Government? It goes straight to the Land and Water Conservation Fund, which is the fund that purchases parks, to the Historic Preservation Fund, and a share of it goes to the States. What do the States do with it? They do with it what State law requires. In the case of my State of California, those royalty payments go directly to the schools.

So this amendment that I am offering, if we are fortunate enough to pass it and we can strip this rider out, will mean more money for schoolchildren and more money for the Land and Water Conservation Fund.

Now, this royalty payment is not a tax. It is a payment that the oil companies sign on to pay. They sign on to

an agreement, just as you do if you lease an apartment. It says:

The value of production for purposes of computing royalty on production from this lease shall never be less than the fair market value of the production.

Keep that in mind. The oil companies have signed on to a lease that says that their royalty payments "shall never be less than the fair market value of the production."

What has been happening? A small percentage of oil companies are paying a royalty not on the fair market value of the production, but on a made up price. A price that they, themselves, make up. I will explain that later. As a result of this phantom price system, they value the oil at a lower price than the market price. Taxpayers, therefore, are getting 12.5 percent of a lower price. Taxpayers are getting robbed, plain and simple. Only 5 percent of the oil companies are doing this, 95 percent are not. We want to make sure those 5 percent, the bad actors, pay their fair share.

That is what our amendment will do. It will strip out a rider that says to the Interior Department, "Stop what you are doing to fix this problem." The rider in this bill says to the Interior Department, essentially, "Stop what you are doing to fix this problem." The Interior Department is trying to get millions of dollars back for taxpayers. They are being stopped by a rider in an appropriations bill.

It is a very simple issue. Believe me, it will be contorted to make it look complicated, but it isn't complicated. For years, oil companies have been cheating the American taxpayers out of millions, if not billions, of dollars. The Department of Interior took action to stop the cheating. And now, the Senate Appropriations Committee, pretty much on a party line vote, said to the Interior Department, "You can't fix the problem." What we are doing in our amendment is saying, "Yes, you can, Interior Department, fix the problem. Do it in a fair way, go after the 5 percent of the oil companies that are cheating the people. Fix the problem."

Now, how do we know that they are cheating? First of all, common sense will tell you. We have a chart that shows the difference between the posted price and the market price. We know that the Interior Department has already billed 12 companies over \$260 million for past royalty underpayments. So we know there is a problem. The Interior Department wouldn't do that if they didn't think they had proof that there has been cheating. There have been settlements in five States on royalty underpayments. California has collected \$350 million; Alaska, \$2.5 billion; Texas, \$17.5 million; Louisiana collected \$10 million; New Mexico collected \$8 million. So the States are ahead of us on this. They are suing the companies because the States know they are being cheated, and they are collecting.

Just 2 weeks ago, Mobil Oil paid an additional \$56.5 million in settlement.

Now, oil companies would not have settled for these large sums of money if they truly believed they could justify their royalty payments. You don't go and say, "Here are millions of dollars. I'm really innocent, but let's just get this over with." I don't know of any company that would turn over \$56 million, or \$2.5 billion, if they didn't think they were liable for it.

Here is the issue. This chart shows ARCO as an example. This is the market price of oil in the west Texas market, in the blue on this chart. This is what ARCO said the price was. It is very easy to see the chart and see the difference, the area where we should be collecting money. Another chart shows the Koch Oil Company, the same thing. This is the market price in the blue line in the Louisiana market, and the red line is what they said the market price was.

We also know that in February 1998 the Department of Justice intervened in a lawsuit under the False Claims Act, accusing five major oil companies of knowingly undervaluing oil extracted from public land and thus paying lower royalties. The suit was originally filed in the U.S. district court in Lufkin, TX, by three private parties. The Justice Department entered the suit because of the overwhelming evidence against the companies. These lawsuits are still pending, and the Justice Department is continuing its investigation of the remaining seven companies that have been billed by the Interior Department. Under the False Claims Act, the United States may recover, on behalf of taxpayers, three times the amount of its losses plus civil penalties.

If anyone comes on this floor and says there is no cheating—and they will—if anyone comes on this floor and says, "There is nothing there, Senator BOXER; what is the fuss?" I will show them exactly what the fuss is all about. And that is the underpayment of royalties that the oil companies promised to pay. Remember:

The value of production for purposes of computing royalty on production from this lease shall never be less than the fair market value of the production.

And we know what the fair market value is because there is an open market on these prices.

Who benefits from this rider that is on this appropriations bill that Senator DURBIN, Senator WELLSTONE, Senator BUMPERS, and I, and others are trying to remove? Who wins? Five percent of the oil companies.

If you hear someone come on this floor and say this is an attack on small oil companies, this is an attack on the mom-and-pop oil companies, that is just not true. Five percent of the oil companies, the biggest oil companies, are the only ones who are affected by this rule; 95 percent of them are not, and there is no change. So we are talking about a rider that protects 5 percent of the oil companies—namely, the biggest oil companies in the country

who make billions of dollars and who are not paying their fair share of royalties and basically have admitted it in lawsuit after lawsuit after lawsuit—maybe not technically, but when you

settle for those amounts of money, you know they don't want to go to court about it.

Mr. President, I ask unanimous consent to have printed in the RECORD the

names of the companies who are affected by this rule.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Companies	(Oil and gas J.)	(Oil and cond.)	Paid vs. revenue (percent)	Under the rule	Liability v. revenue (percent)
Shell Total	\$29,151,000,000	\$213,008,437	0.73	\$19,459,159	0.07
Exxon Corp. USA, Total	134,249,000,000	154,531,037	0.12	7,993,222	0.01
Chevron USA, Inc. Total	43,893,000,000	159,611,684	0.36	7,111,509	0.02
Texaco Exploration & Prod., I Total	45,500,000,000	87,370,721	0.19	6,375,000	0.01
Marathon Oil Company Total	16,356,000,000	53,593,234	0.33	5,225,380	0.03
Mobil Explor. & Prod. U.S. Total	81,503,000,000	55,511,623	0.07	3,978,051	0.00
Conoco Inc. Total	20,579,000,000	30,562,431	0.15	2,444,738	0.01
Phillips Petroleum Co. Total	15,807,000,000	10,527,634	0.07	2,334,420	0.01
BP Exploration and Oil Inc. Total	17,165,000,000	46,819,366	0.27	2,138,002	0.01
Amerada Hess Corporation Total	8,929,711,000	12,271,849	0.14	1,446,901	0.02
Amoco Production Company Total	36,112,000,000	31,030,184	0.09	1,427,185	0.00
Pennzoil Products Co. Total	2,486,846,000	23,858,522	0.96	1,416,140	0.06
Unocal Exploration Total	9,599,000,000	36,205,793	0.38	1,358,282	0.01
Murphy Oil Company U.S.A. Total	2,022,176,000	16,445,805	0.81	778,351	0.04
Arco Western Energy Total	19,169,000,000	50,363,676	0.26	718,384	0.00
Coastal Oil & Gas Corporation Total	12,166,900,000	4,364,577	0.04	470,939	0.00
Total Petroleum, Inc.—Oil Total	34,526,000,000	3,059,110	0.01	364,045	0.00
Koch Oil Co. Total	Unavailable	3,214,012		342,222	
Fina Oil & Chemical Company Total	4,078,502,000	1,393,795	0.03	156,560	0.00
Hunt Oil Company Total	Unavailable	8,256,498		125,731	
Howell Petroleum Corporation Total	712,501,000	1,581,010	0.22	122,669	0.02
Frontier Oil & Refining Co. Total	3,379,000	486,634	14.40	47,853	1.42
Giant Refining Company Total	Unavailable	945,403		46,854	
Citgo Petroleum Corp. Total	Unavailable	600,941		45,755	
Navajo Crude Oil Mktg Co. Total	Unavailable	2,598,096		45,063	
BHP Petroleum (Americas), I Total	135,180,000	6,266,511	4.64	34,020	0.03
Barrett Resources Corp. Total	202,572,000	306,239	0.15	32,719	0.02
ANR Production Total	Unavailable	402,039		13,801	
Petro Source Total	Unavailable	919,725		12,049	
Berry Petroleum Company Total	57,095,000	132,733	0.23	9,711	0.02
Sinclair Oil Corp. Total	Unavailable	181,480		5,949	
Ashland Exploration, Inc. Total	13,309,000,000	47,270	0.00	3,825	0.00
Big West Oil & Gas Inc. Total	Unavailable	1,877,664		3,415	
Sun Refining & Marketing Co. Total	Unavailable	73,075		2,683	
Pride Energy Company Total	Unavailable	113,116		2,389	
Conex, Inc. Total	Unavailable	140,119		2,267	
Sunland Refining Corp. Total	Unavailable	4,034		1,919	
Diamond Shamrock Ref. & Mktg. Total	Unavailable	6,805		226	
Montana Refining Company Total	Unavailable	2,923		213	
Gary-Williams Energy Corp. Total	Unavailable	27,848		8	
Grand Total—40 Companies				66,097,612	

Mrs. BOXER. Mr. President, let the RECORD show that we have 1½ pages of companies that are affected by the rule, and we literally have 34 pages of all the companies that are not affected by this rule. So we, in this amendment, are going after only the 5 percent of oil companies that are cheating the taxpayers, and 95 percent of them are unaffected by this rule. So the only one that is benefited by this rider, as it stands in the bill, is big oil.

The delays caused by this and other riders will cost taxpayers—hold on to your hats—\$82 million in taxpayer money lost by this rider—\$5.5 million a month for 15 months, from June of 1998 when the rules were expected to be finalized and this problem was supposed to be taken care of.

I would like to share with you an editorial in the USA Today about this issue. I am going to read it because I think it is worth reading. It is one thing when I say this; it is another thing when an USA Today editorial says it.

Today's debate: oil, politics and money. Time to clean up big oil's slick deal with Congress.

Industry's Effort to Avoid Paying Full Fees Hurts Taxpayers, Others.

Imagine being able to compute your own rent payments and grocery bills, giving yourself a 3 to 10 percent discount off the market price. Over time, that would add up to really big bucks. And imagine having the political clout to make sure nothing threatened to change that cozy arrangement.

According to government and private studies, that's the sweet deal the oil industry is fighting to protect: the right to extract crude oil from public land and pay the government not the open market price, but a lower posted price based on private deals the oil companies can manipulate for their own benefit.

Big oil has contributed more than \$35 million to national political committees and congressional candidates in that time—a modest investment in protecting the royalty pricing arrangement that's enabled the industry to pocket an extra \$2 billion.

This is USA Today speaking. I don't associate myself with that thought. I think there are people here who are not motivated by this. But I think it is interesting that that is the perception of USA Today. They go on about the lost payments:

That's millions missing in action from the battle to reduce the Federal deficit and from accounts for the land and water conservation, historical preservation, and several Native American tribes. In addition, public schools in 24 States have been shortchanged. States use their share of Federal royalties for education funding.

But the taxpayers have been getting the unfair end of this deal for far too long. One major producer, Atlantic Richfield, has already adopted market pricing for calculating its royalty payments.

In other words, Atlantic Richfield has stepped out and done the right and corporate-responsible thing.

Instead of protecting industry recalcitrants and campaign contributors, the Congress should protect the public interest.

I want to identify and associate myself with that thought. I know col-

leagues believe it is in the best interest of America to stop the Interior Department from moving ahead with their rule. But if you really look at it and you see that we are being shortchanged by \$6 million—\$5.5 million to be exact—every month, that hurts taxpayers. As I said, it is just the same as seeing a purse being snatched and a little lady running after the criminal saying, "Give me back my money." Well, we can do a cartoon here of the oil companies—only 5 percent of them, the bad actors here—snatching the taxpayers' purse to the tune of \$66 million each and every year, and having the taxpayers say, "Wait a minute, that's ours. You signed a royalty agreement and you said it shall never be less than the fair market value of the production."

I know there are many others who wish to speak, Mr. President, so I will soon conclude my remarks. But I want to make one point about why this is happening. The big oil companies are so large that they have affiliates to whom they sell. The problem is that if they sell to their own affiliates, that is called a "non-arm's-length transaction." So if I have a product to sell on the market, because I don't own an affiliate, it is a very easy way to calculate the royalty. You go out on the marketplace, sell it to the highest bidder—you know what the market price is—and you pay a royalty payment of 12.5 percent on that price. If you own your own affiliate, you can pay whatever you want. So they sell it at a

lower price because they control the price, and then they go ahead and pay the royalty payment on the lower price that they control. It is very much like what the USA Today said about being able to manipulate the price. They say, "Imagine being able to compute your own rent payments and your own grocery bill." That is a pretty good deal.

But if you are the landlord and you pay yourself rent, you could pay yourself any amount and you won't evict yourself. That is what is happening here. They are selling the oil at a lower price because they control the affiliate, and then they pay the royalty payment on the lower price. Whereas, the oil companies that are smaller, that don't own the affiliate, have to go by the market price.

Let's show that chart one more time. Here you have a case of a company that owns its affiliate and sells to its own affiliate at the posted price—the red line—when the market price that all the smaller companies have to pay is up here. The difference between the red and blue lines is the area of cheating. That is what we are trying to recover.

So, Mr. President, I am honored that I have been able to offer this amendment. I am very pleased that Senator GORTON showed me great courtesy in allowing me to open up the debate this morning because it is an issue that is very important. Frankly, when it came up in the Appropriations Committee, we had to struggle to even get a minute or two to discuss it. It was almost as if people didn't want it to be discussed. I am very proud today that we now have time so Senator DURBIN can speak on its behalf, as well as Senator WELLSTONE, and others, and some on the other side can have a chance to be heard.

In concluding this portion of my remarks, let me thank my colleagues for their interest. Let me say that there aren't too many straightforward issues around here, and people are going to tell you this isn't straightforward. But for over 2½ years the Interior Department has tried to come up with a fair way to make sure the oil companies pay their fair share of royalty payments. They have done so.

In my next series of remarks I will read you the accolades the Interior Department is getting for the way they went about this. And what do we do in the face of finally straightening out a mess that has caused lawsuits, has meant that kids in California are not getting payments into the classroom, has meant that the Land and Water Conservation Fund and Native Indian tribes and the Historic Preservation Fund have been cheated out of funds? We get a rider that says to the Interior Department: Sorry, we don't like what you are doing. Stop short right here, and let's not do anything to recover these royalty payments.

Mr. President, I think that is wrong. I would like to see the Interior Department be allowed to do its job and,

therefore, we offer this amendment with the best of intentions to allow the Interior Department to move forward on this rule.

I yield the floor.

I will later participate in the debate. Thank you very much.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, let me ask the Senator from California, Is there any urgency on her side to conclude her remarks? We can wait. We have others who want to speak.

Mrs. BOXER. There are several others.

Mr. DOMENICI. The Senator from California has 1½ hours. We have 1½ hours. I am not sure we will use all of ours. I don't know whether the Senator from California will use all of theirs. I have a few Senators who want to speak.

Mrs. BOXER. I think we will be using our time.

Mr. DOMENICI. Mr. President, I yield myself just 5 minutes for some opening remarks.

From our standpoint, I would like very much the distinguished Senator from Louisiana to take a few minutes of my time because the Senator from California spoke longer than 5 minutes. I will yield time to the Senator from Louisiana for his comments.

First of all, Mr. President, it is too bad that the MMS, the Federal agency that is establishing these rules, doesn't have better credibility with those that they are proposing rulemaking against. You need not have the industry that you regulate think that you are totally against them—arbitrary, or somewhat capricious—in order to get your job done.

As Senator BOXER has indicated on at least three occasions, this only affects 5 percent of the oil companies. That is MMS's view. That is the agency of the Federal Government that thinks these rules are wonderful.

From my standpoint, I would like to tell you what the independent producers say. Frankly, I believe this is as valid as an MMS evaluation. The IPAA—that is the independents across America—say that the percentage of oil producers impacted by the oil royalty rule is 100 percent. In fact, this is their principal concern this year, that these proposed regulations, if adopted, will have a serious impact on many, many independent producers. Frankly, I believe that is the case.

First all, MMS, the regulating agency, has permitted so broad a latitude under the rubric of unreasonable that I believe they can do almost anything. It is not certain what the rules will be when they are completed. They will be very uncertain. Litigation will not disappear. It will become more rampant.

I would like the statement from the independent oil and gas producers—many of them from my home State, many very small, many going broke today because of low oil prices—be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PERCENTAGE OF OIL PRODUCERS IMPACTED BY OIL ROYALTY RULE: 100 PERCENT

It's time to debunk the mistruths surrounding the proposed oil royalty rule. Opponents of the oil industry and the Minerals Management Service claim that America's independent oil producers will not be affected by the proposed rulemaking. Not true.

RULEMAKING WILL CRIPPLE INDEPENDENT PRODUCERS

Before exposing the sham on this issue, it's necessary to state the position of independent producers on the proposed oil royalty rulemaking. Under the current proposal, no oil producer will be certain that royalty payments to the government are final. In other words, the Interior Department will have license to knock on the doors of independent producers years down the road and demand additional tax payments for oil drilled on federal lands. Not only is the rule a violation of the lease contract between government and industry, it will badly impact the health of independent oil companies who are already on its knees because of the devastatingly low oil prices.

The proposed rulemaking will most certainly lead to years of litigation and audit. In fact, IPAA's Board of Governors, who represent over 8,000 independent oil and gas companies, voted yesterday to pursue options to litigation should this rulemaking be implemented. A proposed rule promoting more government and less certainty should not be finalized. Fighting it in the courts is an expensive proposition, but independents are impacted by the rule and will have no choice but to pursue costly litigation for survival.

DEBUNKING MORE LIES

Opponents of the oil industry claim the industry-backed moratorium is anti-environmental. Not true. In 1997, the oil industry generated more than \$4 billion in revenues from oil and natural gas production on federal lands, much of which is used for the Land and Water Conservation Fund. The rulemaking affects accounting procedures, not the environment.

Opponents claim the moratorium will cost taxpayers and school children \$60 million per year. Not true. Interior has the ability under the current rules to collect all they believe is due and owing regardless of a moratorium.

ALL INDEPENDENT OIL PRODUCERS IMPACTED

Many changes. Like new duty to market at no cost.

Second guessing, moving producers to alternative pricing.

Chasing arm's-length prices away from the lease.

Mr. DOMENICI. Mr. President, we are here on the floor of the Senate, it seems to me, proposing a set of rules that would like to gouge for oil bucks, gouge for oil royalties.

Let me state for the Senate a couple of facts about oil production in the United States and about the cost of oil that I believe are startling.

First of all, about 3 weeks ago—I don't know what the exact measurement is today—one of my staff members drew some comparisons in terms of what oil is worth today, what gasoline is worth today for our automobiles and for our Nation. If you go to a supermarket, I say to my friend from Illinois, or if your wife does, and she buys bottled water, she will pay more for a

gallon of bottled water than Americans are paying for gasoline for their cars. That is good economics for America, but it is bad economics for America's oil independents, for America's independent producers. Because, just as that truism indicates that gasoline and oil producers have been at an all-time low for the last 5, 6 or 7 years, oil production is going down in the United States. Many independents who have been stalwarts are literally saying they do not know if they can make their bank payments for 1 additional month.

Here we come to the floor with an amendment that is saying, let the regulators impose new regulations, and we sing the praises—at least the Senator from California does—that it is going to get more money out of the oil companies. That sounds wonderful. In fact, it is kind of alleged here this morning that, you know, they—these oil companies—are just taking money out of somebody's purse so we ought to go after them like we would go after somebody who took a purse away from somebody.

Mr. President, if you are going to take more money from the oil producers of this country—and we are already becoming more and more dependent on foreign oil, and the price of oil is going down and down—I ask you, won't you in about 3 or 4 or 5 years get less by way of oil royalties than you are getting today by shutting off American production and causing some more of them to get closed? Where will the royalty come from as we produce less oil, rather than more?

So whether it is \$60 million, \$70 million, \$80 million or \$100 million that allegedly will come in, that is not the test of whether the rules are fair. If we imposed those kinds of regulations on any industry we regulated, could we stand up and say we just got \$50 million from the patent applicants of the United States because we just increased the fee? But you have to ask, what is fair, what is right, what is just, not just are the regulators right because they picked up more money.

Before we are finished, we will go through a litany of arbitrary, confusing regulations that they intend to pursue. They are just looking for a little window—I can tell you these regulators are—because there is a moratorium right now. They are hoping against hope that they will get an 8- or 10-day window when there is no moratorium so they can slap on these.

I want to tell them here and now that they are going to have a hard time doing that, because I believe we will prevail today, and I believe we will make sure that any bill that goes to the President for signature is going to have this on it.

Having said that, I reserve the remainder of my time, excepting I would yield whatever amount of time that Senator BREAUX from Louisiana desires.

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER (Mr. ROBERTS). The Senator from Illinois.

Mr. DURBIN. Mr. President, thank you.

The PRESIDING OFFICER. Who yields time to the Senator?

Mrs. BOXER. I yield time to the Senator, 15 minutes.

The PRESIDING OFFICER. The Senator from Illinois.

Mrs. BOXER. Mr. President, how much remaining time do I have?

The PRESIDING OFFICER. The Senator has 56 minutes remaining.

The distinguish Senator from Illinois is recognized for 15 minutes.

Mr. DURBIN. Thank you, Mr. President. I thank my colleague from the State of California.

Let me say at the outset that this is about more money for California schools. It is about more money for land and water conservation, which funds the acquisition of park space and green space across America. It is about more money for historic preservation. It is about more money for Indian tribes, Native Americans, who receive benefits from these royalties. This is about a matter of principle on which the Senator from California is taking the floor to lead the fight. I salute her at the outset, and say to those who are listening to this debate that we are fortunate to have people of the caliber of Senator BOXER from the State of California who are willing to wage these battles, because, you see, it would have been so easy for us to really kind of look the other way with a wink and nod and let this one slip by.

This is not an issue that went before a committee with a lot of investigation, witnesses and hearings so that America could tune in and be part of the debate. This was done on a disaster bill for tornado victims—a bill that was also designed to buy emergency funds for our troops in the Middle East.

You say, What could that possibly have to do with the royalties oil companies pay for drilling on Federal land? The honest answer is that it had nothing to do with it. It was put on at a late moment with no hearings and with little publicity.

I have been around legislatures for about 32 years—State and Federal. I can tell you there are two things to keep your eye open for toward the close of business: find out if there is something that just got popped on a bill without any hearings, and find out whether it benefits some large special interest group. Guess what? Bingo. That is what we are talking about here. Senator BOXER caught it, brought it up in the Appropriations Committee, and said to her colleagues, Please don't do this. At least for the taxpayers of this country, take a close look at what is going on here.

I salute her for doing that. Her leadership is important, and this issue is important. It is about \$66 million a year. And I guess by Federal standards people say, wait a minute, in a budget that is dealing with \$1.5 trillion, what does this mean?

Well, it means a lot, because for schoolchildren in her State and a lot of

other States and for the people I mentioned earlier who are dependent on these royalties, this is an important amount of money.

I think what is more important than the money involved is the principle that is involved in this. Consider for a moment, you own a piece of property and someone comes to you and says, "I want to rent from you under one condition, and that is I decide how much rent I am going to pay you." Well, you say, "Well, at least let's have some standard. Let's have some objective standard." And they said, "Yes, I will tell you what the objective standard will be. I will ask my Uncle Louie what's fair." And you say to yourself, "Why would we sign such a lease?"

That is what has happened here. The land that they are drilling for oil on is land that we own, ladies and gentlemen. It is the land of the people of the United States. It is not land owned by oil companies. They come on our land with our permission to drill oil from our land to make profits for their companies. That is what this is all about. And we say to them, "Make a profit. That's fine. That's the American way. But we want one-eighth of your profit. We want one-eighth of the cost of the oil." Those who are involved in the oil business know that is not an unusual request. The owner of the land gets an eighth.

The problem here is that the oil companies have said, "We will determine an eighth of what. We will determine what Uncle Louie says is an eighth." And in this situation they won't take a market price that they are supposed to take. They take a price they have absolutely fabricated. They have made it up. They trade among themselves. They post prices and say, "This is the price," and we know better.

The charts the Senator from California brought to us make it clear the taxpayers are being cheated, because a handful of oil companies are declaring a price that they are basing the royalty on which is a phony, false price. State after State has turned around and sued them successfully for this sort of cheating. And now we are trying to promulgate a law here on Capitol Hill in the Senate which condones this cheating, saying, "Keep on reaching in Uncle Sam's pocket, pull out all the money you need, play us for Uncle Sucker, and we are going to look the other way."

I do not think we should do that. I do not think that is fair to a lot of people. And I really am, in a way, surprised that a lot of oil companies that have extraordinarily good business reputations would be involved in this chicanery.

I listened to the Senator from New Mexico give a speech. His speech is, as far as I am concerned, very accurate. The oil industry in this country does suffer some problems, particularly independent producers. They come from my State. Illinois is not a major production State, but we have a lot of

producers there who have come to see me. And it is a fact that the price of oil and the products of oil are so low that many of them cannot survive. It has domestic and international ramifications; I don't question that. But to argue that that situation with the oil industry in general means that we should give a handful of oil companies, 5 percent of them, an opportunity to reach in the Federal Treasury and pull more money out at the expense of taxpayers begs the question. If you let this 5 percent turn around and absolutely drill the oil for free and not pay the taxpayers a penny, it would not create a recovery in the oil sector. I am afraid that is what the other side is arguing. We are dealing with a small percentage here.

And let me tell you what these royalties mean to these large companies that are drilling on taxpayers' land. The additional royalties represent approximately 1-100th of 1 percent of the \$461 billion in 1996 revenues for these companies. We have crocodile tears in the Chamber here about these struggling oil companies at a time when we look at their balance sheets, and many of them are making billions of dollars and would say to the taxpayers of this country, "No, we can't pay you a royalty based on the real market price; we want to create some fiction." And so not in the dark of night but in the darkness of a conference committee room, along comes a provision which basically says the Department of Interior may not investigate, may not determine whether there is fairness in the price that is being charged. No. The Senate of the United States will shut them down and tell them, keep their noses out of these corporate boardrooms.

Mrs. BOXER. Will the Senator yield for 1 minute?

Mr. DURBIN. I will be happy to yield.

Mrs. BOXER. I wanted to know if the Senator was aware, when the Senator from New Mexico read from the independent oil producers, the director of the Minerals Management Service sent us over an announcement that I am going to put on everyone's desk that says:

We understand that information is being provided to Congressional Members indicating that the proposed Federal oil valuation rule will put independent oil companies out of business. This is untrue. The rule will have no impact on independents who sell on the open market.

And it goes on that only 5 percent of the companies will be impacted.

The reason I interrupted my friend was to see if the Senator had seen this, because I think this is the key part of the debate. We know that the companies that are impacted in fact have billions of dollars of revenue. I just wanted to make sure that Senator DURBIN from Illinois had seen this, and we will be putting it on everyone's desk.

Mr. DURBIN. I am happy that the Senator from California brought up the point, and I have this in my possession.

I do not believe we can allow these major oil companies to hide behind the skirts of these independent oil producers who are struggling to survive.

A letter from Secretary Babbitt that was sent to USA Today on this subject says that his data tells an entirely different story.

Business is booming in the Gulf of Mexico. The industry recently paid more than \$1.3 for new deep water leases in the gulf. Published reports claim there are more jobs available than workers to fill them.

This is hardly an industry on its knees. And we are talking here about those who will come on our land, the taxpayers' land, the Federal land, draw oil from our land to make a profit, who are unwilling to pay a fair share of that profit back to the taxpayers of this country.

Right outside of this Chamber in the corridor is the bust of a man who I consider to be a real inspiration in public life, Theodore Roosevelt. I would like to hear Theodore Roosevelt in this debate. If you take a look at this bust here, if you have a chance to see it, it looks like he is about to charge right off the pedestal; that is the kind of man he was. And then when you read the sign below it, it says they picked the more common, thoughtful pose; there was one that was more aggressive. I can imagine Theodore Roosevelt in this Chamber talking about the public lands and the exploitation of these lands by special interest groups and big corporations at the expense of the taxpayers of this country.

I might say to my friend from New Mexico, I believe that that Senator, if he were one, would have been on your side of the aisle making our argument, and thank goodness he was there to set the tone in this century for the profit relationship between corporations and the public good. Thank goodness the Senator from California has the courage to stand up here and take on the oil giants when it comes to this issue.

This is simple and straightforward. Will the taxpayers receive a fair amount from those who would come on our land to drill oil from the taxpayers' resources and whether or not this is going to pass.

I say to my colleague from California and those who support her that she has taken on an important issue, one that is critically important not just for the money for those who would receive it but one principle: If this position that is being espoused by the other side is so right and so good, why did we not have a hearing? Why did this not come before us with witnesses so that all could hear both sides of the stories, that the oil companies' executives who are making these billions of dollars could sit there in the chairs before the cameras and the microphones and explain it?

They could not face the music. They could not take that kind of scrutiny, and neither can this program. Let the Department of the Interior go forward on behalf of the taxpayers. Let them

make sure that we receive a fair amount for those who would take profits from America's lands.

I yield back the remainder of my time. I yield the time back to the Senator from California.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I yield to Senator BREAU from Louisiana as much time as he desires.

Before I do that, I just want to make an observation. I just read a most authentic history of Theodore Roosevelt, and my observation to the Senator from Illinois is he wouldn't take this case so he wouldn't be down here arguing on anything because he would look at the facts, and he would say I don't want to be on the wrong side of the facts. He wouldn't be down here anti-anything. He would leave the argument to somebody else.

I yield to the Senator.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. BREAU. Mr. President, it is interesting. During the time I have been in the Senate and Congress, a lot of times when you don't have the facts on your side you have to create an enemy and talk about the enemy. I think this is exactly the case here. It is easy to find an enemy in the oil and gas industry. The oil and gas industry are the first people in the world to admit that they, on any kind of a popularity chart, would probably be right at the bottom—or probably right above the Members of Congress. The oil industry right in front of us, and we would be at the bottom.

The point is, if you do not have the facts, you have to get somebody to argue against, somebody who people don't generally like. And I agree, people don't generally like oil and gas companies. So, let's make them the big bogeyman in this and argue about how bad they are. Fortunately, that is not the issue in this case. The issue in this case is really very simple. The issue is, how do you determine the proper value for oil that is discovered on Federal lands, and what is the royalty that companies who explore and develop should pay the Federal Government? It is very clear that companies do not determine how much they have to pay—we do. We passed the OCS Lands Act in 1976 and innumerable other Federal acts in Congress to determine what royalties should be. Congress makes that decision and we have made it many times.

The question before the Interior Department in which they, I think, made a mistake is how do you determine the value of the oil. We know what the percentage is. Interestingly, companies made a proposal to the Federal Government and said let us quit fighting over what the value of the oil is; let us just give you the oil. If you are entitled to 15 percent of the oil, and we have 100 barrels, let us just give you 15 barrels

of oil and let you go sell it and you determine what the price is by selling it in the marketplace.

The Federal Government said we don't want to do that. We think that is too complicated—and it is complicated. The problem before this Congress is what do we do, in trying to work with the Interior Department, in helping to determine what is the proper value. How do we find the proper value for oil?

Someone said we ought to have hearings on this. We did. We had a hearing. We had two hearings. We had hearings in the Senate Energy Committee. We had hearings in the House Resources Committee. Minerals Management Service came and testified, members of the oil and gas industry came and testified and talked about how they were trying to work this problem out. I also hosted, along with Senator HUTCHISON from Texas, Senators DOMENICI and BINGAMAN from New Mexico and Senator LANDRIEU from my State and others, meetings between oil industry representatives and Interior officials to try to get them to sit at the same table and try to come to a resolution of the very complicated technical problem of determining how do you find out what the proper value of a barrel of oil.

The oil is brought to the surface in the middle of the Gulf of Mexico. You can determine what the price is, if you look at what it is at the wellhead. One problem in this proposed rule is that we look at different prices and at a different time to determine the value. We don't look at what its value is in the middle of the Gulf of Mexico, but we look at it after it is brought onshore. How do you determine what are the legitimate transportation deductions in reaching the royalty value of crude oil? And, should companies have to pay all of the costs to this point onshore. If it is the Government's oil, shouldn't the Government pay the transportation cost of its share? Therefore, one of the real conflicts is how do you determine a proper transportation deduction?

Companies will argue that the entire pipeline system is part of the cost of transporting oil. They say, "If we do not have this elaborate system out there, we cannot transport it to the place onshore where the Government takes ownership, so that should be deductible." Minerals Management says "No, you should not deduct all of that; it should be less." So this is a battle of what you should deduct and how you reach a legitimate price. There is nothing mysterious about this. Nobody is trying to rob anyone of anything.

Oil and gas companies have paid more in royalties to the Federal Government than they have received in the price of oil they have taken from the Federal lands in terms of taxes they have paid and royalties that they have paid over the years since we have had an offshore oil and gas industry—companies have paid more to the U.S. Treasury than they have made in finding oil in the Gulf of Mexico. Eventu-

ally, in the future, it will turn around. They will start making more money than they have paid. That is why they are in the business. Up until this point they have still paid more to the Federal Treasury in royalties and taxes and benefits to the U.S. Government than they have made in selling the oil that they have found.

We tried to have meetings with Minerals Management Service to resolve this. This rider is not the best way to handle it. I would admit that. But I think it is appropriate that when Congress sees something happening that is not consistent with what is good policy and what is the law, then Congress has an obligation to say "hold it," "stop," "slowdown," "let's continue to try to work this out." That is exactly what an appropriation rider has done. We have told Interior Department, in the Interior appropriations bill, that this rule is fundamentally flawed. It is not correct. It is not right. It does not allow for the legitimate deductions in the costs of transportation that should be allowed, and therefore don't go forward with a rule that is fundamentally flawed. Give Congress and the Interior Department time to come to an agreement on what is appropriate and proper.

That is the argument. That is the issue. We can talk about how bad the oil companies are. That is a easy thing to say if you don't like oil companies. I happen to like them. They employ hundreds of thousands of people in my State and provide the energy for people to drive to work in the morning. It is part of our national economic security and part of the national defense in our country. They do an important service for this country of ours. So the issue is not whether or not you like oil companies. The issue is very simple. Is this a good rule? The answer is no. Should it be stopped? The answer is yes. Should this amendment be tabled? The answer is also yes. I think when this amendment is tabled it will allow the administration and the Department to continue to work with those who are interested in trying to resolve this and come to a resolution that makes sense. Companies will continue to pay.

It is interesting, when they had the hearings over in the House, when the administration testified concerning this argument about how much we are losing in lost revenue. The Director of the Minerals Management Service, when she testified at the House Resources Committee on February 26, 1998, said that these regulations "are intended to simplify the royalty payments, make valuation methods reflective of modern market conditions, offer the industry more flexibility, reduce administrative costs, and maintain revenue neutrality."

When MMS proposed the rule, as flawed as it was, it wasn't to increase the amount of money they would get. At least that is what they said. It is simply to "maintain revenue neutrality." Now the argument is we are

losing millions of dollars every month. The whole purpose of the rule was to make the way we determine the value of the oil simpler and reflect modern market conditions. It doesn't do that. Therefore we should say stop, slowdown, let's continue to negotiate to come up with something that makes sense.

That is what the bill before the Senate does. It should not be changed, and the amendment should be tabled.

I yield back the time to the distinguished Senator from New Mexico.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota. Who yields time?

Mr. WELLSTONE. Mr. President, Senator BOXER stepped out. She yielded me 15 minutes.

The PRESIDING OFFICER. Without objection, the Senator is recognized for 15 minutes.

Mr. DOMENICI. Mr. President, I ask the Senator, may I ask a parliamentary question, please?

Mr. WELLSTONE. Yes.

Mr. DOMENICI. Mr. President, how much time has been used by each side?

The PRESIDING OFFICER. The Senator from California, Senator BOXER, has 55 minutes. The Senator from New Mexico has 74 minutes.

Mr. DOMENICI. I thank the Senator.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, the Boxer amendment would simply let the Interior Department do its job, which is making sure that oil companies pay full royalties for the oil they are drilling on Federal or Indian lands. That is what this amendment does.

Right now, some of these companies are not paying the money that they owe, and several are being sued for it. Amazingly, there is a rider in this bill, the same rider put in during the conference committee on this spring's supplemental appropriations bill, that stops Interior from doing its job. That is what this is about. This rider stops Interior from issuing rules to collect these royalties. No wonder Senator BOXER has sounded the alarm.

As a Senator from Minnesota, I am glad that we have Senators who are willing to stand up to oil companies. There are not that many Senators who will do so. The Senator from California has the courage to do so.

This kind of sweetheart deal—and that is exactly what it is—is simply outrageous. It is corporate welfare of the worst kind. And even worse, in many cases this money is being taken away from our children's schools. In 24 States, the State's share of the royalties is used to fund public education, so when the oil companies underpay their royalties, education is the loser.

In addition, the Federal share of these royalties goes to the Land and Water Conservation Fund and the National Historic Preservation Fund.

If the Boxer amendment is adopted, the money will go where it should be

going—to public education, the environment, historic preservation, and to Native American communities—instead of corporate bank accounts.

Mr. President, this is an unbelievable story. The Interior Department's Mineral Management Service—MMS—simply wants to collect the money these companies owe the public. Interior Secretary Babbitt says:

Many of the industry's largest companies are underpaying royalties.

Just recently, Mobil Oil agreed to a \$56.5 million settlement of Federal and State lawsuits alleging underpayment of royalties. That is what has been going on. And there has been a flurry of such settlements: \$2.5 billion in Alaska, \$350 million in California, \$17.5 million in Texas, \$10 million in Louisiana, and \$8 million in New Mexico. MMS has now billed 12 of these companies \$260 million for overdue royalties. Now the Justice Department has joined a lawsuit under the False Claims Act alleging fraud. According to Justice, several of these oil companies have been deliberately underpaying their royalties.

Remember, this oil belongs to the public and to Native American tribes. We are leasing the mineral rights to them, but only under one condition. We are saying, "Go ahead, take the oil; all we ask is a 12.5 percent cut on the fair market value." I don't think that is too much to ask. Nor do the people of this country think it is too much to ask. But apparently the oil companies do.

Let me be clear about one thing. This has already come up in the debate. Senator DURBIN spoke to it, and Senator BOXER spoke to it as well. We are not talking about all the oil companies. We are not talking about mom-and-pop independents. We are talking about the large integrated companies who sell to affiliates at undervalued prices. They make up only 5 percent of all the oil companies drilling on Federal land, but they account for 68 percent of all Federal production.

For over 2 years, the Interior Department has been developing regulations to put a stop to this highway robbery. This is not new authority. Interior already has statutory authority to collect royalties on the "fair market value" of this oil, but the new regulations would keep oil companies from manipulating "fair market value" to underpay their royalties. The oil companies don't like that.

Here is the question I ask colleagues: Do these companies, do these huge integrated oil companies, really deserve our sympathy? I don't think so. They have been caught—let me repeat that—they have been caught underpaying their royalties.

Since when do we have such tremendous sympathy in the U.S. Senate for people who are cheating the public? It is interesting to me. We pass crime bills all the time. Now we have the Juvenile Justice Act—a crackdown on children. Very little sympathy there.

Put children in adult corrections facilities; very little sympathy for these children.

We passed a welfare bill. We don't really know what is happening. We know women have been taken off the welfare rolls. We know the children have been taken off the rolls. But we don't know what kind of jobs they have, what kind of wages. We don't know whether there is good child care for those children. Very little sympathy for these families either.

We tried to bring an amendment to the floor to increase the minimum wage so that working people can make a decent living. There is very little sympathy on the floor of the Senate for any of these folks.

But in through the door walks a CEO from one of these oil companies—large integrated oil companies that have been underpaying their royalties, oil companies who happen to be heavy campaign contributors—and all of a sudden we have sympathy to spare. We have sympathy coming out the wazoo. We feel their pain. All of a sudden it is, "At your service, sir. What can we do for you, sir? How can we serve you better?"

These companies have been caught red-handed. The cops are after them. Law enforcement is closing in. They are in deep trouble, and they are desperate for someone to come to their rescue, and fast.

So who do they call? They call their friends. They call the U.S. Congress. And guess what. Congress answers the call without a moment's hesitation. With a rider in this bill, Congress comes to the rescue and rewards them with a "get out of jail free" card.

The Boxer amendment would revoke this sweetheart deal that lets oil companies keep ripping off the public, lets them keep shortchanging education, even after they have been caught cheating. If there ever was a time to be tough on crime, this is it. In fact, I say this is a time for zero tolerance. The rider in this bill sends law enforcement on paid holiday. The Boxer amendment puts the cops back on the beat.

I say to my colleagues, we have to ask ourselves a question: What is our purpose here? Are we elected to fight for people or for the oil companies? Were we elected to fight for good government or for corporate welfare? Are we going to do what the public wants us to do, or are we going to do what the oil companies want us to do?

I urge my colleagues to join in a broad coalition that opposes this \$66 million corporate welfare giveaway. That is what this amendment speaks to. That is what this debate is all about, and all of us will be held accountable.

Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator has 7 minutes left.

Mr. WELLSTONE. With the indulgence of my colleagues, I ask for a couple of minutes. I have been trying to

give a speech for 3 days on what is happening in Burma. It will take me about 4 minutes. I ask unanimous consent that I have 4 minutes as in morning business.

Mr. DOMENICI. At this moment?

Mr. WELLSTONE. I am not taking near the 15 minutes.

Mr. DOMENICI. And you are not going to take the rest of the 15 minutes?

Mr. WELLSTONE. No. I thought my colleague wanted to hear me repeat the statement.

The PRESIDING OFFICER. If there is no objection, the Senator is recognized for 4 minutes.

Mr. WELLSTONE. I think this is a statement with which every single Senator will agree.

BURMA

Mr. WELLSTONE. Mr. President, I rise to express my outrage at threats toward Burmese opposition leader Aung San Suu Kyi made Tuesday in the government-controlled press in Rangoon. Completely without justification the press called for Aung San Suu Kyi to be deported from Burma. The regime has again made the ridiculous charge that Aung San Suu Kyi is not entitled to Burmese citizenship. This charge is made on the xenophobic and insulting basis that she married a foreigner. The regime has long tried to discredit Aung San Suu Kyi with the Burmese people with this type of nonsense—it hasn't worked.

The Burmese people voted for Aung San Suu Kyi's party overwhelmingly in 1990—electing opposition candidates to 80 percent of the parliament seats. She remains the hope of a repressed people longing for democracy and human rights. The military regime, which used to call itself the SLORC, has tried to improve its image by changing its name to the State Peace and development Council. But it is the same regime. It has had to prevent Aung San Suu Kyi from speaking publicly because she was drawing huge crowds to the front of her home. It has had to prevent her from traveling freely to visit her supporters since they fear her popularity.

Far from being a foreigner, Aung San Suu Kyi embodies the very history of Burma. She is the daughter of the founder of the Burmese army and the leader of Burma's independence movement, General Aung San. Like her father, Aung San Suu Kyi has devoted years of her life to the Burmese people at great personal sacrifice.

The Burmese people strongly identify Aung San Suu Kyi with her father's legacy and his struggle to bring independence and ethnic unity to Burma. In fact, displaying pictures of General Aung San has become a symbolic act of defiance and show of support for the opposition. University students began demonstrations in 1996 and again in 1998 by displaying portraits of Aung San as a rallying signal. The authorities can't take action against those