

has taken such a horrible toll in the Middle East. All of us wish collectively that peace would come sooner rather than later for the Israelis and the Palestinians. But in the interim, we must look past the graphic images being broadcast on the nightly news and fully appreciate why the United States has such a stake in what is happening there.

Israel has been a strong, true partner of the United States, anchoring our policies in the Middle East. A strong, true partner, I want to underscore those important words. Whatever second-guessing anyone might have over tactics, Israel must have the ability to protect itself and its people in what has become a dangerous and hostile everyday environment.

From its inception, Israel, which is the most stable democracy in the region, has shown strength and resolve in the face of adversity. The war of terrorism that has increasingly been waged against it has become untenable and inexcusable. Both Israelis and Palestinians now live in a constant state of fear, a fear that their lives may end in a restaurant, an open-air market, or simply crossing the street.

Let me underscore, this is not between military personnel on each side, this is about average citizens, men, women, and children, going about their daily lives, being blown up in the streets of these cities. Before September 11, few Americans could imagine such fear. Even after September 11, it remains hard to envision living our everyday lives with the ghost of death almost hovering. Yet, this is what Israel faces and Israelis face every day.

Since the new wave of terrorism has swept over the land, this is what many Palestinians also face. Yet, the Palestinian leadership continues to escalate the violence, plunging the region further into chaos.

We have a moral obligation to both the Israelis and the Palestinians to forge ahead for peace, but we also must keep in mind that many of Israel's enemies have sworn to destroy the country of Israel. They hate Jews. The Jihad, the Islamic Jihad, the Hezbollah, the Hamas are all desperate to destroy others because of their ethnicity or religious belief.

For Americans, the shells that fall in the Middle East impact us here close to home. Just as the carpenter would not start building a home on a soft sand foundation, we cannot hope to defeat terrorism at home and abroad when terrorism in the Middle East undermines the very foundation of peace we seek to achieve.

This has certainly not been lost on my constituents, many of whom have mothers and fathers, sisters and brothers, cousins, aunts, uncles, and friends in Israel. It should not be lost on anyone who recognizes that the United States cannot fight a successful war against terrorism unless and until the Arab world in general and the Palestinians in particular join us in seeking

peace, not war in the guise of Jihad, and certainly not in martyrdom.

It is a troubling time for us, it is a troubling time for them, and I urge that we all work collectively in support of Secretary Powell's visit there on behalf of the President of the United States. I think it is clear that we must do all we can to achieve peace, but it has to be a just peace for all.

I have often felt that if average Israelis and Palestinians could meet together and sort this out, they probably would. I have very little confidence in Mr. Arafat. I have very little confidence. He attempts to show a good face and smiling demeanor when he talks peace in the United States, as he has many times, and then he goes back home and straps a rifle to his waist and swaggers around and insists that he has no interest in dealing with Israelis, in order to keep his job.

It is about time we stopped worrying about keeping our jobs and started worrying about saving lives. I urge all sides to begin immediately, before more deaths take the innocent.

□ 1700

MIDDLE EAST PEACE AND STABILITY

The SPEAKER pro tempore (Mr. CULBERSON). Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, I wish to say this past week I have called on President Bush to request an emergency meeting of the United Nations security council for the purpose of enforcing a peacekeeping or enforcement action in the Middle East.

In the past few months the world has witnessed a frightening increase in the level of violence in the Middle East. In this 21st century, which we had hoped would be a century of peace, our children have watched on television over 2,000 more people killed in this unnecessary fighting between the Palestinians and Israelis. We have seen lives and neighborhoods destroyed. We have seen children blown up and shot. We have seen the hope for peace diminished. Innocent Israelis and Palestinians have been literally caught in the crossfire of violence.

To date, as many as 1,400 more Palestinians and 500 more Israelis have died. The situation is clearly out of control.

I applaud President Bush's demands that Israel and the Palestinian Authority step back from one another. But the Israelis have refused to comply with the President's demand and the Palestinians have refused to comply with the President's demand.

What happens in the Middle East is crucial to U.S. interests. What happens in the Middle East is crucial to the United States's war against terrorism. What happens in the Middle East is crucial to our economy. The Bush ad-

ministration's initial policy of disengagement for almost an entire year was ill conceived. But with Secretary Powell's mission to the Middle East, we have some indication that the administration realizes how important it is to put the full weight of our diplomatic and foreign policy apparatus behind the search for peace.

The United Nations should approve a peacekeeping or an enforcement action that is international in scope, because if the two sides can be separated and a situation created for dialogue, the world may have an opportunity to move forward.

A U.N.-supported force, after bringing down the level of violence, could help provide for regional stability that is necessary for preserving the State of Israel's continuing right to exist and establishing an independent Palestinian state.

Americans, I suppose, could ask, Why are we there? Is it because of regional stability, or is it because of our own oil interests? Let me reference a complicating factor and urge Americans to think domestically what we can do here at home also to contribute to a solution.

U.S. dependence on imported petroleum remains our chief strategic vulnerability. We watch gas prices going up again, and we see the recession we are beginning to pull out of being triggered perhaps again because of a 20 percent increase in gas prices here at home. Too often our dependence on imported petroleum, including from places like the Middle East, have served as proxy for our foreign policy.

I will insert into the RECORD this week important articles written in USA Today, which the headline reads, "Gas Prices Up 20 Percent and Rising," and its relationship to what is going on in Iraq, in spite of the embargo, providing us with a minimum of 8 percent of the petroleum that we import into this country every day.

I will also supply for the RECORD articles from the New York Times of yesterday talking about the missing energy strategy of the Bush administration.

We have got to get serious here at home. Over half the petroleum we use is imported from very unstable places. It is time for America to become energy independent.

And an article from the Times on Tuesday talking about Venezuela: "Venezuela Woes Worsen as State Oil Company Calls Strike." This is going to impact prices here at home as well.

Who or what is leading our foreign policy? Are we promoting democracy or securing international oil interests as our primary goal? Americans here at home need to demand a declaring of energy independence.

The U.S. Energy Department headed by Spencer Abraham reported this week that consumers can expect no relief at the gas pump before fall and predicted that the average price of regular unleaded gas to be \$1.46 between now

and September, and in many parts of the country it is higher already. In fact, prices went up 23 cents a gallon last month alone, the fastest monthly increase in history.

There is a connection between what is happening internationally and what is happening here at home. The same insatiable appetite for foreign oil drives our domestic policy. We gave over \$4 billion in taxpayer dollars to Enron folks to protect their overseas natural gas and oil interests. If we had spent that money over the last 10 or 15 years on alternative fuel research and development here at home, we might be self-sufficient by now. And that is the direction our country needs to head. We need to have a Manhattan Project to the extent that we involve every single major research university in this country in helping us become energy independent and having a foreign policy again designed for democracy, not just oil.

[From the New York Times, Apr. 9, 2002]

VENEZUELA WOES WORSEN AS STATE OIL COMPANY CALLS STRIKE
(By Juan Forero)

MÉRIDA, VENEZUELA, Apr. 8.—A six-week tussle over President Hugo Chávez's management of the state oil company has turned into his most serious crisis, with exports of oil disrupted by a labor slowdown and a general strike called for Tuesday by labor and business leaders.

"This can only end with the president resigning," Humberto Calderón Berti, a former minister of energy and mines, told a throng of protesting executives from the oil company Petróleos de Venezuela in Caracas. "All Venezuelans from all walks of life, from all social strata, from all the political and ideological sectors, must take part in the stoppage. This is about him or us. It is a choice between democracy or dictatorship."

Government ministers said today that exports of oil and refined products remained normal for Venezuela, the world's No. 4 exporter. But analysts and executives from Petróleos de Venezuela said a five-day work slowdown among oil workers and managers had forced a scaling back of operations at several refineries and a cutback in production at wellheads, all of which has disrupted oil shipments to the United States and other countries.

"The reality is you don't have business as usual," said Larry Goldstein, president of the Petroleum Industry Research Foundation, an industry-supported consulting group in New York. "We believe half to two-thirds of their exports have been impacted. But it is literally an hour-by-hour situation."

Latin America's fourth-largest economy may also grind to a halt on Tuesday, as dissident business leaders have promised, in protest against what they see as Mr. Chávez's autocratic style of governing and his treatment of oil company managers. The first such stoppage took place on Dec. 10. Millions of workers stayed home as part of a growing wave of protests aimed at forcing Mr. Chávez from power.

The showdown that has churned up the current crisis began when Mr. Chávez, a left-leaning former army paratrooper who won office in 1998, took on the management of Petróleos de Venezuela, a behemoth with 40,000 employees. Calling it a "state within a state" that sapped resources while benefiting a small number of high-flying executives, Mr. Chávez in February fired the company president, a general whom he had appointed

months earlier, and appointed five board members with ties to his administration.

For many of the company's 15,000 office workers, who had long celebrated it as a meritocracy known for efficiency and high standards, the president's management decision was enough. The workers organized protests and slowdowns, which have won the support of leaders from business and labor, as well as from the local media, which report every anti-Chávez protest or pronouncement with relish.

With Mr. Chávez refusing to withdraw his appointments or negotiate with dissident oil executives, the office workers and production workers persisted with their slowdowns, which have intensified since last week. At one drilling site on Thursday, two oil workers were killed when fighting broke out between government supporters and opposition party members.

The exact impact on oil production, refining and the transport of crude and oil products was unclear today.

But analysts and executives said the Amuay Cardón refinery, which processes 950,000 barrels of crude daily and is a crucial supplier of finished oil products to the United States, had reduced operations. At least two other installations, the Palito refinery on the north-central coast and Puerto La Cruz to the east halted operations, they said.

Dissident oil executives, reading a statement outside a Petróleos de Venezuela office building in Caracas, said extraction of oil was slowing in the Furrial field in the east while refineries and plants that produce chemicals or distribute natural gas were also ratcheting down.

"Progressively everything is shutting down," said Alberto Quiroz, an oil analyst and former executive at Petróleos de Venezuela (which is known worldwide by its Spanish acronym, Pdvsa, pronounced peh-déh-VEH-sah).

Top government officials, among them Vice President Diosdado Cabello, Energy and Mines Minister Alvaro Silva, and the oil company president, Gastón Parra, have sought to minimize the effects of the slowdown.

"Everything is normal," Mr. Silva told reporters. "Go to the refineries. Everything is normal. There is a small group protesting, but everything is operating normally."

The commander of the armed forces, Gen. Lucas Rincón, announced that the military was beefing up its presence at refineries and oil fields, which are routinely protected by the National Guard.

Through it all, Mr. Chávez has refused to back down or acknowledge that the slowdown could hurt Venezuela, whose economy relies on oil for 80 percent of exports and 50 percent of government revenues.

In a long nationally televised address on Sunday, the president said the military could run oil production and refining sites if necessary. He also took the opportunity to announce that he had fired 7 dissident executives and forced 12 more to retire.

Blowing a soccer referee's whistle and calling the executives "off sides," Mr. Chávez warned about a "subversive movement in neckties" trying to destabilize the country. But, he warned, "I can do away with all of them," he said.

Rafael Sandra, president of the oil committee of Fedecámaras, a powerful business group, said Mr. Chávez's uncompromising approach had only made the opposition that much more defiant.

"The president has closed the door of reconciliation and opened the doors for war," Mr. Sandra said. "That is what this is now, war, between the people of PDVSA and the government."

[From USA Today, April 9, 2002]

GAS PRICES UP 20% AND RISING

(By James R. Healey and Barbara Hagenbaugh)

EXPERTS FEAR HIGHER ENERGY COSTS COULD PUT BRAKES ON RECOVERY

Gasoline, blood of the economy and soul of consumers, is 20% more expensive than a month ago—like finding out that sport-utility vehicle you want is now \$30,000 instead of \$25,000, or that the suit you're planning to buy is \$600, not \$500.

That's the kind of price inflation we associate with South American or Eastern European countries that supposedly lack U.S. economic stability.

The bad guys in this case aren't obvious. The big fuel-price climb is due mainly to a complicated switch to summer-blend fuel from winter blend, required by federal air pollution regulations; by the routine and seasonal rise in crude oil prices; and by a strike in Venezuela that's keeping oil off tankers.

Only after ticking through that list are the experts and analysts—if not politicians—ready to name Iraq's just-announced 30-day oil-export boycott, fears that the USA will invade Iraq and the Israeli-Palestinian tinderbox as underlying causes. (Story, 2B.)

Consultants, analysts and other experts think the nationwide average price should peak near \$1.60 a gallon, perhaps within a month. The government said \$1.46 Monday, before the Iraqi export embargo. Experts also foresee a chance of local shortages, as refineries making ingredients for specific summer blends are overtaxed or have mechanical problems.

Not cheery, but not as bad as the last two summers, when fuel passed \$2 in some places and the Midwest ran short because of refinery and pipeline problems.

More broadly and ultimately more important: Fuel price increases could blunt whatever edge the economic rebound has honed, although economists and experts say it shouldn't flatten the recovery.

"I certainly don't regard it as being helpful," says William Poole, president of the Federal Reserve Bank of St. Louis.

Higher energy prices "act like a tax on consumers and businesses. The key is how long the rise is sustained and how high it will go," says Richard Berner, chief economist at Morgan Stanley. If they stay at today's level, it'll cut economic growth 0.4 of a percentage point, which he calls "not a big deal."

Price of benchmark light, sweet crude oil closed at \$26.54 a barrel Monday, and Berner says that would need to "go north of \$35" to be "a serious concern."

Crystal Siembida of Columbiana, Ohio, puts a finer point on it: "I can hardly afford to pay the price of gas as it is," and thinks she might have to switch to carpooling or bicycling to work if the price keeps rising.

Bonnie Sporn of Los Angeles drives a Jeep Cherokee SUV and says she deals differently with her friends now that prices are up: "In the past, if I drove with my friends on an extended trip, I did not expect them to contribute gas money. Things have changed . . . We figure out the portions we all owe for gas before we get out of the car."

Beyond gasoline, higher oil prices also translate into higher heating oil and jet fuel prices. Both have the potential to hurt the recovery. But heating oil season has ended, "so it's not going to crunch household budgets" as it has the past few years, says Paul Taylor, chief economist for the National Automobile Dealers Association.

Still, price hikes will discourage some driving and car buying, he says, and will push on industries such as utilities that generate electricity using oil and chemical manufacturing that uses crude oil.

Jet fuel is the second-biggest cost for airlines, after labor. And that fuel is up about 40% this year, 71 cents a gallon Monday. Airlines, though, often contract in advance for fuel at a specific price to avoid big swings. Airlines and private jet operators don't appear to be buying less. There's been "a lot of fussing," says Ed Hayman, vice president of supply for World Fuel Service to Miami, but "we haven't seen a cutback."

PUSHING COSTS

A look at what's driving prices: Summer-blend gas. The Environmental Protection Agency can fine a service station \$27,500 a day for selling winter-blend fuel after May 1, so the switch has to begin now. Fuel evaporates into the air and pollutes it easier in hot weather, so summer gas is made to compensate.

But there are more than 100 types of summer fuel across the USA. Some, such as in the Mid-west, require ethanol—grain alcohol—to support area farmers. Ethanol must be mixed locally and distributed by trucks. If an ethanol plant or a refinery supplying the special gas to blend with ethanol has trouble, there's an immediate shortage threat, and prices spike.

Last Aug. 14, for instance, the Lemont refinery outside Chicago caught fire, stopping production of fuel needed for the area's unique ethanol blend. By Aug. 16, the average wholesale price there jumped 12.1 cents a gallon, and pump prices averaged 12 cents higher than the day before the fire.

Crude oil prices. They rise and fall with demand. Crude oil accounts for about 38% of gasoline's price. The retail gas price hike "is mostly crude and the changeover to summer fuel. Everybody tries to read more into the numbers, but that explains what's going on," says Alan Struth, oil market consultant at Energy Insights.

Venezuelan strike. Oil-market experts worried more about Venezuela than about the Arab nations Monday. Workers at the state-owned oil company known as PDVSA have been protesting management changes mandated by President Hugo Chavez for about six weeks. Venezuela is a major supplier of gasoline and heating oil to the USA. If a strike there lasted a week, the USA would feel the pinch, Struth says. "It's that tight."

SADDAM MAKES A MOVE

Despite mutterings it would happen, Iraqi leader Saddam Hussein's pledge to sell no oil for 30 days unless Israel withdraws from the West Bank caught traders and politicians by surprise Monday and sent crude prices up.

Reassurances from the U.S. government and international energy officials were prompt, but the boycott nonetheless could cause disruptions. And disruptions cause oil traders fits.

Monday "was another wild and woolly day," says Peter Beutel of Cameron Hanover, which advises companies at risk when energy prices change drastically. "Prices shot up. They did come back down, but at one point, prices did look as if they would roar out of control," he says.

Even before Iraq, "the market was primed," Beutel says. "We are in the pre-summer urgency period. Everybody says, 'If I don't get it now I won't have enough,'" because summer driving uses up stockpiles of gas. This summer's demand is expected to be a record 8.8 million barrels a day.

Even though other members of OPEC—the Organization of Petroleum Exporting Countries—are expected to make up for any Iraqi shortfall, "there is the whole exercise of flipping the switches," Beutel points out.

"Saudi Arabia can go ahead and increase production today, but the oil takes three or four weeks to get out of the ground and into a tanker. And the Saudis won't do that un-

less they're sure he's serious, so there's the whole question of how serious is Saddam?"

It would be May before increases by other oil exporters would show up in the USA.

And to heck with it, anyway, says Sherry Jones Nelson of suburban Minneapolis. She'll take her usual long-distance driving vacation, regardless: "We won't let any company, or country, stop us."

The Missing Energy Strategy

The events of the past year—prominently, a power crisis in California and the terrorist attacks on Sept. 11—gave the nation many reasons to reexamine its energy strategy. Now comes another: Saddam Hussein's decision to halt oil imports to the United States, at least temporarily, in retaliation for Washington's support of Israel.

In an interview with The Wall Street Journal earlier this week, President Bush warned that the recent 20 percent jump in oil prices could threaten economic recovery. While Iraq accounts for about 8 percent of America's imports, according to Washington's estimates, there is spare oil capacity in the system, and thus there should be no petroleum shortage if other Middle Eastern producers refuse to follow Baghdad. Even so, Mr. Hussein's action draws attention once again to America's dependence on imported oil, including oil supplied by the troubled countries of the Persian Gulf. It also points to Washington's sorry failure to devise a balanced strategy to reduce America's reliance on gulf imports and give itself greater maneuvering room in the war on terrorism and other foreign policy issues as well.

The Senate, which has resumed debate on the energy bill, is the last hope for such a strategy. Admittedly, the prospects are dimmer than they were a month ago, when the Senate took up an imperfect but honorable measure cobbled together by Jeff Bingaman of New Mexico and Tom Daschle, the majority leader. The bill included a mix of incentives for new production of fossil fuels, largely natural gas, along with provisions aimed at increasing energy efficiency and the use of renewable energy sources. As such it stood in stark contrast to a grievously one-sided House bill that provided \$27 billion in incentives for the oil, gas and coal industries and less than one-quarter that amount for efficiency. The House bill also authorized the opening of the Arctic National Wildlife Refuge to oil exploration and drilling.

On its first big test, however, the Senate collapsed under industry and union pressure and rejected a provision requiring the first increase in fuel economy standards since 1985. To Mr. Daschle's dismay, Democrats deserted the cause of fuel conservation in droves; New York's senators, Charles Schumer and Hillary Rodham Clinton, were among the honorable exceptions. The only bright moment in a dismal two weeks of debate and defeat was the approval of a "renewable portfolio standard" that would require utilities to generate between 5 and 10 percent of their power from wind, solar and other forms of renewable energy.

There are several things the Democrats and their moderate Republican allies can do to produce a respectable bill. First, they must defeat any amendment aimed at opening the Arctic refuge to drilling. Such an amendment is almost certain to be offered by Frank Murkowski of Alaska, but the facts are not on his side. Every available calculation—including those that accept Mr. Murkowski's inflated estimates of the amount of oil underneath the refuge—show that much more oil can be saved by fuel efficiency than by drilling.

Next, they must resist efforts to weaken the renewable energy provision, while de-

fending energy efficiency measures that have yet to be voted on—chiefly a provision that would increase efficiency standards for air-conditioners by 30 percent. The Senate should also preserve a useful provision that would require companies to give a public accounting of their production of carbon dioxide and other so-called greenhouse gases. On the supply side, it can take steps to improve the reliability of the nationwide electricity grid, while increasing incentives for smaller and potentially more efficient producers of power.

These are modest measures, less ambitious than the Senate's original agenda. But at least they point in the right direction, toward a strategy that includes conservation as well as production.

CONGRATULATIONS TO THE UCONN HUSKIES

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

Mr. SIMMONS. Mr. Speaker, I rise here today on the floor of the House to commend and congratulate the 2002 NCAA women's basketball champions, the University of Connecticut Huskies. This past Saturday in my home State of Connecticut and the State capital, over 150,000 men and women and children, enthusiastic fans, gathered for an hour-long parade in freezing temperatures to congratulate and cheer on these young women who not only have excelled on the basketball court but have excelled academically as well.

The UCONN Huskies team were led by Most Outstanding Player Swin Cash; and they capped a perfect 39-0 season, beating the University of Oklahoma 82 to 70 in what was a closely contested competition. All of the State of Connecticut watched with pride as the Huskies claimed their place as undefeated champions and one of the great all-time women's basketball teams in NCAA basketball history.

The University of Connecticut was founded in 1881 and has a rich tradition of academic excellence as well as athletic ability. The Huskies now add another national championship to their title and their world-class academic reputation. The pride of Eastern Connecticut and Storrs is now the pride of Connecticut and the pride of the United States of America.

It is with great joy, Mr. Speaker, that I commend and honor the UCONN team because I was a teaching assistant at that university for 4 wonderful years. And I want to say to all of those here present and to those listening and to the Huskies, way to go, Lady Huskies. I especially would like to congratulate the players, Sue Bird, Swin Cash, Asjha Jones, Diana Taurasi, and Tamkia Williams, and Head Coach Geno Auriemma, and Associate Head Coach Chris Dailey, the staff, as well as Lou Perkins, the head of the athletic department.

In the words of the cheerleaders of the UCONN Huskies, U-C-O-N-N, UCONN, UCONN, UCONN.