

One of the areas in which I have been particularly interested and one that is now under debate—and I don't know where we are in terms of the timing—is the electrical provisions. That is very important. All of us, obviously, depend on electricity in our homes and in our businesses. We have had electricity very reliably for a good long time. We found last year in the California experience some difficulties in reliability brought about for various reasons. Nevertheless, it raised the specter of unreliable electric service. So we deal with that in the bill, some reliability provisions.

We are changing the way we do electricity. In the past, you had an electric company that served an area in terms of its customers and also generated its own power and did its own distribution. Now we are moving to a situation where you have generators that are not in the distribution business and sell their energy where it is needed. It is probably a very efficient way to do things, but it is a change. During the process of that change, there have to be some changes in the rules as well—access to transportation and transmission, probably over time a transmission system that is made up of regional distribution organizations off nationwide transmission lines, for example.

As there is more market in the sale of electricity, there has to be transparency so we avoid some of the kinds of issues that allegedly occurred in California, and we can do that. There are things we need to do there, as well as in conservation, in terms of being able to renovate generation plants to make them more efficient without having to go back and redo the whole generator.

We are talking about mergers, doing away with some of the old laws with respect to mergers and dealing with energy as it exists now in the more modern phase and many of the things with which we need to deal. I hope we are able to do that.

One of them is Indian energy. There is a proposition in the bill that allows for easier access to Indian lands, should they want to do that, which is good for them economically as well as providing more energy for the country.

I mentioned clean coal. We have been doing a good deal more research so that coal can be used that way. We have talked about nuclear power. Nuclear power certainly is one of the cleaner powers we have, and indeed nearly 20 percent of the energy in Illinois, for example, is nuclear. So it is an opportunity for us to do many of the things we need to do and can do in a way that is acceptable, particularly to the environment.

Renewables have been one of the real areas of controversy. Renewables now, not including hydro, produce about 1 percent of our energy, our electric energy. So it is very small. But the opportunity to grow, of course, whether it be wind energy, whether it be Sun

energy, whether it be other kinds of renewables, is out there. The question is, Do you mandate renewables that cause the consumers to have to pay more at this time or do you give incentives so that we can go forward in that way?

I always remember years ago—of course, Wyoming is an energy-oriented State. We had a meeting there. I believe the speaker was from Europe, but he made the point—and I think it is an excellent point—that through time we have never run out of a fuel; we move from one fuel to another as we find new, more efficient fuel. We used to have wood. Now we don't use wood. Then we had coal. Then we had gas. And we will continue to do that as science looks for new ways to provide energy. We need to do that.

Ethanol has been one of the issues as well: How much requirement is included in the ethanol and what percentage of it is in gas and so on. Those are the kinds of issues we have talked about a great deal.

Part of the bill also has to do with the pipeline from Alaska for natural gas so we can have that kind of resource available to us.

Many of these things are being considered in the tax title where there will be incentives for the kinds of production we need for the kinds of research we need and the things that can happen.

So we are down to, frankly, a stressful point in terms of timing. We have worked on this energy policy now for the better part of 2 years. We have worked on it here in the committee for a long time. Finally, unfortunately, it was pulled from the committee and put on the floor without a committee bill. I think we were 4 weeks here on the floor talking about energy. So we spent a good deal of time on it.

Obviously, different parts of the country have different points of view as to how energy bills ought to be structured and how they impact different parts of the country. Some States are more production oriented; others are more user oriented. And there are some differences there.

There is always a conflict about how much authority goes to FERC, the Federal Energy Regulatory Commission, as opposed to the States. That, of course, is one of the reasons that many of us are in favor of getting the regional transmission organizations going, so that the decisions that have to be made interstate in these areas can be made largely by the States and they come to an agreement as to how you do that.

Also, there are always some difficulties, of course, between the municipals and co-ops as opposed to investor-owned utilities. It is not an easy project, but it is one that is very important to our comfort, very important to our economy, very important to our security, and one that has had a great deal of work on it this year.

I guess we will probably know tomorrow whether that committee that has

been dealing with trying to bring together the House and the Senate will be able to put forth a bill. We are hopeful that indeed they will. Of course, it may lap over into a lame duck session, but that is fine. I suppose in the worst instance—at least I think it is the worst instance—if we don't do anything, then we can take this work and put it back into next year's efforts. But we do need to be more aware of doing the things in this body that need to be done. And, of course, we don't all agree, but we need to find ways to move forward.

We have found ourselves in the last several months without much forward movement, without much activity—still haven't done homeland security over relatively small differences of view.

I am hopeful that as we enter into these literally last few hours here before we have some kind of recess, we can set some priorities collectively, do those things that must be done and not try to do everything haphazardly, which will obviously result, if we do too many things to move forward—do what we have to do, go do our elections, come back, and then we will have to take up what is yet undone.

I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

ECONOMIC NEWS

Mr. BENNETT. Madam President, last Friday the majority leader, Senator DASCHLE, along with the minority leader in the House, Congressman DICK GEPHARDT, presided over an economic summit and discussed the state of the economy. Since that summit was called, the Dow Jones average has gone up close to 800 points. I would like to congratulate them for their wisdom in calling such a summit and producing that result. I hope they will have another one and we will have the Dow go up another 800 points.

I was not planning to talk about this, but when I was on my way to lunch, I checked and discovered that at that time, at least, the Dow was at 8200, whereas it was down in the low 7000s just a week ago.

I know this will come as something of a disappointment to those who are hoping in the election that the economy will be seen as terribly under water and will do their very best to try to stir up a sense of blame for the lousy economy and blame it on one party or the other.

I am encouraged by the wisdom of the American people. According to the latest polls, the majority of the American people, who have a view on the economy and where it is, understand that we are not in a recession anymore. We are, in fact, in a recovery; all of the rhetoric is to the contrary here on the floor of the Senate.

Secondly, the recession that preceded this recovery was caused primarily by the business cycle and was not caused

by President Bush's election or any other political event. As I have said here on the floor before, the business cycle has not been repealed. We would like to think we could repeal the business cycle. Indeed, if we knew how, both parties would do it because neither party wants to go into an election situation where the economy appears soft. So both parties—if they understood how to repeal the business cycle—would quickly take the steps to do that.

As a matter of fact, however, as we look at it throughout our history, Congress's record—indeed the administration's record—has not been all that good in terms of dealing with the business cycle. Usually, when we get into the business of trying to outguess it, we make things worse rather than better. I remember reading a book by Paul Johnson where he was talking about the Great Depression and the great efforts being expended by the New Deal. He said the efforts expended by the New Deal administration in the 1930s made the Great Depression last longer and go deeper than would have been the case if they had done absolutely nothing.

I commented on that to some Ph.D. economists and said that I understand that is heresy, and they said: No, quite the contrary, Senator. That is basically what has been understood and is being taught in the schools of economics around the country—that the intervention in an attempt to override the marketplace and the laws of economics, however well-meaning on the part of the Government, actually makes things worse rather than better.

As we look at our last recession, we know now pretty clearly what caused it. It was the bubble of speculation that surrounded the high-tech industry, and people got carried away with their conviction that the bull market was never going to turn to a bear; that we were always going to be going up, up, and up—as Lucy wanted to in the Charlie Brown cartoon. Charlie said, "Life has its ups and downs." She said, "I want nothing but ups." There were plenty of people in the 1990s looking at the market and the economy and saying: We want nothing but ups.

Sometimes that cannot be accomplished. We got out ahead of ourselves—there was too much capacity. The business cycle kicked in, as it always does, and there we were in a recession. The slowdown began—we now know—in the midyear of 2000. I remember, with some interest, because there was an election going on, there were those who criticized then-Governor Bush, who was saying that we were going into a slowdown. They said: No, no, we are not going into a slowdown. You are trying to pretend that it is for political purposes, and isn't it terrible for you to be saying there is a slowdown underway when, indeed, we are still having ups, ups, and ups.

We now know that then-Governor Bush was right; we were going into a

slowdown in the last half of 2000. It turned into a recession that lasted for three quarters—the last three quarters of 2001. Then we started coming out of it. Well, those numbers don't add up. The recession started in the beginning of 2001. We have now had five quarters of growth—admittedly, not as strong as we would like to have. Admittedly, there are sectors of the economy that are still mired in recession. Talk to the people in the hospitality industry. Travel has not come back since September 11 to the degree that it was there before—particularly business travel. Airplanes are full, but the airplanes are not making any money because in order to get them full, the airlines are heavily discounting fares. So that portion of the economy is not doing well.

Housing has done extremely well. Consumer spending stays up because household income has held. The sense of wealth has held because people's houses are worth more. They have lost money in the stock market, but they have seen equity increases in housing, primarily because of lower interest rates. I think the lesson is that we can get carried away with our economic analysis. We can look back and say the economy boomed in the nineties because Bill Clinton was elected President or we can say, no, the economy boomed because Newt Gingrich was the elected Speaker.

The fact is, we need more humility as politicians and we need to understand the economy boomed because the American entrepreneurs and business people did a good job. Those of us in Congress and those in the White House contributed to it basically to the extent that we got out of the way and let it happen. Now, we need to have some of that same understanding.

I would like to pass the terrorism insurance bill. I think that would go a long way toward bringing the commercial real estate sector of the economy back. That sector is hurting, and one of the reasons is that people will not engage in major commercial enterprises if they cannot get terrorism insurance. We have been sitting on that bill in this body for close to a year. We passed it. It has gone to conference. The conferees have not been allowed to produce a product yet. I hope the majority leader will work with the conferees in allowing them to bring a conference report to the floor before we adjourn. I think that is one thing we can do that would make the recovery more robust than it is.

Basically, Madam President, I think we need, as I say, a little humility as politicians, and we need to understand the economy is very sound, very strong, and it is coming back—but a little more steady as she goes rather than a sense of panic is what is called for.

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

The PRESIDING OFFICER (Mr. AKAKA). Without objection, it is so ordered.

JOBS FOR AMERICAN FAMILIES

Mr. JEFFORDS. Mr. President, I rise today to discuss the state of our economy. I was heartened to read in this morning's Washington Post that the administration is finally acknowledging our economy is in trouble. Of course, it came as the Republican National Committee was writing a memo to send to its campaign, reporting that internal polling shows the economy is the most important issue to voters. Surprise. It seems the Bush administration is more interested in responding to recent poll numbers than responding to the economic indicators that have been staring them in the face for more than a year.

The economic statistics are most troubling. Business investment is down. The annual growth of business investment is 7.6 percent, the weakest business investment trend under any administration in the past 50 years. Consumer confidence is down. Between January of 2001 and August of 2002, consumer confidence dropped by nearly one-fifth. The stock market is down, as everyone knows. Between January 2001 and September 2002, stocks listed on the New York stock market exchange and the Nasdaq markets lost \$5.2 trillion in market value, a loss of more than 35 percent, or more than \$9 billion per day.

The 23 percent average annual decline in the S&P average index under the current administration is the sharpest decline since the Hoover administration. Last month was the worst September performance for the Dow Jones industrial average since 1937.

The Congressional Budget Office said last Friday the Federal Government 2002 deficit will hit \$157 billion. This onslaught of red ink is truly remarkable. It is being driven by the largest percentage drop in individual tax revenues since 1947. That is over 50 years ago.

Let me give the folks a little Yankee economic wisdom. People pay less in taxes when their earnings go down. We are now spending Social Security revenues to balance our budgets for the first time since 1997. Ninety-four percent of the surpluses projected when President Bush took office have already disappeared. That is a \$5.3 trillion drop in just 2 years. If the past is any guide, we can expect higher interest rates in the future as the Government competes with the private sector for capital.

With all of this, I was stunned to receive a letter from the Congressional Budget Office late Friday which indicates even more layoffs of American