

have it offered for the last week and a half. We hope very much soon that will happen.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I would certainly concur with my colleague that we have made significant progress, particularly on that portion covering electricity. I remind my colleague that the transit of people, goods, and services utilizes not electricity but oil. We are somewhat extraordinary in this country inasmuch as we are about 3 percent of the population, and we use about 25 percent of the energy and contribute about a third of the gross world product. We are pretty efficient, but nevertheless, we don't move in and out of Washington, DC, by hot air. Somebody has to take the oil, whether it be oil coming from Saddam Hussein, refine it, put it in the airplanes.

Until we find another alternative, we are going to either have to make a choice of increasing our dependence on imported sources such as Iraq or have the alternative of developing resources here at home and preserving U.S. jobs and the U.S. economy rather than exporting our dollars overseas. I hope the wisdom of the Senate will prevail when we get to the ANWR amendment.

Mr. BINGAMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

MORNING BUSINESS

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

The PRESIDING OFFICER (Ms. LANDRIEU). Without objection, it is so ordered.

THE MIDDLE EAST

Mr. WELLSTONE. Madam President, I wish to speak about the Middle East because the news from the Israeli and the Palestinian territory grows dimmer and deadlier by the day.

Terrorist attacks and reprisal raids have now merged into continuous carnage that looks increasingly indistinguishable from all-out war. The Israelis and the Palestinians are being drawn into a horrific cycle of revenge.

Frankly, I think an eye for an eye and pain inflicted upon pain extended into the future will be an ever-wider river of blood that will be spilled. I wonder how wide the river of blood has to be before we get back to some kind of political settlement—some kind of

political process. There is no future as I look at the status quo extended into the future—not for the people of Israel and not for the Palestinians.

Let me start out on a personal note. I have used this example several times while talking to other Minnesotans and people I met with here in DC as well.

I was at a gathering where I was in a fairly sharp debate with some citizens who were talking to me about what they consider to be the unfairness and the wrongness of Israeli policies towards the Palestinian people. In this discussion, I turned to them and said: Listen, you have a right to make the critique you are making. But I have not heard you express any indignation whatsoever about the Palestinian suicide bombers going to an Israeli teenager pizza parlor with fragmentation bombs and cluster bombs trying to basically murder as many Israeli teenagers as possible. I don't mind your critique of some of Sharon's policies. I have questions about some of them. But where is your indignation and your anger about the murder of Israeli teenagers? I condemn that. I condemn the deliberate targeting of innocent people and the murder of innocent people. As Camus said, murder is never legitimate.

Frankly, some of Arafat's comments have become increasingly militant in the last several days. I certainly question some of his leadership. His statements in the last several days—and, maybe even more importantly, some of the actions taken by Arafat's people—give me pause.

But, by the same token, I want to be really clear about this. I think it is really important that we have Tony Zinni in the Middle East. I think it is critically important that our country play a positive role. I think it is critically important, as the administration has made clear—I said this to Secretary Bill Burton as well—that we make it clear to the extremists that Zinni is not leaving on the basis of a terrorist act here, there, or somewhere else. We are engaged.

Frankly, the only future is a political settlement. Senator Mitchell was right. The Mitchell report I think lays out a brilliant framework—if we can just somehow get there again.

I don't come to the floor with clear answers as to what to do, but I do know that an eye for an eye and the increasing cycle of violence takes us nowhere good—not for the Israelis, not for the Palestinians, not for our country, and not for the world in which we live.

I do not know. I think there are many questions that can be raised about Crown Prince Abdullah's proposal and where Saudi Arabia is going. I myself have questions about some of the proposals. But, by the same token, at least there is some hope here. We shall see what happens at this Arab summit conference.

We really need to be talking—on the part of Saudi Arabia and other countries—about the full normalization of

relations with Israel. They cannot back down from that. That is the very essence of where we have to go. I am concerned that some of the Arab countries seem to be backing down from that.

But I do not believe this proposal should be ruled out. I do not believe a proposal that at least attempts to move us towards some kind of negotiation and some kind of a peace process should be ruled out. Not all of it will be acceptable. I can tell you that right now. But I certainly would like to see the American Government in particular somehow play a role in moving from what has become an ever-growing cycle of violence and loss of life of innocent people to some kind of framework for negotiation and a political settlement.

Ultimately, the truth of the matter is that I am an American Jew. I am the son of a Jewish immigrant who fled from persecution in Ukraine. And then his family moved to Russia. At the age of 17, he fled to our country. I will be clear. I speak out of love for Israel. And Israel as a country will exist. The security of Israel and the need of Israel have to be met.

It is also true that the Palestinian people will have their own nation. Palestinians and Israelis have to live next to one another, and they will have to respect one another. That will happen. My only question is, How much wider a river of blood has to be spilled before we get back to where we all know we need to go? So I want to, I guess in a way, applaud the administration, applaud Secretary Powell for sending Tony Zinni there.

I simply say that we need to be engaged. Our Government can play a decisive, critical, and positive role. And we must do so.

HELPING THE HELPLESS

Mr. WELLSTONE. Madam President, I rise to express my puzzlement, my dismay, as to why, as soon as possible, we can't do a better job of helping people who are faced with some very compelling problems, very compelling needs.

What I am getting at is very simple. And maybe this all becomes part of the budget resolution. I know the ranking member of the Budget Committee is in the Chamber.

I was on the Iron Range in Minnesota. These are people who have been spat out of the economy. They are tacomite workers. Royal TV has pulled the plug. Others are going into bankruptcy. But I thought the discussion would be about pensions, and that is part of what people are worried about. It is not just Enron.

But I met more workers who were in their late fifties—57, 58 years old—mainly men, some women; and they were all saying the same thing: "I had a bout with cancer," or, "I had a heart attack and I can't get any coverage anywhere." They are terrified. They have no health care coverage. The

COBRA plan is \$1,000 a month. They can't afford it. They are out of work, and they have these preexisting conditions, and the premiums are so high.

What are these people going to do? They are asking me for help. They are asking all of us for help.

I have to figure out a way—I guess we can have a vote on it—as to how we can help people who are out of work through no fault of their own. People have no coverage. They are terrified. We would be terrified.

So I keep thinking—my head spins—there is education, special education, and States saying: Please live up to your commitment. In Minnesota, some of our school districts are letting off 20, 25 percent of the teachers. The class size is going up. The prekindergarten programs are being cut. But then we say we don't have enough money.

Other people are talking to me about affordable prescription drugs—a huge issue—but we say we really do not have enough money to make sure the premiums are down and the copays aren't too high and the deductibles aren't too high, and having catastrophic coverage that will work for people. We say we do not have money for that.

Then on the whole question of what I just talked about, expanding health care coverage for people, we do not have the money for that. I just think it is unacceptable. I think we have to make some decisions about choices, about how much money goes to the tax cuts scheduled over X number of years, benefiting whom, and whether or not we are going to be able to do anything when it comes to other really critically important issues in our communities having to do with education, health care, job training, and affordable prescription drugs, to mention just three or four. I put affordable housing right up there as well.

I am convinced affordable housing is becoming the second most important education program. It breaks my heart: I don't know how these 8- and 9- and 10-year-olds can do well in school when their families move two or three times a year because they do not have affordable housing.

I do not know. I think soon we will get to this debate. I, for myself, have made it really clear. Listen, the Senator from New Mexico, he is one of my favorite Senators. The work we do on mental health is so important to me. I know he would not agree with what I am about to say, but I will say it in the Chamber. I say it in Minnesota all the time. Other people can have better alternatives.

I am saying, forgo the tax cut for the top 1 percent of the population—families who earn around \$297,000 a year—forgo it. And don't eliminate the alternative minimum tax. Don't do it. That alone is \$130 billion. That would fund special education. That would put the Federal Government on a glidepath, within 5 years, to reach our full funding, and in another 5 years to have full funding. That would make all the dif-

ference in the world, just to educate our children.

To me, it is a choice. I make that choice. I will probably have an amendment to give Senators a chance to decide. There is an old Yiddish proverb that says: You can't dance at two weddings at the same time. We either go forward with all these scheduled tax cuts the way we want to do it—in which case we will not have the money for all of these other things, and we will cut the Community Policing Program by 80 percent, cut the 7(a) Small Business Program by 50 percent, cut the Job Training Program, and cut the low-income energy assistance program by \$300,000 and we will tell people we have no money to do any of these other things or we will not go forward with all these scheduled tax cuts. It is that simple.

I yield the floor.

THANK GOODNESS FOR ALAN GREENSPAN AND THE TAX CUTS

Mr. DOMENICI. Madam President, in my view, the recession that started last March is over and the economy is in recovery.

The unemployment rate has dropped 2 straight months and is now at 5.5 percent. Clearly, it was thought that the last unemployment report would show that unemployment went up. That is what all the experts thought, even if we were beginning a recovery. So for it to belie that and come down is a very powerful indicator that, indeed, the recovery has started.

New orders and production are expanding the manufacturing sector. Excluding automobiles, retail sales have increased for 5 straight months. Good news.

We ought to be thankful that the recession was not deeper or longer than it was. It now appears that the peak in the unemployment rate was 5.8 percent in December. The peak was 5.8 percent, and that was a lot higher than anyone would like. No one likes to watch the unemployment rate go up. But we ought to recognize that 5.8 percent is the lowest peak for any recession since 1945. Indeed, we have grown accustomed to having extremely high unemployment; and it is good that it did not go as high as it has in the past, as we went through this set of impacts that I believe are behind us.

Why was the recession so shallow? Why didn't it linger on, as many thought it would? In my view, a number of factors played a role.

First, there was a very high rate of productivity growth. Usually during a recession, productivity growth is about zero.

During this recession, productivity growth was 2.7 percent, which is faster than we usually get during economic expansion. And, indeed, the last quarter of reporting would say that the productivity growth was 5 percent. It is so high and so robust that it permits a Senator such as this one to even ques-

tion whether that could be right. But it seems to be the right number based on the same information that we have been gathering before, that we have been using before, and that is rather incredible from the standpoint of the positive.

In a typical recession, real compensation tends to stagnate along with productivity. Businesses do not increase compensation when workers are not getting more productive. But in this high productivity recession, real compensation, believe it or not, has been relatively strong, not adversely affected by the recession. In other words, if you did not lose your job, you were much better off during this recession than during previous ones. In turn, increases in compensation helped support the consumer demand which, in a very real sense, fueled the fires in opposition to the recession and the factors that were feeding it.

The second factor that made it milder than expected was monetary policy. The Fed started cutting interest rates 2 months before the recession began and reduced rates to 1.75, the lowest since 1961. In total, the Fed reduced rates 11 times last year.

By contrast, during the last recession, the Federal Reserve reacted more slowly and much less forcefully. Short-term rates were still 6 percent when the recession ended the last time we had a recession.

The third factor was fiscal policy. The tax cut enacted last year could not have come at a better time. No one knows exactly how much it contributed to what I have just described, but obviously it had some positive impact. It was there at the right time, under the right circumstances, and it is one of the few times in modern history that a Congress has enacted a piece of legislation on time, in a timely manner, rather than too late and too little.

There are those who would argue that the last tax incentive to help with the recession bill was too late. I believe that is the case. Nonetheless, those changes are all good changes that will perhaps help the economy stay in this upward moving direction in which we find ourselves.

By using tax rebates as downpayments on marginal tax rate cuts, we put money in the pockets of people and convinced them that there were more tax cuts to come. I believe just doing the rate cuts alone would not have helped the economy as much as they did in that format with those understandings possible by our people.

The fourth factor is financial flexibility. Unlike the situation 10 years ago or the situation in Japan today, our banking system is very sound, and so are our credit markets. Firms have a wide variety of options when they want to raise funds, and households have been able to refinance their homes at lower interest rates. That has put many billions of dollars in the pockets of our people, when the refinancing occurred. Some of that money