

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

went into purchases and acquisitions that our people made by using some or all of the refinance bonus they received because their equity was long.

Lower energy prices contributed to this occurring. Now we are noticing that they are beginning to go up again, rather dramatically—in fact, too much. We must send a signal to those who would arbitrarily do that—and they are—that we are busy producing an energy bill in both the House and Senate that will have an impact on that kind of capriciousness they exercise against our people through the economy they adversely affect.

Does this mean we have nothing to worry about regarding the economy? I don't think so. Another strike by terrorists could again do a great deal of harm both to investors and to consumers and, in particular, to confidence. Probably it would be even a little more lasting than the last one because the strike on September 11 was obviously a total surprise. Another strike of that magnitude or bigger would prove we are vulnerable even when we are more vigilant.

We also have to be concerned about the flow of oil from the Middle East. There are those who would like to see a much wider area of conflagration in that region, if for no other reason than to hurt the United States. We have to apply our best efforts to ensure that this does not happen. But apart from these potential negative shocks, the economy seems to be recovering and looks poised to enter a period of quite respectable economic growth—not a boom, but that is all right.

Now it is our job to make sure we continue to focus on policies that will maximize the long-term growth potential of our economy, including strong national defense, homeland security, energy independence, as much as we can do, and free trade. We also need to start paying attention to simplifying and streamlining our Tax Code. It will not wait forever.

Together these policies will put us in the best position to face the challenges ahead and improve the living standards of the American people.

#### HISTORICAL PUBLICATION AWARD

Mr. DASCHLE. Madam President, I am very pleased to note that a recent Senate publication has won a prestigious award. At its forthcoming annual meeting, the Society for History in the Federal Government will present its George Pendleton Award to Senate Historical Editor Wendy Wolff and the Senate Historical Office for the book entitled *Capitol Builder: The Shorthand Journals of Montgomery C. Meigs, 1853-1861*. The Pendleton Award is given annually for "an outstanding major publication on the Federal Government's history produced by or for a Federal history program." It commemorates former U.S. Senator George Pendleton, who sponsored the 1883 civil service reform act that bears his name.

As an officer in the U.S. Army Corps of Engineers, Montgomery Meigs supervised construction of the current Senate and House wings and the Capitol dome. During this project, Meigs kept a detailed journal of his activities, written in an obscure shorthand and only recently transcribed. This publication provides rich new information on construction of the Capitol extension, and on politics and life in mid-nineteenth-century Washington.

The Meigs transcription and publication project has been a collaborative effort among a number of congressional offices over the past decade, including the Secretary of the Senate, the Clerk of the House, the Architect of the Capitol, and the Library of Congress. William Mohr, a retired Senate Official Reporter of Debates, translated the shorthand, with financial support provided by the Senate Bicentennial Commission and the U.S. Capitol Historical Society.

This project has been guided through to completion by the Senate's very able historian, Dr. Richard Baker, and his dedicated staff. The idea originated in 1991 when Joe Stewart was Secretary of the Senate. It was Joe Stewart who ensured that the resources were made available to bring this fascinating history to the American public. It should be noted that Dr. Baker is the first Senate historian and he has set a high standard indeed for every Senate historian who will follow in his footsteps. We in the Democratic Caucus have been pleased to listen to Dr. Baker's "history minutes" each Tuesday at the start of our regular weekly conferences. He has given us a deeper appreciation of the challenges previous Senators faced, the rich traditions of the Senate, and also the humor exhibited in past times. His stewardship of this project has been justly rewarded by the awarding of the George Pendleton Award to the Montgomery Meigs Journals.

Copies of this 900-page book are available from the Government Printing Office and the Senate Gift Shop. I highly recommend it to my colleagues and to anyone else who treasures the Capitol.

#### LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Madam President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of last year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred June 21, 1997 in Lansing, MI. Two gay men were attacked with blow darts. The assailants, who targeted the victims because of their sexual orientation, were arrested in connection with the incident.

I believe that government's first duty is to defend its citizens, to defend them

against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation, we can change hearts and minds as well.

#### RECOGNITION OF THE 90TH ANNIVERSARY OF THE GIRL SCOUTS

Mr. LEVIN. Madam President, I would like to congratulate the Girl Scouts of America on their 90th anniversary. The Girl Scouts began on March 12, 1912, when founder Juliette Gordon Low assembled 18 girls in Savannah, GA, for the first ever Girl Scout meeting. She believed that all girls should be given the opportunity to develop physically, mentally, and spiritually.

Girl Scouts of America has a current membership of more than three million girls and adults, 150,000 of whom live in Michigan. There are also more than 50 million Girl Scout alumnae throughout our nation. Girl Scouts serve their communities, developing skills in a diverse array of activities including sports, media relations, education and science while growing into the leaders of tomorrow.

One of this year's Young Women of Distinction is Ms. Noorain Khan from Grand Rapids, MI. To earn this distinction she worked on many projects including one with the Islamic Center of Grand Rapids which serves a community of 13,000 Muslims. She helped develop a grant proposal for a program to educate Muslim youth about their religion and culture, and better equip them to make responsible decisions as adults. Her grant proposal consisted of a preliminary curriculum outline, data on demographics in the Islamic community and a job description for a program director. Though the grant has not yet been secured, a framework now exists for the Islamic center and for future grant proposals.

All Girl Scout programs are based on the Girl Scout Promise and Law and Four Program Goals: developing self-potential, relating to others, developing values and contributing to society. To achieve these goals, they have established programs in foster homes, homeless shelters, school yards and Native American reservations. Further, the Girl Scouts of America have established a research institute, received government funding to address violence prevention and are addressing the digital divide with activities that encourage girls to pursue careers in science, math and technology.

Today, 90 years later, the organization offers girls of all races, ages, ethnicities, socioeconomic backgrounds and abilities the chance to develop the real-life skills they'll need as adults. I am sure that my Senate colleagues join me in commending the Girl Scouts on their first 90 years and look forward to them celebrating many more.