

intend to do. How much longer will we have to have people in harm's way? How are we going to get the troops that it is suggested are needed—30,000 or 40,000? Where will they come from? Is there an intention to initiate a draft? I don't know where we are going to get the soldiers and other service people to fill these obligations.

I know one thing. Every day we read about another American serviceperson being killed or American civilians being captured or beheaded, it tells everyone in the country we are on the wrong path and we have to make a change.

I hope President Bush, even in this interim period, can see the necessity to come forward to the American people and say, look, we made some errors; we are going to correct them. We are going to get more people in there, but we are going to end this conflict by that time so we can start to bring our people home. There is no encouragement out there to believe that.

I yield the floor.

#### RECESS

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 having arrived, the Senate will stand in recess until the hour of 2:15 p.m., with time to run against cloture.

Thereupon, the Senate, at 12:28, recessed until 2:16 p.m., and reassembled when called to order by the Presiding Officer (Mr. SUNUNU).

The PRESIDING OFFICER. In my capacity as a Senator from the State of New Hampshire, I suggest the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

#### NATIONAL INTELLIGENCE REFORM ACT OF 2004—Continued

Ms. MIKULSKI. Mr. President, I want to take this opportunity as the Senate resumes this afternoon's debate to rise in very strong support of the National Intelligence Reform Act of 2004.

I am proud to join with Senator COLLINS and Senator JOE LIEBERMAN as a cosponsor of this bill. It is an excellent bill, and I want to support my two colleagues, Senators COLLINS and LIEBERMAN, for working so hard and to go at it in a way that is not only bipartisan but nonpartisan following the recommendations of the 9/11 Commission.

I am excited about this bill because I think it reforms our intelligence to be able to make sure that we prevent any more 9/11s affecting the United States; that we reform the intelligence so that we never go to war again on dubious in-

formation; that we make the highest and best use of the talent in our intelligence agencies, and that they have the framework to be able to protect the Nation, as well as be able to speak truth to power.

Mr. President, I am no stranger to reform. I am on the Intelligence Committee. I came on the committee before 9/11 to be an advocate for reform, particularly in the area of signals intelligence. As I worked on the committee and served on the joint inquiry about what occurred on 9/11, I became deeply committed to other issues related to reform: to have a national intelligence director, to create an inspector general, to mandate alternative or red team analysis, to always make sure that we policymakers have the best information, and that our troops and our homeland security officials get the best intelligence they need to be able to protect the Nation.

Following the 9/11 Commission report, but also with the wonderful work of Senators COLLINS and LIEBERMAN, we now have intelligence legislation that will give us a single empowered leader for our intelligence community, a strong inspector general, and a definite alternative analysis to make sure that all views are heard.

This reform is broad, deep, and also authentic. I think that is what the Nation wants of us.

Mr. President, 3,000 people died on September 11. They died at the World Trade Center, they died at the Pentagon, and they died on a field in Pennsylvania. At least 60 Marylanders died. We remember that they came from all walks of life. We must remember those we lost that day. The way we honor their memory is to take actions to do everything we can to prevent it from ever happening again. That is what the families have asked us to do. That is what the Nation has asked us to do. I am so pleased that we will act on this legislation before we recess.

We need to do this, and we need to do this now. In joining the Intelligence Committee, and also after those terrible acts, like many others, I asked what could we have done to prevent the September 11 attacks on our country? Also, why did we think that Saddam Hussein had weapons of mass destruction? What kind of information does the President need before he sends troops into harm's way? What kinds of information do we need—we, the Members of Congress—to be able to provide the right response to a President's request? We reviewed a lot of this information, and now we know we have the kind of reform in this legislation that will help us.

The 9/11 Commission built on the 9/11 joint inquiry of the House and Senate Intelligence Committees. We did that in a classified way. Then, the 9/11 Commission was organized, and I am happy to say I voted for it. The Commission could bring into the sunshine what many of us knew privately because it was classified. We knew about missed

opportunities, insufficient or unreliable information, the failure to share information, the shortcomings of watch lists.

The legislation that we have before us will move the priorities forward for intelligence reform. First of all, it gives the intelligence community one leader with authority, responsibility, and financial control. In Washington, if you cannot control people or you cannot control budgets, you cannot control the agency.

Second, it provides for diversity of opinion in the analysis. It requires independent analysis. It also provides a framework for red teaming or a devil's advocate so that, again, the policymakers get the best information.

It also strengthens information sharing. It provides the support to speak truth to power. And it also provides a unity of effort in the global war on terrorism. All of this is done with a delicate balance of protecting privacy and civil liberties.

I salute my colleagues. While they were doing their homework this summer with the 9/11 report, I was doing mine—built on the experience that I had both as a member of the Intelligence Committee and the joint inquiry to investigate what went wrong on 9/11. I continued my homework over the summer. I read the riveting report of the 9/11 Commission. I attended hearings in the Intelligence Committee and Governmental Affairs. I consulted with officials of the FBI and others in homeland security in my State. I met with the Director of the National Security Agency. Having done that, I now conclude that this is the best legislation.

We are at a turning point. This is a new century. It poses new threats to the Nation. Therefore, it requires a new framework to serve the Nation. That is what I believe this legislation will do. So I say to my colleagues that one of the best actions we can take now, in order to serve the Nation, is stand up for our troops, protect the homeland, and pass the Collins-Lieberman legislation, which I truly believe brings about the reform of the national intelligence community.

I also salute the work of Senator HARRY REID and Senator MITCH MCCONNELL, who were working on how we need to reform ourselves in Congress to be able to provide the best oversight of the intelligence community so we can have the best intelligence, yet the highest value for our dollar, and at the same time protect the Nation, finding the balance to protect our civil liberties. I believe the task force report saying the Senate needs to reform itself internally will come after this legislation. I think we have done a great job working on a bipartisan basis.

I remember that fateful evening of 9/11 and that day when we gathered on the Capitol steps. America had lived through a lot. We didn't know what was yet to come. But joining with our

House colleagues, we in the Senate, with our leadership, joined hands and sang "God Bless America." We were not a Democratic Party. We were not a Republican Party. We were the red, white, and blue party, and that is what we need to be here today. We need to join hands, pass the reforms necessary to protect the Nation, and to truly ask God to bless the United States of America.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. Mr. President, I thank my dear friend and colleague from Maryland, Senator MIKULSKI, for that very thoughtful and strong statement on behalf of the bill. It means a lot to me and I know Senator COLLINS.

Senator MIKULSKI has focused on these national security intelligence issues. She happens to have a lot of people who work in this field for us in the State of Maryland. Senator COLLINS and I were very grateful and proud when Senator MIKULSKI joined us as an original cosponsor of this legislation. I appreciate all that she has contributed to our efforts. Her statement is very timely and gratefully appreciated. I thank the Senator.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Mr. President, I echo the words of my colleague from Connecticut. Senator MIKULSKI has been so helpful throughout this debate and in the development of this bill. In fact, when the Governmental Affairs Committee was first assigned the responsibility for evaluating the 9/11 Commission recommendations and producing this bill, it was the Senator from Maryland who was the first to call me and to offer to help, to share her knowledge from her years on the Intelligence Committee and on the Appropriations Committee. I really appreciated that gesture.

Since that time, she also participated in one of the Governmental Affairs Committee hearings that we held. Her State lost so many citizens on that awful day, and she has been relentless in her determination to make sure their memory is never forgotten. I very much appreciate all of her contributions.

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.

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

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

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent to speak for a few minutes on an unrelated matter, pertaining to a bill the House of Representatives just passed.

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

HOLD ON S. 878

Mrs. FEINSTEIN. Mr. President, I rise to oppose S. 878, or at least the

version the House of Representatives just passed today. Essentially, what the House did was to poison a worthy bill, a bill that was meant to alleviate the crisis of an overwhelming workload under which the Federal judiciary is struggling. The House did so by adding language to split the Ninth Circuit into three circuits. In doing so, the House has essentially taken the new judges as hostages to a starkly partisan and controversial ploy.

I will not go along with such bullying tactics, and I am placing a hold on that bill today. It is with great regret, and with greater frustration, that I place this hold.

I will take a few minutes to explain why we so desperately need the new Federal judges S. 878 would provide, and then I want to make clear why I am so opposed to the language the House of Representatives has added to split the Ninth Circuit.

According to the Administrative Office of the Courts, the average caseload for every Federal district judge in the country is now 523 cases per judge. In 1999, the average was 480 cases. So it has increased 9 percent in 4 years. But that only tells part of the story. Of the four Federal district courts in California, my home State, three of them handled more cases per judge than the national average: the U.S. District Court for the Northern District of California, 544 cases; Southern District of California, 611 cases; the U.S. District Court for the Eastern District, 734 cases per judge, 40 percent more than the national average.

So it is this burden that needed to be remedied, and in this bill there were 51 district court judges. It was an important bill.

This situation extends far beyond California. For example, the district court for Nebraska, represented by my colleague CHUCK HAGEL, who has been working on this issue with me, has 627 cases per judge, almost 20 percent more than the average. Other courts with exceedingly high caseloads are in Iowa and Arizona.

The version of the Senate bill that the House Judiciary Committee amended would have added 51 new Federal district court judges, 32 of them permanent, 15 temporary judges whose seats would expire when they retire, and 4 seats that would be converted from temporary to permanent. That version of the bill would also have added 11 judges to the circuits of the Court of Appeals. All of these additions came at the recommendation of the nonpartisan Judicial Conference of the United States. According to their 2003 report, the need for new judges is real and growing.

They go on to state:

Since 1991, the number of criminal case filings has increased 45 percent and the number of criminal defendants is 35 percent higher.

Then it continued on with the statistics. When the judges tell us that they need more judges to supervise criminal trials, to secure our borders, and to

crack down on deadly firearms, it is our obligation to listen and to act, because these judges are the linchpin of our justice system. Just as we need soldiers to help win the war on terror, we need enough judges to keep safe at home.

Instead of moving forward to simply add judges, which is what we need, the House essentially sabotaged the bill by adding an amendment to split the Ninth Circuit into these three new circuits.

This is not the time or the place for such an action. I am very much aware of arguments in favor of splitting the Ninth Circuit. In the Senate Judiciary Committee we have been debating this for years and, as I said at the Senate hearing on the issue earlier this year, I welcome the hearing and look at it with a much more open mind than I have in the past. I am sensitive to the fact that the Ninth Circuit had a 13-percent increase in caseload in a single year.

However, this is only one side of the argument. We have testimony from the chief judge of the Ninth Circuit, whom I respect greatly, who informs me that the size is not an obstacle to efficiency. We have letters from the State Bar Associations of California, Arizona, and Hawaii opposing a circuit split. I have a letter from Governor Schwarzenegger of California opposing a split of the Ninth Circuit. I have letters from eight judges in the Ninth Circuit opposing a circuit split, and also a letter from Senator SESSIONS saying that he has received letters from 15 Ninth Circuit judges opposing a split.

Suffice it to say that reasonable minds can differ on whether the Ninth Circuit should be split. What reasonable minds, I think, have to agree on is this is no way to undertake such a momentous change in our Nation's history. I suspect what is happening is that opponents of the Ninth Circuit are trying to take a bill that we need, add new judges, and make the Congress accept the split to the Ninth Circuit as the price.

The fact of the matter is the split they propose will not equalize the caseload. There will still be a disproportionate caseload with the methodology used in the split followed by the House decision voted on this morning. Under the House bill, the new Ninth Circuit, with California, Hawaii, Guam, and the Northern Mariana Islands, would have 407 cases per circuit judge. That is much more than the new Twelfth Circuit, of Nevada, Arizona, Idaho, and Montana, which would have 280 cases per circuit judge. It is also much more than the new Thirteenth Circuit, of Alaska, Oregon, and Washington, which would have 279 cases per judge. So the House bill does not solve the problem of an even split of cases between the circuits.

What we found as we looked at this over the years is that an even split cannot happen unless California is split in half, because the State, and ergo the

number of cases, is simply too large. This has always been the dilemma.

Additionally, this legislation causes major new costs. The Administrative Office of the Courts states that the startup costs for a three-way split that the House today demanded would ring up \$131.3 million to make that particular split.

Despite the need for new judges, I cannot accept this ploy. This is the time for new Federal judges. It is not the time to split the Ninth Circuit. I think the House of Representatives has harmfully cemented one weighty issue to the other and it is not going to work.

So, regretfully, I must place a hold on this bill. I hope Members who are concerned about this will listen, and I hope it is not too late to work out some solution.

I yield the floor.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, I ask unanimous consent to speak 10 minutes as if in morning business.

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

#### THE GUARD AND RESERVE FORCES

Ms. LANDRIEU. Mr. President, I know the issue the Senator from California raised is very important and will be considered as we go forward in our debates, as our session wraps up. The Senator from Connecticut and the Senator from Maine have done an outstanding job in managing the underlying bill and helping us come to grips with some of the new fundamental changes necessary to reorganize our intelligence communities to face the challenges confronting our Nation. I do not want to take too much time away from that very important debate. But I did feel compelled to come to the floor and raise an issue regarding our military families, especially the families of our National Guardsmen and Reservists. They, too, are so critical to meeting and defeating enemies on the home-front and in Iraq and Afghanistan.

Because we call on thousands of Active men and women in our armed forces, as well as reservists in our Guard and Reserve, to be in the forefront of the battles in Iraq and Afghanistan, I thought it was important to come to the floor to share some information that will disappoint people in Louisiana and across the United States.

Right now, somewhere in this Capitol, there is a conference meeting trying to finalize a tax relief package that we refer to around here as FSC/ETI. It is a necessary change in our Tax Code because of some trade decisions that were made relative to the way Europe and America conduct trade and impose taxes and fees on imports and exports. For several months, members of the Senate Finance Committee and Members of the House Ways and Means Committee have been working to reach a final agreement. Different amend-

ments have been added and subtracted as a means to bring the bill closer to final passage.

One of the amendments that I thought was one of the most important amendments in that bill—one that my colleagues in the Senate, Republicans and Democrats, agreed to unanimously called for tax credits to be made available to employers who continued to pay the salaries of their employees if those employees had been activated for duty in the National Guard and Reserves. The Senate agreed that if we were going to give tax relief and a trade fix for corporations and for businesses, then we should also find space in that bill to provide tax relief in some way to the patriotic employers who are trying to help their employees in the Guard and Reserve make ends meet. We should do that so the men and women who put the uniform on every morning and run those patrols ferreting out insurgents and terrorists in Iraq would not have to take a pay cut to do their job to defend America. We want those troops focused on the war-front, not whether bills have been paid on the home-front.

Americans might be shocked, because I am shocked, and I am disappointed, that our Government has not yet found a way to make sure that when we call up the men and women basically out of their regular life—as doctors or lawyers or truck drivers or nurses or teachers or government workers or firefighters or police officers—and ask them to leave their families, leave their jobs, leave their businesses and go fight on the front line for us, that we have not found a way to make sure they can do that without taking a pay cut. The GAO has documented that 41 percent of the Guardsmen and Reservists fighting for us—being called away from their homes, away from their families, and putting their lives in peril and great danger—are doing so with a pay cut. We need to provide them a helmet and a gun and a flak jacket and some protection. But I think we also should make every effort to ensure their families back-home have some stability. We should take steps so that the troop in Falujah knows his employer can take care of his family.

If this Congress and the President were not already enacting trillions in tax cuts and we were adhering to a plan of fiscal responsibility, I might be able to look these families in the eye and say, "Sorry we have a budget deficit. We are doing the best we can."

But do you know what the shame of it is? There is a conference meeting somewhere in this Capitol giving out tax relief to people who already have a lot of money, to corporations some of which may be on the front line but many of which are not, and we have the Republican leadership on the House that says we cannot afford a tax credit to benefit patriotic employers, our Guardsmen and Reservists, and their families. We are asking our men and

women in uniform to bear 100 percent of the risk and burden of fighting the war on terror. Yet in all the tax relief in the Republican-drafted plan, the Republican-leadership plan drafted by Chairman THOMAS, we can't find one penny to make sure the military families get a full paycheck. The cost of my amendment amounts to less than .1 percent of all the Bush/Republican tax cuts enacted since 2001. My amendment is even offset, but the Republican leadership simply refuses to help military families.

Since 2001, the Republican leadership has passed over \$2.1 trillion in tax cuts and tax breaks for the wealthiest Americans. I supported some of these tax cuts but the major beneficiaries have been wealthy individuals who had already accumulated great assets, and corporations. Direct support for military families has been less than .1 percent, or \$1.37 billion, of the \$2.1 trillion in tax cuts.

If you remember, in 2001, we had one bill for tax cuts which we called the Military Family Relief Act. It amounted to \$1.37 billion out of \$2.1 trillion. So the bulk of the tax relief is going to people who are not on the front line. Only limited help is going to the people on the front line.

You can see the graph here, \$2.1 trillion to everybody else who is not in uniform and \$1.37 billion to the military families who are fighting the battle. I don't understand how we are fighting this war. Maybe somebody can explain it to me.

At least people say: Senator, you must not understand that much of these tax cuts get to the military families; it is just not directly. If they have children, they might get the child tax credit. I understand that. But 75 percent of the enlisted men and women in our armed services make less than \$30,000 a year. A staff sergeant with 8 years of experience makes \$30,000 a year. So if you don't write them directly into the bills—because the bills are skewed to those individuals and families making over \$75,000, mostly \$100,000, \$200,000, \$300,000—the military families don't get to take advantage of tax cuts.

Time and time again, every time a tax bill passes this Congress, the military family is left on the cutting room floor. In 2001, we passed the Economic Growth Tax Relief Reconciliation Act, \$1.6 trillion—direct support for military families was \$0.

In 2002, we passed the Jobs and Growth Tax Relief Reconciliation Act, \$41 billion—military families, \$0.

In 2003, we passed the Jobs and Growth Reconciliation Act, \$230 billion—direct support for military, \$0.

This year we passed the Working Families Tax Relief Act, \$146 billion—direct support for military families, \$0. This \$146 billion had no offsets.

Now we have a conference in this Capitol putting together an \$81 billion tax bill. And the amendment, the one little amendment we put on to encourage employers to keep the salaries up

for the Guard and Reserve when they are fighting in Iraq, was taken out because we can't afford it. When it left the Senate, we had paid for it. There are plenty of ways the House Republicans could pay for it, today, but helping military families is not in their interests. We could close a loophole that allows companies to leave the United States for the purpose of reorganizing themselves so they do not have to pay taxes. We could close that loophole and gave it to the men and women putting on the uniform to defend our country. These soldiers, sailors, airmen, and marines aren't fleeing the country to avoid paying taxes, yet we don't get tough on the corporations that are leaving the country to avoid taxes. They take every benefit of what this nation has to offer, including the blood and sweat of our troops, and pay nothing in return. But, some in Congress want to put these corporations in front of our men and women in uniform.

Let me also say I am ashamed for our Government that we have not yet closed our own loophole when a Federal Government worker takes off the Government suit or dress or uniform and puts on the military uniform and goes to fight on the front lines of Iraq. The US Government, as an employer, does not fill the pay gap for Federal employees.

Mr. President, 41 percent of the guardsmen and reservists who are fighting in Iraq take a pay cut to fight and we keep passing appropriations bills and tax cuts to give everyone in the world a tax break, except our military families. And, our poor military families ask for help and we have the Republican leadership in the House telling them: Sorry, there is no more money.

I just got back from Fort Polk a couple of weeks ago, where I have 4,000 maybe 5,000 families in Louisiana whose primary breadwinner has stopped winning bread at home and gone over to Iraq to help fight this war. I promised them that I was not going to just come on home without a fight or without raising this issue for the 5,000 families in my State and for the thousands of families around this country who do not ask for much. They ask for good training. They ask for equipment. And they are asking that they don't take a pay cut when they go to fight. They are not asking for a pay raise; they just don't want a pay cut. They'll get that pay cut if we let this last tax bill go out of here without fixing this provision or without giving some tax credit to companies, many of them small businesses, who continue to pay their activated Guard and Reserve employees.

You can understand why a small business sometimes can't afford to continue to pay the guardsmen and reservists 100 percent of their salary and then have to pay 100 percent of the salary for a replacement.

We are asking for a tax credit for these employers so they can volun-

tarily, if they want, continue to pay the salary of their Guard and Reserve, take a tax credit so we would basically share that expense among everyone and allow that guardsman and reservist to get a full paycheck.

I repeat for the record, the GAO reports that 41 percent of the guardsmen and reservists called to active duty take a pay cut. We could fix that, but for some reason we do not want to, we do not think we should, or we do not have the money. Yet at the same time we are fixing a lot of things for a lot of people and passing one appropriations bill and one tax bill after another.

Forty percent of those serving in Iraq and Afghanistan are Guard and Reserve; 410,000 families or individuals have been activated since September 11. We probably have a few more thousand to activate until we get it right in Iraq.

We can pay for this, as I said, by closing loopholes, but the Republican leadership said, "No." We cannot not pay for it. They have passed tax bills out of here and chalked it up to more debt. This would not be that much to add for people assuming 100 percent of the risk to defend this Nation, but they do not choose to do that, either. Right now, as I speak, 3 o'clock today, it is not in the bill.

I hope these words are traveling through this Capitol. I hope there are people listening and phones start ringing to include the military families in this FSC/ETI bill that is moving through conference so this tax relief can be given and the pay gap can be closed. If you are on the front line, taking 100 percent of the risk, the last thing you need to take is a pay cut.

I suggest the absence of a quorum. The PRESIDING OFFICER (Mr. CRAPO). The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. BYRD. Mr. President, does the rule of germaneness apply under cloture?

The PRESIDING OFFICER. Germaneness on debate is required on cloture.

Mr. BYRD. I ask unanimous consent to speak for not more than 10 minutes on a matter not germane to the pending matter before the Senate.

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

#### VETERANS BENEFITS

Mr. BYRD. Mr. President, West Virginians have a long and proud record of service to the U.S. military. General Stonewall Jackson, one of the greatest military minds of his time, hailed from present day West Virginia. Chuck Yeager, the World War II ace and the first man ever to travel faster than sound, is proud to be a West Virginian. SSG Junior Spurrier left his home of Bluefield, WV, to fight for the libera-

tion of France and received just one fewer awards than the legendary Audie Murphy, the most decorated American soldier in World War II.

There are many more West Virginians whose names will not be recorded in the great military histories of our country, but these veterans have asked little of their country. They have a right to expect that our Government will provide them with the benefits they earned in service to our country, and that is the one thing they do expect.

Time and time again, President Bush has turned his back on veterans who have served our country. Over and over again, President Bush has had to choose between veterans programs and budget-busting tax cuts for the wealthy, and he has chosen to cut taxes for America's super-wealthy instead of taking care, as he should have, of America's veterans. As veterans evaluate the actions of this administration, I hope they are asking whether they are better off than they were 4 years ago.

For the last 3 years, Congress wanted to increase veterans' benefits by allowing military retirees to keep all of their VA disability checks and the military retirement pay, but President Bush opposed it. He fought against it. In fact, he threatened to veto a \$396 billion Defense bill in order to keep Congress from allowing veterans to receive all the compensation they have earned through their service in the Armed Forces. Yes, my colleagues heard me right. President George Bush threatened to veto an entire Defense bill because veterans would get the benefits they had earned.

This year, President Bush approved plans to shut down three veterans hospitals and partially close nine more. What is more, the Beckley VA Medical Center which serves 40,000 veterans in southern West Virginia and is located in my home county of Raleigh narrowly missed the President's chopping block. Only a last-minute intervention by Senator JOHN D. ROCKEFELLER, Representative NICK RAHALL, and me saved the Beckley Veterans Hospital. If the President gets a second term, however, veterans better watch out. You veterans may have to kiss more of your hospitals goodbye.

But the Bush administration didn't bother to wait for a second term before slashing veterans health care in other ways. Last year, the Bush administration decided that an entire category of veterans should no longer be eligible to seek health care from the VA. This wrongheaded decision means that by next year more than 520,000 veterans will be barred from VA hospitals. In other words, the White House says it would be too expensive to let these veterans enjoy their VA health care benefits. How can President Bush claim he supports our troops if he doesn't support VA health care for half a million veterans?

President Bush has also taken to shortchanging veterans to new, disgusting levels. He is no longer content with simply underfunding veterans health care to the tune of \$3.2 billion per year, according to leading veterans' service organizations. Now President Bush has decided that some people who served our country in uniform should pay more for their veterans health care benefits. The President's budget for this year doubles the cost of prescription drugs for these veterans, increases their fees for doctor visits by 33 percent, and sticks them with new annual enrollment fees.

I know that when President Bush hits the campaign trail in West Virginia, he will talk about how he cares about veterans, but I doubt that he will tell West Virginia's veterans about his plans to cut their benefits and raise their fees. I am sure you won't hear the President talking about how he has shortchanged the VA, cut veterans health care, fought Congress on veterans benefits, closed veterans hospitals, and increased health care charges.

The Bible says:

... by their fruits ye shall know them.

In today's terms, we would say that you have to walk the walk if you want to talk the talk. But when it comes to looking out for veterans, George Bush is ambling off in the wrong direction.

The veterans of West Virginia know about sacrifice. They have given up a lot in their service to this country. This administration has spent 4 years undercutting veterans. The people of West Virginia should know that it is time to stand up for our veterans.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, today what we have seen is a fresh topic of interest, as discussed in the newspaper. I ask unanimous consent that in my hour of time, whatever time I have remaining be available to me as if it were in morning business and that I be permitted to use 15 minutes of that time at this point.

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

#### PAUL BREMER'S RECENT COMMENTS

Mr. LAUTENBERG. Mr. President, the topic of very active discussion is Mr. Paul Bremer's comments that are in the papers, particularly the Washington Post, today. I say this with a great deal of respect for Paul Bremer. I think he worked hard to do a very good job. He can hardly be described as a leftwing liberal, for sure. He said something that was, to use the vernacular, kind of a show stopper. He said:

We paid a big price for not stopping it (looting) because it established an atmosphere of lawlessness. . . . We never had enough troops on the ground.

This is our person in charge of the transition from Iraq's former government, purportedly to become a democracy. He is the fellow who was in

charge in Iraq. We all, whoever went there, visited with him, listened to him. He worked very closely with the military. He is very skilled. But he said it. "We never had enough troops on the ground," and that was the beginning of the problem in which we are now so deeply enmeshed.

We have had generals saying it. We had General Shinseki saying that we needed 300,000 of our troops there to do the job, and not having had enough caused us, frankly, to become mired in a situation that, at least by current appearances, seems as though it is going to hold us there for a long time at a terrible cost in life, terrible cost in family relationships, terrible cost financially as well.

#### THE VICE PRESIDENT AND HALLIBURTON

Tonight, as everyone knows, the debate will be between Vice President CHENEY and Senator JOHN EDWARDS, for each of them to present their credentials and their views. But I rise to discuss the Vice President's relationship with Halliburton, his financial relationship with the oil company he ran from 1995 to the year 2000, the company that is reaping the benefits of multibillion-dollar contracts from the Bush-Cheney administration.

Vice President CHENEY still receives salary checks from Halliburton for well over \$150,000 each year. He holds 433,000 unexercised Halliburton stock options. It presents a very questionable picture when we look on this chart at the orange line which conveys the Halliburton income to Vice President CHENEY from 2001 on, and his Vice Presidential salary. If one looks, we see the compensation from Halliburton exceeded that of the U.S. Government's compensation or pay for the Vice President. In the year 2002, Halliburton fell to \$162,000 but then crept back up to where they are very close together. That is, the salary paid by the U.S. Government and the deferred compensation plan that gives Vice President CHENEY \$178,000.

When you look at this, it presents a terrible picture. Here is a Vice President of the United States, the next person in line to take over if, Heaven forbid, something happened to the President, and he is getting paid from a company he used to work for. We know this is a deferred compensation plan, that it was earned before.

I also mention the fact that Vice President CHENEY, when he left Halliburton, got a \$20 million termination bonus plus over \$1 million in another bonus. If we looked at the deferred salary and the nontermination bonus DICK CHENEY has received from Halliburton while Vice President of the United States, it is up to almost \$2 million.

This is, if not corrupting in its reality, its functionality. It has the appearance that raises enormous questions. This relationship, coupled with Halliburton's no-bid contract and other contracts in Iraq, is extremely problematic.

On top of the salary, there are 433,000 shares options that are exercisable. I

come out of the corporate world and I know how valuable the stock options can be. The profits are committed to a charity, purportedly, but the more you get, the more you can give away.

Why does the Vice President permit this salary arrangement to continue when he could have done away with it, as did Mr. John Snow, who was the Secretary of the Treasury. He wrapped up 6 years' worth of deferred compensation into one year and said: I want to be done with this. I don't want to have my income coming from my former employer while I work for the U.S. Government at such a high level.

By continuing this financial relationship, the Vice President undermines our Nation's ethical credibility here and abroad. On September 14, 2003, the Vice President was asked about his relationship with Halliburton and the no-bid contract on the program, "Meet the Press." Vice President CHENEY told Tim Russert—and I happened to be watching the program; that is what stimulated my interest—the Vice President said:

I've severed all my ties with the company, gotten rid of all my financial interests. I have no financial interest in Halliburton of any kind and haven't had now for over 3 years.

The problem with that statement is that when he said it, he held those 433,000 Halliburton stock options and continued to receive a deferred salary from the company and still has a salary for the year coming into 2005.

I went to the Congressional Research Service to see what the definition of a "financial interest" might look like. The Congressional Research Service confirmed to me that holding such options and receiving deferred salary constitutes a financial interest. They agree, and so do I, that when you have deferred compensation, when you have stock options, that is a financial interest. They say if it looks like a duck and sounds like a duck, it must be a duck. There it is, a financial interest.

Even though the exercised prices for Vice President CHENEY's Halliburton stock options are above the current market price, the majority of the options extend to 2009. My goodness, what does it take to free himself from a previous business contact?

When I left the company that I helped start and at which I spent 30 years, the minute I left there all of my options were canceled, to my regret, because there was a lot of money involved.

Any option holder has to hope that the stock price surges so the value of the options increase. One way this can happen is to be sure that lucrative contracts keep coming from the U.S. Government.

In the first quarter of 2004, Halliburton's revenues were up 80 percent from the first quarter of 2003. Why? Wall Street analysts point to one simple factor: The company's massive governmental contracts in Iraq. Those are the things that are responsible for

this increase in revenue and profits, if any.

Vice President CHENEY's annual deferred salary from Halliburton is significant. As I pointed out earlier, in fact, the Vice President's Halliburton salary is as high as his government pay—last year, \$178,000 in salary from Halliburton. I have heard the Vice President's defense of his Halliburton deferred salary. He claims that the deal was locked in in 1999 and there is no way for him to get out of his deferred salary deal.

How about if he had an employment contract with the company for 10 years and then became Vice President of the United States, would he say he had to have both jobs at the same time because he had a contract? Come on.

Checking of the facts revealed otherwise. I obtained the terms of Vice President CHENEY's deferred salary contract with Halliburton, and the bottom line is that the deferred salary agreement is not set in stone. In fact, one need only look at the ethics agreement of Treasury Secretary Snow to see what the Vice President should have done in order to avoid taking salary from private corporations while in public office. Secretary Snow took six different deferred compensation packages as a lump sum upon taking office. Get rid of any shadow of doubt, any shadow of conflict.

Worst of all, this financial relationship is going on while Halliburton is ripping off American taxpayers. I am very specific about this. Halliburton is ripping off American taxpayers. I have said it, and I will say it again. Look at the record.

The Pentagon's inspector general revealed that Halliburton, while our people were fighting for their lives, overcharged \$27.4 million for meals that were never served to our troops. False records. Fraudulent.

Another Pentagon audit found Halliburton overcharged the Army by \$1.09 a gallon for 57 million gallons of gasoline deferred to citizens in Iraq.

Auditors found potential overcharges of up to \$61 million for gasoline that a Halliburton subsidiary, KBR, delivered as part of its no-bid contract to help rebuild Iraq's oil industry.

Under its cost-plus contract with the Pentagon, the more Halliburton spends, the more profit it makes regardless of whether that spending is necessary. Several former Halliburton employees have come forward to reveal how the company has taken advantage of this sweetheart deal by spending millions on nonexistent or vastly overpriced goods and services.

According to these former employees, Halliburton engaged in the following wasteful practices: They had its employees drive empty trucks back and forth across Iraq in order to bill for the trips despite the obvious risks that this practice posed to both truck drivers and the 85,000 trucks. Halliburton, under their arrangement, whatever they spent, came up with a profit for them.

If they needed an oil change they would buy a new truck. Halliburton removed all of the spare tires from its trucks and failed to provide basic maintenance supplies like oil filters. This is not something I am making up. It is in the record. As a result, when tires went flat or trucks broke down, they were abandoned or torched, with Halliburton making a profit on the replacements. This is the most sinister of behavior.

When a Halliburton employee needed one drill, his supervisor told him to order four. When the employee said he did not need four drills, the supervisor responded: Don't worry about it, it is a cost-plus contract.

One employee discovered that Halliburton was paying \$45 for a case of soda in Kuwait when local supermarkets charged only \$7.

The PRESIDING OFFICER (Mr. CHAFFEE). The Senator's 15 minutes have expired.

Mr. LAUTENBERG. I remind the Chair that according to the rules under cloture I have an hour of time to be used if I can get an agreement for unanimous consent.

I ask unanimous consent, because the time is going to be used by me, that I be allowed a few more minutes until I finish my remarks.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Mr. President, reserving the right to object, is there not a germaneness requirement for the debate at this point?

The PRESIDING OFFICER. There is, but the Senator had asked to speak as in morning business for 15 minutes.

Ms. COLLINS. I will not object.

Mr. REID. Mr. President, the time is running against the bill?

The PRESIDING OFFICER. It is.

Mr. LAUTENBERG. Mr. President, I thank the manager. The Senator from Maine has worked very hard on this intelligence reform bill. I supported her as a member of that committee. I know this might be a diversion to her, but I appreciate her consent.

One employee discovered that Halliburton was paying \$45 for cases of soda in Kuwait when local supermarkets charged about only \$7. And then there are the kickbacks. Halliburton admitted to the Pentagon that two employees took kickbacks, valued at approximately \$6 million, in return for awarding a Kuwaiti-based company with lucrative subcontracts.

The scandal is playing itself out in the real world, while this Senate sleeps. It is neglect on everybody's part that this was permitted to continue.

This kind of corporate behavior resembles that of Enron and other corporations that have sought to defraud the Government with kickbacks and bribes and overcharges.

Profiteering during war is an outrageous action, if not a crime. When I served in World War II, if a company profited as people were losing their lives, they would be punished. They

would have jail sentences in front of them.

That is not what I am suggesting. What I am suggesting is that this is abominable behavior and it ought not be permitted.

When I think of the debate that is going on and JOHN KERRY is accused of being soft on defense, when he served so bravely, when even though he disagreed with the policy of the Government, he served the country loyally, bravely, and was wounded. The assertions that maybe the wounds weren't deep enough were challenged by statements in the paper yesterday where it said that he still has shrapnel in his body from those wounds. Anyone who would suggest that because Senator JOHN KERRY examined the question on moneys being spent for the war, because it included tax relief for some of the richest among us, the fact is, he served without question, without any reservation whatsoever, except he had a difference in policy. But he put his life on the line, which we haven't seen around here, I can tell you, as I have described in past speeches.

I used the identification of the chicken hawk. The chicken hawk is someone who makes war that other people are to fight. I don't think it is fair to tear apart the loyalty, the heroism of Senator JOHN KERRY anymore than it was fair to challenge the heroism or the loyalty of former Senator Max Cleland.

I hope this assault on character can stop and we can discuss the issues that affect the American people.

I yield the floor and reserve the remainder of my time from my hour when I come back to the floor.

The PRESIDING OFFICER. The Senator from Georgia.

CORRECT REPORTING

Mr. MILLER. Mr. President, politics is politics. As we all know, it can be a contact sport. While many things can be considered fair or unfair, depending on your outlook, I think most would agree that the voting record and the printed and stated positions of a candidate or elected official are right and proper to discuss. But it is also important that those who report this discussion be correct in what they report.

Mr. LAUTENBERG. Mr. President, may I challenge whether this is part of the debate on the intelligence reform bill or is this discussing a different matter?

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Mr. President, I ask unanimous consent that the Senator from Georgia be permitted to speak as in morning business for 20 minutes, just as the Senator from New Jersey was permitted to speak as in morning business.

The PRESIDING OFFICER. Is there objection?

Mr. LAUTENBERG. I have made my request, but I have no objection.

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

Mr. MILLER. I thought we were in morning business. If I may now continue.

It is also important that those who report the discussion be correct in what they report. From most of the national media, we have not had that correct reporting on JOHN KERRY's national defense record.

From the media we have heard, from their review of national defense records, that the liberal Democrat JOHN KERRY and the conservative Vice President DICK CHENEY are, in fact, long lost ideological soul mates, separated only by birth and hair.

We hear from Wolf Blitzer and Judy Woodruff on CNN and Chris Matthews on MSNBC, Alan Colmes of Fox, and the fact finders at the Washington Post and the LA Times that if you took DICK CHENEY and substituted him for JOHN KERRY or if you took JOHN KERRY and substituted him for DICK CHENEY the defense votes that occurred in the House and Senate and the outcomes of defense spending bills and Pentagon operations would be virtually identical.

They would have you believe that when it comes to national defense records, votes and positions, they say the very DNA of DICK CHENEY and JOHN KERRY are practically indistinguishable, that they are doves from the same nest. Or maybe it is hawks now, with Kerry's latest change.

As silly as this assertion is, the Democrats are more than happy to make it because many in the media are only too happy to parrot it. There is no better proof of this than the media's response to the speech I made at the Republican National Convention in New York City.

Now, I was inclined to let the veracity of an old man soon to be retired just go unanswered, thinking that the juice wasn't worth the squeeze. And I would have, if it had been my reputation at stake instead of the safety of my family. Let me start with the LA Times which bought lock, stock, and barrel the Democrats' official line, and I quote:

The Kerry campaign responded by accusing Miller of mischaracterizing the Senator's record, pointing out that Cheney also voted to cut funding for some of those weapons systems while serving in Congress. Others were targeted for cutback by Cheney when he was Defense Secretary in the first Bush Administration.

USA Today minimized the negative of Kerry's defense votes this way:

... Kerry voted against large Pentagon spending bills that include many weapons three times in his 20-year career. And Defense Secretary Cheney recommended ending some of the same systems that Miller cited.

CNN's Judy Woodruff said this to me only a few minutes after my speech:

JOHN KERRY voted for 16 of 19 defense budgets that came through the Senate while he was in the Senate, and many of those votes you cited, DICK CHENEY also voted against.

Wolf Blitzer of CNN emphasized the similarity of KERRY and CHENEY:

When the Vice President was the Secretary of Defense, he proposed cutting back on the B-2 bomber, the F-14 Tomcat as well. I covered him at the Pentagon during those years when he was raising serious concerns about those two weapons systems. . . .

And then, that citadel of sanctimony, the home of the whopper, the Washington Post, weighed in with this totally untrue statement:

Miller's list was mostly derived from a single KERRY vote against a spending bill in 1991, rather than individual votes against particular systems.

Later, a Washington Post analysis added:

KERRY did not cast a series of votes against individual weapon systems, but instead KERRY voted against a Pentagon spending package in 1990 as part of deliberations over restructuring and downsizing the military in the post-Cold War period.

Editorial pages began to chime in, such as the Philadelphia Daily News:

Miller charged that KERRY has voted to strip the Armed Services of necessary weapons systems when DICK CHENEY, as Defense Secretary, proposed many of the cuts and voted for others.

Mr. President, is this true? Are there just a handful of votes by KERRY against weapons systems? Are those votes identical to those by DICK CHENEY? Did the media have their facts straight? And even more important, did they really want to have their facts straight? Or did they just simply adopt, without verification, the talking points from the KERRY campaign?

Let's start at the beginning. I said in my speech that KERRY "opposed the very weapons systems that won the Cold War and that are now winning the war on terrorism."

I then listed the systems that KERRY opposed, such as the B-1, the B-2, F-14A, F-14D Tomcats, the Apache helicopter, the F-15 Eagle, the Patriot missile, Aegis cruiser, the SDI, and the Trident missile.

Did KERRY oppose the weapons systems that won the Cold War? The answer is yes.

In 1984, JOHN KERRY ran for the Senate and built his campaign around the promise to reverse what he called "the biggest defense buildup since World War II," a buildup he considered in his words, "wasteful, useless, and dangerous."

In a key 1984 campaign document, KERRY identified 16 weapons systems he wanted to "cancel."

All of those weapons systems that I stated that KERRY opposed are found in this 1984 document, except for two—the Trident missile and the B-2 bomber. But Senator KERRY's opposition to those was reported in other press interviews in 1984.

Mr. President, this 1984 campaign document is the first, but by no means the last, of KERRY's opposition to these weapons systems.

It is strange, but there has not been a single story that I can find in the media about this document. No one wants the American people to see what KERRY was wanting to cancel at the height of the Cold War.

This document doesn't exist as far as the national media is concerned. But it is vital to any debate about JOHN KERRY's national defense record be-

cause it spells out in KERRY's own words his complete and total opposition to these weapons systems. This document begins and ends with the word "cancel."

In his own words, JOHN KERRY says "cancel" the MX, the B-1, the ASAT, SDI, the Apache helicopter, the Patriot, the Aegis cruiser, the Harrier, the Tomcat, the Eagle, the Phoenix, the Sparrow, and all of the other weapons systems listed on this chart.

If you are like most people, you might read this document and say, if JOHN KERRY wants to cancel these weapons systems, it certainly doesn't mean he is for them. So then he must oppose them. In the name of common sense, could you have any other meaning from this?

The media tells us that just because JOHN KERRY wanted to cancel those systems, that doesn't mean he opposed those systems. Such is their strange and twisted logic.

Because the media is not convinced JOHN KERRY meant "cancel" when he said "cancel," they ignore this document and think the American people should, too.

Those who don't ignore this document dismiss it, basically because KERRY opposed these systems 20 years ago. So what is the big deal today?

Here is why it is a big deal. This document came out in 1984, when America was in a life-and-death struggle with the Soviet Union. At that time, the Cold War was anything but cold, and it was certainly not over.

The premier of the Soviet Union was not Gorbachev but Konstantin Chernenko, an old Brezhnev hard-liner.

This document that outlined JOHN KERRY's vision for our national defense, which the media ignores and doesn't want you to know about, came out about 6 months after the Soviet Union shot down Korean Airlines 747 filled with 269 civilians.

This Kerry proposal came at a time when Soviet troops were at the halfway point of their armed invasion of Afghanistan.

This Kerry proposal came at a time when Cuban troops were in Angola and Kampuchea.

This Kerry proposal came at a time when Marxists insurgents had taken power in Nicaragua and were pushing northward into El Salvador.

This Kerry proposal came at a time when insurgents and terrorists were on the attack, and the way KERRY wanted to deal with them was by canceling crucial weapons systems.

Here, at the height of the Cold War, at a time when we were playing cards with the devil himself, when our own future, the world's freedom, and the fate of half a billion souls from Poland to Siberia, from the Baltic to Crimea, were all in the pot, JOHN KERRY said "fold them" to what ultimately turned out to be one of the biggest winning hands ever played for freedom.

That is why this 1984 document is a big deal, Mr. President. I ask unanimous consent that this document be printed in the RECORD.

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

JOHN KERRY ON THE DEFENSE BUDGET

"We are continuing a defense buildup that is consuming our resources with weapons systems that we don't need and can't use."

The Reagan Administration has no rational plan for our military. Instead, it acts on misinformed assumptions about the strength of the Soviet military and a presumed "window of vulnerability", which we now know not to exist.

And Congress, rather than having the moral courage to challenge the Reagan Administration, has given Ronald Reagan almost every military request he has made, no matter how wasteful, no matter how useless, no matter how dangerous.

The biggest defense buildup since World War II has not given us a better defense. Americans feel more threatened by the prospect of war, not less so. And our national priorities become more and more distorted as the share of our country's resources devoted to human needs diminishes.

JOHN KERRY HAS A DIFFERENT APPROACH

John Kerry believes that the time has come to take a close look at what our defense needs are and to plan for them rather than to assume we must spend indiscriminately on new weapons systems.

John Kerry believes that we can cut from \$45 to \$53 billion from the Reagan Defense budget this year. Some of these cuts include:

*Major nuclear programs*

MX Missile, Cancel, \$5.0 billion  
B-1 Bomber, Cancel, \$8.0 billion  
Anti-satellite system, Cancel, \$99 million  
Star Wars, Cancel, \$99 million  
Tomahawk Missile, Reduce by 50 per cent, \$294 million

*Land forces*

AH-64 Helicopters, Cancel, \$1.4 billion  
Division Air Defense, Gun (DIVAD), Cancel, \$638 million  
Patriot Air Defense Missile, Cancel, 1.3 billion

*Naval forces*

Aegis Air-Defense Cruiser, Cancel, \$800 million  
Battleship Reactivation, Cancel, \$453 million

*Aircraft*

AV-8B Vertical Takeoff and Landing Aircraft, Cancel, \$1.0 billion  
F-15 Fighter Aircraft, Cancel, \$2.3 billion  
F-14A Fighter Aircraft, Cancel, \$1.0 billion  
F-14D Fighter Aircraft, Cancel, \$286 million  
Phoenix Air-to-Air Missile, Cancel, \$431 million  
Sparrow Air-to-Air Missile, Cancel, \$264 million

In addition, acquisition of equipment and supplies should depend on real defense needs, not inter-service rivalries. "National security" is no excuse for bad management practices. The Congressional Budget Office and the General Accounting Office agree that an additional \$8 billion can be saved by implementing the recommendations of the President's own Grace Commission Report.

"I will never forget that the Defense Budget is not an employment program, but a tool to provide the nation with a strong, lean and stabilizing defense posture.

Finally, John thinks it's time for a Senator who will stand up for what's right and not go along with what's expedient.

"If we don't need the MX, the B-1 or these other weapons systems. . . . There is no excuse for casting even one vote for unnecessary weapons of destruction and as your Senator, I will never do that."

Mr. MILLER. This document is not the end of this sorry story, for with

these weapons systems clearly in his crosshairs as candidate JOHN KERRY, Senator JOHN KERRY pulled the trigger on them his first year in the Senate in 1985, and then again at every other chance he got.

In 1985, the "series of votes against individual weapons systems" the Washington Post so snugly swore never took place began.

In all, 14 Senate votes took place in 1985 alone on 5 of the specific weapons systems Kerry pledged to cancel. Mr. President, 13 of his 14 votes in 1984 were to cut the defense systems he promised to cancel.

Four of those were to cut the MX peacemaker missile; two votes were to cut antisatellite weapons; two votes were to cut SDI; another vote was to restrict SDI's use; another vote was to cut battleship reactivation; and another vote was against binary weapons.

KERRY's only vote not to cut a defense program was on SDI. You know why? Because after voting three times to cut SDI by as much as \$1.5 billion, KERRY voted against a cut of \$160 million because he said it didn't cut SDI enough.

So when it comes to the weapons systems that won the Cold War, JOHN KERRY said in 1985 he wanted to cancel them, and then in 1985 he voted against them 13 out of 14 times.

There were two other votes to cut back overall defense spending, for a total of 16 votes in 1985 on national defense alone; but the Mr. Magoos down at the pious Post somehow could not locate these facts.

In fact, the Washington Post could not only find "a" vote—one single solitary vote over 20 years—where JOHN KERRY voted against defense. That single antidefense vote was after the Cold War in 1990 or 1991, depending upon which Washington Post report you read.

Judy Woodruff did some better. She found 19 total defense votes over KERRY's 20 years in the Senate. There were 16 votes in 1985 on defense systems and overall spending alone.

She also claimed that CHENEY voted the same way as KERRY on "many of those" 19.

Yet how many can "many" be if CHENEY and KERRY served simultaneously in Congress for only 4 of those 19 annual budget fights?

But Wolf Blitzer's defense of KERRY's national defense record was the most interesting. With the wave of a hand, Blitzer dismissed the numerous votes by KERRY against these weapon systems that occurred years before as well as the years after CHENEY was Secretary of Defense.

CHENEY's position in 1990 and KERRY's opposition in 1984 is the difference between opposing the Sherman tank and the B-29 in the year before D-day and then wanting to cut back on them the year after V-J day.

Mr. President, you could review the series of JOHN KERRY votes on weapons systems in 1986, 1987, 1988 and 1989—all

that occurred before the Berlin Wall fell.

The fact is you can look at KERRY's votes during the cold war, after the cold war, before Desert Storm, after Desert Storm, after the first World Trade Center attack, before the war on terrorism and now during the war on terrorism, and you will find JOHN KERRY was one of the most reliable "no" votes against the weapons our soldiers needed to defend this country and keep the U.S. safe.

The point is if the media won't tell you what the impact of KERRY's position would have been on the cold war, they sure are not going to tell you what the impact would be today on the war on terrorism.

So let me sum up what we can learn from the media's response to my speech at the Republican National Convention on JOHN KERRY's defense record.

The media can only find JOHN KERRY opposing defense weapon systems that Secretary CHENEY opposed also.

The media will only count overall spending bills as a vote against a weapon system, and will not count the numerous votes on the systems themselves nor the overall budget plans as votes on the systems or national defense.

And the media can simply find no votes by JOHN KERRY against any weapon systems during the height of the cold war—not a one. Not a single one.

What they found, or what they want you to believe they found is that CHENEY and KERRY had practically identical national defense voting records during the cold war. And that is flagrantly wrong.

Let me take another minute to look at this.

In 1985, the House in which CHENEY was a Member had a series of votes on 17 specific weapon systems.

Seventeen of DICK CHENEY's seventeen votes were to protect the defense systems.

Seven ayes on seven votes to protect the MX peacekeeper missile;

Six ayes on six votes to protect SDI;

Another vote to protect the Trident II missile;

Another vote to protect binary weapons;

Another vote to protect chemical weapons; and

Another vote to protect ASAT weapons.

During the height of the cold war, essentially every vote by DICK CHENEY was the mirror opposite of JOHN KERRY.

Where CHENEY repeatedly voted for weapon systems, KERRY repeatedly voted against those weapon systems.

Where CHENEY supported President Reagan's announced position on each vote on these weapon systems, KERRY opposed President Reagan's announced position on each vote.

The sole vote of JOHN KERRY against a cut in defense was because he wanted

a bigger cut—a cut as much as ten times larger in SDI.

So there are differences between DICK CHENEY and JOHN KERRY on national defense. It's the difference between the world's biggest and greatest military superpower and, well, spitballs.

Mr. President, I probably have wasted my time and just spit in the ocean because we all have learned the hard way that the elite media can do anything it wants and sell anything it wants.

We saw earlier this year the New York Times and Washington Post repeat on their front pages false allegations by Ambassador Joe Wilson about Niger uranium and his wife's role in his own activities, but they then buried the correction somewhere in the back pages.

We saw Newsweek's Evan Thomas report that: "The media want Kerry to win" and that support, in Thomas's words, "is going to be worth maybe 15 points."

We see CBS News having to admit they were pushing forgeries about President Bush's National Guard service.

The national media's all-out defense of JOHN KERRY's indefensible defense record falls into this same sorry and disgraceful pattern of selling an agenda rather than the facts.

What I said in New York was true. It was true then. It is still true now.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

#### JOHN KERRY'S DEFENSE RECORD

Mr. REID. Mr. President, JOHN KERRY's record on defense reflects more than approximately 10,000 votes he has cast in the Senate. His defense record goes back to the steaming jungles of Vietnam where he, as a young sailor commanding a fast boat, went into harm's way on many different occasions. We know about the number of those occasions because his defense record indicates that the Government of the United States awarded him two medals for heroism—one a Bronze Star, one a Silver Star. He was wounded on three separate occasions and received three Purple Hearts. They were awarded not by some gentleman's club but by the U.S. military.

On the programs about which we have heard a dissertation today, as we look through those—except for the MX missile, which was canceled by the President of the United States, not by Congress, as I recall—all of these programs came into being. So to think that any one Senator, with the hundreds and hundreds of votes on defense matters, stopped the Cold War from being won is really a little silly, for lack of a better description.

Senator JOHN KERRY supported more than \$4.4 trillion in defense spending, including for 16 of the last 19 Defense authorization bills. In fact, he voted for the largest increase in defense spending since the early 1980s.

JOHN KERRY is a strong supporter of the U.S. armed services and has con-

sistently worked to ensure the military has the best equipment and training possible. In 2002, as an example, Senator KERRY voted for the largest increase in the history of the defense budget. This increase provided more than \$355 billion in the Defense Department for 2003, an increase of \$21 billion over the previous year. This measure includes \$71.5 billion for procurement programs, such as \$4 billion for Air Force's F-22 fighter jets which are now going to be stationed at Nellis Air Force Base in Las Vegas; \$3.5 billion for Joint Strike Fighter which will also be stationed in Las Vegas at Nellis Air Force Base, and \$279.3 million for the E-8C Joint Stars aircraft.

Senator KERRY's vote also funded a 4.1-percent pay increase for military personnel; \$160 million for the B-1 bomber defense system upgrade; \$1.5 billion for a new attack submarine; more than \$630 million for Army and Navy variants of the Black Hawk helicopter; \$3.2 billion for additional C-17 transports; \$900 million for R&D of the Comanche helicopter; and more than \$800 million for the Trident submarine conversion.

For someone who has served in the Senate for 20 years—this is just one Senator's opinion—it speaks well of him that he is not a rubberstamp for requests submitted to us by the Defense Department. That is what we are. We are a separate, equal branch of Government, the U.S. Congress, and our part of it is the Senate. We have an obligation to review very closely what is given to us by the Pentagon and given here. They always ask for more than they deserve, knowing that we are going to turn down some requests. We have budgets to meet also. It speaks well of Senator KERRY if he did not rubberstamp everything they asked for.

As to the Bradley fighting vehicle, which was mentioned in the previous speech, Senator KERRY supported \$8.5 billion for the Bradley program. That is not bad. Senator KERRY, for the M-1 Abrams tank, has supported at least \$21.5 billion in defense authorization for that tank.

He has supported all five new aircraft carriers since he joined the Senate. Since 1985, JOHN KERRY has voted to start work on each of the five new aircraft carriers: the USS *Stennis*, USS *Truman* in 1988, the USS *Reagan* in 1993, the USS *Bush* in 1998, and the newest yet unnamed carrier in 2001. So these aircraft carriers, the *Stennis*, *Reagan*, *Bush*, and formerly the CVNX, he voted for all of those.

The F-15 fighter jets, Senator KERRY supported almost \$20 billion in Defense authorizations for the F-15. For the F-16, Senator KERRY supported at least \$25 billion in Defense authorization.

There is going to be a debate tonight and maybe that is why the speech was given, but in testimony before the House Armed Services Committee, Mr. CHENEY said:

If you're going to have a smaller air force, you don't need as many F-16s. . . . The F-

16D we basically continue to buy and close it out because we're not going to have as big a force structure and we won't need as many F-16s.

According to the Boston Globe, Bush's 1991 Defense budget "kill[ed] 81 programs for potential savings of \$11.9 billion . . . Major weapons killed include[d] . . . the Air Force's F-16 airplane." This was Secretary CHENEY. This was House Member CHENEY. This was Vice President CHENEY.

It is also important to note that Senator KERRY has supported at least \$10.3 billion in Defense authorizations for the B-1 bomber.

The Kerry record on the B-2 bomber. He supported \$17 billion in Defense authorization for the B-2. Mr. CHENEY proposed cuts to the B-2 program. I am sure there were times when he supported it, as did Senator KERRY. There were times when Senator KERRY thought there was too much being spent, as did Secretary CHENEY.

According to the Boston Globe in 1990:

Defense Secretary Richard Cheney announced a cutback . . . of nearly 45 percent in the administration's B-2 Stealth bomber program, from 132 programs to 75 . . .

If we want to go back and revisit history a long time ago, we do not have to go back very far to find out, just a couple of years ago, an introduction of JOHN KERRY by Senator ZELL MILLER at the Georgia Democratic Jefferson Jackson Day Dinner, and I quote my friend ZELL MILLER:

My job tonight is an easy one: to present to you one of the nation's authentic heroes, one of this party's best-known and greatest leaders—and a good friend. He was once a lieutenant governor—but he didn't stay in that office 16 years, like someone I know (Miller). It just took two years before the people of Massachusetts moved him to the United States Senate in 1984.

Further quoting him:

In his 16 years in the Senate, John Kerry has fought against government waste and worked hard to bring some accountability to Washington. Early in his Senate career in 1986, John signed on to the Gramm-Rudman-Hollings Deficit Reduction Bill, and he fought for balanced budgets before it was considered politically correct for Democrats to do so.

Senator MILLER went on to say:

John has worked to strengthen our military, reform public education—

Let me repeat this quote:

John has worked to strengthen our military, reform public education, boost the economy and protect the environment. Business Week magazine named him one of the top pro-technology legislators and made him a member of its "Digital Dozen."

Further quoting:

John was reelected in 1990 and again in 1996—when he defeated popular Republican Governor William Weld in the most closely watched Senate race in the country.

John is a graduate of Yale University and was a gunboat officer in the Navy. He received a Silver Star, Bronze Star and three awards of the Purple Heart for combat duty in Vietnam. He later cofounded the Vietnam Veterans of America.

As many of you know, I have great affection, some might say an obsession, for my

two Labrador retrievers, Gus and Woodrow. It turns out John is a fellow dog lover, too, and he better be. His German shepherd, Kim, is about to have puppies. And I just want him to know Gus and Woodrow had nothing to do with that.

This is a direct quote from Senator ZELL MILLER and, among other things, I repeat, "JOHN has worked to strengthen our military."

The record for Senator KERRY supporting the military is, as Senator MILLER said, a stellar performance. He has worked to strengthen our military.

I also say that for someone who opposed the MX missile system, I do not think that makes him a bad guy. We in Nevada did not like the system. It was eventually stopped. If somebody does not support the missile defense system—I think there is probably somebody sitting in the Presiding Officer's chair today, which can only be presided by those on the majority, who does not support the missile defense system. So the fact that people pick and choose what they support for the military does not make them bad.

Senator KERRY's record is very good, and I have gone over some of the things he supported. I am not going to belabor the point, other than to say that Senator KERRY supported the F-18, and he supported the \$60 billion defense for that instrument of war. The Cheney F-18 record, he asked for cutbacks on that.

Senator KERRY is a person who truly believes in the military. He was a volunteer as a young man and went and fought, showing heroism in that process, and he is still showing heroism in his defense of this country, under tremendous odds, with terribly negative attacks. For someone who has served with Senator KERRY for two decades in the Senate, I am proud of him. I am proud he is the nominee for my party. He is a man of integrity. He has tremendous competence.

I was on the Select Committee on MIA/POW. He chaired that. The cochair was Bob Smith from New Hampshire. He did a remarkably good job in a most difficult situation.

I wish today had not turned into a situation of trying to talk about Presidential politics, but that is the way it has turned out.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I have come to the floor to speak about the issue of reimportation of prescription drugs. I also wanted to talk for a moment about the tax bill that is being negotiated by the conference committee between the House and Senate, especially with respect to the runaway plant issue and tax incentives that now occur for those who shut down their American manufacturing plants and export jobs. I will speak about those two issues briefly.

Before I do that, I'd like to address some of the remarks of my colleague from Georgia, who was speaking when I came to the floor of the Senate.

I disagreed strongly with my colleague when I heard his speech at one of the national political conventions. He certainly had every right to give that speech. I disagree strongly with the presentation he gave on the Senate floor, but he has every right, of course, to express those opinions on the Senate floor.

I have great respect for my colleague from Georgia. I honor his service. He has provided great public service to this country in many different ways, so I honor that service.

But I, of course, reserve the right to disagree with my colleague as well, just as he came to the floor and disagreed with some of the votes that have been cast by Senator KERRY.

The last time I was on the floor when my colleague from Georgia came to speak, he was offering a proposal that we take away the right of the American people to vote for Senators. He proposed instead that Senators be appointed or selected by State legislatures, and that the right of the people to vote for Senators should be rescinded.

Well, I thought that did not sound like a very modern approach. We left that idea a long time ago in this country, and I got up and spoke and indicated I did not have quite such a pessimistic view of this country's future and certainly did not agree that we ought to revert back to the States appointing their Senators and taking away from the American people the right to elect Senators. But that was the only previous occasion I recall on which I took the floor of the Senate and disagreed with my distinguished colleague from Georgia. I must say, however, that I feel compelled to disagree once again.

I have not come to the Senate floor to be critical, ever, of President George W. Bush's military record. I would not do that. And I would not be critical of Senator KERRY's military record. Both of them served.

My colleague came to talk about Senator KERRY's record in voting for defense for this country. This is not a new technique in American politics. This is timeless. It always happens that someone stands up and points at someone else and says: You don't represent this country's interests in defense. You don't support a strong defense. You are not willing to stand up when you need to stand up and be counted and support a strong defense for this country.

Sometimes that works. But let me just say this. I don't think it works when you point at someone who decided on graduation from Yale that he would volunteer to go to Vietnam; not only that, he would volunteer to serve on a swift boat, where he was certain to be involved in hostile action. He didn't have to do that. He did that, he volunteered. He received a Bronze Star, a Silver Star, three Purple Hearts, and still has fragments in his body from the wounds from which those Purple

Hearts arose. I don't think it works to point fingers at that man and suggest he, somehow, is weak on defense.

My colleague's assessment of Senator KERRY has changed some. Senator REID pointed out that in March of 2001, at a banquet in Georgia, my colleague from Georgia introduced Senator KERRY. Here is what he said about him:

My job tonight is an easy one. It's to present to you one of this Nation's authentic heroes, one of this party's best known and greatest leaders, and a good friend.

Then he said this, my colleague from Georgia:

John has worked to strengthen our military, reform public education, boost the economy and protect the environment.

Let me say that again because it is important. It is at odds with what we just heard from my colleague from Georgia on the floor of the Senate this afternoon. Speaking of JOHN KERRY, my colleague from Georgia said:

John has worked to strengthen our military.

This is a speech from March 1, 2001. What is the difference between then and now? JOHN KERRY has had the same record on defense.

Incidentally, JOHN KERRY has supported a great amount of this country's defense: the Apache helicopter, Aegis, The Bradley, Black Hawk, B-2 bomber, C-17 cargo jets, F-16, F-18, Tomahawk missiles, C-130s, and I could go on and on and on. Billions, tens of billions, yes, trillions of dollars for defense Senator KERRY has voted for.

What is the difference between March 1, 2001, in my colleague's assessment of Senator KERRY where he said "John," speaking of Senator KERRY, "has worked to strengthen our military," what is the difference between that and the discussion we have just heard today? The difference is, it's an election year and my colleague has, apparently, decided to change his mind. If there were an Olympic event called "stretching," I have a couple of personal nominations for who might win the gold medal.

This ought not be, in American elections, an attempt to find out who is the worst. It ought to be a search for who is the best. Who can best lead this country? Who has a vision for the future that grows our economy, that protects our country, protects our homeland, provides for a strong defense, protects the environment? It is a search, in my judgment, for who is the best, not who is the worst.

We have two candidates running for President, both fully qualified to serve in that office. It does not serve our country well to point at one and say somehow he is weak on defense, doesn't support defense, especially when it is so at odds with the record. But it is now an election year. I guess almost anything goes.

There is a term, I suppose, for changing one's mind, and it is called flip-flop. I have not used it, but some have used it to the point of significant repetition this year. I will not use it here

except to say what we have just heard today is at significant odds, not only with the record of a member of our caucus who has served with great gallantry but also at odds with the previously stated views of the person who made the speech today.

Let me end as I began and say I honor the service of the Senator from Georgia. I disagree with him about these issues. Four weeks from today this country will see fit to make an informed choice between two men who strive to serve for the next 4 years as this country's President. Both candidates, I am sure, care about national security. Both care about homeland security. As was stated in the debate last week, both love this country.

I submit, just as one Senator, both are qualified to serve in that office. Both parties have nominated people they choose to support and support aggressively. I come to the Senate floor today to simply say this: JOHN KERRY is someone with whom I have served for many years. I have watched him vote. The fact is, he supports a strong defense for this country. He always has and always will. When it came time to answer his call, his country's call, he left one of the prestigious colleges in this country upon graduation and said: Let me volunteer. He went to Vietnam. He went in harm's way.

There is no amount of energy or wind that can be exerted by others who will change the basic fact of a voting record that is in strong support of America's defense.

Mr. REID. Will the Senator yield for a question?

Mr. DORGAN. I am happy to yield.

Mr. REID. I say through the Chair to the Senator from North Dakota, the Senator from North Dakota has served more than 2 decades in the Congress of the United States?

Mr. DORGAN. That is correct.

Mr. REID. So you have been called to vote on every Defense bill and hundreds and hundreds of amendments offered on those Defense bills over the years.

As strong as the Senator from North Dakota is on matters relating to the U.S. military, I don't know this, but I will bet there were occasions that you voted to cut certain programs; is that right?

Mr. DORGAN. I say to the Senator, I have, in fact. I serve on the appropriations subcommittee here on the Senate. I care a lot about this country's defense. And I voted against the MX missile program, because I felt it was a terrible waste of money. But I am a strong supporter of defense. I believe anyone who looks at my record will understand the weapons programs I supported, significant weapons programs, have added strength and boosted this country's capability.

Because I serve on the Appropriations Subcommittee on Defense, I watch what others do as well. From a firsthand knowledge, I say that Senator KERRY has a strong and aggressive

record in supporting this country and supporting a strong defense for this country.

Mr. REID. The point I make, and I would like the Senator to respond to this, a person from time to time, in service in the Congress of the United States, votes for amendments to cut spending in different areas for a lot of different reasons. They still can be some of the strongest hawks we have around here; isn't that true?

Mr. DORGAN. No question about that.

My colleague from Georgia was talking about Vice President CHENEY and JOHN KERRY. I didn't quite understand that comparison of their records on defense. I have lived a couple of doors down from Dick and Lynne Cheney for a number of years. I know them well. I would never come to suggest somehow that DICK CHENEY doesn't support a strong defense. And I know JOHN KERRY very well. I certainly wouldn't come to suggest he doesn't support a strong defense. Both of them have records that demonstrate a support for this country's defense.

Well, enough about that. I didn't come to the floor of the Senate to speak about that. But I felt that there should be some response to the statement by the Senator from Georgia this afternoon which I think, frankly, is not supported at all by the facts.

#### AMERICAN JOBS

On May 5 of this year, we had a vote in the Senate. That vote was on an amendment that I had offered, together with my colleague, Senator MIKULSKI from Maryland. The intent of the vote was to shut down a loophole that rewards U.S. companies that move their manufacturing jobs overseas.

Yes, we have that kind of loophole. It is a perverse, insidious loophole in our Tax Code that says: Shut down your U.S. manufacturing plant, get rid of your U.S. employees and outsource those jobs, and, God bless you, while you leave this country, we will give you a tax cut.

Talk about a perverse incentive to do exactly the wrong thing, that is it.

We are now seeing the conference committee between the Senate Finance Committee and the House Ways and Means Committee meet and negotiate over a FSC/ETI bill, sometimes also called the "jobs bill." If they finish putting this bill together in conference and do not include a provision to eliminate this perverse incentive, they will have done precious little to help protect, nurture, and strengthen American jobs.

Incidentally, when I offered this amendment on May 5 of this year, the amendment was tabled by a vote of 60 to 39. Sixty Members of the Senate voted to say they did not want to shut down a tax loophole that provides an incentive for companies to fire their American workers and move their U.S. jobs overseas. So that loophole still exists in tax law.

Now I read in the paper this morning they really do not want to pay for the

cost of this FSC/ETI bill by shutting down loopholes. This is unbelievable.

We have American companies now that decide they want to do business through a post office box in the Bahamas or the Grand Caymans. Why? Do they want to be a citizen of the Grand Caymans? Not exactly. They just want to avoid paying U.S. taxes so everyone else can pay taxes that these folks do not pay.

I suggest that once companies have decided to move their corporation and run their business out of a mailbox in the Bahamas for the purpose of avoiding U.S. taxes, the next time they get in trouble maybe they ought to call the Bahamian Navy to protect them. I understand the Bahamian Navy has 20 people. Maybe the next time one of these companies gets in trouble with some expropriated assets or other issue they can call on the combined flexed muscle of the Bahamian Navy.

My point is simple. We have a real problem in this country with the outsourcing of jobs. In the last 4 years, we have actually lost jobs at a time when we are supposed to be creating jobs. We have an expanding population. We need new jobs. But we are losing jobs.

I will not give the same speech I have given previously about the Radio Flyer and Huffy bicycles, those quintessentially American products that are now being made in China. I will not talk about the all-American cookie, the Fig Newton, now being made in Monterey, Mexico, so that it is now Mexican food. I will not give the speech about the outsourcing of these jobs to Sri Lanka, Bangladesh, Indonesia, and China. But if this country does not wake up soon and get rid of these pernicious loopholes in the tax law that say, ship your U.S. jobs overseas and we will give you a big tax cut, if we do not do that, we are not going to succeed.

Growing an economy requires us to do the right things. We cannot talk about growing the economy and then support tax loopholes and say, by the way, ship your U.S. jobs overseas. That does not work. We are outsourcing jobs every single day and no one seems to care much about it.

Incidentally, that also relates to the trade deficit, because when we outsource the jobs and ship the products from those jobs back into this country, it means we exacerbate the trade deficit, which is the largest deficit in human history.

One can make an argument as an economist—I used to teach a bit of economy in college—one can make an argument that the budget deficit is money we owe to ourselves. We cannot make that argument with respect to a trade deficit. We owe a trade deficit to other countries. It will be paid inevitably by a lower standard of living in our country in the future.

The largest trade deficit in history ought to be cause for substantial alarm in this Chamber and at the White

House. Yet there is almost a conspiracy of silence all around this town about a trade deficit that, in my judgment, hurts this country very badly.

Incidentally, Lou Dobbs has written a book about this trade deficit. I encourage colleagues and others to read it. His program, more than any on television these days, is talking about the danger of this trade deficit.

At any rate, as they finalize this jobs bill in conference, which is going on as I speak, they need to come back to the amendment I offered last May 5 with my colleague, Senator MIKULSKI. They need to shut down this perverse incentive in tax law, which gives benefits and encouragement and financial help to companies that move their jobs overseas.

#### REIMPORTATION OF PRESCRIPTION DRUGS

Let me make one other point on another subject that I think is critical. We are told we are near the end of this session. Perhaps on Friday of this week we will complete our work and then come back for a lameduck session, which happens to be a terrible idea. Perhaps, because this Congress has not done much of the right kind of work or much of the work it needs to do, we will have to have a lameduck session.

As we near the end of this session, the one relentless issue that many Members of Congress say they care about and want to do something about is the issue of the prices of prescription drugs. We pay the highest prices in the world for prescription drugs and there are far too many in this country who cannot afford them.

Senior citizens are 12 percent of our population yet they consume over one-third of the prescription drugs in America. Senior citizens have reached that point in their lives when they have a fixed income. Yet one-third of the prescription drugs are taken by our senior citizens. Why? Because they must. These are lifesaving drugs, miracle drugs. My hat is off to the pharmaceutical industry and to the researchers at the National Institutes of Health and others who have helped create these new drugs, but miracle drugs offer no miracle to those who cannot afford to take them.

I sat on a bale of straw the other day at a farm in southern North Dakota with a fellow who is 87 years old. He told me: I fought cancer for 3 years and I think I finally have beaten it. This is an 87-year-old man. I fought cancer for 3 years and I think I finally won. For those 3 years, my wife and I drove to Canada to buy the prescription drugs I needed to fight this cancer.

Why? Because the same FDA approved drug, the identical pill, is put in the same bottle, made by the same company, but is priced at a dramatically lower price in Canada.

He said: For 3 years, we went to Canada to save that money because we had to. Senior citizens should not have to go to Canada to save money on prescription drugs.

He is right about that. I would prefer that pharmacist be able to go to Can-

ada to purchase those lower priced prescription drugs from the pharmacist in Canada, come back, and pass the savings along to the consumers in our country.

By getting rid of the artificial barriers that prevent re-importation, we would put downward pressure on prescription drug prices in this country so people would not have to go anywhere but their local drugstore to purchase prescription drugs. They could purchase them here for a fair price. But we are charged the highest prices in the world for these drugs.

We are told by the Food and Drug Administration that if we reimport prescription drugs from Canada in any organized way that there would be a safety issue. We are told by the Secretary of Health and Human Services that there may be a safety issue. We are told by the President that he thinks maybe we should look at this but there might be a safety issue.

That suggests somehow that Americans are not able to do what Europeans have done everyday for years. The Europeans have something called parallel trading. Their parallel trading programs allow someone from Germany to buy a prescription drug from Spain, someone from France to buy a prescription drug from Italy.

They don't have any safety issues in Europe. The marketplace determines the price for the drug, and the market puts downward pressure so the Europeans don't pay the highest prices in the world for prescription drugs as we do. They do what is called parallel trading, and there are no safety issues at all. European officials have testified before our committees. The safety issues simply are not there. It is a bogus issue.

We have drafted a bipartisan piece of legislation called the Pharmaceutical Market Access and Drug Safety Act. Myself, along with Senators SNOWE, MCCAIN, STABENOW, FEINGOLD, and others, we have drafted a bipartisan piece of legislation that systematically addresses the safety issues so that there cannot be any safety concerns. Our bill would allow the reimportation of prescription drugs from Canada and from other major developed countries and would put downward pressure on prescription drug prices. The House of Representatives has passed such a bill. That bill is on the calendar at the desk. The bipartisan bill which we have introduced is similar to the bill that is at the desk. Yet we are unable to get a final vote in the Senate.

We have had substantial discussion. I had a discussion with the majority leader on this subject at midnight one night earlier this year on the Senate floor. I had a hold on a nominee. I withdrew that hold because I believed we had an agreement that we were going to work toward an opportunity to have a vote on this legislation. I believed that agreement with the majority leader existed. He now indicates it was not an agreement for a vote. He in-

dicates it was an agreement that a process would begin and that the authorizing committee would work on this. The authorizing committee worked on it, to be sure. They would have markups scheduled and markups cancelled, markups scheduled and markups cancelled. The fact is, they never were able to get a bill out of committee because they couldn't get consensus on anything. We have a consensus on the bill that is on the calendar. We have a consensus on the bipartisan bill. If there is a vote on that in the Senate, it will pass by a significant margin. We don't need another consensus. There is a consensus that already exists. What we need is a vote on the floor of the Senate.

I encourage the majority leader once again to allow us the opportunity to cast this vote. Senator MCCAIN, Senator SNOWE, myself, Senator STABENOW, Senator FEINGOLD, Senator DASCHLE, Senator KENNEDY and many others have worked very hard on this issue. In my judgment, it is a disservice to those who deserve to pay fair prices for prescription drugs not to have a vote on this bill. It is a disservice to their interests for us not to complete work on this bill during this session of the Congress.

I ask unanimous consent to print in the RECORD two editorials. One is by the Chicago Tribune and it is entitled "Shielding the Drug Industry." This says essentially what I have said:

While Congress dithers, States and cities skirt if not break the law by helping seniors and others take advantage of lower prescription-drug prices in Canada.

And the editorial talks about the desperate need for Congress to pass a law dealing with reimportation. They specifically feel that the legislation that is before the Congress would be meritorious and they talk about Peter Rost who is vice president of marketing for one of the largest drug companies who broke ranks with the drug industry in the last couple of weeks and publicly endorsed the proposal in Congress that my colleagues and I have sponsored.

Then I ask unanimous consent to print in the RECORD a New York Times editorial that is titled "The Senate's Chance on Drug Costs."

If Dr. Bill Frist, the Senator majority leader, knows what's good for the body politic, he will allow a quick floor vote on the drug reimportation bill he has been bottling up for the benefit of President Bush and the pharmaceutical industry.

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

[From the Chicago Tribune, Oct. 1, 2004]

#### SHIELDING THE DRUG INDUSTRY

Last month Peter Rost, a vice president of marketing for Pfizer Inc., broke ranks with the drug industry and his employer by publicly endorsing a proposal in Maryland's Montgomery County to allow its employees to buy cheaper drugs from Canada. Rost disputed industry claims that reimportation would pose a public health risk. "The real concern about safety is about people who do not take drugs because they cannot afford it," he said.

Rost—who made it clear that he was speaking only for himself, not Pfizer—joins a growing number of city and state officials across the country arguing for reimportation. Only a few months ago, a new law seemed inevitable. Even Health and Human Services Secretary Tommy Thompson suggested that was so. Unfortunately, “inevitable” may not mean any time soon.

Competent reimportation bills have been bottled up in the Senate for months. And Senate Majority Leader Bill Frist of Tennessee isn't likely to allow a debate or vote before the election. Last month he argued that with only a few weeks left in the session and other pressing issues, there wasn't enough time for a full debate.

While Congress dithers, states and cities skirt if not break the law by helping seniors and others take advantage of lower prescription-drug prices in Canada. One such program is supposed to be introduced soon in Illinois.

The lack of progress is frustrating. Last spring, at his confirmation hearings, Medicare chief Mark McClellan promised to help develop legislation to allow imports of lower-cost prescription drugs with safeguards to protect consumers. Frist said that the Senate “will begin a process for developing proposals that would allow for the safe reimportation of FDA-approved prescription drugs.” But Sen. Byron Dorgan (D-N.D.) said recently that the process had “led to nothing.”

No wonder some politicians are so frustrated that they're openly challenging the Food and Drug Administration in announcing plans to help consumers link to pharmacies in Canada and elsewhere.

Opponents of reimportation have argued that it would open America's borders to a flood of tainted drugs, and that the FDA could not guarantee the safety or purity of such imported drugs. That argument isn't convincing. Many drugs are manufactured abroad, and the FDA inspects those factories and ensures that drugs are shipped to America without tampering. That system could be expanded, using fees paid by those who import or export the drugs.

Pfizer execs are asserting that Rost “has no qualifications to speak on importation” and emphasize that he is not speaking for the company. But his support for reimportation resonates in Illinois, where 67 percent of registered voters supported Gov. Rod Blagojevich's plan to help residents buy prescription drugs from Canada, Ireland and England, according to a recent Tribune/WGN-TV poll. A survey by the Kaiser Family Foundation showed about 8 in 10 Medicare recipients support allowing Americans to buy drugs from Canada if they can get a lower price. The same study showed more than 6 in 10 don't believe such a system would expose Americans to unsafe medicines from other countries.

It seems terribly clear that congressional leaders have one intention here: protecting their heavy campaign contributors in the drug industry from competition. This issue deserves a vote. The stalling has to stop.

[From the New York Times, Sept. 29, 2004]

#### THE SENATE'S CHANCE ON DRUG COSTS

If Dr. Bill Frist, the Senate majority leader, knows what's good for the body politic, he will allow a quick floor vote on the drug reimportation bill he has been bottling up for the benefit of President Bush and the pharmaceutical industry. A large majority—up to 75 members, by some estimates—would easily pass the bill and delight the organized older voters who have been clamoring for lower-priced Canadian drugs. American consumers are increasingly aware that their av-

erage drug prices are 67 percent higher than what Canadians pay for comparable prescriptions. Bipartisan Senate pressure is growing on Dr. Frist, along with threats of the sort of floor rebellion that saw the Republican House rise up last year to pass a drug reimportation plan over Mr. Bush's opposition.

Mr. Bush continues to express concern about potential safety risks from imported drugs while insisting that the new Medicare subsidy for prescription drugs will eventually ease the pocketbook pain of distressed retirees. Dr. Frist also continues to express concern about the need to weigh the benefits of lower prices against possible safety risks.

But this concern is addressed in the pending bipartisan bill, which mandates that the bargain drugs would come from licensed Canadian pharmacies and wholesalers registered with the federal Food and Drug Administration.

The real issue appears to be to avoid forcing Mr. Bush to choose between signing the bill and angering the drug industry, which donates mightily to G.O.P. campaigns, or vetoing it and infuriating older voters.

This page has supported the Medicare drug plan, but with the imperative that the administration work harder to restrain costs, however much the pharmaceutical lobby complains. The reimportation bill is a promising cost saver.

Mr. DORGAN. As I have indicated, there is a bipartisan group of Senators who have worked a long while on this issue. The House of Representatives passed this idea by a wide bipartisan margin. This is not a partisan issue. It is bipartisan.

My hope is that the majority leader will decide that as a matter of scheduling, we will, before we adjourn sine die, address this issue and resolve it for the benefit of the American people. There is no safety issue. Everyone knows that is a bogus issue. To continue to raise that issue suggests somehow that Americans are unable to do what the Europeans have done routinely year after year. That is, put together a system—we call it reimportation; in Europe it is called parallel trading—that is safe for consumers and that puts downward pressure on prescription drug prices.

I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

#### WAR ON TERRORISM

Mrs. HUTCHISON. Mr. President, it is my understanding that there has been use of the Senate floor in the last few minutes to discuss the Presidential race and to make statements about the situation in Iraq and our President's handling of that and our President's own war service, his service in the guard, which was honorable. I don't know everything that was said, but let me say that it is very important we

take every opportunity to look at what is happening in the war on terrorism and the place that Iraq holds in the war on terrorism. Let's don't forget Afghanistan, either.

Our country was hit on 9/11, 2001. Everybody in the world knows that. It hasn't been easy to deal with a different kind of enemy, but that is what we have, a different kind of enemy. Our President has been resolute and firm in fighting this enemy every step of the way. Americans can hardly imagine that human beings would actually be able to shoot children in the back as they are running away, as happened in Russia a few weeks ago, terrorists taking over a school and children running away to go to safety and being shot in the back. Three hundred people died in that event.

People can't imagine an enemy that would cut someone's head off before a video camera and spread it out across the world. But that has happened with the kind of enemy we are now facing. Does anyone think that kind of enemy can be dealt with with kid gloves, with good manners, as we would have in a debating society? The President doesn't. The Vice President doesn't. They are standing up for our country. They are standing up for our country against an unimaginable enemy, and they are doing a great job. They are doing a great job because they feel from their hearts that we must be firm and resolute against this enemy, and we must not let anything stand in the way of protecting America and protecting our homeland.

That is why I am so proud of our President and our Vice President. They are not asking anyone else if America can defend itself.

And we are at war with terrorists who would shoot children in the back and cut innocent people's heads off for absolutely no reason whatsoever. So if we are going to use the Senate floor to be part of the campaign, I think we need to make sure the people of our country hear both sides. There are real differences. There are real differences in how we would handle the war on terrorism, what we do in Iraq. Iraq is not an easy situation. We all know that.

We know the enemy has infiltrated Iraq. They have come in through the porous borders from all over the world to try to disrupt the stability and the stabilization of Iraq. Americans have boots on the ground in Iraq. Our young men and women are fighting for our freedom in the deserts of Afghanistan and in Iraq so that we will be able to debate on the Senate floor, hold our own elections, and live in the freedom that we have come to know. I think our young men and women deserve the respect that we have a united country in this war and in this effort. This is every bit as much a fight for freedom as any war in which America has been engaged.

Our President and our Vice President put one thing, and one thing only, first: the security of the American people.

They want every child in our country to grow up with the same kind of freedom and opportunity every one of us in the Senate has had growing up. If we let terrorists curtail the way we live, we will have lost. We will have said that we are not going to answer the call of our generation to maintain the freedom and opportunity of our country, which we have been able to enjoy. That is unthinkable. Our President and our Vice President are standing firm for the protection of the American people. They are standing firm for our economy.

One of the other hits we took on 9/11/01 was the hit to our economy. The tourism industry went down, the airline industry was in trouble, and it had a ripple effect throughout our economy. But our President has remained firm in the way we would try to stabilize the stock market and get jobs back and get people back to work. He is doing it with tax cuts, so that people will have more of their own money to spend and they will put it into the economy. Guess what. That has made the difference.

The turnaround in our economy started right after the tax cuts were signed by the President. The stock market is up and jobs are coming back; 1.7 million jobs have been put on this year alone. We are almost back to where we were before 9/11.

So, Mr. President, if we are going to use the Senate floor to talk about the election that is going to happen in the next 6 weeks in this country, I think we better look at the record. The record is good. We have taken the steps that are necessary after being hit by terrorists in a way that we could never have imagined being hit on 9/11. Our homeland is more secure. Is it everything it needs to be? No. The President will tell you that. Anyone will tell you that. But it is a whole lot safer than it was on September 10, 2001.

We are taking the steps right now on the Senate floor to reform our intelligence-gathering capabilities. We are going to have the best intelligence operation in the entire world. We are already making great strides. We have made great improvements. There is much more sharing and, in fact, the increased and better intelligence has caused us to know that there is a heightened alert right now. But we are taking the steps to codify that and put it into statutory form. We are doing exactly what we ought to be doing to assure that our country is prepared to go forward, to stay the course in this war, and to win the war on terrorism. We are going to do it one step at a time, with a President who is absolutely focused on our national security.

Mr. President, I am proud of our President. I am proud of our Vice President. They are staying focused. A lot of people think this campaign has gotten pretty rough. Campaigns in America are rough. None of us like it, but no one is going to unilaterally disarm. Therefore, we are going to make

sure that the truth comes out so that people can see the differences between the two candidates. There doesn't have to be any mud slung in this campaign because the differences are very great. Our President is resolute that he is going to win the war on terrorism and protect the American people, and he hopes we can fight the war on terrorism on the turf where they are rather than allowing them on our turf. That is his strategy, and it is the right one.

We have a President who is firmly committed to a domestic agenda that includes an education for every child in our country; quality health care for every person in our country, to bring more people who are insured into our health care system; to have malpractice reform so that we will be able to assure quality health care at a reasonable cost. Our President is committed to Social Security reform so that it will be there for our seniors, not just for the next 20 years, but for the next 100 years. It is going to take leadership. It is going to take leadership and vision for the next President of the United States. Our President is doing exactly the right thing in focusing on our security, on education for children, on quality health care for all of the people in our country. Our President is doing a great job. I am proud of him. I think the people of America—the more they focus on not only the accomplishments of the last 4 years, but the vision for the future—our President is talking about his vision for the next 4 years and what we will be able to do for our country that will build on the rising economy, the better national security that he has already put in place.

Mr. President, I am going to yield the floor, and I hope that we can keep this debate on the differences on the issues. I hope we will not have extraneous charges and the use of the Senate floor for extraneous charges that do not have a place in the civilized debate that I hope we will have on the floor of the Senate in the future.

I yield the floor.

THE PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM. Mr. President, may I inquire as to the parliamentary situation in the Senate?

THE PRESIDING OFFICER. We are postcloture on S. 2485.

Mr. GRAHAM. I thank the Chair. I wish to make some remarks on an amendment that I have filed. I will not ask that that amendment be brought before the Senate this evening, but I look toward doing so at an appropriate time.

Mr. President, 3 years have passed since the attacks of September 11, 2001. Largely because of the anger and the concern and the desire to show that the lives of those 3,000 Americans who were sacrificed on that day had meaning, we are nearing passage of a meaningful intelligence reform plan. But as we commit ourselves to implementing this plan, I remain convinced that we still

will not be doing all we can do, all we should do to win the war on terror and to hold our adversaries to account.

Why do I hold those views?

It is my view that we have allowed to escape at least one and possibly more make-believe allies that have and may be today supporting terrorists with financial, logistical, and even diplomatic resources. These allies are saying one thing in their public relations campaign but doing quite another in their palaces, in the halls of government when it comes to nurturing al-Qaida and other terrorist networks.

Let me give a little explanation of why I think this issue is so important. For 19 relatively young men, most of whom were strangers to each other, to be able to come into the United States without much command of the English language and almost no knowledge of American culture and practices, stay in this country for, in some cases, 18 months, to be able to refine a plan that had been developed prior to their entry, to deal with unexpected complications, such as the detaining of the 20th hijacker, and to be able to practice that plan and finally execute it with the tragic consequences of September 11 is not an easy task. Many have asked how could they have done it.

I believe, for one thing, these 19 people were more capable than we may have originally thought, and that itself is a chilling observation, because it says something about the adversary we are going to continue to be facing once we restart the war on terror.

But second, I also believe they were not here alone. In that famous August 2001 briefing which the President received at Crawford, TX, one of the items in that briefing which has, in my opinion, been inadequately observed was that the President was told that al-Qaida had a network inside the United States.

Supplementing that network, I believe the Saudis were given license to take advantage of a network that was already in existence in the United States for another purpose, primarily the purpose of surveilling countrymen who were in the United States to determine if they were fulminating any plots that might be adverse to the interests of the royal family. That network was then made available to at least 2 and maybe more, possibly all, of the 19 hijackers.

I will remind my colleagues again, as I have previously, that much of the information that makes this case is contained in the 27 pages of the final report of the House and Senate inquiry into 9/11, the 27 pages which were censored by the administration and, therefore, have never been made available to the American people. But I can say this: A California-based former employee of the Saudi Civil Aviation Authority, a then 42-year-old Saudi national named Omar al-Bayoumi, had extensive contacts with two of the Saudi national hijackers, Khalid al

Mihdhar and Nawaf al Hazmi. These two men had entered the United States in January of 2000 after having attended a summit of terrorists in Malaysia a few weeks earlier.

Bayoumi was paid \$40,000 a year by a Saudi Government subcontractor, but he never showed up for work. He was what is referred to as a ghost employee. Indeed, a CIA agent described him as a spy of the Saudi Government assigned to keep track of Saudi citizens in southern California, particularly the large number of Saudi students studying at higher education institutions there.

The day that al-Bayoumi met the two hijackers at a Los Angeles restaurant, he had first attended a meeting at the Saudi consulate with a Saudi official who subsequently was denied reentry into the United States because of his alleged terrorist background.

He then, over lunch, invited the two terrorists to come from Los Angeles to San Diego where he proceeded to first allow them to live with him until they could arrange for an apartment, he co-signed their lease, paid their first month's rent, hosted a welcome party, and helped them get a variety of services, including driver's licenses and flight school applications. He introduced them to others who served as their translator and other support roles.

This is just one strand in the web of connections between hijackers and the Saudi Government. But, again, I am restricted in terms of how fulsome the details can be.

There is other evidence of Saudi complicity, especially when it comes to financing al-Qaida. In a monograph on the finances of al-Qaida prepared by the 9/11 Commission, staff investigators found government-sponsored Islamic charities had helped provide funds for Osama bin Laden. The monograph states:

Fund-raisers and facilitators throughout Saudi Arabia and the Gulf raised money for al Qaeda from witting and unwitting donors and diverted funds from Islamic charities and mosques.

It attributed this thriving network to "a lack of awareness and a failure to conduct oversight over institutions [which] created an environment in which such activity has flourished."

The 9/11 Commission investigators concluded:

It appears that the Saudis have accepted that terrorist financing is a serious issue and are making progress in addressing it. It remains to be seen whether they will (and are able to do) enough, and whether the U.S. Government will push them hard enough, to substantially eliminate al Qaeda financing by Saudi sources.

At least one other authority body is even more skeptical. The Council on Foreign Relations established a task force on terrorist financing, and representatives of the task force testified last week on the 29th of September before a hearing of the Senate Banking Committee.

Mallory Factor, vice chairman of the Independent Task Force on Terrorist Financing, said this:

The Saudi Government has clearly allowed individual and institutional financiers of terror to operate and prosper within Saudi borders.

Let me repeat that statement:

The Saudi government has clearly allowed individuals and institutional financiers of terror to operate and prosper within Saudi borders.

He continued:

Saudi Arabia has enacted a new anti-money laundering law designed to impede the flow from Saudi Arabia to terrorist groups. However, significant enforcement by Saudi Arabia of several of these new laws appears to be lacking. . . .

He continued:

Furthermore, even if these laws were fully implemented, they contain a number of exceptions and flaws which weaken their effectiveness in curbing terror financing. . . . Quite simply, Saudi Arabia continues to allow many key financiers of global terror to operate, remain free and go unpunished within Saudi borders.

Lee Wolosky, the codirector of the Council on Foreign Relations Task Force, added:

There is no evidence . . . that since September 11, 2001, Saudi Arabia has taken public punitive actions against any individual for financing terror.

That directly contradicts the statements made by this administration that the Saudis have been cooperating and continue to deserve to be considered as allies.

Despite all of the evidence, President Bush has said nothing to suggest that he is reconsidering the assurance he offered to the American people in the Rose Garden on September 24, 2001, when he said:

As far as the Saudi Arabians go . . . they've been nothing but cooperative. Our dialogue has been one of—as you would expect friends to be, able to discuss issues.

On Sunday, like several million Americans, I watched the Sunday interview programs and I saw a lady I admire, Dr. Condoleezza Rice, as she attempted to explain why she and other key members of this administration, aware of the fact that there was a considerable disagreement as to whether aluminum tubes which were destined for Iraq but had been intercepted, but which had been determined by the best experts in the United States, those in the Department of Energy, to not be appropriate for the construction of a centrifuge, one of the preliminary steps in the development of weaponizable material—she said any prudent policymaker would have to take the most conservative view if there was a disagreement, take the view that would best protect the American people.

I say this: If we have the kinds of comments that have come from responsible citizens who served on the 9/11 Commission, statements that have been made by a respected independent task force of the Council on Foreign Relations, and the recommendations of the joint House-Senate task force, why

do we not take the same conservative position as relates to Saudi Arabia?

This is what our colleagues in this Chamber and the House said in December of 2002. Recommendation 19 of the final report of the joint inquiry stated: The intelligence community, and particularly the FBI and the CIA, should aggressively address the possibility that foreign governments are providing support to or are involved in terrorist activity targeting the United States and U.S. interests. State-sponsored terrorism substantially increases the likelihood of successful and more lethal attacks against the United States. This issue must be addressed.

If we believe that we should take the stance which is most protective of the security of the people of the United States of America, why have we taken this position of coddling passivity and deference to the Kingdom of Saudi Arabia with this record of their support of terrorism?

My lack of confidence in both Saudis and the administration, my lack of confidence in their ability to level with the American people, leads me to offer this amendment on behalf of the families of those who died on 9/11.

Several groups of families and survivors have filed lawsuits against the Saudi Government, members of the Saudi Royal Family, other Saudi entities, alleging that they were part of a conspiracy that led to the successful attacks on the United States on September 11, 2001.

The Saudi Government, in Federal court, has moved to strike not only the Royal Family, not only individuals but also to strike virtually every entity under the umbrella, that those entities are a part of the sovereign immunity in Saudi Arabia and therefore come under the umbrella of sovereign immunity from their acts.

The effect of this position is to prevent the victims' families from proceeding to the discovery portion of the trial which could yield valuable information about the Saudi Government's activities. This amendment would waive sovereign immunity protections for foreign governments involved in lawsuits related to the September 11 attacks. It would not automatically declare that the Saudi Government or any other government is responsible for the attacks or was complicit in the attacks, but it would give victims' families a chance to have their day in court. While exceptions like this are rare, this is because terrorist attacks of the magnitude of September 11 are rare.

Congress has waived sovereign immunity before. In the case of the Iran hostage-taking, sovereign immunity was waived because there was reason to suspect that the hostage-takers had received support from the Iranian Government. We decided an exception to the law was necessary in this case in order to both get to the truth and see that justice was provided for innocent American families.

I believe the family members of the victims of 9/11 deserve to have an equal opportunity to get to the truth, especially in light of the coverup our Government has engaged in and which has prevented the American people from a full understanding of the extent of that complicity.

For all we know, the network which functioned prior to 9/11 and which contributed to the ability of these 19 people who were new to the United States, woefully deficient in the English language, to be able to hide out for 18 months and then refine, practice, and execute a plan of terror, that infrastructure is still in place. This amendment would help these families and the people of the United States better understand what has happened to us in the past, what the threat might be today, and to hold those responsible and accountable for their actions.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I ask unanimous consent to speak as if in morning business for no more than 10 minutes.

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

The Senator from Idaho.

#### FLU VACCINE SUPPLY

Mr. CRAIG. I come to the Senate floor this afternoon to express a grave concern about today's announcement concerning a new threat to America's flu vaccine supply—and to urge that firm and decisive action is needed to meet this potential deadly threat.

First, the facts as we know them: Earlier this morning, the California-based Chiron Corporation announced that British regulators had unexpectedly imposed a 3-month suspension of operations of its Liverpool plant, citing unspecified manufacturing problems.

What does this mean? Mr. President, I believe today's announcement may prove to have worldwide and deadly consequences. This is because Chiron's Liverpool facility is today one of only two major manufacturers of flu vaccine worldwide, and it supplies approximately one-half of the total U.S. flu vaccine supply.

More specifically, if Chiron is unable to ship its vaccine this year, the U.S. will lose approximately 46 million doses of flu vaccine, just under half of the anticipated supply of about 100 million doses. Ideally, as many as 185 million doses would be needed to protect all Americans who are at risk. This gives you some idea of the parameters of the problem.

Because flu vaccine is produced seasonally and cannot easily be accelerated on short notice, and because the annual flu season typically begins in October—the month we are now in—this announcement effectively deals a body blow to U.S. preparedness as we enter this year's flu season.

As the chairman of the Senate Special Committee on Aging, I am especially concerned about the effects of this development on America's senior

population, who account for over 90 percent of the approximately 36,000 American flu deaths each year.

Indeed, just last week the Aging Committee held a hearing to examine ways of improving flu preparedness and vaccination rates.

At our hearing, Chiron president and CEO testified that Chiron was on track to deliver its full complement of flu vaccine this year. According to initial accounts, today's announcement from the British Government came as an alarming surprise, both to Chiron itself and to the U.S. Food and Drug Administration, which itself had conducted reviews of Chiron's operations in recent months.

Time will tell, of course, but there is no question that today's developments have caught the world public health community off guard.

So what can be done?

First, I am very encouraged that FDA, CDC, and the NIH have moved swiftly today to convene emergency meetings of top vaccine experts to confer with their British counterparts and to seek assistance from the other major vaccine manufacturer, Aventis. I understand that Secretary Tommy Thompson has already dispatched a team to England to address this crisis.

I believe these discussions are extremely important. Of course, safety must always be our paramount consideration. Nevertheless, considering Chiron's critical role in flu vaccine production, coupled with the deadly worldwide threat that confronts us, I urge U.S. and British scientists and officials to do everything in their power to correct whatever problems might exist in time to permit shipment of at least some of Chiron's vaccine this year.

Second, I believe it is imperative that Federal authorities act swiftly to guarantee that, if there is to be a sharp drop in vaccine supplies, priority distribution go first to America's elderly and to the young children, as well as certain other especially vulnerable populations.

Third, today's alarming announcement is a wake-up call that better long-term flu preparedness is imperative. As we heard at last week's hearing, this is especially true in light of the fact that scientists now believe that a return of an especially strong pandemic strain of flu is overdue.

Scientific progress is being made in a number of promising areas, among them options for developing cell-based alternatives to today's egg-based technology. I am also encouraged that the administration in recent months has made substantial progress in its pandemic preparedness planning.

In addition, Senator EVAN BAYH and I introduced legislation earlier this year to further address some of these longer-term issues. For example, our legislation, S. 2038, would encourage an increase in vaccine production capacity by offering a tax credit for companies to invest in the construction or

renovation of production facilities and for the production of new and improved vaccines. Our legislation also contains provisions to encourage greater volume of vaccine production, as well as to improve outreach and education about the importance of flu vaccination.

Finally, I want to close by noting that perhaps the single most important reason today's announcement is so potentially devastating is the simple fact that we have only two manufacturers for flu vaccine.

Stop and think about that. In a country as great and as rich as ours, with our medical science as advanced as it is, we rely only on two companies to produce this vaccine. Why? In part, for example, it is because in recent years vaccine companies, in trying to guess what the market is going to be and to produce for the market, lost well over \$120 million and simply could not take those kinds of losses.

That is why Senator EVAN BAYH and I introduced legislation to try, again, to resolve this problem.

Why? Again, flu is a worldwide killer, and the need for vaccine is very clear. Yet the market has dwindled to a point that the pullout of just one company, as was announced today, devastates a worldwide supply of vaccine.

An additional factor underlying this problem, as in so many other sectors, is the issue of tort liability. The risk of lawsuit is so great today that some of these companies are simply closing their shops and walking away.

Today is not the time to discuss this particular issue in great detail, but as we move forward we need to ask ourselves, can we put the American population at risk simply because we have developed such a litigious society that everybody has to sue? When they do that, we find ourselves, as the announcement today found us, dramatically wanting for tens of millions of Americans who may this year not receive the vaccinations they need. Is that a risk that is acceptable, or is that a risk that is too high?

There is no question in my mind, and there is no question in the minds of the scientists in public health, that flu is a killer. Last year, 36,000 Americans died as a result of the flu or conditions stemming from it.

Once again, I commend the swift response of Secretary Thompson and others. I hope this grave situation can successfully be addressed. If it is, many will be saved.

We do not yet know all the facts, and again, safety is paramount, but if the American Government and the British Government can perhaps come to some degree of accord regarding acceptable and safe development and production standards between ourselves and Great Britain, thousands of Americans and others worldwide may yet receive the vaccine they need.

This is a critical issue, and it is an issue that will play out in the coming days. But whatever transpires, I believe this Congress, the CDC, the FDA,

and all who are involved in this issue must clearly prioritize vaccine distribution first for our very elderly, our very vulnerable, and our youngest citizens—those who are the greatest potential victims of this tragic illness.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ALEXANDER). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BENNETT. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

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

Mr. BENNETT. I ask unanimous consent that I be allowed to speak in morning business for 10 minutes.

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

#### JUST THE NUMBERS

Mr. BENNETT. Mr. President, in this election time we are hearing a great deal of discussion about the economy. We are hearing all kinds of spin being placed on the economic numbers. I don't come to the floor to try to put any spin on the numbers, but I do come to try to list the numbers. As I read the various speeches on both sides of the aisle, many times they pick out one particular portion of the economy that can be used to make a point for or against where their political position is. I want to simply outline the numbers and let those who may be watching come to their own conclusions as to whether the economy is doing well.

First number: Over the past four quarters the U.S. economy has expanded by 4.8 percent. Let's put that in perspective. In that same period, Italy has seen its economy expand by 1.2 percent; Germany 2 percent; 2.8 percent in France; 3.6 percent in Britain; and 4.2 percent in Japan. Japan is emerging from a 15-year recession, and they are thrilled about their growth at 4.2 percent. In America, we are growing at 4.8 percent. Those are the numbers.

Comparison to our own history: The U.S. growth rate over the past year has been nearly a full percentage point above the 3.9 percent growth over a comparable period when President Clinton was seeking reelection. August's 5.4 unemployment rate, for those who want to focus primarily on jobs, is well below the average of the 1970s. The average unemployment in the 1970s was 6.2; the 1980s, the average unemployment in the 1980s was 7.3; and the 1990s, the average unemployment in the 1990s was 5.75. Our current unemployment is 5.4.

The nonfarm business sector productivity growth has averaged 4.6 percent per year from the beginning of 2002 through the second quarter of this year. Unprecedented in the post-World War II period, the annualized productivity increases since early 2002 have been nearly three times the annual average rate that prevailed from 1994 to 1996. Let me repeat that. If you go back to those 2 years from 1994 to 1996, again

trying to take a comparable period, 2 years before a Presidential election, the average annual rate in that period was 1.6 percent. Right now our annualized rate is three times as high.

Consumer price inflation was 3.4 percent in 2000. Since then it has averaged 2.4 percent. Inflation is under control. Inflation expectations are very well contained.

So we are having growth higher than we have had. We are having productivity higher than we have had. We are having unemployment lower than we have had. And inflation and inflation expectations are well under control.

I could go on with additional statistics. Let me cite a few very recent numbers to bring people up to date. One of the things about economics that many of us forget is that the numbers take a while to be accumulated. You will have a number released and then, when the economists go back through the data, they come back and say, no, that number was wrong. We now know that the average was either higher or lower than we had indicated.

The second quarter GDP growth of this year was originally reported at 2.8 percent below the numbers I have been talking about, causing some people to say, see, the economy has slowed down. They have now been revised. The economists have gone back, reexamined the data, and have revised that 2.8 percent upward to 3.3 percent, which gives us the average for the four quarters that I cited earlier. The economy is doing very well. Business investment increased by 12.5 percent and has now increased for five consecutive quarters. Export growth was strong and the revised second quarter trade deficit was smaller than previously reported.

Residential investment, primarily home building, is now estimated to have grown at a stellar 16.5 percent annualized rate. This is the second strongest quarterly growth in home building in 8 years. More Americans own their home now than at any time in American history. Household wealth—which represents for many people the equity in their homes—is at a record high. It hit a record high—the highest in American history—in the second quarter of 2004.

For those who talk about squeezes and those who talk about Americans who cannot save anything, Americans who cannot acquire any wealth, I suggest that you look at the facts. Again, according to the Federal Reserve data, U.S. household wealth hit a record high in the second quarter of 2004. It will be interesting to see where it goes in the third quarter.

New home sales dropped off for a while. People said maybe the recovery was slowing down. New home sales regained their vigor in August, with a 9.4-percent annualized rate of increase. Construction activity remains on a solid footing. Housing starts were up by a robust 9 percent in August over the year before. As I said, the home ownership rate in the United States is

now 69 percent, the highest in American history.

It is interesting that we focus on the percentage, because the growth of the population would allow people to say, yes, it is the highest in history numerically, but a smaller percentage of Americans are living in their own homes. That is not true. It is not only the highest numerically; it is the highest percentage of Americans owning their own home and living in their own home.

These are the facts. We will let the politicians in this election spin whatever they want to spin, but I hope everybody will ultimately come back to the facts.

If I may put my interpretation on the facts which I believe are very defensible, the recovery out of the recent recession has not only taken hold, not only gained traction, it is strong, it is growing, and the next President of the United States—whomever he may be—will inherit a very strong and robust economy. He will take credit for it because it will have happened on his watch, but the groundwork for this economy, for the next economy, has been laid already. We are seeing the results now.

Economists are looking back and saying 2002 was a better year than we thought; 2003 was a stronger year in the last half; and in 2004, the economy is growing at a rate at which every other industrialized country in the world would be very grateful. America is doing economically very well. Those are the facts.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Ms. COLLINS. Mr. President, shortly, I am hopeful we will be able to clear three amendments offered by the Senator from Alaska—three pending amendments. We have reached compromises due to a lot of hard work and good faith on both parts. We have asked the Senator from Alaska if he is available to come over to the floor now, and I am hopeful we will be able to resolve those three pending amendments this evening. In the meantime, 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. LIEBERMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

#### AMENDMENT NO. 3767 WITHDRAWN

Mr. LIEBERMAN. Mr. President, with the authorization of the sponsor of the amendment, Senator LAUTENBERG of New Jersey, I withdraw amendment No. 3767 among the pending amendments.

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

Mr. LIEBERMAN. I thank the Chair, and 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. LIEBERMAN. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

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

AMENDMENT NO. 3814, AS MODIFIED

Mr. LIEBERMAN. Mr. President, I ask unanimous consent that amendment No. 3814, previously agreed to, be modified with a change that is at the desk. This modification is technical in nature, involving only the instruction line of the amendment. It has been cleared on both sides.

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

The amendment, as modified, is as follows:

On page 4, after line 12, of the agreed to language of amendment No. 3942, insert the following:

(4) regions of specific concern where United States foreign assistance should be targeted to assist governments in efforts to prevent the use of such regions as terrorist sanctuaries are South Asia, Southeast Asia, West Africa, the Horn of Africa, North and North Central Africa, the Arabian peninsula, Central and Eastern Europe, and South America;

Mr. LIEBERMAN. 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. REID. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

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

AMENDMENT NO. 3866

Mr. REID. Mr. President, I ask unanimous consent that notwithstanding cloture, the Specter amendment No. 3866 be in order.

The PRESIDING OFFICER. Is there objection? The Senator from Maine.

Ms. COLLINS. Mr. President, as the Senator from Nevada is aware, this amendment is not germane to the underlying bill. We are in a postcloture situation. There are objections on both sides of the aisle to proceeding with this amendment.

Regretfully, I inform the Senator I must object.

The PRESIDING OFFICER. Objection is heard. The Senator from Nevada.

Mr. REID. Mr. President, I am disappointed. However, I understand fully. If the Senator from Maine had the ability to make this in order, the same as last night, it would have been done. This is a complicated bill. But I felt I had to attempt to move forward on this so there will be no misunderstanding as to what took place last night on this matter.

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

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

PARDONING POSTHUMOUSLY JOHN ARTHUR "JACK" JOHNSON

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 447, which was submitted earlier today.

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

The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 447) expressing the sense of the Senate that the President of the United States should exercise his constitutional authority to pardon posthumously John Arthur "Jack" Johnson for Mr. Johnson's racially motivated 1913 conviction that diminished his historic significance and unduly tarnished his reputation.

Mr. REID. Reserving the right to object, I would like to be added as a cosponsor.

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

There being no objection, the Senate proceeded to consider the resolution.

Mr. MCCAIN. Mr. President, I am pleased that today the Senate will approve a Senate resolution, which I introduced with my colleagues Senators HATCH and KENNEDY, calling on the President to exercise his constitutional authority to pardon posthumously the world's first African-American heavyweight champion, John Arthur "Jack" Johnson, for his racially motivated 1913 conviction.

For those of my colleagues who are not familiar with the plight of Jack Johnson, he is considered by many to be the most dominant athlete in boxing history. Born in the Jim Crow-era South in 1878 to parents who were former slaves, he realized his talent for the sweet science early in life. In order to make a living, Johnson traveled across the country fighting anyone willing to face him. But he was denied repeatedly on purely racial grounds a chance to fight for the world/heavyweight title. For too long, African American fighters were not seen as legitimate contenders for the championship. Fortunately, after years of perseverance, Johnson was finally granted an opportunity in 1908 to fight the then-reigning title holder, Tommy Burns. Johnson handily defeated Burns to become the first African-American heavyweight champion.

Jack Johnson's success in the ring, and sometimes indulgent lifestyle outside of it, fostered resentment among many and raised concerns that Johnson's continued dominance in the ring would somehow disrupt what was then perceived by many as a "racial order." So, a search for a white boxer who could defeat Johnson began—a recruitment effort that was dubbed the search for the "great white hope." That hope arrived in the person of former champion Jim Jeffries who returned from re-

tirement to fight Johnson in 1910. But when Johnson defeated Jeffries, race riots broke out as many sought to avenge the loss.

Following the defeat of the "great white hope," the Federal Government launched an investigation into the legality of Johnson's relationships with white women. The Mann Act, which was enacted in 1910, outlawed the transport of white women across State lines for the purpose of prostitution or debauchery, or for "any other immoral purpose." Using the "any other immoral purpose" clause as a pretext, Federal law enforcement officials set out to "get" Johnson.

On October 18, 1912, he was arrested for transporting his white girlfriend across State lines in violation of the Act. But the charges were dropped when the woman, whose mother had originally tipped off Federal officials, refused to cooperate with authorities. She later married Johnson.

Yet Federal authorities persisted in their persecution of Johnson, persuading a former white girlfriend of Johnson's to testify that he had transported her across State lines. Her testimony resulted in Johnson's conviction in 1913, when he was sentenced to 1 year and a day in Federal prison. During Johnson's appeal, one prosecutor admitted that "Mr. Johnson was perhaps persecuted as an individual, but that it was his misfortune to be the foremost example of the evil in permitting the intermarriage of whites and blacks."

Johnson fled the country to Canada, and then traveled to various European and South American countries, before losing his heavyweight championship title in Cuba in 1915. He returned to the United States in 1920, surrendered to authorities, and served nearly a year in Federal prison. Despite this obvious injustice, Johnson refused to turn his back on the country that betrayed him. During World War II, he traveled the country to promote war bonds. Johnson died in an automobile accident in 1946.

A gross injustice was done to Jack Johnson when a Federal law was misused to send him to prison. The Senate's passage of this resolution and the President's pardon of Jack Johnson would not right this injustice, but it would recognize it, and shed light on the achievements of an athlete who was forced into the shadows of bigotry and prejudice. Taking such actions would allow future generations to grasp fully what Jack Johnson accomplished against great odds and appreciate his contributions to society unencumbered by the taint of his criminal conviction.

Jack Johnson was a flawed individual who was certainly controversial. But he was also a historic American figure, whose life and accomplishments played an instrumental role in our Nation's progress toward true equality under the law. And he deserved much better than a racially motivated conviction,