State's sugar beet industry, an industry that is directly or indirectly responsible for $2 billion in economic activity and about 30,000 jobs. The exclusion of sugar from the Australian agreement has been much maligned by folks inside and outside the Chamber, but not by this Senator. Let me tell you why.

The fact is, the reason we are able to stand here now on the cusp of passing the Australia Free Trade Agreement is in part or in whole owing to how this administration wisely handled sugar. Today, the Australia Free Trade Agreement is on the move. The sad reality is that CAFTA is up on the blocks. CAFTA is another great opportunity. We need to work to strengthen our trade opportunities with our friends in Central America. We have seen the flourishing of democracy there. Our Central American friends and allies deserve the benefit of expanded trade opportunity. CAFTA is up on the blocks. We have to figure a way to move it forward and to deal with the sugar problem in CAFTA.

When I say ''deal with,'' this is not about parochialism or protectionism. It is about common sense and equity. Common sense says if you have a world problem, as the distortion in the sugar market most certainly is, you handle the problem in a global context. In other words, the right place to deal with sugar is in the World Trade Organization, not in these bilateral and regional agreements. Equity requires that when our trade team rightly decided that discussions concerning the farm bill's safety net for other commodities, such as corn and soybeans, should be reserved for the WTO and excluded from bilateral or regional agreements, the same should hold true for sugar: Common sense and equity.

In regard to the farm bill, I would point out that this legislation is to our farm families in rural America what the JOBS bill we just overwhelmingly passed is to our Nation's manufacturers. To anyone who has gone to see the new World War II Memorial, you will notice all the wreaths that represent the two pillars of industry and agriculture. Those responsible for both are critical to this country. We must not unilaterally disarm against either in global competition, which today is not always free and not always fair.

As for my State's sugar farmers, they are among the most competitive in the world. In fact, America's sugar farmers are among the top one-third in the world in overall efficiency, as measured by the cost of production. But what they face is a dump market where the average world cost of production per pound is 16 cents while the average selling price per pound is only 6 cents. As the saying goes, something is rotten in Denmark. I don't want to blame the Danes on that, just an expression.

Meanwhile, the U.S. sugar policy has been good to taxpayers and consumers alike. The U.S. sugar policy costs taxpayers nothing and, in fact, the two times in recent history where the U.S. had no sugar policy, consumer prices received the brunt of it when prices spiked to record highs. So my deepest thanks and appreciation go out to the Bush administration and its trade team for doing what is right by America's sugar farmers, right by Minnesota, and right by this Senator. You have a good model now on sugar, one that moves the trade agenda forward. We ought to stick with it.

Dairy is another important industry in Minnesota—we are fifth in the Nation—and here again our trade team deserves thanks for working with me and other interested Senators, as well as our Nation's dairy farm families, in arriving at a more workable although not perfect solution. Maintaining the second tier tariff for Minnesota dairy farmers is an absolutely essential part of this agreement. I am pleased that we have worked with our trade team on this issue. I don't want to get into discussions of the complexity of dairy policy on the floor of this body, but this issue of a second-tier tariff was important to my dairy farmers and dairy farmers throughout America. We managed to make sure that we maintained that second-tier tariff. That was a good thing.

Under the agreement, in-quota dairy imports are estimated to equal only 0.17 percent of the annual value of U.S. dairy production, and only about 2 percent of the current value of imports. Finally, assurances by our trade team that imports will not affect the operation of the milk price support program are extremely important to me and to America's dairy farmers.

Today I have 6,000 hard-working dairy farm families who milk about half a million cows every morning and night, who can breathe a little easier, thanks to the efforts of our trade team. I stress, less than 10 years ago we had about 14,000 Minnesota families. So we have lost over half the dairy farmers in our State. I presume that pattern has been shown in other parts of the country. But those 6,000 hard-working dairy farm families can sleep a little easier tonight thanks to the efforts of our trade team.

Again, it is not a slam dunk. This agreement is not perfect, but it is more workable to my dairy farmers and cooperatives at home because second-tier tariffs were maintained and in-quota imports are expected to be low.

My cattlemen are about where my dairymen are. They are relieved, but I would say our trade team had to overcome a very difficult issue. On the whole, they worked very hard to address the concerns of Minnesota's cattlemen. They phase down U.S. tariffs over an 18-year period and phase up the amount of in-quota access, all the while providing safeguards to protect against import surges that would disrupt U.S. markets. And at the end of the 18-year period, another safeguard is put in place to protect against import surges that would otherwise depress U.S. beef prices.

As a Senator representing nearly 16,000 cattlemen and a State that ranks sixth in beef production, my support for this agreement is couched in part on my reliance that these safeguards for U.S. beef will, in fact, be allowed to work as intended and that any waiver would be undertaken only in the rarest of circumstances, circumstances that I, frankly, can't conceive of now as I speak.

Steve Brake, a good friend of mine, is president of the cattlemen. Whenever I get to cattle country, I touch base with him to where things are. He understands. It is extremely important to him and his fellow cattlemen that we strictly enforce these safeguards. I know I will hear from Steve if we don't. If I hear about it from Steve, our trade team is going to hear about it, too. The safeguards are in place. I have great respect for what has been done, and I think our cattlemen can sleep easier tonight.

I am pleased that the sanitary and phytosanitary issues that stood in the way of our pork producers' access to the Australian market have been favorably resolved, leading to the endorsement of the agreement by more than 6,000 Minnesota pork producers. I will repeat that. These issues have been resolved and have led to the endorsement of the agreement by my more than 6,000 Minnesota pork producers.

I also appreciate the work of our trade team in pressing the issue of the Australian Wheat Board, a monopolistic state trading enterprise whose time has passed. While I am disappointed we were unable to do away with the board under this agreement, I am pleased the Australians have agreed to discuss this issue in the Doha Round of the WTO.

Overall, I believe this administration had a tough job to do and it did it reasonably well—job well done—something evidenced by the likely passage of this agreement. The Australia Free Trade Agreement is a good precursor to the WTO discussions that will take place in Geneva yet this month because it underscores a point: You don't have to give away the farm to negotiate a good agreement, and you may not pass one if you do.

So the Australia Free Trade Agreement that President Bush has sent to Congress is about sustaining and growing American jobs. It is about bolstering support in the economic opportunity of our rural families, our rural communities, and the incredible work they do to produce the safest, most affordable food supply in the world.

So to the President and our trade team, I say: Job well done. To our Members and colleagues in this body, I say: Let us move forward and pass the Australia Free Trade Agreement.

I yield the floor.

RECESS

Mr. COLEMAN. Mr. President, I ask unanimous consent that the Senate now stand in recess until 4 p.m. today.

There being no objection, at 3:02 p.m., the Senate recessed until 4:01 p.m., and reassembled when called to order by the Presiding Officer (Mr. CORNYN).

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

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

MEDICARE

Ms. STABENOW. Mr. President, today I rise to discuss yet another revision by the administration to the new Medicare law. We all know the administration refused to give Congress an estimate on how much the Medicare bill would cost. We later found OMB estimated that the Medicare law would cost $534 billion over the next 10 years, $134 billion more than was estimated by the Congressional Budget Office.

We also know the CMS actuary, Richard Foster, said the high cost projection was actually known before the final House and Senate votes on the legislation last November. But Mr. Scully told him, ''We can't let that get out.''

In an e-mail to colleagues at CMS, Foster indicated he believed he might lose his job if he revealed the administration's cost estimates for the Medicare legislation.

Now we are getting another round of revised numbers. In last year's debate, Republicans repeatedly claimed the new drug benefits would be completely voluntary, that seniors happy with the current Medicare system should be able to keep their coverage the way it is. In fact, we have heard President Bush say that over and over again. He said that in the State of the Union Message in 2003.

But many of us warned at the time that because of the way the benefit was structured, employees with good retiree coverage would lose it. People who currently have coverage, currently have prescription drug assistance, actually could lose it. At the time the Congressional Budget Office estimated 2.7 million seniors and disabled could potentially lose—they indicated would lose—their retiree drug coverage because of the way this was written, in terms of the interface with the private sector retiree coverage. But once again the numbers are coming back even worse than was thought.

In today's New York Times, Health and Human Services now has estimated that not 2.7 but 3.8 million retirees will lose their prescription drug benefits when Medicare offers the coverage in 2006. HHS admitted this represents one-third of all retirees with employer-sponsored drug coverage.

I know CMS Administrator McClellan has released a press statement disputing the article.

I hope we get to the bottom of what is going on with this revision. But certainly what has happened up to date does not give us confidence in the information they have given to us. The administration certainly can't possibly think seniors will be happy to hear that up to one-third of those who have current coverage will lose it when this new Medicare law takes effect.

When you think about folks who have worked all their lives, and probably paid attention to the fact they had health insurance and retirement benefits, planned for that possibly over the life of their worktime, they took pay cuts in order to guarantee they had that retirement benefit, or wage freezes as people are being asked today, make sure in their retirement they had that coverage, and now this law is estimated to actually lose the private retiree coverage up to one-third of those who have it today.

My mother is one of those folks, a retired nurse. She followed the debate we had in great detail. One of the questions she had for me after the passage of this law was whether she would lose her benefits. I had to honestly say: Mom, I don't know.

One of the things we heard was those who may be in a situation most likely to lose may, in fact, be those who are nurses or police officers or retired firefighters or others who are in local or State government with all of the cutbacks where State and local governments are being forced to cut back.

It is amazing to me that in light of what we are seeing, point after point—information that wasn't given, information that wasn't accurate, the inability to negotiate group discounts under Medicare, the confusion on the prescription drug card—I hate to even call them discount cards because we know from AARP and from Families U.S.A. and from all of the groups that watched this that, in fact, the drug companies increased their prices very rapidly knowing they were going to be asked to give a discount through a discount card—we have seen prices go up 10, 20, 30 percent since we passed the law back in November, so they could then provide a card with a 15-percent discount or a 20-percent or a 25-percent discount. Seniors know after they watched this happen that it was not really a discount.

We have seen the confusion about how to even wade through the 40, 50, 60, or 70 different cards you may be able to choose from as a Medicare beneficiary to see if you can even begin to get a discount. We have seen the confusion of low-income seniors who actually have the most to gain because there is a $600 credit to buy prescription drugs attached to the card, and yet there is such confusion about how to even sign up and qualify, and that those who probably need it the most will be the ones least likely to receive it.

We have seen confusion and misinformation and threats to people about losing jobs if they tell us the truth and bad policies that over and over again have been put into place to help the industry instead of helping seniors and helping the disabled.

While all of this is going on, prices just keep going up. People need their medicine every day. Whether it is confusing or not, whether people are going to lose their coverage or not, today folks walk into the pharmacy trying to get their medicine, or maybe they didn't go in because they couldn't afford it, or maybe they went into the pharmacy but not the grocery store because they couldn't afford to do both, or maybe, as the couple I talked to not too long ago who were on the same medicine, the husband takes it one day and the wife takes it another day.

We can do better than that. This is the greatest country in the world. Shame on us for not being able to get this right and not being able to do it now.

The good news is we can do it now. We have a proposal in front of us that will allow the competition necessary in the pharmaceutical industry to bring prices down immediately. It is called reimportation of prescription drugs. We have talked about it so many times. I have been talking about it since being a House Member, and talking about taking bus trips to Canada. Now in my fourth year in the Senate, we are still talking about what ought to be done to bring down prices. But the good news is that things are beginning to move.

I was pleased to join with the AARP and with colleagues on both sides of the aisle, Senator SNOWE, Senator MCCAIN, Senator DORGAN, and I today to talk about the fact that we believe we have the votes now in the Senate to be able to pass meaningful, safe, reimportation of prescription drugs. All we need is the opportunity to vote on it. All we need is the opportunity to make the case to our colleagues.

There was a Senate Judiciary Committee hearing today. We understand that the HELP Committee will be meeting hopefully to report out a bill later this week. That bill has been introduced and hearings are scheduled, and rescheduled. Hopefully, that will happen this week.

While we are talking about it, while ineffective Medicare legislation passed with all this confusion and information, there is a sense of urgency on the part of every single person using medicine today because they are paying too much. It is not just our seniors, who certainly use the most medicine, or the disabled; it is also the family who has a child with a chronic disease, or it is a person of any age who is using medicine, or it is the businesses that have seen their premiums skyrocket in large part because of the skyrocketing prices of prescription drugs.

I come from a great State that makes automobiles. We are very proud of that. When I sit down with the Big Three automakers which are desperately concerned about the cost of

health care and what needs to be done, they show me numbers. One-half the increase in their health care costs is because of prescription drugs. I know this is also true with small businesses which, on overage, have seen their premiums double at least in the last 5 years. In fact, it is more likely to be doubling every 3 years.

The opportunity we have to create more competition and to open the borders is something that not only would help our seniors, many of whom are incredibly disillusioned and, frankly, angry that a Medicare bill was passed that may not be of much help at all to them. But we can also be helping every single American from the youngest to the oldest as well as businesses if we do this and do this now.

We have 1 more week before we break for the summer. We know there are precious few weeks when we come back in the fall. This needs to get done now.

There are 31 in the Senate on both sides of the aisle from all different political beliefs who are cosponsoring this reimportation bill. Our bill provides substantial safeguards and assures quality and affordability. Our bill ensures that licensed pharmacists in the United States can do business with licensed pharmacists in Canada and in other countries with strong safety standards.

Our bill provides for inspections for anticounterfeiting technologies and chain of custody. Our bill is a well-thought-out, well-designed piece of legislation that meets and addresses every legitimate concern that has been raised.

There is no reason Americans should not have access to safe, FDA-approved drugs that come from FDA-inspected facilities in our country or other countries. We have been debating this issue far too long. I am extremely hopeful we will be able to see a debate in the Senate and a vote before we leave this summer.

Researchers at Boston University have told me that in the 1-month delay for the markup of the HELP Committee—the bill was on the agenda a month ago; now it will be on this next week—we could have saved over $5 billion by simply allowing citizens to do business with Canadian pharmacies.

That means $5 billion has been spent, coming out of the pockets of people choosing between food and medicine, caring for their children, worried about being able to have medicine for their disability, or a small business struggling to make it through insurance premium increases, or a large business. That is $5 billion just by not acting this last month. I assume that means $5 billion next month and $5 billion the month after.

The legislation we have put together on a bipartisan basis will make a real difference. It is something we can do now.

I commend my House colleagues on both sides of the aisle who have not only passed legislation similar to the legislation we now have worked on and developed on a bipartisan basis, but they have, once again, placed language in the Agriculture appropriations bill that would stop any enforcement against reimportation and allow it to continue. This passed the House of Representatives just yesterday.

It is time for the Senate to step up and to make this happen. In the past, there has been an effort to require certification by Health and Human Services regarding safety. That, unfortunately, has been a barrier by those who simply do not want to do this. So we have taken a different route this time. We have decided to sit down and go through all the safety standards and regulations and put it in the statute. That is what we have done.

We have also included in the bill an effort that Senator FEINSTEIN has worked on regarding Internet drug efforts and safety requirements.

There is no reason substantively not to pass our drug reimportation bill if the goal is to help lower the costs of prescription drugs through competition and to lower prices for our seniors and for our families and for our businesses. We have the tool. Let's not wait another month and another $5 billion, or another 2 months, $10 billion, or $15 billion or $20 billion, when we have the ability to join with the majority of our House colleagues and get this done now.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LAUTENBERG. 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. LAUTENBERG. Mr. President, are we presently acting as in morning business?

The PRESIDING OFFICER. The Senate is on the motion to proceed to S.J. Res. 40.

Mr. LAUTENBERG. I ask unanimous consent the pending business be put aside and that I have 15 minutes to present my speech.

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

ISRAEL-BASHING AT THE UNITED NATIONS

Mr. LAUTENBERG. Mr. President, I rise today to talk about a serious problem that faces our world, one that is reflected directly in the activities at the United Nations. It is anti-Semitism. It is what we see at the U.N., the distinctly unjust treatment of 1 of its 192 member countries, the State of Israel.

A historic moment occurred last month. For the first time in its six-decade history, the U.N. actually convened a conference to discuss the growing problem of anti-Semitism worldwide. While it is heartening to see this development, the fact remains that since its creation in 1946, the U.N. has never produced any resolutions specifically aimed at anti-Semitism. Nor have any of its ancillary bodies ever issued any report on the subject of discrimination against Jews and Israel.

At the conference I just mentioned, Columbia Law School professor Anne Bayefsky delivered a remarkable speech. I ask unanimous consent that her speech be printed in the RECORD following my remarks.

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

(See exhibit 1)

Mr. LAUTENBERG. Mr. President, Professor Bayefsky highlighted the history of the intolerance of the United Nations and outright discrimination against Israel.

Now, what does discrimination to Israel mean? It is exemplified in denying Israel and only Israel admission to the vital negotiating sessions of regional groups held daily during meetings of the U.N. Commission on Human Rights. It means devoting 6 of the 10 emergency sessions ever held by the General Assembly to repudiating Israel.

In contrast, no emergency session was ever held on the Rwanda genocide, estimated to have killed 1 million people, or on the so-called ethnic cleansing of tens of thousands of people in the former Yugoslavia, or on the atrocities committed against millions of people in Sudan in past decades.

More than one-quarter of the resolutions adopted by the Human Rights Commission over the last 40 years condemning the human rights record of various nations have been directed solely at Israel. There has not been a single resolution critical of China for suppressing the civil and political rights of its 1.3 billion people. There has not been a single resolution condemning the deadly racism in Zimbabwe that has brought 600,000 people to the brink of starvation.

It seems that anti-Israeli sentiment pervades the top levels of the U.N. hierarchy. The Secretary-General publicly condemns the tactics Israelis are forced to use to defend themselves, but he never once mentions the terrorist attacks that precipitate the response.

Because of this blatant bias, it is not surprising that last Friday the International Court of Justice—the U.N.'s court—squarely found that the barrier the Israelis are building to protect themselves violates international law. The ICJ demanded it be torn down and insisted that Palestinians be compensated for any damages.

Now, make no mistake, I believe an organization comprised of nations around the world must exist. I believe the United Nations is that organization. But it must operate fairly and be balanced. It is precisely because of my idealism regarding the role of the U.N. and the ICJ in international affairs that I am so disappointed in the court's one-sided decision last week.

The bias emanates not so much from the decision itself but from what the

judges neglected to mention. They remained absolutely silent about the suicide bombers, the terrorist attacks that have killed over 1,000 Israelis in the past 4 years. In relative terms, it would be the equivalent to over 46,000 Americans.

I think it is informative that 1 week earlier, Israel's own Supreme Court also ruled on the barrier. The Israeli Supreme Court determined that the barrier is defensible as a security measure but ordered the Israeli Army to reroute a section of it in response to Palestinian concerns and make it hew more closely to the pre-1967 Green Line.

The justices wrote:

> We are aware that this decision does not make it easier to deal with that reality, [but] is the destiny of a democracy.

They added that a democracy such as Israel's:

> does not see all means as acceptable, and the ways of her enemies are not always open before her. A democracy must sometimes fight [back] with one arm tied behind her back.

The Israeli Supreme Court sent the strongest message, perhaps, to Israel's enemies of its uniqueness, resilience, and fundamental goodness.

The Israeli children are never subjected to lessons in the school that say: ''Learn to kill your Arab neighbors,'' as contrasted to textbook after textbook in surrounding countries that say: ''You must learn to kill the Jews and kill the Israelis.''

As a matter of fact, this morning on television, what I saw was a group of very young Palestinian children being taught military methods so they can one day give their lives carrying a suicide bomb. It is incredible, when you think about it, that the Israelis should pay attention to the rights of the Palestinians, when you never hear in any of the Arab countries surrounding Israel that they ought to pay attention to the rights of the Israelis. It is very hard to even get a condemnation from them when some mad suicide bomber comes in and takes innocent Israeli lives without provocation.

Israel's vibrant, even if imperfect, democracy is precisely the reason why the U.N. bias against her is so unjust. Israel is a country in which huge crowds often gather in Tel Aviv's Rabin Square to demand the Government quickly end its support of settlements, challenging the views of lots of Israelis who want to use these settlements. But there is a fairness, an equity in the views of the Israelis that prevents them from going ahead and supporting these activities.

Israel is a country in which domestic human rights groups, in an act of political protest, recently mounted a photo exhibit of Israeli soldiers abusing Palestinian civilians—in the lobby of its Parliament, the Knesset.

Could you ever imagine that taking place in Damascus? Or Iraq, as it was? Or even a country as friendly as Egypt seems to be?

Israel is a country in which top reservists in the army and air force have refused to serve in the West Bank because they do not support the policies of the Sharon Government.

In an ideal world, Israel could prevent suicide bombers from infiltrating its cafes and malls and buses. But the Israelis do not live in an ideal world. The security fence is a measure of last resort. Israelis felt compelled to build the security fence after Palestinian terrorists launched 50 successful suicide bombings in 2002.

The security fence, as Israel's Supreme Court rightly concluded, is a defensive measure. And as a defensive measure, it has been very effective. There were 50 suicide bombings in 2002. In 2003, there were 20. So far this year, there have been eight. That is a very positive outcome.

The most recent bombing attack in Israel occurred this past Sunday, July 11, on a Tel Aviv bus, killing one soldier and injuring a dozen civilians. One of the injured was a 29-year-old named Sammi Masrawa, an Israeli Arab who leads an Arab-Jewish friendship group in the Tel Aviv area. Mr. Masrawa told the press he had opposed the barrier. In fact, he even took part in protests against it. But the bombing on Sunday changed his mind. He said:

> I will now be for [the fence] and form an organization in favor of it.

I wonder: How might the 15 judges of the United Nations' highest court justify their ruling to Sammi Masrawa, who from his hospital bed now pledges to lobby in support of the security fence.

His quest for peace underpinned by real security should be the call to which the United Nations and the international community respond. Instead, the ICJ has allowed an anti-Israel bias to cloud its vision and undermine its noble purpose.

We Americans need to wake up to the fact that the U.N. and its ancillaries are fundamentally hostile to Israel. We need to wake up to the fact that the U.N. and its ancillaries are unwilling to stanch the murderous flow of worldwide anti-Semitism. Why is this important? Because what affects Israel affects the United States as well.

Israeli nuclear physicist Haim Harari recently gave a speech in which he grimly but accurately described the virulent new strain of terrorists who are not only threatening Jerusalem, they are threatening Bali, Istanbul, Madrid, Riyadh, and New York. I urge my colleagues to read his message and reflect on what we must do to protect America and Israel, fix the U.N., and promote freedom and democracy and human rights around the world.

I hope also to remind our Arab friends in the area—be that Egypt or Kuwait or some of the other countries there—we care about these kinds of poisons that pervade the atmosphere, and we cannot tolerate that kind of an attitude, and won't, in our relationship with the U.N. or without or within these countries.

I ask unanimous consent that Dr. Harari's speech be printed in the RECORD following my remarks.

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

(See Exhibit 2.)

Mr. LAUTENBERG. I yield the floor.

EXHIBIT 1

[From On The Record, June 21, 2004]

ONE SMALL STEP: IS THE U.N. FINALLY READY TO GET SERIOUS ABOUT ANTI-SEMITISM?

(By Anne Bayefsky)

(Editor's note: Ms. Bayefsky delivered this speech at the U.N. at a conference on Confronting Anti-Semitism: Education for Tolerance and Understanding, sponsored by the United Nations Department of Information, this morning.)

I appreciate the opportunity to speak to you at this first U.N. conference on anti-Semitism, which is being convened six decades after the organization's creation. My thanks to the U.N. organizers and in particular Shashi Tharoor [the undersecretary-general for communications and public information] for their initiative and to the secretary-general for his willingness to engage.

This meeting occurs at a point when the relationship between Jews and the United Nations is at an all-time low. The U.N. took root in the ashes of the Jewish people, and according to its charter was to flower on the strength of a commitment to tolerance and equality for all men and women and of nations large and small. Today, however, the U.N. provides a platform for those who cast the victims of the Nazis as the Nazi counterparts of the 21st century. The U.N. has become the leading global purveyor of anti-Semitism—intolerance and inequality against the Jewish people and its state.

Not only have many of the U.N. members most responsible for this state of affairs rendered their own countries Judenrein, they have succeeded in almost entirely expunging concern about Jew-hatred from the U.N. docket. From 1965, when anti-Semitism was deliberately excluded from a treaty on racial discrimination, to last fall, when a proposal for a General Assembly resolution on anti-Semitism was withdrawn after Ireland capitulated to Arab and Muslim opposition, mention of anti-Semitism has continually ground the wheels of U.N.-led multilateralism to a halt.

There has never been a U.N. resolution specifically on anti-Semitism or a single report to a U.N. body dedicated to discrimination against Jews, in contrast to annual resolutions and reports focusing on the defamation of Islam and discrimination against Muslims and Arabs. Instead there was Durban—the 2001 U.N. World Conference ''Against Racism,'' which was a breeding ground and global soapbox for anti-Semites. When it was over U.N. officials and member states turned the Durban Declaration into the centerpiece of the U.N.'s antiracism agenda—allowing Durban follow-up resolutions to become a continuing battlefield over U.N. concern with anti-Semitism.

Not atypical is the public dialogue in the U.N.'s top human rights body—the Commission on Human Rights—where this past April the Pakistani ambassador, speaking on behalf of the 56 members of the Organization of the Islamic Conference, unashamedly disputed that anti-Semitism was about Jews.

For Jews, however, ignorance is not an option. Anti-Semitism is about intolerance and discrimination directed at Jews—both individually and collectively. It concerns both individual human rights and the group right to self-determination—realized in the state of Israel.

What does discrimination against the Jewish state mean? It means refusing to admit

only Israel to the vital negotiating sessions of regional groups held daily, during U.N. Commission on Human Rights meetings. It means devoting six of the 10 emergency sessions ever held by the General Assembly to Israel. It means transforming the 10th emergency session into a permanent tribunal—which has now been reconvened 12 times since 1997. By contrast, no emergency session was ever held on the Rwandan genocide, estimated to have killed a million people, or the ethnic cleansing of tens of thousands in the former Yugoslavia, or the death of millions over the past two decades of atrocities in Sudan. That's discrimination.

The record of the Secretariat is more of the same. In November 2003, Secretary-General Kofi Annan issued a report on Israel's security fence, detailing the purported harm to Palestinians without describing one terrorist act against Israelis which preceded the fence's construction. Recently, the secretary-general strongly condemned Israel for destroying homes in southern Gaza without mentioning the arms-smuggling tunnels operating beneath them. When Israel successfully targeted Hamas terrorist Abdel Aziz Rantissi with no civilian casualties, the secretary-general denounced Israel for an ''extrajudicial'' killing. But when faced with the 2004 report of the U.N. special rapporteur on extrajudicial executions detailing the murder of more than 3,000 Brazilian civilians shot at close range by police, Mr. Annan chose silence. That's discrimination.

At the U.N., the language of human rights is hijacked not only to discriminate but to demonize the Jewish target. More than one quarter of the resolutions condemning a state's human rights violations adopted by the commission over 40 years have been directed at Israel. But there has never been a single resolution about the decades-long repression of the civil and political rights of 1.3 billion people in China, or the million female migrant workers in Saudi Arabia kept as virtual slaves, or the virulent racism which has brought 600,000 people to the brink of starvation in Zimbabwe. Every year, U.N. bodies are required to produce at least 25 reports on alleged human rights violations by Israel, but not one on an Iranian criminal justice system which mandates punishments such as crucifixion, stoning and cross-amputation of the right hand and left foot. This is not a legitimate critique of states with equal or worse human rights records. It is demonization of the Jewish state.

As Israelis are demonized at the U.N., so Palestinians and their cause are deified. Every year the U.N. marks Nov. 29 as the International Day of Solidarity with the Palestinian People—the day the U.N. partitioned the British Palestine mandate and which Arabs often style as the onset of al naba or the ''catastrophe'' of the creation of the state of Israel. In 2002, the anniversary of the vote that survivors of the concentration camps celebrated, was described by Secretary-General Annan as ''a day of mourning and a day of grief.''

In 2003 the representatives of over 100 member states stood along with the secretary-general, before a map predating the state of Israel, for a moment of silence ''for all those who had given their lives for the Palestinian people''—which would include suicide bombers. Similarly, U.N. rapporteur John Dugard has described Palestinian terrorists as ''tough'' and their efforts as characterized by ''determination, daring, and success.'' A commission resolution for the past three years has legitimized the Palestinian use of ''all available means including armed struggle''—an absolution for terrorist methods which would never be applied to the self-determination claims of Chechens or Basques.

Although Palestinian self-determination is equally justified, the connection between demonizing Israelis and sanctifying Palestinians makes it clear that the core issue is not the stated cause of Palestinian suffering. For there are no U.N. resolutions deploring the practice of encouraging Palestinian children to glorify and emulate suicide bombers, or the use of the Palestinian population as human shields, or the refusal by the vast majority of Arab states to integrate Palestinian refugees into their societies and to offer them the benefits of citizenship. Palestinians are lionized at the U.N. because they are the perceived antidote to what U.N. envoy Lakhdar Brahimi called the great poison of the Middle East—the existence and resilience of the Jewish state.

Of course, anti-Semitism takes other forms at the U.N. Over the past decade at the commission, Syria announced that yeshivas train rabbis to instill racist hatred in their pupils. Palestinian representatives claimed that Israelis can happily celebrate religious holidays like Yom Kippur only by shedding Palestinian blood, and accused Israel of injecting 300 Palestinian children with HIV-positive blood.

U.N.-led anti-Semitism moves from the demonization of Jews to the disqualification of Jewish victimhood: refusing to recognize Jewish suffering by virtue of their ethnic and national identity. In 2003, a General Assembly resolution concerned with the welfare of Israeli children failed (though one on Palestinian children passed handily) because it proved impossible to gain enough support for the word Israeli appearing before the word children. The mandate of the U.N. special rapporteur on the ''Palestinian territories,'' set over a decade ago, is to investigate only ''Israel's violations of . . . international law'' and not to consider human-rights violations by Palestinians in Israel.

It follows in U.N. logic that nonvictims aren't really supposed to fight back. One after another concrete Israeli response to terrorism is denounced by the secretary-general and member states as illegal. But killing members of the command-and-control structure of a terrorist organization, when there is no disproportionate use of force, and arrest is impossible, is not illegal. Homes used by terrorists in the midst of combat are legitimate military targets. A nonviolent, temporary separation of parties to a conflict on disputed territory by a security fence, which is sensitive to minimizing hardships, is a legitimate response to Israel's international legal obligations to protect its citizens from crimes against humanity. In effect, the U.N. moves to pin the arms of Jewish targets behind their backs while the terrorists take aim.

The U.N.'s preferred imagery for this phenomenon is of a cycle of violence. It is claimed that the cycle must be broken—every time Israelis raises a hand. But just as the symbol of the cycle is chosen because it has no beginning, it is devastating to the cause of peace because it denies the possibility of an end. The Nuremberg Tribunal taught us that crimes are not committed by abstract entities.

The perpetrators of anti-Semitism today are the preachers in mosques who exhort their followers to blow up Jews. They are the authors of Palestinian Authority textbooks that teach a new generation to hate Jews and admire their killers. They are the television producers and official benefactors in authoritarian regimes like Syria or Egypt who manufacture and distribute programming that depicts Jews as bloodthirsty world conspirators.

Listen, however, to the words of the secretary-general in response to two suicide bombings which took place in Jerusalem this year, killing 19 and wounding 110: ''Once again, violence and terror have claimed innocent lives in the Middle East. Once again, I condemn those who resort to such methods.'' ''The Secretary General condemns the suicide bombing Sunday in Jerusalem. The deliberate targeting of civilians is a heinous crime and cannot be justified by any cause.'' Refusing to name the perpetrators, Mr. Secretary-General, Teflon terrorism, is a green light to strike again.

Perhaps more than any other, the big lie that fuels anti-Semitism today is the U.N.-promoted claim that the root cause of the Arab-Israeli conflict is the occupation of Palestinian land. According to U.N. revisionism, the occupation materialized in a vacuum. In reality, Israel occupies land taken in a war which was forced upon it by neighbors who sought to destroy it. It is a state of occupation which Israelis themselves have repeatedly sought to end through negotiations over permanent borders. It is a state in which any abuses are closely monitored by Israel's independent judiciary. But ultimately, it is a situation which is the responsibility of the rejectionists of Jewish self-determination among Palestinians and their Arab and Muslim brethren—who have rendered the Palestinian civilian population hostage to their violent and anti-Semitic ambitions.

There are those who would still deny the existence of anti-Semitism at the U.N. by pointing to a range of motivations in U.N. corridors including commercial interests, regional politics, preventing scrutiny of human rights violations closer to home, or enhancement of individual careers. U.N. actors and supporters remain almost uniformly in denial of the nature of the pathogen coursing through these halls. They ignore the infection and applaud the host, forgetting that the cancer which kills the organism will take with it both the good and the bad.

The relative distribution of naiveté, cowardice, opportunism, and anti-Semitism, however, matters little to Noam and Matan Ohayon, ages 4 and 5, shot to death through their mother's body in their home in northern Israel while she tried to shield them from a gunman of Yasser Arafat's al-Aqsa Martyrs Brigades. The terrible consequences of these combined motivations mobilized and empowered within U.N. chambers are the same.

The inability of the U.N. to confront the corruption of its agenda dooms this organization's success as an essential agent of equality or dignity or democratization.

This conference may serve as a turning point. We will only know if concrete changes occur hereafter: a General Assembly resolution on anti-Semitism adopted, an annual report on anti-Semitism forthcoming, a focal point on anti-Semitism created, a rapporteur on anti-Semitism appointed.

But I challenge the secretary-general and his organization to go further—if they are serious about eradicating anti-Semitism:

a. Start putting a name to the terrorists that kill Jews because they are Jews.

b. Start condemning human-rights violators wherever they dwell—even if they live in Riyadh or Damascus.

c. Stop condemning the Jewish people for fighting back against their killers.

d. And the next time someone asks you or your colleagues to stand for a moment of silence to honor those who would destroy the state of Israel, say no. Only then will the message be heard from these chambers that the U.N. will not tolerate anti-Semitism or its consequences against Jews and the Jewish people, whether its victims live in Tehran, Paris or Jerusalem.

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EXHIBIT 5

A VIEW FROM THE EYE OF THE STORM

(Talk delivered by Haim Harari at a meeting of the International Advisory Board of a large multi-national corporation, April, 2004)

As you know, I usually provide the scientific and technological ''entertainment'' in our meetings, but, on this occasion, our Chairman suggested that I present my own personal view on events in the part of the world from which I come. I have never been and I will never be a Government official and I have no privileged information. My perspective is entirely based on what I see, on what I read and on the fact that my family has lived in this region for almost 200 years. You may regard my views as those of the proverbial taxi driver, which you are supposed to question, when you visit a country.

I could have shared with you some fascinating facts and some personal thoughts about the Israeli-Arab conflict. However, I will touch upon it only in passing. I prefer to devote most of my remarks to the broader picture of the region and its place in world events. I refer to the entire area between Pakistan and Morocco, which is predominantly Arab, predominantly Moslem, but includes many non-Arab and also significant non-Moslem minorities.

Why do I put aside Israel and its own immediate neighborhood? Because Israel and any problems related to it, in spite of what you might read or hear in the world media, is not the central issue, and has never been the central issue in the upheaval in the region. Yes, there is a 100-year-old Israeli-Arab conflict, but it is not where the main show is. The millions who died in the Iran-Iraq war had nothing to do with Israel. The mass murder happening right now in Sudan, where the Arab Moslem regime is massacring its black Christian citizens, has nothing to do with Israel. The frequent reports from Algeria about the murders of hundreds of civilians in one village or another by other Algerians have nothing to do with Israel. Saddam Hussein did not invade Kuwait, endanger Saudi Arabia and butcher his own people because of Israel. Egypt did not use poison gas against Yemen in the 60's because of Israel. Assad the Father did not kill tens of thousands of his own citizens in one week in El Hamma in Syria because of Israel. The Taliban control of Afghanistan and the civil war there had nothing to do with Israel. The Libyan blowing up of the Pan-Am flight had nothing to do with Israel, and I could go on and on and on.

The root of the trouble is that this entire Moslem region is totally dysfunctional, by any standard of the word, and would have been so even if Israel would have joined the Arab league and an independent Palestine would have existed for 100 years. The 22 member countries of the Arab league, from Mauritania to the Gulf States, have a total population of 300 millions, larger than the US and almost as large as the EU before its expansion. They have a land area larger than either the United States or all of Europe. These 22 countries, with all their oil and natural resources, have a combined GDP smaller than that of Netherlands plus Belgium and equal to half of the GDP of California alone. Within this meager GDP, the gaps between rich and poor are beyond belief and too many of the rich made their money not by succeeding in business, but by being corrupt rulers. The social status of women is far below what it was in the Western World 150 years ago. Human rights are below any reasonable standard, in spite of the grotesque fact that Libya was elected Chair of the U.N. Human Rights commission. According to a report prepared by a committee of Arab intellectuals and published under the auspices of the U.N., the number of books translated by the entire Arab world is much smaller than what little Greece alone translates. The total number of scientific publications of 300 million Arabs is less than that of 6 million Israelis. Birth rates in the region are very high, increasing the poverty, the social gaps and the cultural decline. And all of this is happening in a region, which only 30 years ago, was believed to be the next wealthy part of the world, and in a Moslem area, which developed, at some point in history, one of the most advanced cultures in the world.

It is fair to say that this creates an unprecedented breeding ground for cruel dictators, terror networks, fanaticism, incitement, suicide murders and general decline. It is also a fact that almost everybody in the region blames this situation on the United States, on Israel, on Western Civilization, on Judaism and Christianity, on anyone and anything, except themselves.

Do I say all of this with the satisfaction of someone discussing the failings of his enemies? On the contrary, I firmly believe that the world would have been a much better place and my own neighborhood would have been much more pleasant and peaceful, if things were different.

I should also say a word about the millions of decent, honest, good people who are either devout Moslems or are not very religious but grew up in Moslem families. They are double victims of an outside world, which now develops Islamophobia and of their own environment, which breaks their heart by being totally dysfunctional. The problem is that the vast silent majority of these Moslems are not part of the terror and of the incitement but they also do not stand up against it. They become accomplices, by omission, and this applies to political leaders, intellectuals, business people and many others. Many of them can certainly tell right from wrong, but are afraid to express their views.

The events of the last few years have amplified four issues, which have always existed, but have never been as rampant as in the present upheaval in the region. These are the four main pillars of the current World Conflict, or perhaps we should already refer to it as ''the undeclared World War III''. I have no better name for the present situation. A few more years may pass before everybody acknowledges that it is a World War, but we are already well into it.

The first element is the suicide murder. Suicide murders are not a new invention but they have been made popular, if I may use this expression, only lately. Even after September 11, it seems that most of the Western World does not yet understand this weapon. It is a very potent psychological weapon. Its real direct impact is relatively minor. The total number of casualties from hundreds of suicide murders within Israel in the last three years is much smaller than those due to car accidents. September 11 was quantitatively much less lethal than many earthquakes. More people die from AIDS in one day in Africa than all the Russians who died in the hands of Chechnya-based Moslem suicide murderers since that conflict started. Saddam killed every month more people than all those who died from suicide murders since the Coalition occupation of Iraq.

So what is all the fuss about suicide killings? It creates headlines. It is spectacular. It is frightening. It is a very cruel death with bodies dismembered and horrible severe lifelong injuries to many of the wounded. It is always shown on television in great detail. One such murder, with the help of hysterical media coverage, can destroy the tourism industry of a country for quite a while, as it did in Bali and in Turkey.

But the real fear comes from the undisputed fact that no defense and no preventive measures can succeed against a determined suicide murderer. This has not yet penetrated the thinking of the Western World. The U.S. and Europe are constantly improving their defense against the last murder, not the next one. We may arrange for the best airport security in the world. But if you want to murder by suicide, you do not have to board a plane in order to explode yourself and kill many people. Who could stop a suicide murder in the midst of the crowded line waiting to be checked by the airport metal detector? How about the lines to the check-in counters in a busy travel period? Put a metal detector in front of every train station in Spain and the terrorists will get the buses. Protect the buses and they will explode in movie theaters, concert halls, supermarkets, shopping malls, schools and hospitals. Put guards in front of every concert hall and there will always be a line of people to be checked by the guards and this line will be the target, not to speak of killing the guards themselves. You can somewhat reduce your vulnerability by preventive and defensive measures and by strict border controls but not eliminate it and definitely not win the war in a defensive way. And it is a war!

What is behind the suicide murders? Money, power and cold-blooded murderous incitement, nothing else. It has nothing to do with true fanatic religious beliefs. No Moslem preacher has ever blown himself up. No son of an Arab politician or religious leader has ever blown himself. No relative of anyone influential has done it. Wouldn't you expect some of the religious leaders to do it themselves, or to talk their sons into doing it, if this is truly a supreme act of religious fervor? Aren't they interested in the benefits of going to Heaven? Instead, they send outcast women, naive children, retarded people and young incited hotheads. They promise them the delights, mostly sexual, of the next world, and pay their families handsomely after the supreme act is performed and enough innocent people are dead.

Suicide murders also have nothing to do with poverty and despair. The poorest region in the world, by far, is Africa. It never happens there. There are numerous desperate people in the world, in different cultures, countries and continents. Desperation does not provide anyone with explosives, reconnaissance and transportation. There was certainly more despair in Saddam's Iraq then in Paul Bremmer's Iraq, and no one exploded himself. A suicide murder is simply a horrible, vicious weapon of cruel, inhuman, cynical, well-funded terrorists, with no regard to human life, including the fife of their fellow countrymen, but with very high regard to their own affluent well-being and their hunger for power.

The only way to fight this new ''popular'' weapon is identical to the only way in which you fight organized crime or pirates on the high seas: the offensive way. Like in the case of organized crime, it is crucial that the forces on the offensive be united and it is crucial to reach the top of the crime pyramid. You cannot eliminate organized crime by arresting the little drug dealer in the street corner. You must go after the head of the ''Family''.

If part of the public supports it, others tolerate it, many are afraid of it and some try to explain it away by poverty or by a miserable childhood, organized crime will thrive and so will terrorism. The United States understands this now, after September 11. Russia is beginning to understand it. Turkey understands it well. I am very much afraid that most of Europe still does not understand it. Unfortunately, it seems that Europe will understand it only after suicide murders will arrive in Europe in a big way. In my humble

opinion, this will definitely happen. The Spanish trains and the Istanbul bombings are only the beginning. The unity of the Civilized World in fighting this horror is absolutely indispensable. Until Europe wakes up, this unity will not be achieved.

The second ingredient is words, more precisely lies. Words can be lethal. They kill people. It is often said that politicians, diplomats and perhaps also lawyers and business people must sometimes lie, as part of their professional life. But the norms of politics and diplomacy are childish, in comparison with the level of incitement and total absolute deliberate fabrications, which have reached new heights in the region we are talking about. An incredible number of people in the Arab world believe that September 11 never happened, or was an American provocation or, even better, a Jewish plot.

You all remember the Iraqi Minister of Information, Mr. Mouhamad Said al-Sahaf and his press conferences when the US forces were already inside Baghdad. Disinformation at time of war is an accepted tactic. But to stand, day after day, and to make such preposterous statements, known to everybody to be lies, without even being ridiculed in your own milieu, can only happen in this region. Mr. Sahaf eventually became a popular icon as a court jester, but this did not stop some allegedly respectable newspapers from giving him equal time. It also does not prevent the Western press from giving credence, every day, even now, to similar liars. After all, if you want to be an anti-Semite, there are subtle ways of doing it. You do not have to claim that the holocaust never happened and that the Jewish temple in Jerusalem never existed. But millions of Moslems are told by their leaders that this is the case. When these same leaders make other statements, the Western media report them as if they could be true.

It is a daily occurrence that the same people, who finance, arm and dispatch suicide murderers, condemn the act in English in front of western TV cameras, talking to a world audience, which even partly believes them. It is a daily routine to hear the same leader making opposite statements in Arabic to his people and in English to the rest of the world. Incitement by Arab TV, accompanied by horror pictures of mutilated bodies, has become a powerful weapon of those who lie, distort and want to destroy everything. Little children are raised on deep hatred and on admiration of so-called martyrs, and the Western World does not notice it because its own TV sets are mostly tuned to soap operas and game shows. I recommend to you, even though most of you do not understand Arabic, to watch Al Jazeera, from time to time. You will not believe your own eyes.

But words also work in other ways, more subtle. A demonstration in Berlin, carrying banners supporting Saddam's regime and featuring three-year old babies dressed as suicide murderers, is defined by the press and by political leaders as a ''peace demonstration''. You may support or oppose the Iraq war, but to refer to fans of Saddam, Arafat or Bin Laden as peace activists is a bit too much. A woman walks into an Israeli restaurant in mid-day, eats, observes families with old people and children eating their lunch in the adjacent tables and pays the bill. She then blows herself up, killing 20 people, including many children, with heads and arms rolling around in the restaurant. She is called ''martyr'' by several Arab leaders and ''activist'' by the European press. Dignitaries condemn the act but visit her bereaved family and the money flows.

There is a new game in town: The actual murderer is called ''the military wing'', the one who pays him, equips him and sends him is now called ''the political wing'' and the head of the operation is called the ''spiritual leader''. There are numerous other examples of such Orwellian nomenclature, used every day not only by terror chiefs but also by Western media. These words are much more dangerous than many people realize. They provide an emotional infrastructure for atrocities. It was Joseph Goebels who said that if you repeat a lie often enough, people will believe it. He is now being outperformed by his successors.

The third aspect is money. Huge amounts of money, which could have solved many social problems in this dysfunctional part of the world, are channeled into three concentric spheres supporting death and murder. In the inner circle are the terrorists themselves. The money funds their travel, explosives, hideouts and permanent search for soft vulnerable targets. They are surrounded by a second wider circle of direct supporters, planners, commanders, preachers, all of whom make a living, usually a very comfortable living, by serving as terror infrastructure. Finally, we find the third circle of so-called religious, educational and welfare organizations, which actually do some good, feed the hungry and provide some schooling, but brainwash a new generation with hatred, lies and ignorance. This circle operates mostly through mosques, madrasas and other religious establishments but also through inciting electronic and printed media. It is this circle that makes sure that women remain inferior, that democracy is unthinkable and that exposure to the outside world is minimal. It is also that circle that leads the way in blaming everybody outside the Moslem world, for the miseries of the region.

Figuratively speaking, this outer circle is the guardian, which makes sure that the people look and listen inwards to the inner circle of terror and incitement, rather than to the world outside. Some parts of this same outer circle actually operate as a result of fear from, or blackmail by, the inner circles. The horrifying added factor is the high birth rate. Half of the population of the Arab world is under the age of 20, the most receptive age to incitement, guaranteeing two more generations of blind hatred.

Of the three circles described above, the inner circles are primarily financed by terrorist states like Iran and Syria, until recently also by Iraq and Libya and earlier also by some of the Communist regimes. These states, as well as the Palestinian Authority, are the safe havens of the wholesale murder vendors. The outer circle is largely financed by Saudi Arabia, but also by donations from certain Moslem communities in the United States and Europe and, to a smaller extent, by donations of European Governments to various NGO's and by certain United Nations organizations, whose goals may be noble, but they are infested and exploited by agents of the outer circle. The Saudi regime, of course, will be the next victim of major terror, when the inner circle will explode into the outer circle. The Saudis are beginning to understand it, but they fight the inner circles, while still financing the infrastructure at the outer circle.

Some of the leaders of these various circles live very comfortably on their loot. You meet their children in the best private schools in Europe, not in the training camps of suicide murderers. The Jihad ''soldiers'' join packaged death tours to Iraq and other hotspots, while some of their leaders ski in Switzerland. Mrs. Arafat, who lives in Paris with her daughter, receives tens of thousands dollars per month from the allegedly bankrupt Palestinian Authority while a typical local ringleader of the Al-Aksa brigade, reporting to Arafat, receives only a cash payment of a couple of hundred dollars, for performing murders at the retail level.

The fourth element of the current world conflict is the total breaking of all laws. The civilized world believes in democracy, the rule of law, including international law, human rights, free speech and free press, among other liberties. There are naive old-fashioned habits such as respecting religious sites and symbols, not using ambulances and hospitals for acts of war, avoiding the mutilation of dead bodies and not using children as human shields or human bombs. Never in history, not even in the Nazi period, was there such total disregard of all of the above as we observe now. Every student of political science debates how you prevent an anti-democratic force from winning a democratic election and abolishing democracy. Other aspects of a civilized society must also have limitations. Can a policeman open fire on someone trying to kill him? Can a government listen to phone conversations of terrorists and drug dealers? Does free speech protects you when you shout ''fire'' in a crowded theater? Should there be death penalty, for deliberate multiple murders? These are the oldfashioned dilemmas. But now we have an entire new set.

Do you raid a mosque, which serves as a terrorist ammunition storage? Do you return fire, if you are attacked from a hospital? Do you storm a church taken over by terrorists who took the priests hostages? Do you search every ambulance after a few suicide murderers use ambulances to reach their targets? Do you strip every woman because one pretended to be pregnant and carried a suicide bomb on her belly? Do you shoot back at someone trying to kill you, standing deliberately behind a group of children? Do you raid terrorist headquarters, hidden in a mental hospital? Do you shoot an arch-murderer who deliberately moves from one location to another, always surrounded by children? All of these happen daily in Iraq and in the Palestinian areas. What do you do? Well, you do not want to face the dilemma. But it cannot be avoided.

Suppose, for the sake of discussion, that someone would openly stay in a wellknown address in Teheran, hosted by the Iranian Government and financed by it, executing one atrocity after another in Spain or in France, killing hundreds of innocent people, accepting responsibility for the crimes, promising in public TV interviews to do more of the same, while the Government of Iran issues public condemnations of his acts but continues to host him, invite him to official functions and treat him as a great dignitary. I leave it to you as homework to figure out what Spain or France would have done, in such a situation.

The problem is that the civilized world is still having illusions about the rule of law in a totally lawless environment. It is trying to play ice hockey by sending a ballerina ice-skater into the rink or to knock out a heavyweight boxer by a chess player. In the same way that no country has a law against cannibals eating its prime minister, because such an act is unthinkable, international law does not address killers shooting from hospitals, mosques and ambulances, while being protected by their Government or society. International law does not know how to handle someone who sends children to throw stones, stands behind them and shoots with immunity and cannot be arrested because he is sheltered by a Government. International law does not know how to deal with a leader of murderers who is royally and comfortably hosted by a country, which pretends to condemn his acts or just claims to be too weak to arrest him. The amazing thing is that all of these crooks demand protection under international law and define all those who attack them as war criminals, with some Western media repeating the allegations.

The good news is that all of this is temporary, because the evolution of international law has always adapted itself to reality. The punishment for suicide murder should be death or arrest before the murder, not during and not after. After every world war, the rules of international law have changed and the same will happen after the present one. But during the twilight zone, a lot of harm can be done.

The picture I described here is not pretty. What can we do about it? In the short run, only fight and win. In the long run—only educate the next generation and open it to the world. The inner circles can and must be destroyed by force. The outer circle cannot be eliminated by force. Here we need financial starvation of the organizing elite, more power to women, more education, counter propaganda, boycott whenever feasible and access to Western media, internet and the international scene. Above all, we need a total absolute unity and determination of the civilized world against all three circles of evil.

Allow me, for a moment, to depart from my alleged role as a taxi driver and return to science. When you have a malignant tumor, you may remove the tumor itself surgically. You may also starve it by preventing new blood from reaching it from other parts of the body, thereby preventing new ''supplies'' from expanding the tumor. If you want to be sure, it is best to do both.

But before you fight and win, by force or otherwise, you have to realize that you are in a war, and this may take Europe a few more years. In order to win, it is necessary to first eliminate the terrorist regimes, so that no Government in the world will serve as a safe haven for these people. I do not want to comment here on whether the American-led attack on Iraq was justified from the point of view of weapons of mass destruction or any other pre-war argument, but I can look at the post-war map of Western Asia. Now that Afghanistan, Iraq and Libya are out, two and a half terrorist states remain: Iran, Syria and Lebanon, the latter being a Syrian colony. Perhaps Sudan should be added to the list. As a result of the conquest of Afghanistan and Iraq, both Iran and Syria are now totally surrounded by territories unfriendly to them. Iran is encircled by Afghanistan, by the Gulf States, Iraq and the Moslem republics of the former Soviet Union. Syria is surrounded by Turkey, Iraq, Jordan and Israel. This is a significant strategic change and it applies strong pressure on the terrorist countries. It is not surprising that Iran is so active in trying to incite a Shiite uprising in Iraq. I do not know if the American plan was actually to encircle both Iran and Syria, but that is the resulting situation.

In my humble opinion, the number one danger to the world today is Iran and its regime. It definitely has ambitions to rule vast areas and to expand in all directions. It has an ideology, which claims supremacy over Western culture. It is ruthless. It has proven that it can execute elaborate terrorist acts without leaving too many traces, using Iranian Embassies. It is clearly trying to develop Nuclear Weapons. Its so-called moderates and conservatives play their own virtuoso version of the ''good-cop versus bad-cop'' game. Iran sponsors Syrian terrorism, it is certainly behind much of the action in Iraq, it is fully funding the Hizbulla and, through it, the Palestinian Hamas and Islamic Jihad, it performed acts of terror at least in Europe and in South America and probably also in Uzbekhistan and Saudi Arabia and it truly leads a multi-national terror consortium, which includes, as minor players, Syria, Lebanon and certain Shiite elements in Iraq. Nevertheless, most European countries still trade with Iran, try to appease it and refuse to read the clear signals.

In order to win the war it is also necessary to dry the financial resources of the terror conglomerate. It is pointless to try to understand the subtle differences between the Sunni terror of Al Qaida and Hamas and the Shiite terror of Hizbulla, Sadr and other Iranian inspired enterprises. When it serves their business needs, all of them collaborate beautifully.

It is crucial to stop Saudi and other financial support of the outer circle, which is the fertile breeding ground of terror. It is important to monitor all donations from the Western World to Islamic organizations, to monitor the finances of international relief organizations and to react with forceful economic measures to any small sign of financial aid to any of the three circles of terrorism. It is also important to act decisively against the campaign of lies and fabrications and to monitor those Western media who collaborate with it out of naivety, financial interests or ignorance.

Above all, never surrender to terror. No one will ever know whether the recent elections in Spain would have yielded a different result, if not for the train bombings a few days earlier. But it really does not matter. What matters is that the terrorists believe that they caused the result and that they won by driving Spain out of Iraq. The Spanish story will surely end up being extremely costly to other European countries, including France, who is now expelling inciting preachers and forbidding veils and including others who sent troops to Iraq. In the long run, Spain itself will pay even more.

Is the solution a democratic Arab world? If by democracy we mean free elections but also free press, free speech, a functioning judicial system, civil liberties, equality to women, free international travel, exposure to international media and ideas, laws against racial incitement and against defamation, and avoidance of lawless behavior regarding hospitals, places of worship and children, then yes, democracy is the solution. If democracy is just free elections, it is likely that the most fanatic regime will be elected, the one whose incitement and fabrications are the most inflammatory. We have seen it already in Algeria and, to a certain extent, in Turkey. It will happen again, if the ground is not prepared very carefully. On the other hand, a certain transition democracy, as in Jordan, may be a better temporary solution, paving the way for the real thing, perhaps in the same way that an immediate sudden democracy did not work in Russia and would not have worked in China.

I have no doubt that the civilized world will prevail. But the longer it takes us to understand the new landscape of this war, the more costly and painful the victory will be. Europe, more than any other region, is the key. Its understandable recoil from wars, following the horrors of World War II, may cost thousands of additional innocent lives, before the tide will turn.

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

The PRESIDING OFFICER (Ms. COLLINS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

MESSAGE TO THE AMERICAN PEOPLE

Mr. LAUTENBERG. Madam President, I, like millions of Americans, see what is happening on television, listen to what is happening on radio, and hear campaign commercials that are being submitted on a fairly regular basis. I listen to them and wonder, what is the message to our country? What is being said? What is the message we want to give to the American people? What do we want to tell them about our concern for their needs? Do we want to talk about lower prices for prescription drugs? Do we want to talk about educating our children? Do we want to talk about health care generally? Do we want to talk about bringing the troops home? Do we say enough is enough?

When we look at the record and see what is happening, the killing continues in Iraq. Since we have gone over to an Iraqi interim government, the rate of death has not diminished from the time before we turned this government over to the Iraqi interim government.

Today, we heard news of a terrible explosion that killed a bunch of Iraqis and injured American soldiers. The toll continues to mount. I believe the American people are concerned about that. I hear it from parents who say: My son's term has been extended. He thought he would be home by now. Now he has to serve 3 more months. Or, my daughter has to stay there far longer than she expected. Not only are they emotionally torn apart, not only are there family problems from the absence of dad or the absence of mom from the household, but financially it is a disaster.

I have tried to get an amendment. I tried to put it on the Defense appropriations bill, but I couldn't get the amendment attached. They said no, we don't want to give $2,000 a month more for these people for the 3 months more they have to serve; $6,000 total cost; maybe $150 million out of a budget of $400 billion, and we couldn't get an ear to listen to it here. We couldn't get the majority to pay attention.

The job market is not robust. We are still at a loss for the number of jobs we have available since this administration took over. When do we put these people to work? When do we stop shipping jobs abroad? When do we deal with the problems that concern everyday citizens? When do we deal with the cost of gasoline, which is up 50 percent almost in the last year?

What we hear in response to those problems are campaign commercials—$8 million of them in recent weeks. We hear that JOHN KERRY has missed two-thirds of the votes that have been taken here in the U.S. Senate. We do not hear anybody saying JOHN KERRY served bravely in Vietnam when he disagreed with the policy of his country, but he felt loyal enough and obliged enough and went ahead and got wounded three times. He got three Purple Hearts. I served in the Army 3 years. I didn't earn one, but I know what a Purple Heart means in recognition of bravery; a Silver Star, very high-ranking

medal; a Bronze Star, an important recognition of bravery on the battlefield. And we want to hear talk about how he has missed these votes.

Yes, I am a Member of the Senate and am proud of it. I am proud of my voting record. But I am also proud of the contribution JOHN KERRY is trying to make to this country.

We ought to talk about comparing service to country, President Bush's service and Senator JOHN KERRY's service. Compare the two. Start with Vietnam. See what happened there, when President Bush had an opportunity to avoid regular service by going to the Air Guard, which he didn't really do anything with. But to criticize Senator JOHN KERRY for his contribution to our country by pointing out the fact that he has missed a bunch of votes, that he found time to vote against the Laci Peterson amendment which was offered here, and that he missed other votes—talk about the platforms of these two, talk about what JOHN KERRY is saying we have to do about jobs, about getting a coalition to help us deal with Iraq to try to strengthen our resources there.

President Bush's decision, along with his Cabinet, the Secretary of Defense, and the Vice President, was that General Shinseki was all wrong when he said we have to have 300,000 people in Iraq. They fired him. They got rid of him. They don't want to hear dissent and difference. They don't want to hear it. They don't want the public to hear what JOHN KERRY has done for his country. No. They want to hear that he missed votes. It is too bad that he missed votes, but he is on a larger mission. He wants a change in the direction of this country. He is not here at times when he is out there delivering messages to which people respond.

Just look at the gatherings. We see people for Senator KERRY and Senator EDWARDS. They are thirsty for information that affects their everyday lives. They do not sit around the dinner table talking about how much time we are spending—not enough time, they might say—on gay marriage and a constitutional amendment. I don't think Mr. and Mrs. Working American are sitting around their table praying for the moment that an amendment to the Constitution will be put in place where we can challenge the rights of a particular group of people when we haven't gotten our appropriations bills in place; we haven't voted on moving homeland security resources along not funding these things. No, but we can spend days here.

By the way, we may have set a record for quorum calls. We have spent a lot of time with two lights on. That should tell the American people that there is nothing going on in here. We have had one vote this week, and the prospects for another vote are not very bright. What an exhausting schedule, two, three votes, possibly five votes in a week. Come on.

Please, Mr. President, clear your message, talk about the things the American people are concerned about. Talk about how we get our kids home from Iraq, talk about how we get our former allies into the mix so they can help share the burden. That is what we want to hear.

We do not want to hear only critical comments about JOHN KERRY because then you force us to compare the two records. If I were President Bush, I would hide from the record. If they want to compare President Bush's record to Senator JOHN KERRY's record of service to country, we would have quite a revelation for the people in this country.

Spending millions on commercials to denigrate Senator JOHN KERRY, a war hero, a volunteer, who went to Vietnam—go there, do your duty, pull a guy out of the water whose life may be hanging in the balance, under gunfire. Pull this man out of the water.

I have campaigned with one of his former swift boat colleagues. If you heard the praise that he gave to LTG JOHN KERRY for his leadership. But we do not want to talk about that. We want to try to subdue it with sneering commentaries about how he missed a vote and flip-flopped.

I wish President Bush would look at some of the decisions he made and flip them. One of them I tried to pass was to have flag-draped coffins, the respect that they earn. People who gave their lives on behalf of the country's mission, when they come back to Dover, DE, where the coffins are deposited, and we say no, the media cannot show those coffins because that would alert people to the penalties of war, to the punishment that families endure. We do not want that. Hide it from the public. Don't let them understand what the cost of war is.

They criticize Senator JOHN KERRY, loyal American, who served his duty, served it well, served it here. Look at his voting record before he ran for President of the United States. Look at the President's tours for fundraising and political gatherings. He goes on Air Force One and the only cost—and this 747 is a beautiful airplane; most of America has seen it—all that has to be paid is the cost of the first-class transportation on a commercial airliner. Take this huge airplane, lift it into the sky and say: Well, we will reimburse it because we used it for fundraising or for political campaigns.

Mr. President, change your tune. Let's hear your view on what America has to have to satisfy the needs of our constituents. Please, you have gone too far with this character abuse, with this character assassination. You have gone too far.

Look at the American people. Look them in the eye and say, yes, I, President George Bush, approve of this message, and give a positive message about when drug prices are coming down, about how we will fund Head Start for 300,000 children who will now be dropped, or other programs that are talked about but not funded. Please, Mr. President, speak up on behalf of the people in America so we can build strength, so we can have some harmony and not the divisive attitude we find prevailing.

It is not fair to the American people. When we deny a hero's recognition, we do something far worse. It was done in the State of Georgia in a senatorial election recently. A fellow named Max Cleland, with whom we served, and whom we all felt very close to, lost three limbs in Vietnam. They managed to paint him in a somewhat cowardly fashion, that he was soft on defense. One arm missing, half of one arm missing, two legs missing. It takes him 2 hours to get out of bed in the morning, and they made him look like he was soft on defense. What a disgrace. The American people have to look at that.

And now the game is to denigrate JOHN KERRY's record to make him look as if he is just absent and not doing anything worthwhile. He and Senator EDWARDS are trying to put this country on the right path. The voters will decide, by the way. But we ought to let the record be out there so that everybody knows what each of the parties is doing.

Enough, Mr. President. Please change the tone of your commercials. It is not fair to have an airplane in the sky saying: Senator JOHN KERRY, if he had his choice, would have voted against the interests of the troops. It is a foul lie, that is what it is, not true at all. If a vote was made, it was made in the context of an entire amendment. It was not made simply to take money away from our serving troops. President Bush knows that.

I wish he would change his tone. It does not ring properly for the President. It does not become the President of the United States to be looking at Senator JOHN KERRY's record and make jokes about his attendance, about his flip-flop. No, no, no, look at the things he has done. We can all pick out the blemishes of the other, but that is no way to run a country. That is the way to run a schoolyard fight. It does not become the President of the United States.

I yield the floor, but I hope President Bush will change his tone.

The PRESIDING OFFICER (Mr. ALEXANDER). The Senator from Pennsylvania.

IN MEMORY OF CAREY LACKMAN SLEASE

Mr. SPECTER. Mr. President, I have sought recognition to inform the Senate family of the passing of Carey Anne Lackman Slease, my chief of staff, who passed this morning at 5:30 a.m.

During the course of the day, my office staff and I have been deluged with expressions of sympathy showing the very high regard and high esteem that she was held in by our Senate family.

She was afflicted with the terrible problem of breast cancer. She had a long, lingering illness. She received the very best of modern day medicine with the assistance of the National Institutes of Health. My deputy, Bettilou

Taylor, who handles the Subcommittee on Labor, Health, Human Services and Education, has had extensive contact with the National Institutes of Health. When I saw Carey last night, less than 24 hours ago, she had expressed her gratitude for the kind of care which she had received.

She said, in her own words, she had a good run and she was understanding and at peace with herself as she knew her imminent fate.

She had left the hospital shortly after being married to her sweetheart, Clyde Slease, III, on Saturday. We have a beautiful set of wedding photographs, a clear remembrance of her from just a few days ago. And she came home, setting up a hospice, in effect, in her home.

As I say, when I saw her yesterday, she was reconciled and at peace with herself, and considering the circumstances, as composed and as brave and as resolute as any human being could be. She said she was advised that it was a matter of a few days or a week or two. She was taken this morning, as I say, at 5:30.

Her life was really the U.S. Senate. She graduated from Radford University. She was the oldest daughter of a retired colonel, William F. Lackman. She is survived by three sisters and three brothers—a large family of seven children—and her mother.

She came to the Senate family at the age of 24, and she spent most of the remaining half of her life in the Senate, dying at the age of 48. She was a legislative assistant to Senator John Heinz from 1979 to 1985. She then founded her own firm in Los Angeles for a period of 6 years. She then came back to work for me in the early 1990s. Except for a very short stint, again, with her own firm in biotech in the public sector, she was on my staff, coming back to work for me some 2½ years ago in December 2001, when called to active duty.

She did an extraordinary job for me. She was beautiful in many ways: a statuesque blonde, an amiable personality. She worked well with her colleagues. She worked well with the young staff. She was a mentor. She was very accomplished, brilliant, studious, analytical, and handled the substantive problems of the office with aplomb, dignity, and efficiency.

She was one of the first women to be chief of staff in the U.S. Senate. She was acclaimed by PoliticsPA as one of Pennsylvania's most politically powerful women.

She had an extraordinary career, regrettably cut short by her untimely passing at the age of 48.

Funeral services will be held in Middleburg, VA, on Friday at 10 a.m., with a viewing tomorrow evening.

She has made quite an impact in many realms of her professional pursuits, but really most of all in the U.S. Senate, where she had made so many friends and was held in such very high regard, really beloved by the Senate family.

So it is a sad occasion for the entire Senate family, but most of all for her colleagues in my office and for me to note her passing at the very tender age of 48.

Senator SANTORUM was in the chamber and wanted to speak but could not wait until the other speakers had concluded.

I thank the Chair and, in the absence of any Senator seeking recognition, 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. FRIST. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

UNANIMOUS CONSENT AGREEMENT—H.R. 4520

Mr. FRIST. Mr. President, in a few moments I will be propounding a unanimous consent request that we can comment on afterwards. It reflects a number of negotiations and back and forth between both sides of the aisle that have gone on for several weeks, but aggressively and intensively over the last 8 to 9 hours.

I ask unanimous consent that on Thursday, July 15, immediately following morning business, the pending motion to proceed be withdrawn and the majority leader or his designee be recognized in order to move to proceed to Calendar No. 591, H.R. 4520; provided further that the motion be agreed to and that Chairman GRASSLEY then be immediately recognized in order to offer S. 1637, as passed by the Senate, as a substitute amendment; provided further that Senator DEWINE be recognized in order to offer a DeWine-Kennedy first-degree amendment relating to the FDA and tobacco; further, that no other amendments be in order to the bill and that there be 3 hours for debate equally divided in the usual form; I further ask consent that following the debate, the Senate proceed to a vote in relation to the amendment at a time determined by the majority leader after consultation with the Democratic leader and that immediately following the disposition of that amendment, the substitute be agreed to, the bill then be read a third time, and the Senate proceed to a vote on passage of the bill with no intervening action or debate; I further ask consent that the Senate then insist on its amendment, request a conference with the House, and the Chair then be authorized to appoint conferees on the part of the Senate with a ratio of 12 to 11.

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

Mr. FRIST. Mr. President, what this means is we will be proceeding to conference on the FSC/ETI JOBS bill, a bill that overwhelmingly passed the Senate and passed the House of Representatives and that prior to proceeding to conference, we will have a vote tomorrow on a combined bill that has to do with the FDA and a tobacco buyout. That vote will follow up to 3 hours tomorrow. The vote will likely be tomorrow afternoon, although we will be debating the issue in the morning.

I am pleased. We all know that the FSC/ETI JOBS bill is a very important bill for the United States, for jobs and jobs creation. There is a certain time limit involved. In fact, every month that we wait, the Euro tax goes up 1 percent every month; it is 9 percent now. It is time to take this to conference and pass this bill.

The PRESIDING OFFICER. The Democratic leader is recognized.

Mr. DASCHLE. Mr. President, I am pleased to join with the majority leader in announcing this agreement tonight. This has not been easy for anybody involved in these discussions. We are now prepared to proceed with, I think, a very good understanding about how we as Members of the Senate will present ourselves in the conference. I am very confident that we can reach a successful conclusion.

Mr. FRIST. I want to discuss with the Democratic Leader an approach that might enable us to move forward to conference on the JOBS bill, S. 1637. The Senate JOBS bill reflects overwhelming bipartisan support, passing by a margin of 92–5. Much work remains to be done on this bill and it is important we start as soon as possible.

There are significant differences with the House bill, so this is likely going to be a challenging process. I want to make sure that all Senators know that it is unrealistic to expect that the House will agree with all our provisions and that we will likely have to make changes to S. 1637.

But as we make those changes, we should make them together. The JOBS bill we passed was a model of bipartisan cooperation that was marked by good faith on both sides. And that is the essence of the agreement I am proposing—a commitment from both sides that they will work in good faith in the conference to get the best possible result. I have spoken to Senator GRASSLEY and he has agreed that he will not pursue a conclusion to the conference—nor sign any conference report—that would alter the text of S. 1637 in a way that undermines the broad bipartisan consensus S. 1637 achieved on final passage.

Mr. DASCHLE. I thank the Majority Leader for his leadership. I have discussed this with my colleagues and can commit wholeheartedly to the good faith process you have proposed. Our side understands that changes will have to be made to S. 1637; but, as they are made, these changes will be the result of the mutual agreement of the lead Senate conferees, as well as the Majority Leader and the Democratic Leader, acting in good faith.