

time I will object because I think we really need to move forward with something as quickly as possible. At some subsequent time—I think time is so critical in this—we will reoffer our unanimous consent request.

I appreciate what the Senator is trying to do, but one of the things that might be considered is—and I have no authority for this whatsoever—I believe we should move forward on my consent at this time, but maybe if we cannot work something out—which I think would be a shame—I would be happy to talk with the Senator to see if there is something we can do. We might want to start out with agreeing that the vehicle we would be amending would be the Dodd-Sarbanes-Schumer substitute amendment and offer two amendments to that, rather than to the House bill.

Anyway, at this time I object for the reasons previously stated.

The PRESIDING OFFICER. Objection is heard.

Mr. NICKLES. Mr. President, I thank my good friend from Nevada. I hope we can work this out. I am happy to meet with him. I think our objectives are similar. We would like to pass the legislation dealing with terrorism risk protection. We realize there is a serious problem. Just to say we are going to take the House-passed language and pass an amendment that Senators DODD, SARBANES, and SCHUMER have agreed to leaves out Senator GRAMM, who also came up with the agreement that I believe Senators DODD and SARBANES had agreed to earlier.

I hope we can come up with something. You pick the underlying bill, and maybe the underlying bill would be the Dodd-Sarbanes-Schumer proposal, but give us an amendment and let's vote. We can come up with fairly short time constraints—at least on this side; hopefully, we can on both sides—and we can pass something and get to conference. The House-passed bill is significantly different, as my colleague knows. We have to work out the differences with the House. I think this is important legislation and it needs to pass, as the Senator from Nevada mentioned. It needs to pass quickly. Hopefully, bipartisan leadership in the Senate can orchestrate a procedure where we can get this done in the very near future.

I thank my colleague. I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

#### A THREAT BY SADDAM HUSSEIN

Mr. NICKLES. Mr. President, I thank my colleague, Senator STEVENS from

Alaska, for his statement dealing with the threat—and maybe the threat implemented today—by Saddam Hussein of Iraq, saying he is going to have an oil embargo against the United States.

I think Senator STEVENS mentioned we imported 263 million barrels of oil from Iraq last year—maybe 273 million barrels. Right now, it is over a million barrels per day. That is a significant amount. I heard commentators say today that we don't import that much. I don't know whose figures they are looking at, but a million barrels per day is a lot. Selectively, right now, we are importing 60 percent of our Nation's oil needs.

You need to compare that to the shortages we had in 1973 and 1979. In 1973, I believe we were importing about 34 percent. In 1979, it was about 44 percent. And we had embargoes because of conflicts in the Middle East. As a result, we had significant curtailments in the United States. They embargoed exports coming from the Middle East. We had shortages in the United States, and we had gas lines.

I don't quite agree with Senator STEVENS that we are going to have gas lines this week, but if the embargo were expanded and lasted for a significant period of time, we could have significant shortages. I think you will see price escalation. How significant it will be depends on how many other countries get involved. He mentioned there might be strikes in Venezuela. That will compound the problem. If you take away a couple million barrels of oil, you are going to see prices go way up, and you may see shortages in the not-too-distant future. Gasoline prices will be going up in the summertime. You can see demand going up and you can see shortages.

So I think the Senator from Alaska is very timely in saying we need to do what we can to help make sure that Saddam Hussein doesn't have too big of a grip on the U.S. economy. One of the things we definitely can do is increase exploration and production in Alaska. Senator STEVENS mentioned that in Prudhoe Bay, which used to produce about 2 million barrels per day, now is producing less than a million. We need to supplement that. When it was 2 million barrels per day, it was 25 percent of our domestic production. Now it is less than an eighth. We need to really have that increase, and we can do that in an environmentally safe and sound manner by production in the Arctic National Wildlife Refuge. We are going to have a vote on that this week.

I also agree 100 percent with Senator STEVENS when he said that while talking about national security, people should not filibuster. Let's find out where the votes are. Are we going to vote to increase domestic production or are we going to allow Saddam Hussein to be able to suffocate the world economy, and certainly the economy of the United States? Are we going to give him that kind of leverage and power or will we do what we can to minimize it?

I encourage my colleagues to take a fresh look at ANWR—at this 2,000 acres from which we are talking about producing. It is an area similar in land size to the State of South Carolina. That is a 2,000-acre footprint, similar to the size of Dulles Airport or the Oklahoma City Airport; it is not that large of an area. If you haven't visited the coastal region of the Arctic National Wildlife Refuge, it is not the prettiest area, and work can be done in a way that will protect and preserve the native wildlife species, including the caribou. If you have been to Prudhoe Bay, you found that the caribou love the Alaska pipeline; you saw a lot of caribou hanging around the pipeline. So certainly it can be done in a way to protect the wildlife and the environment, and it will also help alleviate some of the energy shortages we may experience in the not-too-distant future. We are very vulnerable. We are importing 60 percent of our oil needs today. We need to reduce that or it will be 70 percent in another 10 years.

We need to open exploration in ANWR. I hope my colleagues will not filibuster. I hope my colleagues will say: Let's debate it and let's vote on it. This is a national security issue. We cannot have national security without having energy security, and we do not have energy security today.

My compliments to the administration for giving us a national energy plan for the first time in decades. They presented an energy plan, the House has passed one, and the Senate has not been able to do one. We did not even have a markup on this bill in the Senate Energy Committee.

I have been on that committee for 22 years. I did not get to offer one amendment to this bill. This is the bill. It is 590 pages. It did not have ANWR in it. Why? Because we were not able to offer an ANWR amendment because we were told not to mark it up.

This bill came from Senator DASCHLE and Senator BINGAMAN, and they laid it on our desks. It changed substantially from the previous bill. ANWR was not in it. We had the votes in committee, quite frankly, to put ANWR in the bill. People would try to take ANWR out, but I do not think they have the votes to take it out. I believe that is the reason Senator DASCHLE told Senator BINGAMAN not to mark up a bill.

We now have to try to put an ANWR amendment in the bill, and some of my colleagues say: We have to filibuster. I think they are wrong to do that. Senator STEVENS is right, we need national security and we cannot have national security unless we have energy security. In light of the fact Saddam Hussein is now talking about and may be implementing an oil embargo against the United States, I urge my colleagues to do what we can to protect our national security with energy security, and that includes exploration in the Arctic National Wildlife Refuge.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRASSLEY. 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. GRASSLEY. Mr. President, we are in morning business; is that right?

The PRESIDING OFFICER. The Senator is correct.

#### WASTE, FRAUD AND ABUSE AT THE PENTAGON CANNOT HAPPEN

Mr. GRASSLEY. Mr. President, I will address the issue of defense expenditures and the rapidly rising appropriations for defense, particularly for the war on terrorism, and do it in light of the fact that probably within the next couple of weeks the budget will be before the Senate.

The 9-11 attack wiped out any lingering doubts I or anybody else had about the intention of terrorists. Their intentions are now crystal clear: Kill as many Americans as possible and bring a lot of psychological trauma on the American people. I do not doubt for a second they will strike again when they think the time is right. If they do not, we will be lucky, but if we do not plan on it, we will be stupid.

We must not allow American citizens to live with constant fear that moment will come again. This is a threat to our way of life. As Americans, we cannot accept that threat to our way of life. The terrorist threat must be eliminated.

President Bush is doing everything possible to restore and maintain our security at home and to win the war on terrorism abroad. The war on terrorism will not come cheaply. We must all accept that. Right now we have no choice. So I am not going to quibble with the details of the Department of Defense budget and the recommendations from the Senate Budget Committee. Secretary Rumsfeld and the President have my support in the war against terror.

We ought to look at history and think in terms of other times the defense budget has been ramped up very quickly and the considerable amount of waste that accompanied it. The situation of the 1980s, when this last happened, obviously, was somewhat different from what the situation is today when we are in the midst of a war. Back then, we were in the cold war. There was some understanding we needed to do more, but in the process of not fighting a war and not having a demonstrated need that was as conclusive as this war on terrorism is now, there was an opportunity for waste.

I want to warn Secretary Rumsfeld about waste. Big budgets breed waste, and the Pentagon has shown a world class reputation for waste and mismanagement. It seems to be lurking in the shadows waiting for the Secretary

of Defense to open the money spigot. If he fails to keep a lid on waste, support for President Bush's defense buildup will evaporate quickly, particularly if there is a downturn in the war on terrorism where there is not quite as evident to the public at large of the need for the amount of money we are now appropriating when one might say the war is very active.

If this were to happen, the support for the defense buildup would evaporate and troops in the field would end up on the short end of the stick. If we do have this waste, this Senator will be on the Secretary's back.

A little piece of local history might help everyone in the Senate understand where I am coming from. Back in the early 1980s, at the height of the cold war, President Reagan launched a massive military buildup that was fiercely debated in the Senate for 3 or 4 years. I challenge my colleagues to understand this was a defining experience for me and it still shapes my thinking on defense. I was convinced almost from day 1 that President Reagan's defense Secretary, Cap Weinberger, was bent on throwing new sums of money at problems better solved by structural reform and real leadership. So joining a lot of my colleagues, we made an effort to stop it probably 2 or 3 years after we should have. As a conservative Republican, this was not easy for me to do but it was the right thing to do, and we should be prepared to watch how this money is spent in this ramp-up and be cognizant, watching for waste.

During this time in the early 1980s, I offered an amendment to freeze the defense budget. This was in the fiscal year 1986 budget resolution. My amendment was adopted May 2, 1985, by the slimmest of margins: 50 to 49. I think the Senate, by making that decision and through that act alone, threw a monkey wrench into the last big plan to ramp up the defense budget.

There was quite a case built for doing that at that particular time. Even though \$750 pliers, \$750 toilet seats, and \$7,000 coffee pots are not the reason for defense waste in its entirety, they are clear-cut examples that everybody understands.

Those examples helped make a case for the freezing of the defense budget. The spare parts horror stories were a turning point. They convinced many that the Pentagon defense buildup was a colossal taxpayer rip-off. It undermined the credibility of the planned defense buildup and it turned many into defense reformers, to watchdogging, digging into the waste, fraud, and abuse at the Pentagon.

I was at it that day, today, and I will be at it tomorrow. That is my warning to the people at the Defense Department, from Secretary Rumsfeld on down, and, in the process of spending more money, find a way to control waste.

Unfortunately, the Secretary has a major obstacle to overcome before getting waste under control. It is a simple

rule that you cannot begin to control waste until you know what things cost. You will never get a handle on the cost until the books of account are in order. Every shred of evidence I have examined over the years tells me that the books at the Defense Department are in shambles. The chief financial officer, Mr. Zakheim, knows exactly what I am talking about. I have had opportunities to discuss this with him.

The best barometer on the quality of bookkeeping at the Pentagon is the annual audit of financial statements. The results are dismal. There is over \$150 billion in financial actions for which there is no supporting documentation. Those are accumulative, over some years.

Criminals, quite frankly, could be tapping into the money pipeline at the Department of Defense. People there would never know it. During Secretary Rumsfeld's nomination hearing last year, he was grilled by the senior Senator from West Virginia about the very same problem. As a result of that exchange, Senator BYRD and I cosponsored a financial oversight initiative, section 1009 of the fiscal year 2002 Defense authorization bill.

Having accurate financial information at your fingertips is a key to controlling waste. And to do it right now, we don't have that tool. The Defense Department needs to get it. I believe they are working on getting it. I believe I can speak for Senator BYRD and for myself that we want to help the Defense Department get there. The Secretary has his work cut out. For starters, he is going to need a junkyard dog. Now that there is an inspector general in place, I believe that will help. With the Pentagon's money spigot wide open—once again in a way that nobody at this point is going to raise any questions because you only go to war to win a war or else you do not have any business going to war—the new inspector general has to be operating on a high state of alert.

A 3-year oversight investigation of the office of the inspector general tells me that is not the case today. That office has serious management problems. The new inspector general will need to clean house. We are obviously asking the Secretary to control waste, do it by cleaning up the books, get a handle on costs, and do not fritter away a golden opportunity to rebuild the Armed Forces.

Waste is a constant danger at the Pentagon. When we send military personnel into harm's way, we should all be confident they have what they need to get the job done. If we allow waste to spin out of control, our troops on the front lines will be the first to suffer; we will be back making the same cases as we did in the mid-1980s.

I believe there is some reason to think this Secretary of Defense, Mr. Rumsfeld, sees a need to overcome these problems more so than a lot of his predecessors. There are two reasons I say that. No. 1, 2 or 3 weeks ago I was