

President pro tempore of the Senate, Mr. STEVENS, quoted in yesterday's Fairbanks Daily News-Miner.

Senator STEVENS said: If the Senate filibuster stops the Defense bill, the legislation will be quickly modified and passed. There is no impact on military finances. If we lose, the distinguished Senator went on to say, we will reconstitute the conference and ANWR will be out.

That is the point. I appreciate the honesty of the interview with my friend from Alaska with this newspaper because that is the way it is. If we prevail, that is, those who oppose this being in the bill, on the point of order which will likely be on Wednesday, then the Defense bill goes forward. No one voting on this point of order will stop the Defense bill. No one voting for cloture will stop the Defense bill. This bill will go forward. There is a continuing resolution that takes us to the end of the year, and we need not get that far. If, in fact, we have a majority of the Senators who vote on this point of order and it prevails, then the bill will go forward, just as the Senator from Alaska said yesterday in the Fairbanks newspaper.

So I would hope that there would come a time—we could go home today. We could be finished today. The Senator from Alaska knows he has the votes to do what he did on reconciliation again. As soon as the new session of this Congress convenes, we could take this out and goodwill would prevail. We would go home tonight, and we would be home 4 or 5 days before Christmas.

Mr. STEVENS. Will the Senator yield?

Mr. REID. I am happy to yield.

Mr. STEVENS. I agree. I agree with the statement the Senator read. I think that is true. I am not accusing anyone of delay. I would be happy to have a time agreement on the conference report, and I would be happy to have a time agreement on any type of point of order or motion to be raised on the conference report. I will be glad to have a vote on the conference report by voice vote if it passes. I am anxious to let people get home. I will be happy to get time agreements, and I do believe if we lose we can go back to conference and protect the Department of Defense.

I am not accusing anyone of harming the Department of Defense. I am urging people to think about national defense.

Would the Senator agree to any type of time agreement?

Mr. REID. I will be happy to consider anything that is reasonable. I am sure there are things we can do.

Mr. STEVENS. Good.

Mr. REID. One of the things I think would be appropriate, the way I understand things now, if everything is here by midnight tonight and cloture is filed, there will be a Wednesday cloture vote. After that Wednesday cloture vote, there will be a vote on this point of order. That would be Wednesday.

If it is necessary that there be cloture invoked on the Defense authorization bill—and I am not sure that is necessary, but it is possible—the two cloture votes would be back to back.

So I would be happy to consider working out some reasonable time agreement. Maybe we could even have the vote on the point of order first.

Mr. STEVENS. I thank the Senator. I think that is the way to go.

The ACTING PRESIDENT pro tempore. The Senator from Washington.

THE ALASKA WILDLIFE REFUGE

Ms. CANTWELL. Madam President, I rise to raise my concerns about this process and the unbelievable avenues through which this legislation is coming before us, just to try to open up the Arctic National Wildlife Refuge for oil drilling.

As my colleagues have just been discussing on the floor, these are priorities, for Congress to pass the DOD appropriations bill and the DOD authorization bill. As this Senator sees it, we could wrap up this business today and go home. But because a provision in this legislation coming over from the House opens up drilling in the Arctic National Wildlife Refuge, you bet there are Members on this side of the aisle—Members on both sides of the aisle in the House and Senate—who have great concerns over this measure.

As one Senator who would like to wrap up the year today and go home and spend time with my family, I know there are the prospects of us staying here to fight for something we believe in. It is very clear that we could go home today if the Senator from Alaska would agree to take this language out of the bill. So, in fact, this process is being held up over the fact that he has inserted a controversial measure into this legislation. It is such a controversial measure that House Democrats and Republicans refused to vote on a budget bill while it still remained in the legislation. That gives you some idea of how controversial it is. In fact, they took it out of the budget bill because they could not get the budget bill passed with it in there.

Now my colleague wants to say that somehow he is not holding up the process when it is very clear that he is holding up the process. We could all go home today instead of arguing over something that has been argued over for 25 years. There is a reason we have been arguing over it for 25 years, and that is because there has been great division over this issue.

The notion that this is about national security is unbelievable to me. To me, what national security is really about is passing a clean DOD appropriations bill that gives resources to our troops. In fact, we should give the military in Iraq the ability to do a better job protecting the security and infrastructure of the pipeline there. We lose 800,000 barrels a day of oil in Iraq that could be part of helping the Iraqi

government get on its feet and the rest of the world energy markets stabilize. But this ANWR measure is holding up a DOD bill instead of giving the military all the resources they need. We are not talking about an oil supply 10 years from now; we are talking about something we should be doing today in terms of securing existing infrastructure. We should strip this ANWR language out and pass this bill.

I understand the Senator from Alaska thinks this ANWR provision is in the interest of some, because I think it is in Alaska's interest. In 2005, petroleum counted for 86 percent of the State of Alaska's general revenues—86 percent of their State revenues. In fact, according to a published article, State officials expect that at least until 2013, 74 percent of Alaska's general purpose revenues will come from oil revenues. So I get why the State of Alaska cares so much. In fact, CBO recently calculated that Alaska will get \$5 billion in revenue from this legislation if it is passed. Of course Alaska cares about this. Of course Alaska would hold up the legislative process and keep us here extra days to get this bill passed and get ANWR in by hook or crook, any possible way. Of course they would.

But don't say that this is in the national interest. What is in the national interest of our country is to get over our overdependence on foreign oil. We need to start doing that now, as well as get off of our overdependence on domestic oil and fossil fuels in general. Instead of implementing this Arctic drilling program, we ought to be implementing policies that help us diversify and move forward, so people can have affordable energy rates in this country and not be held hostage by these special interests.

It is another thing to say, somehow, this legislation has arrived here through a clean process. The fact is you would basically have to overrule the Parliamentarian—which is our judge here. It is basically like going to a Federal court, having a judge rule on something, then when the judge rules on it voting to overturn them, and then a few minutes later reinstating the rule. If that isn't a quick fix around the legislative process here, I don't know what is. But this whole ANWR measure, trying to get it on any piece of legislation that is moving, has been exactly that—every attempt to make the process go without adhering to the rules.

The fact is this legislation comes to us and basically takes away about seven different laws that would otherwise apply to drilling in the Arctic. It really is—it is a free ride, a back door that circumvents seven different Federal laws and countless regulations that have been on the books for years. So this is not just passing ANWR; this is basically giving the oil companies a sweetheart deal around Federal laws and regulations that no other company has ever gotten. I guarantee, Scoop Jackson would roll over in his grave.

There is no way Scoop Jackson would support drilling in the Arctic Wildlife Refuge when you are overturning a law, the National Environmental Policy Act, that he wrote. So you can mention Scoop Jackson's name a thousand times, there is no way he would support this process.

Did you ever ask yourself why he didn't just authorize it to begin with? I think he knew exactly what he was doing. He wanted further review, and he certainly wanted environmental laws to apply. But, no, this legislation basically overrides the environmental statutes. It creates ill-defined environmental standards. It has a waiver for the lease and sale of land and cuts off the Secretary's ability to protect environmentally sensitive areas, and it allows the Secretary to lease an unlimited amount of coastal plain. It takes a weak reclamation standard and basically hamstring the Federal agencies that are supposed to do their job when it comes to protecting federal lands.

Maybe it is no surprise that, after trying to stick this on the budget bill, having both Democrats and Republicans in the House defeat it, now there is an effort to try to stick it on the DOD appropriations bill.

In this Senator's opinion, this is nothing more than legislative blackmail, to try to get colleagues to vote for something because it is a must-pass bill. That's because, in fact, the proponents of this measure know that there is great opposition to this process and to drilling in the Arctic. I know the Senator from Alaska said in the Fairbanks paper that he was not going to hold up the process. But newspapers across the country know exactly what is going on. In fact, the Oregonian just said a few days ago:

Arctic drilling has been thrown in with the defense bill and the emotionally charged matter of supporting American troops at a time of war. It does not belong there, something that ought to be obvious to all but the most cynical members of Congress.

All but the most cynical Members of Congress should see that this is obvious.

We actually had a letter from military leaders, military leaders in our country, raising the same concern:

... any effort to attach controversial legislative language authorizing drilling to the Defense appropriations conference report will jeopardize Congress' ability to provide our troops and their families the resources they need in a timely fashion.

That is coming from General Zinni and many others who wrote to us saying, don't do this. This is crazy. We want to get about the process of getting a DOD bill passed.

The New Hampshire newspaper said:

He has threatened to attach the provision to the Hurricane Katrina relief bill or to the defense appropriations bill, a cynical ploy. . . .

Trying to attach this, basically, should be rejected. Both approaches should be rejected.

Even my newspaper in Seattle called this, "dubious congressional standards

of fair play," because they know that this situation is one in which any legislative rule will be thrown out, just to pass drilling in ANWR.

We know that this issue is not without controversy. We know the oil spills of the past are raising great concerns for people. If they have raised so many great concerns for us, why would we give a blanket pass to drilling in ANWR and overthrow those Federal rules and regulations that apply everywhere else? Why should we go to the extent of trying to attach it to a bill that has to pass, knowing that you are going to ask Members to overrule the Parliamentarian and then, after you basically have tried to overrule him, then go back and say the Parliamentarian was right?

How far are we willing to go? How many rules are we willing to break in this process just to get a small amount of oil 10 years from now?

What the American people want is for us to do our job and send money to the troops and get them home. They do not want to sit and watch us stay here for 3 or 4 more days to continue to complain about this process. What they want us to do is pass legislation that gives the troops the support they need. Let us give the troops the money they need to make sure that 800,000 barrels a day are protected right now. Let's do a better job of making sure we're making the right infrastructure investments, which will help everybody. Let's make sure that gets done.

But this Senator still remains in opposition to drilling in the Arctic National Wildlife Refuge, because you can't tell me that 5,504 spills on an annual basis in the North Slope since 1996 is a good track record. You just can't tell me that all those oil spills in the Prudhoe Bay area and near the Trans-Alaska Pipeline constitute a good enough track record to now say you can open up drilling in an Arctic wildlife refuge and have no impact. Last year, those spills totaled more than 1.9 million gallons of toxic substance, mostly crude oil and diesel.

We know where this is heading. We know where it is heading with no great result for the United States. We are not going to see any oil for a long time. It is a time in which the United States should be making an investment in diversifying off of our dependence on oil instead, and supporting our troops.

This Senator plans to talk a long time about this issue. This Senator knows that we could be going home today, having finished our work, having a session that is ended, having Members back at home talking to their constituents and having the troops realize that we didn't play politics with their legislation.

I hope we will get about doing business here today and closing this legislative session. That's what we should be doing instead of figuring out what three or four other rules in the process need to be broken just to try to pass ill-conceived legislation that we have

been battling over for 25 years. Let us not hold the troops' money hostage. Let's pass this legislation in a clean fashion and get home to our families.

I yield the floor.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DORGAN. Madam President, my colleague from the State of Washington just discussed an issue that is going to be a recontested issue this week; that is, drilling in ANWR and an amendment that allows the drilling in ANWR in Alaska attached to the DOD appropriations bill.

I was a member of the conference committee that met yesterday starting at noon. I believe we finished close to 5 o'clock yesterday afternoon. We had a pretty aggressive and contentious discussion about this issue.

I just want to say that while I believe we need to produce more energy, I supported the Energy bill. I was a member of the Energy Committee and am proud to support the Energy bill. It does mean that we need to produce more oil, coal, and natural gas; produce more renewable forms of energy; move toward a different energy construct, such as hydro and fuel cells; have more efficiency and conservation. I support all of that.

But I said then, and I believe now that opening the most pristine area of our country that has been set aside ought to be a last resort, not a first resort. Deciding to open that now and getting oil from it 10 years from now makes precious little sense to me especially when there are alternatives. But even more importantly, adding this controversial issue to the Defense appropriations conference report that is going to come to the Senate really makes no sense at all. It adds a very controversial provision to a bill that basically is to fund the actions of the Defense Department and support our troops. I do not, for the life of me, understand why this is being done.

In order for this to be accomplished, there will have to be a debate in this Chamber. When the conference report comes to the floor of the Senate, which I assume is going to be Wednesday, the debate will ensue, and those who oppose adding this unrelated, extraneous, highly controversial issue to the Defense appropriations bill will make a point of order that it violates the rules of the Senate, and it does. There is no question about that. This is violative of rule XXVIII of the Senate. My guess is, from what I hear, the proponents of doing this will then, after the Parliamentarian and the Chair would rule that this violates rule XXVIII of the Senate, ask that the ruling be overturned and have a vote on appealing

the ruling of the Chair—in effect, changing the rules of the Senate in the middle in order to accomplish doing something that otherwise would violate the rules of the Senate.

Well, they are going to do that the Wednesday before Christmas, do it on a Defense appropriations bill. I, for the life of me, do not understand how they think that is justifiable. But as I indicated, it will be controversial and difficult this week as we go through this.

One of my colleagues who is pursuing this says he has a right to pursue it. Right; indeed, he does. He has a right to pursue it, but it will require, in my judgment, the violation of the rules of the Senate, and therefore the changing of the rules of the Senate in the middle of this process. Doing it not only upholds his right but violates the rights of others in the Senate, in my judgment. It abrogates other rights that exist in the Senate.

I know this is all inside baseball to a lot of people, and foreign language to people if they do not understand the rules of the Senate, but rules are rules. There are rules established for the way the Senate works for a very good purpose. If, in this circumstance, we decide that in this conference we can take anything, totally unrelated, anything, and stick it on this conference report, bring it to the well of the Senate in a way that is violative of the rules, but then simply by majority vote decide to appeal the ruling of the Chair, it violates the rules and changes the rules and changes them back in a minute. There is kind of an arrogance there that, in my judgment, does not befit the Senate. We will have that discussion at some point later.

I wanted to say that I also was a member of the conference yesterday in which we discussed the issue of Katrina relief; that is, relief for Hurricanes Katrina and Rita that hit the gulf coast. I said the Senator from Mississippi, Mr. COCHRAN, who comes from that region and who has pushed very hard to represent the gulf region in a very substantial way has been successful in doing that.

DISASTER RELIEF

The one piece that yesterday bothered me, and I indicated so and offered an amendment on it, was a piece that the Senate had, with the leadership of Senator COCHRAN, previously represented to the House of Representatives, and that was there are many farmers who were devastated by these hurricanes in the gulf. These hurricanes came rushing through and destroyed all the crops, and farmers were devastated. So there is about \$404 million in the disaster package that will help those farmers in the gulf.

The point I made was—and I know the Senator from Mississippi had previously supported this point because the Senate position was that we should provide disaster relief not just for those farmers in the gulf—they, in fact, should have disaster relief, but there are others in this country who had

weather-related disasters, and they ought to, as well, be people who would be eligible for disaster assistance.

In my State, for example, torrential rains in the spring meant that 1 million acres of land were not planted, a million acres were not able to be planted. If you are a farmer and your acreage is in that million acres, you are done. You are in huge trouble. So they ought to also qualify for disaster aid. I offered the amendment yesterday afternoon to add the \$1.6 billion to the package that would have allowed us to be fair to all of the rest of the farmers in this country who have been hit with weather-related disasters, and the Senate conferees passed my amendment. We sent it to the House conferees, and they rejected the amendment. So now we have a circumstance where there is no disaster relief for those who have been hit by this disaster and weather-related disasters in other parts of the country.

Family farming is probably easy for some to forget, but family farming is very important to our country. These are families who live out under the yard light, in many cases far from town working to try to make a living against all the odds, against the potential of a grain market collapsing, against the odds that there may be disease in their crops or hail or too much rain or too little rain, all kinds of natural disasters. And we, generally speaking, reached out to those family farmers to say we want to help you because we want to be able to keep family farms on the land in this country.

Yesterday's action by which the House of Representatives rejected that aid, the disaster assistance, is, in my judgment, a huge mistake. We have had severe drought in Illinois, Missouri, parts of Iowa, and other States. As I indicated, we had torrential rains in some disaster areas in my State earlier this year, and there are other parts of the country in which family farmers suffered the same fate. I think it is wrong for this Congress to decide that some will get assistance and others will not, if all have—in terms of the groups who would be affected, if all of them were affected by weather-related disasters. I just think that is wrong.

The House of Representatives rejected that because they said the \$1.6 billion was above the agreement, and the President and the White House would not support it.

I want to just talk a little about our fiscal priorities. Because something is seriously wrong here.

Last year, we had a provision in this Chamber that provided a very significant tax cut, and it was a tax cut for the largest corporations in our country.

I objected to it, standing at this desk, but it got through the Congress, and it is now law. I want to talk about that tax cut just for a minute because it is not just on the order of \$1.6 billion we could have used to help family farmers struggle through a tough time,

it is about a \$60 billion tax cut to the biggest corporations in our country. It was something that had nothing to do with the substance of the bill. It was called the JOBS Act that was run through the Congress, the JOBS Act.

Presumably, it was titled the JOBS Act because those who offered it said it would create new jobs.

In fact, I will read a couple of comments from my colleagues. One of my colleagues says the idea is for 1 year to reduce the tax burden and bring those profits back into this country, to invest them in ways that help your business, and this creates new jobs.

Another of my colleagues said, well, this is insourcing. This insources jobs to the United States. This will create a lot of jobs in the United States.

Another of my colleagues said if you are interested in creating jobs, it has been estimated on a conservative basis this proposal will create 660,000 jobs.

What was this tax proposal? It was to say to the largest corporations in this country, do business here and overseas, if you have earned income overseas, at some point you expect to bring that income back to this country to your headquarters and to your stockholders, and when you do that you would be paying corporate income taxes.

We have a corporate income tax rate of 35 percent, and when you repatriate earnings, as they call it, from your overseas operation, you pay income taxes in this country.

But there is a special little deal that has been in law for decades and decades—in fact, the first person who tried to get rid of this special deal was John F. Kennedy. That tells you how long it has been there. It is called deferral. Do business overseas, move your plant, move your jobs, do business overseas and, by the way, you get a tax break. You don't have to pay taxes on those earnings from overseas until you bring them back to this country. So that has been around for a long time.

That tax break anticipates, though, at some point, even though you can defer paying taxes, you are going to have to bring the profits back when you do business overseas, and you are going to have to pay taxes in this country on those profits. It would be at the corporate tax rate of 35 percent, except a year ago this Congress said the following: We would like to create a great, big old dessert tray for the biggest corporations in the country. When you bring your profits back in the next year, we will tax them at 5.25 percent—no, not 35 percent, 5.25 percent.

Do people around this country have that right? Is there a Johnson or an Olson family, that brings their profits back or pays income tax at a 5.25-percent tax rate? No, no, no. Real people pay taxes at rates far in excess of 5.25 percent. But now some of the biggest corporations in the country are repatriating profits to this country and paying 5.25 percent in income taxes—5.25 percent, a fraction of what the lowest income people in this country are

paying. And, oh, by the way, they are also cutting jobs at the same time.

Now, let me just show a picture of a building in the Cayman Islands because it is part of the puzzle. This is a picture of a building in the Cayman Islands. This is a five-story building on Church Street in the Cayman Islands. It is called the Uglund House. This five-story white building on Church Street is the official address for 12,748 corporations.

Now, you may ask, how can that be? It is just an address. It does not mean anything. All it means is they set up an address in the Cayman Islands so they can run their profits through the Cayman Islands and avoid paying taxes in the United States.

Madam President, 12,748 companies run income through this building in the Cayman Islands. It is just an address.

Now, the folks who push this bill on the floor of the Senate, that has now cut taxes by \$60 billion—\$60 billion it costs this country in lost tax revenue from the biggest corporations in the country that are now repatriating income at tax rates that are a fraction of what every other American pays—those folks said this is going to create jobs. Well, really? Let's just look at that. I will just give you a couple examples. I could bring over a lot of charts.

Hewlett-Packard, they are bringing back \$14.5 billion they made overseas, and they are going to pay a 5.25-percent income tax rate. They also announced they are going to cut 14,500 jobs.

Motorola, \$4.4 billion they are bringing back in repatriated taxes, paying a 5.25-percent income tax rate. They are cutting jobs.

Colgate Palmolive, they are cutting jobs.

The list is pretty substantial, actually.

Merck Corporation is cutting jobs, and repatriating earnings.

So to my colleagues who are on the floor pointing out that if we just pass this \$60 billion tax cut, in 1 year—\$60 billion tax cut for the largest companies in our country that do business overseas—they would create more jobs at home, I wonder, now, how they will come to the floor of the Senate and answer the question: If you actually see the repatriation of about \$200 to \$220 billion, and companies using a substantial portion of that to buy back their stock, and other companies repatriating it and cutting jobs, how do you, then, justify having given a \$60 billion tax cut to the biggest corporations in this country? There will not be much of an answer to that.

I think of the quote from Will Rogers when I think of the wool that was pulled over the eyes of the Congress, or perhaps it was not. Perhaps the Congress is controlled by a majority who just find it important every day to get up to see how you can give big tax breaks to the biggest corporations or

the highest income earners. Perhaps that is just an advocacy that is now natural for those who control this Congress.

Will Rogers once said: It is not what they know that bothers me, it is what they say they know for sure that just ain't so. That is the case with this \$60 billion tax cut, in 1 year, that affects the largest corporations in this country.

Here are some of the editorials and notices about it. October 16 of this year:

It shouldn't escape Americans' attention that U.S. companies have disclosed plans to repatriate \$206 billion in foreign profits this year under a one-time tax break allowed by Congress on the grounds—you guessed it—that such a big tax break would ignite a strong spurt in job growth. The upshot, of course, is that no such job spurt appears to be materializing.

Some have even announced plans to cut operations and jobs. Colgate Palmolive repatriated \$800 million in foreign profits, planning to cut 4,450 jobs and a third of its plants over the next 4 years.

Interestingly,

Even the primary advocate for the special, one-time tax break, economist Allen Sinai, is now soft pedaling his prediction of 660,000 new jobs over 5 years. He now says the efficacy of the tax break will be hard to prove.

The Chicago Tribune, August 11: Motorola disclosed Wednesday it will bring \$4.4 billion in profits back under the controversial Federal tax law that was passed, and announced Wednesday it will cut 500 more workers than previously announced.

Hewlett-Packard is going to bring back \$14.5 billion. And, by the way, they get to pay at a 5.25-percent income tax rate. Wouldn't every American like to pay an income tax rate of 5.25 percent? But it is not so. Just the big shots do. They pay 5.25 percent, bring back \$14.5 billion, and lay off 14,500 workers. Almost perfect symmetry, isn't it? You bring back \$14.5 billion, pay a bottom-rate tax rate that nobody else gets, and you lay off 14,500 workers.

It is not only this technique that is bothering me but many others these days. There was a story recently in the Wall Street Journal about some of the largest technology corporations that are setting up buildings in other countries. This one is in Ireland. You set up a building in Ireland—a tiny little quiet building, on a quiet street, in Dublin, Ireland—and then move your intellectual property, programming, and software and so on to a wholly-owned subsidiary in that country, and then license it back in other countries where you are selling it, and run billions of dollars—billions of dollars—through that little address in Ireland.

What is the purpose of that? Avoiding taxes. So you do not have to pay taxes. In this case, one of the companies avoided paying \$500 million a year in taxes to the U.S. Government by moving its software to Ireland, running the licensing through Ireland, and essentially moving taxes and income away from the U.S. Government.

The question is, When will this stop? We are up to our neck in debt. We have very substantial Federal deficits, the largest trade deficits in history, and we have corporations in this country that have decided they want all the advantages America has to offer. But they do not want the responsibilities to pay taxes. And they have friends in this Congress who will say: Oh, by the way, if you do pay, we will give you a special discount rate, one of these blue light specials. Regular folks are going to pay 20 percent, 30 percent, 35 percent, 36 percent, but, no, you get to pay 5.25 percent.

I think it was Tom Paxton who used to sing that song "I'm changing my name to Poland," after Poland got a Government loan some years ago. Perhaps there are American families who might want to change their name to Hewlett-Packard or Motorola or Merck. Perhaps American families would like to pay a 5.25-percent income tax rate. And maybe American families would like to set up an address on Church Street in the Cayman Islands so they can run their income through the Cayman Islands and avoid paying taxes. But maybe not.

Most American families say the Pledge of Allegiance, believe in this country and its promise, understand we have things to do together. We have a Defense Department to fund. We build roads. We have the National Institutes of Health to fund. We do so many things together in Government. We educate our kids. We have security on the streets in the form of law enforcement.

Maybe most Americans know that is what we do together, and the responsibility is to pay taxes. Do we like it? Not necessarily. Do we understand it? Sure. But not everybody apparently understands it, because some decide to run their business through this five-story building for the purpose of avoiding taxes.

Our domestic individual tax rates are 10 percent, 15 percent, 25, 28, 33, and 35. Those are the tax rates for individuals who file individual tax returns. There is only one tax rate I know of that is lower than that, and that is the tax rate the largest corporations will pay when they bring \$220 billion back that this repatriation provision allows. So they will pay half the rate of the lowest rate the lowest income Americans will pay. That is unbelievable. It was pushed through this Congress with the promise that it would produce more jobs.

Most of us said that is nonsense. We knew it wasn't going to happen. But it was pushed through the Congress. At this desk right here, Senator Fritz Hollings—now not in the Senate; he retired—offered the amendment to strip this provision out of that tax bill. Those who wanted this provision would hear none of it. They wanted it. They got it. So now we have some of the highest income enterprises in the world paying a 5¼-percent tax rate on the repatriation of profits.

When I mentioned the building on Church Street in the Cayman Islands, Senator LEVIN and I had the General Accounting Office do an evaluation of who is running operations through these tax haven countries. Fifty-nine of the 100 largest publicly traded Federal contractors—companies that contract with the Federal Government, that have tens of billions of dollars in contracts with the Federal Government—had established hundreds of subsidiaries in overseas tax havens. In other words, they want to do business with the Federal Government, make income from doing so, but want to run it through tax subsidiaries in tax havens to not pay taxes to the Federal Government. It is unbelievable.

The point is, we sat yesterday in conference discussions for 4 hours and talked about all kinds of funding issues. There wasn't \$1.6 billion to help family farmers through tough times, but there was \$60 billion this year given to the largest corporations to repatriate their profits with the promise that they would produce new jobs. The fact is, those jobs don't exist. This was an unforgivable gift, a giveaway that made no sense. It is one more example of doing the wrong thing at the wrong time and pledging that somehow it is going to help advance the interests of our country.

A man named Uwe Reinhardt from Princeton University probably captures all of this best in terms of priorities, warped priorities, wrong priorities. In a piece he had written talking about tax cuts and health insurance, he wrote a memo at the start of it: Dear God, we had to decide between health insurance and a tax cut, and we took all the money as a tax cut. We hope that pleases you. A grateful nation.

This is, after all, about priorities, what makes our country stronger, what improves our country. We have a very substantial Federal budget deficit. Yet we will now, I believe this week, see the reconciliation bill with additional tax cuts that will substantially benefit upper income people. On top of the Federal budget deficit, we will see additional tax cuts benefiting upper income people. We have a substantial trade deficit, well over \$700 billion a year, and a huge movement of American jobs overseas, especially to China. Any worry about that? Not much. You can't find much around here. I have spoken at length about it. We actually have the incentive, the perverse, obscene incentive that says to a company today, on Monday, anywhere in this country: If you fire your workers, put a padlock on the front door of your manufacturing plant and move the whole thing to China and hire Chinese workers, we will give you a deal. You get yourself a tax break.

That is unbelievable, but it is in the law. Get rid of your manufacturing workers. Shut down your American plant. Move the jobs to China, Indonesia, Sri Lanka, Bangladesh, we will give you a tax break.

We have tried four times to shut down that tax break, and unbelievably, there is a majority of Senators who believe that tax break should continue to exist, a tax break that says: On tipping the balance, we believe we ought to provide incentives to move American jobs elsewhere, get rid of American jobs in search of 30-cent labor with 1 billion people around the world who are willing to work that way and companies who are interested in finding places where you can hire people for 30 cents an hour. You can dump the chemicals into the rivers and the air. And by the way, you don't have to have a safe work plant. And importantly, if somebody tries to organize because they don't like the working conditions, you can fire them. In some countries, they will put them in jail for you.

We say: Want to get rid of your American workers, want to find cheaper labor someplace, get rid of all the encumbrances? We will give you a tax break if you want to do it.

That is unbelievable, but it is part and parcel of this whole story about a five-story building with 12,748 companies calling it home for the purpose of getting a tax break by running income through the Cayman Islands. Once again, companies that want all of the opportunities that come with being American but seem to want to avoid some of the significant responsibilities; that is, to pay taxes to support this Government.

We will, in the next 24 or 48 hours plus, have a robust and aggressive debate on the issue of attaching ANWR to the Defense appropriations bill. When that occurs—I assume on Wednesday—my hope is we will come to the right solution. The right solution is to pass legislation that will fund the troops, fund the needs of the Defense Department. We have considered and will consider the issue of ANWR in the future. There are other mechanics and other approaches by which that should be considered and will be considered in the Congress. I believe this is an inappropriate approach. I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Alaska.

DEFENSE APPROPRIATIONS

Mr. STEVENS. Madam President, when I spoke earlier this morning, I failed to make the comment that there are many provisions in the conference report that are beyond the scope of the original Defense appropriations bill and would be subject to rule XXVIII. For instance, the hurricane supplemental; we have \$29 billion for hurricane victims, including funding for education expenses, housing, and reconstruction efforts. That was not in the bill as it came out of either House. We have the Gulf Coast Recovery Fund. This provides short and long-term funding for Louisiana, Mississippi, Alabama, Texas, and Florida. Where from? From revenues from the approval of

ANWR and from revenues from the approval in the reconciliation bill of the sale of spectrum when the transition takes place between analog and digital broadcasting.

Those are predictable funds. They are currently not scored, but they are moneys that, when they do come in, will be held in the Treasury to help those people in the gulf coast who need assistance.

There are also provisions in the bill concerning liability with regard to the manufacture of vaccines for avian flu. The basic bill had a provision dealing with the provision of money for research on avian flu, but now the conference report before us ensures that the production of avian flu vaccines will be available in the United States. Without this liability provision, we cannot assure that a sufficient supply of vaccines to protect us against a flu pandemic would be available.

Our American industry moved overseas. Why? Because of decisions concerning liability. In this bill is a provision authored by many Senators and Members of the House that deals with adding to the money that we provide in the Senate version of the Defense appropriations bill, the provisions regarding liability and compensation being authorized on an emergency basis, if it is ever needed. God help us it will ever be needed.

The avian flu pandemic is a real possibility now. I think it is one of the great fears of those who are involved in medicine, and I think our majority leader is one of the leaders in trying to develop a program to prevent that pandemic, if it hits the United States, from being like the pandemic flu in the early 1900s and what it did not only to the United States but the world.

In addition to that, there is real money in this bill for home energy assistance, the so-called LIHEAP program. There is \$2 billion for home heating assistance.

In addition to that, we provide 5 percent from the ANWR revenues to the Federal Government to provide a long-term funding stream to deal with the problems related to increasing fuel prices and its effect on those people who need assistance to provide heating for their homes.

We also have in the bill provisions regarding interoperable communications equipment. All of us have been trying to prepare those people, called first responders, to have the equipment necessary to carry out their work. There is money in this bill for equipment grants to State and local governments to assure that first responders can communicate during national disasters and terrorist attacks.

We also have—again, there is not any other provision in either the House or Senate bill—we have emergency preparedness grants. We have money to give all State emergency preparedness people grants, and these grants are based upon population and risk. It is a fair distribution of these grants. Some