any lesson for us, it is that a nation's well-being is determined by what it produces, not by how much it consumes.

ALTAR OF FREE AND UNFETTERED TRADE

While technologies always present new opportunities and challenges, globalism is not a new idea. It was born around the time of Columbus, and most of world politics has been about how to control it ever since. Past and present administrations in Washington seem to think globalization is something new for which the lessons of history are irrelevant.

George Santayana is quoted as saying, ''Those who can't remember the past are condemned to repeat it.''

A Spanish leader in 1675 bragged about Spain's trade deficit, asserting ''all the world's manufacturing serves her and she serves nobody.'' However, when its gold and silver ran out, Spain found that its industrial development had withered; it had only debts to show for its orgy of manufactured imports and consumption. That Spanish empire collapsed, and those countries who had expanded their manufacturing capabilities by selling to Spain were the new world powers.

Thus it also was with the later demise of the Dutch empire and subsequently the great British Empire, ''upon which the sun never set.''

Beguiled by the siren songs of banking, insurance, shipping and services, they ultimately surrendered their world pre-eminence as nations. The Spanish, Dutch and British had all neglected their nations' manufacturing bases.

Could this happen to the U.S.A.? Or more to the point, is it happening?

I believe the process is already under way, and if we continue sacrificing our manufacturing base on the altar of free and unfettered trade, we will go the way of others.

I believe it is happening because our leaders in Washington remain unconcerned about our near three trillion dollars of accumulated debt flowing from the dramatic growth of our adverse balance of trade. In the span of the last dozen years, we have gone from being the world's largest creditor nation to being its largest debtor nation. And no end and no limits are in sight. . . .

Lester Thurow, of MIT fame, in his book ''The Future of Capitalism'' (1996) said: ''If there is one rule of international economics, it is that no country can run a large trade deficit forever. Trade deficits need to be financed, and it is simply impossible to borrow enough to keep up with the compound interest. Yet all the world trade, especially that on the Pacific Rim, depends upon most of this world being able to run trade surpluses with the United States that will allow them to pay for their trade deficits with Japan. When the lending to America stops, and it will stop, what happens to current world trade flows?''

BANKRUPTING RACE TO THE BOTTOM

I believe that in a world where the American standard of living, as well as power, is being daily challenged, our political leaders in Washington must defend the economic base upon which Americans depend for their security and their livelihoods.

Our leaders cannot expect to keep the public trust if they abdicate their responsibilities to the electorate by making decisions to placate bankers and Wall Street-pressured corporate managers who exhibit diminishing national concerns.

Everyone forgets that when Adam Smith called his seminal work on economics ''The Wealth of Nations,'' he was arguing against the notion that trade was the source of national wealth when, to the contrary, he was arguing that domestic manufacturing was the true source of national wealth.

In his hierarchy of economic activity, agriculture came first because of the need to feed the people; a strong domestic manufacturing base was second as the core of national growth; trade was rated third in importance, and was to be used only to acquire resources or luxuries not available at home.

Smith understood that those nations who focus on trade to the neglect of domestic manufacturing industry may be enriching themselves but may also be doing the country great harm.

''The beginning of wisdom on trade, and indeed all economic policy, is to understand that the purposes of a national economy are to enrich all its people, to strengthen its families, its communities and thereby stabilize society. The economy should serve us, not the other way around.''

My friend the late Sir James Goldsmith understood this imperative. He also understood that the U.S. economy—and the world economy itself—cannot be returned to a sustainable course unless we redress the recent massive global imbalances between consumption and growing overproduction. He recognized that only one basic approach to globalization could accomplish this goal.

He proposed that the United States make clear to its trading partners, and its own multinational companies, that if their products are to be sold in the United States, they must be made substantially in the United States.

As Sir James argued: ''America should use its matchless market power to ensure that foreign and American corporations become good corporate citizens of the United States. They should bring us their capital and their technologies and invest in the U.S.A. This would require them to hire workers in the U.S., pay American wages, pay U.S. taxes, preserve the environment, ensure human rights, and compete on the level playing field that does exist among the 50 states. . . .''

They should be reminded that since the American market is by far the most important in the world, entry is not a right, but a privilege. In other words, there should be a price and a reward for doing business in the United States—making meaningful, long-term contributions to America's continued security and prosperity, and preserving the global environment.

Only then can we make sure we are engaging our people in a race to the top, in living standards; economic stability; quality of life; and personal security—not in a bankrupting race to the bottom. . . .

ORDER OF BUSINESS

The PRESIDING OFFICER (Ms. CANTWELL). The Senator from Nevada.

Mr. REID. Madam President, just for purposes of making an announcement, there have been a number of Senators who have contacted Senator DASCHLE and myself asking about next week's schedule. We will have a Tuesday morning vote. So everyone should understand that.

The PRESIDING OFFICER. The Senator from Illinois.

THE AVIATION SECURITY BILL

Mr. DURBIN. First, Madam President, I ask unanimous consent to be added as a cosponsor of S. 1447, the Aviation Security Act.

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

AFTER SEPTEMBER 11

Mr. DURBIN. Madam President, since September 11 there has been such a flood of emotions in America over the events of that day. I think all of us have been transformed by the experience and transformed by some of our fellow Americans and what they have said and what they have done.

Some of the things that have been written are extraordinary. In just one moment, I am going to submit for the RECORD one that I think is exceptional, a piece from the BusinessWeek magazine of October 1, 2001, by a writer named Bruce Nussbaum entitled, ''Real Masters Of The Universe.'' I will not read the entire article, but I will submit it for the RECORD. I would like to quote a few sentences from it. He said some things with which I agree and I think help to put our experience into some perspective:

A subtle shift in the American zeitgeist took place on Sept. 11. It's hard to define, and it may not last. But on the day of the World Trade Center cataclysm, the country changed. Big, beefy working-class guys became heroes once again, replacing the telegenic financial analysts and techno-billionaires who once had held the Nation in thrall. Uniforms and public service became ''in.'' Real sacrifice and real courage were on graphic display.

Maybe it was the class reversals that were so revealing. Men and women making 40 grand a year working for the city responding—risking their own lives—to save investment bankers and traders making 10 times that amount. And dying by the hundreds for their effort. The image of self-sacrifice by civil servants in uniform was simply breathtaking.

For Americans conditioned in the '90s to think of oneself first, to be rich above all else, to accumulate all the good material things, to take safety and security for granted, this was a new reality. So was the contrast of genuine bravery to the faux values of reality TV shows such as Survivor.

He concludes:

Tragedy has the power to transform us. But rarely is the transformation permanent. People and societies revert back to the norm. But what is the ''norm'' for America? Where are this nation's true values? Have we stripped too much away in recent years in order to make us lean and mean for the race to riches? It is hard to look at the images of the World Trade Center rescue again and again. At least once, however, we should look at what the rescuers are teaching us, about what matters—and who.

Madam President, I ask unanimous consent this article be printed in the RECORD.

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

[From Business Week, Oct. 1, 2001]

REAL MASTERS OF THE UNIVERSE

(By Bruce Nussbaum)

A subtle shift in the American zeitgeist took place on Sept. 11. It's hard to define, and it may not last. But on the day of the World Trade Center cataclysm, the country changed. Big, beefy working-class guys became heroes once again, replacing the telegenic financial analysts and techno-billionaires who once had held the nation in thrall. Uniforms and public service became ''in.'' Real sacrifice and real courage were on graphic display.

Maybe it was the class reversals that were so revealing. Men and women making 40 grand a year working for the city responding—risking their own lives—to save investment bankers and traders making 10 times that amount. And dying by the hundreds for the effort. The image of self-sacrifice by civil servants in uniform was simply breathtaking.

For Americans conditioned in the '90s to think of oneself first, to be rich above all else, to accumulate all the good material things, to take safety and security for granted, this was a new reality. So was the contrast of genuine bravery to the faux values of reality TV shows such as Survivor.

SEA OF FLAGS

Noteworthy, too, was America's quick return to family, community, church, and patriotism in the aftermath of the tragedy. People became polite and generous to one another without prodding. On that day and the days that followed, they told their wives and husbands and children and parents and significant others they loved them. And the flags, the sea of flags that appeared out of nowhere and spread everywhere, worn by business-suited managers and eyebrow-pierced, tattooed teenagers. As if by magic, city taxicabs, building canopies, and nearly every truck in sight were flying flags.

The offerings of food, money, and blood were overwhelming. The generosity was unsurpassed in our memories. But the manner in which perfect strangers went out of their way to help one another in all kinds of situations was most amazing. To the surprise of its residents, New York became a small-town community. The day-to-day antagonisms among the citizenry melted away.

The rush to church, synagogue, and, yes, mosque was equally unusual. People returned to their religious ceremonies and congregations in huge numbers for support and guidance. The overflow at the doors demonstrated that many who had not visited in years showed up to participate in the familiar and comforting liturgies of their childhoods. They joined with their neighbors in mourning.

LESSONS TAUGHT

It was, for a moment, an old America peeking out from behind the new, me-now America. We saw a glimpse of a country of shared values, not competing interest groups; of common cause, not hateful opposition. There were a few exceptions: Jerry Falwell declaring we brought the death and destruction down on ourselves because of homosexuality, abortion, and the American Civil Liberties Union. A silly, stupid comment to be dismissed in light of the comity of the day—but an extremist remark nonetheless made in the name of God. How sad.

Tragedy has the power to transform us. But rarely is the transformation permanent. People and societies revert back to the norm. But what is the ''norm'' for America? Where are this nation's true values? Have we stripped too much away in recent years in order to make us lean and mean for the race to riches? It is hard to look at the images of the World Trade Center rescue again and again. At least once, however, we should look at what the rescuers are teaching us, about what matters—and who.

Mr. DURBIN. I recall a few days after this tragedy making a telephone call to a friend of mine, a very successful business executive in Chicago, just to ask him how things were going. He said to me on the phone what this article said. He said: The roaring nineties are over. We are going into a new era.

As this article says, he believes it is an era that focuses on a lot of other things, whether it is family, community, and church, values that all of us hold dear, and certainly a new respect for this great Nation, which has been symbolized by the sea of flags that you see in every community across Illinois and across the Nation.

It is a time of testing for this country, and we will rise to that challenge, I am certain. We will count our friends.

Madam President, I would like to also make a part of the RECORD—I will ask for consent in a moment—one of the most amazing speeches that I have read. It is a speech by someone who is not an American but who commented on our experience and then pledged his alliance, his friendship, and his solidarity to help us in our effort. I refer to British Prime Minister Tony Blair, who gave an exceptional speech on solidarity with the United States in our war on terrorism. But it was much more than that. It was a call to united international action to work for democracy, prosperity, and freedom.

Out of this tragedy, Prime Minister Blair sees an opportunity to remake our world and to reflect the values we hold dear. His inspiring call is for a progressive vision of the future where the world community, as a community, works for economic growth and social justice, and to end regional conflicts. We, in the United States, have been too caught up in dealing with our immediate crisis, from time to time, to see that this is, as Prime Minister Blair says, ''a moment to seize.''

Madam President, I ask unanimous consent that Prime Minister Blair's entire speech be printed in the RECORD.

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

SPEECH BY BRITISH PRIME MINISTER TONY BLAIR

In retrospect, the Millennium marked only a moment in time. It was the events of September 11 that marked a turning point in history, where we confront the dangers of the future and assess the choices facing humankind.

It was a tragedy. An act of evil. From this nation, goes our deepest sympathy and prayers for the victims and our profound solidarity with the American people.

We were with you at the first. We will stay with you to the last.

Just two weeks ago, in New York, after the church service I met some of the families of the British victims.

It was in many ways a very British occasion. Tea and biscuits. It was raining outside. Around the edge of the room, strangers making small talk, trying to be normal people in an abnormal situation.

And as you crossed the room, you felt the longing and sadness; hands clutching photos of sons and daughters, wives and husbands; imploring you to believe them when they said there was still an outside chance of their loved ones being found alive, when you knew in truth that all hope was gone.

And then a middle-aged mother looks you in the eyes and tells you her only son has died, and asks you: why?

I tell you: you do not feel like the most powerful person in the country at times like that.

Because there is no answer. There is no justification for their pain. Their son did nothing wrong. The woman, seven months pregnant, whose child will never know its father, did nothing wrong.

They don't want revenge. They want something better in memory of their loved ones.

I believe their memorial can and should be greater than simply the punishment of the guilty. It is that out of the shadow of this evil, should emerge lasting good: destruction of the machinery of terrorism wherever it is found; hope amongst all nations of a new beginning where we seek to resolve differences in a calm and ordered way; greater understanding between nations and between faiths; and above all justice and prosperity for the poor and dispossessed, so that people everywhere can see the chance of a better future through the hard work and creative power of the free citizen, not the violence and savagery of the fanatic.

I know that here in Britain people are anxious, even a little frightened. I understand that. People know we must act but they worry what might follow.

They worry about the economy and talk of recession.

And, of course there are dangers; it is a new situation. But the fundamentals of the US, British and European economies are strong.

Every reasonable measure of internal security is being undertaken.

Our way of life is a great deal stronger and will last a great deal longer than the actions of fanatics, small in number and now facing a unified world against them.

People should have confidence.

This is a battle with only one outcome: our victory not theirs.

What happened on 11 September was without parallel in the bloody history of terrorism.

Within a few hours, up to 7000 people were annihilated, the commercial centre of New York was reduced to rubble and in Washington and Pennsylvania further death and horror on an unimaginable scale. Let no one say this was a blow for Islam when the blood of innocent Muslims was shed along with those of the Christian, Jewish and other faiths around the world.

We know those responsible. In Afghanistan are scores of training camps for the export of terror. Chief amongst the sponsors and organisers is Usama Bin Laden.

He is supported, shielded and given succour by the Taliban regime.

Two days before the 11 September attacks, Masood, the leader of the opposition Northern Alliance, was assassinated by two suicide bombers. Both were linked to Bin Laden. Some may call that coincidence. I call it payment—payment in the currency these people deal in: blood.

Be in no doubt: Bin Laden and his people organised this atrocity. The Taliban aid and abet him. He will not desist from further acts of terror. They will not stop helping him.

Whatever the dangers of the action we take, the dangers of inaction are far, far greater.

Look for a moment at the Taliban regime. It is undemocratic. That goes without saying.

There is no sport allowed, or television or photography. No art or culture is permitted. All other faiths, all other interpretations of Islam are ruthlessly suppressed. Those who practice their faith are imprisoned. Women are treated in a way almost too revolting to be credible. First driven out of university; girls not allowed to go to school; no legal rights; unable to go out of doors without a man. Those that disobey are stoned.

There is now no contact permitted with western agencies, even those delivering food. The people live in abject poverty. It is a regime founded on fear and funded on the

drugs trade. The biggest drugs hoard in the world is in Afghanistan, controlled by the Taliban. Ninety per cent of the heroin on British streets originates in Afghanistan.

The arms the Taliban are buying today are paid for with the lives of young British people buying their drugs on British streets.

That is another part of their regime that we should seek to destroy.

So what do we do?

Don't overreact some say. We aren't.

We haven't lashed out. No missiles on the first night just for effect.

Don't kill innocent people. We are not the ones who waged war on the innocent. We seek the guilty.

Look for a diplomatic solution. There is no diplomacy with Bin Laden or the Taliban regime.

State an ultimatum and get their response. We stated the ultimatum; they haven't responded.

Understand the causes of terror. Yes, we should try, but let there be no moral ambiguity about this: nothing could ever justify the events of 11 September, and it is to turn justice on its head to pretend it could.

The action we take will be proportionate; targeted; we will do all we humanly can to avoid civilian casualties. But understand what we are dealing with. Listen to the calls of those passengers on the planes. Think of the children on them, told they were going to die.

Think of the cruelty beyond our comprehension as amongst the screams and the anguish of the innocent, those hijackers drove at full throttle planes laden with fuel into buildings where tens of thousands worked.

They have no moral inhibition on the slaughter of the innocent. If they could have murdered not 7,000 but 70,000 does anyone doubt they would have done so and rejoiced in it?

There is no compromise possible with such people, no meeting of minds, no point of understanding with such terror.

Just a choice: defeat it or be defeated by it. And defeat it we must.

Any action taken will be against the terrorist network of Bin Laden.

As for the Taliban, they can surrender the terrorists; or face the consequences and again in any action the aim will be to eliminate their military hardware, cut off their finances, disrupt their supplies, target their troops, not civilians. We will put a trap around the regime.

I say to the Taliban: surrender the terrorists; or surrender power. It's your choice.

We will take action at every level, national and international, in the UN, in G8, in the EU, in NATO, in every regional grouping in the world, to strike at international terrorism wherever it exists.

For the first time, the UN security council has imposed mandatory obligations on all UN members to cut off terrorist financing and end safe havens for terrorists.

Those that finance terror, those who launder their money, those that cover their tracks are every bit as guilty as the fanatic who commits the final act.

Here in this country and in other nations round the world, laws will be changed, not to deny basic liberties but to prevent their abuse and protect the most basic liberty of all: freedom from terror. New extradition laws will be introduced; new rules to ensure asylum is not a front for terrorist entry. This country is proud of its tradition in giving asylum to those fleeing tyranny. We will always do so. But we have a duty to protect the system from abuse.

It must be overhauled radically so that from now on, those who abide by the rules get help and those that don't, can no longer play the system to gain unfair advantage over others.

Round the world, 11 September is bringing Governments and people to reflect, consider and change. And in this process, amidst all the talk of war and action, there is another dimension appearing.

There is a coming together. The power of community is asserting itself. We are realising how fragile are our frontiers in the face of the world's new challenges.

Today conflicts rarely stay within national boundaries.

Today a tremor in one financial market is repeated in the markets of the world.

Today confidence is global; either its presence or its absence.

Today the threat is chaos; because for people with work to do, family life to balance, mortgages to pay, careers to further, pensions to provide, the yearning is for order and stability and if it doesn't exist elsewhere, it is unlikely to exist here.

I have long believed this interdependence defines the new world we live in.

People say: we are only acting because it's the USA that was attacked. Double standards, they say. But when Milosevic embarked on the ethnic cleansing of Muslims in Kosovo, we acted.

The sceptics said it was pointless, we'd make matters worse, we'd make Milosevic stronger and look what happened, we won, the refugees went home, the policies of ethnic cleansing were reversed and one of the great dictators of the last century, will see justice in this century.

And I tell you if Rwanda happened again today as it did in 1993, when a million people were slaughtered in cold blood, we would have a moral duty to act there also. We were there in Sierra Leone when a murderous group of gangsters threatened its democratically elected Government and people.

And we as a country should, and I as Prime Minister do, give thanks for the brilliance, dedication and sheer professionalism of the British Armed Forces.

We can't do it all. Neither can the Americans.

But the power of the international community could, together, if it chose to.

It could, with our help, sort out the blight that is the continuing conflict in the Democratic Republic of the Congo, where three million people have died through war or famine in the last decade.

A Partnership for Africa, between the developed and developing world based around the New African Initiative, is there to be done if we find the will.

On our side: provide more aid, untied to trade; write off debt; help with good governance and infrastructure; training to the soldiers, with UN blessing, in conflict resolution; encouraging investment; and access to our markets so that we practise the free trade we are so fond of preaching.

But it's a deal: on the African side: true democracy, no more excuses for dictatorship, abuses of human rights; no tolerance of bad governance, from the endemic corruption of some states, to the activities of Mr Mugabe's henchmen in Zimbabwe. Proper commercial, legal and financial systems.

The will, with our help, to broker agreements for peace and provide troops to police them.

The state of Africa is a scar on the conscience of the world. But if the world as a community focused on it, we could heal it. And if we don't, it will become deeper and angrier.

We could defeat climate change if we chose to. Kyoto is right. We will implement it and call upon all other nations to do so.

But it's only a start. With imagination, we could use or find the technologies that create energy without destroying our planet; we could provide work and trade without deforestation.

If humankind was able, finally, to make industrial progress without the factory conditions of the 19th Century; surely we have the wit and will to develop economically without despoiling the very environment we depend upon. And if we wanted to, we could breathe new life into the Middle East Peace Process and we must.

The state of Israel must be given recognition by all; freed from terror; know that it is accepted as part of the future of the Middle East not its very existence under threat. The Palestinians must have justice, the chance to prosper and in their own land, as equal partners with Israel in that future.

We know that. It is the only way, just as we know in our own peace process, in Northern Ireland, there will be no unification of Ireland except by consent—and there will be no return to the days of unionist or Protestant supremacy because those days have no place in the modern world. So the unionists must accept justice and equality for nationalists.

The Republicans must show they have given up violence—not just a ceasefire but weapons put beyond use. And not only the Republicans, but those people who call themselves Loyalists, but who by acts of terrorism, sully the name of the United Kingdom.

We know this also. The values we believe in should shine through what we do in Afghanistan.

To the Afghan people we make this commitment. The conflict will not be the end. We will not walk away, as the outside world has done so many times before.

If the Taliban regime changes, we will work with you to make sure its successor is one that is broad-based, that unites all ethnic groups, and that offers some way out of the miserable poverty that is your present existence.

And, more than ever now, with every bit as much thought and planning, we will assemble a humanitarian coalition alongside the military coalition so that inside and outside Afghanistan, the refugees, millions on the move even before September 11, are given shelter, food and help during the winter months.

The world community must show as much its capacity for compassion as for force.

The critics will say: but how can the world be a community? Nations act in their own self-interest. Of course they do. But what is the lesson of the financial markets, climate change, international terrorism, nuclear proliferation or world trade? It is that our self-interest and our mutual interests are today inextricably woven together.

This is the politics of globalisation.

I realise why people protest against globalisation.

We watch aspects of it with trepidation. We feel powerless, as if we were now pushed to and fro by forces far beyond our control.

But there's a risk that political leaders, faced with street demonstrations, pander to the argument rather than answer it. The demonstrators are right to say there's injustice, poverty, environmental degradation.

But globalisation is a fact and, by and large, it is driven by people.

Not just in finance, but in communication, in technology, increasingly in culture, in recreation. In the world of the internet, information technology and TV, there will be globalisation. And in trade, the problem is not there's too much of it; on the contrary there's too little of it.

The issue is not how to stop globalisation.

The issue is how we use the power of community to combine it with justice. If

globalisation works only for the benefit of the few, then it will fail and will deserve to fail.

But if we follow the principles that have served us so well at home—that power, wealth and opportunity must be in the hands of the many, not the few—if we make that our guiding light for the global economy, then it will be a force for good and an international movement that we should take pride in leading.

Because the alternative to globalisation is isolation.

Confronted by this reality, round the world, nations are instinctively drawing together. In Quebec, all the countries of North and South America deciding to make one huge free trade area, rivalling Europe.

In Asia. In Europe, the most integrated grouping of all, we are now 15 nations. Another 12 countries negotiating to join, and more beyond that.

A new relationship between Russia and Europe is beginning.

And will not India and China, each with three times as many citizens as the whole of the EU put together, once their economies have developed sufficiently as they will do, not reconfigure entirely the geopolitics of the world and in our lifetime?

That is why, with 60 per cent of our trade dependent on Europe, three million jobs tied up with Europe, much of our political weight engaged in Europe, it would be a fundamental denial of our true national interest to turn our backs on Europe.

We will never let that happen.

For 50 years, Britain has, uncharacteristically, followed not led in Europe. At each and every step.

There are debates central to our future coming up: how we reform European economic policy; how we take forward European defence; how we fight organised crime and terrorism.

Britain needs its voice strong in Europe and bluntly Europe needs a strong Britain, rock solid in our alliance with the USA, yet determined to play its full part in shaping Europe's destiny.

We should only be part of the single currency if the economic conditions are met. They are not window-dressing for a political decision. They are fundamental. But if they are met, we should join, and if met in this parliament, we should have the courage of our argument, to ask the British people for their consent in this Parliament.

Europe is not a threat to Britain. Europe is an opportunity.

It is in taking the best of the Anglo-Saxon and European models of development that Britain's hope of a prosperous future lies. The American spirit of enterprise; the European spirit of solidarity. We have, here also, an opportunity. Not just to build bridges politically, but economically.

What is the answer to the current crisis? Not isolationism but the world coming together with America as a community.

What is the answer to Britain's relations with Europe? Not opting out, but being leading members of a community in which, in alliance with others, we gain strength.

What is the answer to Britain's future? Not each person for themselves, but working together as a community to ensure that everyone, not just the privileged few get the chance to succeed.

This is an extraordinary moment for progressive politics.

Our values are the right ones for this age: the power of community, solidarity, the collective ability to further the individual's interests.

People ask me if I think ideology is dead. My answer is:

In the sense of rigid forms of economic and social theory, yes.

The 20th century killed those ideologies and their passing causes little regret. But, in the sense of a governing idea in politics, based on values, no. The governing idea of modern social democracy is community. Founded on the principles of social justice. That people should rise according to merit not birth; that the test of any decent society is not the contentment of the wealthy and strong, but the commitment to the poor and weak.

But values aren't enough. The mantle of leadership comes at a price: the courage to learn and change; to show how values that stand for all ages, can be applied in a way relevant to each age.

Our politics only succeed when the realism is as clear as the idealism.

This party's strength today comes from the journey of change and learning we have made.

We learnt that however much we strive for peace, we need strong defence capability where a peaceful approach fails.

We learnt that equality is about equal worth, not equal outcomes.

Today our idea of society is shaped around mutual responsibility; a deal, an agreement between citizens not a one-way gift, from the well-off to the dependent.

Our economic and social policy today owes as much to the liberal social democratic tradition of Lloyd George, Keynes and Beveridge as to the socialist principles of the 1945 Government.

Just over a decade ago, people asked if Labour could ever win again. Today they ask the same question of the Opposition. Painful though that journey of change has been, it has been worth it, every stage of the way.

On this journey, the values have never changed. The aims haven't. Our aims would be instantly recognisable to every Labour leader from Keir Hardie onwards. But the means do change.

The journey hasn't ended. It never ends. The next stage for New Labour is not backwards; it is renewing ourselves again. Just after the election, an old colleague of mine said: ''Come on Tony, now we've won again, can't we drop all this New Labour and do what we believe in?''

I said: ''It's worse than you think. I really do believe in it.''

We didn't revolutionise British economic policy—Bank of England independence, tough spending rules—for some managerial reason or as a clever wheeze to steal Tory clothes.

We did it because the victims of economic incompetence—15 per cent interest rates, 3m unemployed—are hard-working families. They are the ones—and even more so, now—with tough times ahead—that the economy should be run for, not speculators, or currency dealers or senior executives whose pay packets don't seem to bear any resemblance to the performance of their companies.

Economic competence is the pre-condition of social justice.

We have legislated for fairness at work, like the minimum wage which people struggled a century for. But we won't give up the essential flexibility of our economy or our commitment to enterprise.

Why? Because in a world leaving behind mass production, where technology revolutionises not just companies but whole industries, almost overnight, enterprise creates the jobs people depend on.

We have boosted pensions, child benefit, family incomes. We will do more. But our number one priority for spending is and will remain education.

Why? Because in the new markets countries like Britain can only create wealth by brain power not low wages and sweatshop labour.

We have cut youth unemployment by 75 per cent.

By more than any government before us. But we refuse to pay benefit to those who refuse to work. Why? Because the welfare that works is welfare that helps people to help themselves.

The graffiti, the vandalism, the burnt out cars, the street corner drug dealers, the teenage mugger just graduating from the minor school of crime: we're not old fashioned or right-wing to take action against this social menace.

We're standing up for the people we represent, who play by the rules and have a right to expect others to do the same.

And especially at this time let us say: we celebrate the diversity in our country, get strength from the cultures and races that go to make up Britain today; and racist abuse and racist attacks have no place in the Britain we believe in.

All these policies are linked by a common thread of principle.

Now with this second term, our duty is not to sit back and bask in it. It is across the board, in competition policy, enterprise, pensions, criminal justice, the civil service and of course public services, to go still further in the journey of change. All for the same reason: to allow us to deliver social justice in the modern world.

Public services are the power of community in action.

They are social justice made real. The child with a good education flourishes. The child given a poor education lives with it for the rest of their life. How much talent and ability and potential do we waste? How many children never know not just the earning power of a good education but the joy of art and culture and the stretching of imagination and horizons which true education brings? Poor education is a personal tragedy and national scandal.

Yet even now, with all the progress of recent years, a quarter of 11-year-olds fail their basic tests and almost a half of 16 year olds don't get five decent GCSEs.

The NHS meant that for succeeding generations, anxiety was lifted from their shoulders. For millions who get superb treatment still, the NHS remains the ultimate symbol of social justice.

But for every patient waiting in pain, that can't get treatment for cancer or a heart condition or in desperation ends up paying for their operation, that patient's suffering is the ultimate social injustice.

And the demands on the system are ever greater. Children need to be better and better educated.

People live longer. There is a vast array of new treatment available.

And expectations are higher. This is a consumer age. People don't take what they're given. They demand more.

We're not alone in this. All round the world governments are struggling with the same problems.

So what is the solution? Yes, public services need more money. We are putting in the largest ever increases in NHS, education and transport spending in the next few years; and on the police too. We will keep to those spending plans. And I say in all honesty to the country: if we want that to continue and the choice is between investment and tax cuts, then investment must come first.

There is a simple truth we all know. For decades there has been chronic under-investment in British public services. Our historic mission is to put that right; and the historic shift represented by the election of June 7 was that investment to provide quality public services for all comprehensively defeated short-term tax cuts for the few.

We need better pay and conditions for the staff; better incentives for recruitment; and

for retention. We're getting them and recruitment is rising.

This year, for the first time in nearly a decade, public sector pay will rise faster than private sector pay.

And we are the only major government in Europe this year to be increasing public spending on health and education as a percentage of our national income.

This Party believes in public services; believes in the ethos of public service; and believes in the dedication the vast majority of public servants show; and the proof of it is that we're spending more, hiring more and paying more than ever before.

Public servants don't do it for money or glory. They do it because they find fulfilment in a child well taught or a patient well cared-for; or a community made safer and we salute them for it.

All that is true. But this is also true.

That often they work in systems and structures that are hopelessly old fashioned or even worse, work against the very goals they aim for.

There are schools, with exactly the same social intake. One does well; the other badly.

There are hospitals with exactly the same patient mix. One performs well; the other badly.

Without reform, more money and pay won't succeed.

First, we need a national framework of accountability, inspection; and minimum standards of delivery.

Second, within that framework, we need to free up local leaders to be able to innovate, develop and be creative.

Third, there should be far greater flexibility in the terms and conditions of employment of public servants.

Fourth, there has to be choice for the user of public services and the ability, where provision of the service fails, to have an alternative provider.

If schools want to develop or specialise in a particular area; or hire classroom assistants or computer professionals as well as teachers, let them. If in a Primary Care Trust, doctors can provide minor surgery or physiotherapists see patients otherwise referred to a consultant, let them.

There are too many old demarcations, especially between nurses, doctors and consultants; too little use of the potential of new technology; too much bureaucracy, too many outdated practices, too great an adherence to the way we've always done it rather than the way public servants would like to do it if they got the time to think and the freedom to act.

It's not reform that is the enemy of public services. It's the status quo.

Part of that reform programme is partnership with the private or voluntary sector.

Let's get one thing clear. Nobody is talking about privatising the NHS or schools.

Nobody believes the private sector is a panacea.

There are great examples of public service and poor examples. There are excellent private sector companies and poor ones. There are areas where the private sector has worked well; and areas where, as with parts of the railways, it's been a disaster.

Where the private sector is used, it should not make a profit simply by cutting the wages and conditions of its staff.

But where the private sector can help lever in vital capital investment, where it helps raise standards, where it improves the public service as a public service, then to set up some dogmatic barrier to using it, is to let down the very people who most need our public services to improve.

This programme of reform is huge: in the NHS, education, including student finance,—we have to find a better way to combine state funding and student contributions criminal justice; and transport.

I regard it as being as important for the country as Clause IV's reform was for the Party, and obviously far more important for the lives of the people we serve.

And it is a vital test for the modern Labour Party

If people lose faith in public services, be under no illusion as to what will happen.

There is a different approach waiting in the wings. Cut public spending drastically; let those that can afford to, buy their own services; and those that can't, will depend on a demoralised, sink public service. That would be a denial of social justice on a massive scale.

It would be contrary to the very basis of community.

So this is a battle of values. Let's have that battle but not amongst ourselves. The real fight is between those who believe in strong public services and those who don't.

That's the fight worth having.

In all of this, at home and abroad, the same beliefs throughout: that we are a community of people, whose self-interest and mutual interest at crucial points merge, and that it is through a sense of justice that community is born and nurtured.

And what does this concept of justice consist of?

Fairness, people all of equal worth, of course. But also reason and tolerance. Justice has no favourites; not amongst nations, peoples or faiths.

When we act to bring to account those that committed the atrocity of September 11, we do so, not out of bloodlust.

We do so because it is just. We do not act against Islam. The true followers of Islam are our brothers and sisters in this struggle. Bin Laden is no more obedient to the proper teaching of the Koran than those Crusaders of the 12th century who pillaged and murdered, represented the teaching of the Gospel.

It is time the west confronted its ignorance of Islam. Jews, Muslims and Christians are all children of Abraham.

This is the moment to bring the faiths closer together in understanding of our common values and heritage, a source of unity and strength.

It is time also for parts of Islam to confront prejudice against America and not only Islam but parts of western societies too.

America has its faults as a society, as we have ours.

But I think of the Union of America born out of the defeat of slavery.

I think of its Constitution, with its inalienable rights granted to every citizen still a model for the world.

I think of a black man, born in poverty, who became chief of their armed forces and is now secretary of state Colin Powell and I wonder frankly whether such a thing could have happened here.

I think of the Statue of Liberty and how many refugees, migrants and the impoverished passed its light and felt that if not for them, for their children, a new world could indeed be theirs.

I think of a country where people who do well, don't have questions asked about their accent, their class, their beginnings but have admiration for what they have done and the success they've achieved.

I think of those New Yorkers I met, still in shock, but resolute; the fire fighters and police, mourning their comrades but still head held high.

I think of all this and I reflect: yes, America has its faults, but it is a free country, a democracy, it is our ally and some of the reaction to September 11 betrays a hatred of America that shames those that feel it.

So I believe this is a fight for freedom. And I want to make it a fight for justice too. Justice not only to punish the guilty. But justice to bring those same values of democracy and freedom to people round the world.

And I mean: freedom, not only in the narrow sense of personal liberty but in the broader sense of each individual having the economic and social freedom to develop their potential to the full. That is what community means, founded on the equal worth of all.

The starving, the wretched, the dispossessed, the ignorant, those living in want and squalor from the deserts of Northern Africa to the slums of Gaza, to the mountain ranges of Afghanistan: they too are our cause.

This is a moment to seize. The Kaleidoscope has been shaken. The pieces are in flux. Soon they will settle again. Before they do, let us re-order this world around us.

Today, humankind has the science and technology to destroy itself or to provide prosperity to all. Yet science can't make that choice for us. Only the moral power of a world acting as a community, can.

''By the strength of our common endeavour we achieve more together than we can alone''.

For those people who lost their lives on September 11 and those that mourn them; now is the time for the strength to build that community. Let that be their memorial.

ACTIVATING GUARD AND RESERVE UNITS

Mr. DURBIN. Madam President, one of the other things I did just a few days ago—and I hope my colleagues will consider doing the same—was to visit some of the Guard and Reserve units that are being activated.

When I asked for the opportunity to go to Scott Air Force Base in Belleville, just to spend a few moments with the men and women of the 126th Air Guard Refueling Wing, I wasn't certain whether they would consider this a colossal waste of time to have to have some political figure come and drop by. Exactly the opposite happened.

It was an important experience for me, and I also think for many of them, just to come by, have a few kind words, and to really thank them for the sacrifice they have shown for this country.

This is an Air Guard unit that has been activated many times. It was originally based at O'Hare and now is at Scott Air Force Base. They refuel planes and are very important to any military effort of the United States. There were about 340 members of this unit, men and women, who have joined the military, understanding their lives would be on the line. To go through the crowd there and meet each one of them, to talk for a few moments about their hometowns and their families, baseball, and so many other things that are just part of American life, was so refreshing and encouraging and, in a way, inspiring—spending that time with them and General Kessler, who is their commanding officer at Scott Air Force Base.

Theirs is a unit that has been activated, in part. And I am sure others will be as well. The 182nd Airlift Wing