

treaty will help keep the American economy growing.

Sincerely,

CHRISTOPHER G. HANKIN,
Senior Director of Federal Affairs.

ABN AMRO ASSET MANAGEMENT,
The Netherlands, October 29, 2004.

Chairman LUGAR,
U.S. Senate,
Washington, DC.

DEAR CHAIRMAN LUGAR: On behalf of ABN AMRO Bank N.V., business unit Asset Management, I am writing to join the many other members of the U.S. business community that have expressed their appreciation of your efforts to seek prompt ratification of the recent Protocol to the income tax treaty between the United States and the Netherlands.

We urge that these efforts continue so that this important new chapter in America's relationship with the Netherlands can commence this year.

As reflected in your letter of October 20, 2004, your recognition of the importance of prompt ratification of the Protocol is most welcome. Compared to other U.S. tax treaties with major trading partners, the current treaty between the United States and the Netherlands is antiquated and contains obstacles to the free flow of trade between the two countries that will be eliminated by the new Protocol.

Treaty advancements reflected in the new Protocol not only eliminate barriers to trade and investment between the two countries, but also resolve uncertainties that target abusive use of the treaty, and promote improved cooperation in international enforcement. Prompt ratification of the new Protocol will promote closer ties with one of our longstanding major trading partners, encourage growth of the US economy and jobs, and support better international tax enforcement efforts.

Quick action in bringing this needed reform to the U.S./Dutch trade relationship will help keep the American economy growing.

Sincerely,

MAURICE BULJNSTERS,
VP Global Head of
Tax.

RICHARD DE HAAS,
Senior Tax Officer.

CHEVRONTXEXACO,

Washington, DC, November 2, 2004.

Re Netherlands Protocol.

Hon. RICHARD G. LUGAR,
Chairman, Committee on Foreign Relations,
Dirksen Senate Office Building, Wash-
ington, DC.

DEAR SENATOR LUGAR: I am writing to express ChevronTexaco Corporation's strong support for early ratification of the Protocol amending the existing tax treaty with the Netherlands. A strong tax treaty network is critical for U.S. businesses, such as ChevronTexaco, to compete in the global marketplace. We appreciate your efforts on tax treaties generally, and on this Protocol in particular.

We urge the Senate to ratify the Protocol before year end so that it may enter into force on January 1, 2005. Delaying ratification until 2005 would delay entry into force until January 1, 2006 and would delay the important reductions to withholding tax rates.

I sincerely hope that the Senate will ratify the Protocol in 2005 and we appreciate your efforts to ensure this.

Sincerely,

LISA B. BARRY,
V.P. and General Manager,
Government Affairs.

TIMEWARNER,

Washington, DC, November 1, 2004.

Hon. RICHARD LUGAR,
Chairman, Committee on Foreign Relations,
U.S. Senate, Dirksen Senate Office Build-
ing, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your continuing leadership in securing quick ratification of several important bilateral tax treaties this year. Bilateral tax treaties are an important means for reducing double taxation and eliminating foreign withholding taxes on our royalties, interest, and dividends.

In this regard, I want to underscore the importance of ratifying the U.S.-Netherlands bilateral tax treaty before Congress adjourns for the year. This treaty, like the previous ones the Senate has ratified, provides important tax savings to Time Warner that we will be able to reinvest and use to expand our business in the United States.

The Netherlands has already ratified this agreement. I offer our company's full support in helping to urge your Senate colleagues to agree to quick ratification of this treaty this year.

Sincerely,

ROBERT M. KIMMITT.

ALLIANT ENERGY CORPORATION,
Madison, WI, November 12, 2004.

Senator RICHARD LUGAR,
Chairman, Senate Foreign Relations Committee,
Dirksen Senate Office Building, Wash-
ington, DC.

DEAR CHAIRMAN LUGAR: Thank you for your continuing leadership in securing quick ratification of several important bilateral tax treaties this year. Bilateral tax treaties are an important means for reducing double taxation and eliminating foreign withholding taxes on our royalties, interest, and dividends.

In this regard, I write to underscore the importance of ratifying the U.S.-Netherlands bilateral tax treaty before Congress adjourns for the year. This treaty, like the previous ones the Senate has ratified, provides important tax savings to Alliant Energy that we will be able to reinvest and use to expand our business in the United States.

The Netherlands has already ratified this agreement. I offer Alliant Energy's full support in helping to urge your Senate colleagues to agree to quick ratification of this treaty this year.

Sincerely,

ERROLL B. DAVIS, Jr.,
Chairman & CEO.

AMERICAN CHEMISTRY COUNCIL,
Arlington, VA, November 15, 2004.

Re Ratification of Dutch Tax Treaty.

Hon. RICHARD G. LUGAR,
Senate Office Building,
Washington, DC.

DEAR SENATOR LUGAR: The American Chemistry Council urges ratification of the bilateral tax protocol between the United States and the Netherlands.

The ACC represents the leading companies engaged in the business of chemistry. Council members apply the science of chemistry to make innovative products and services that make people's lives better, healthier and safer. The business of chemistry is a \$460 billion enterprise and a key element of the nation's economy. It is the nation's largest exporter, accounting for ten cents out of every dollar in U.S. exports.

We commend your efforts as Chairman of the Foreign Relations Committee that resulted in negotiation of the tax protocol with the Netherlands. The treaty would enhance the ability of U.S. companies to compete in the important Dutch market, and if

history is a guide, the treaty would create U.S. jobs within the chemical industry and among our suppliers and customers, and it would encourage foreign companies to establish or expand manufacturing facilities in the U.S. Moreover, the information-sharing provisions of the treaty would aid the IRS and Treasury Department in identifying international tax-avoidance schemes that reduce federal tax receipts and impugn the motives of U.S. companies whose global operations represent a major element of an expanding U.S. economy.

Accordingly, we urge ratification of the Dutch Treaty during the time remaining in the 108th Congress. Timely ratification would result in early realization of treaty benefits, and aid companies in capital planning and business expansion.

Please call if we can answer questions or provide additional information.

Sincerely,

CHARLES W. VAN VLACK,
Executive Vice President.

DUPONT FINANCE,
Wilmington, DE, October 29, 2004.

Hon. RICHARD G. LUGAR,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, DC.
Hon. JOSEPH R. BIDEN, Jr.,
Ranking Member, Committee on Foreign Relations,
U.S. Senate, Washington, DC.

DEAR SENATORS: On March 8, 2004, the United States and the Netherlands signed the Protocol Amending the Convention Between the United States of America and the Kingdom of the Netherlands for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income. We at DuPont would urge the Senate to ratify this Protocol before Congress adjourns.

As you learned during testimony on September 24th, the Protocol brings the existing Convention, concluded in 1992, into closer conformity with current U.S. tax treaty policy. Of particular interest to DuPont, considering the Company's manufacturing sites in the Netherlands, is the elimination of withholding taxes on certain types of cross-border direct dividends. This element of the Protocol creates a powerful tool for repatriating earnings the Company would then be able to devote to our priorities in the United States. In addition, the Protocol's reciprocal treatment of pension funds for international employment assignees allows DuPont employees to gain valuable experience through U.S.-Netherlands exchanges without jeopardizing the status of their retirement benefits.

DuPont also appreciates the benefits the new Protocol would offer the U.S. government. Among them, the improved communications measures between U.S. and Dutch tax authorities coupled with the assistance in the collection of taxes; and the modernized Limitation on Benefits article, designed to deny treaty-shoppers the benefits of the Convention.

The enhancement of economic ties between the United States and the Kingdom of the Netherlands in the form of the pending Protocol will promote the growth of trade and investment between the two countries to the benefit of both economies. As such, it is DuPont's hope that deliberations on the Protocol will be completed this year.

Sincerely,

MARSHALL G. MCCLURE.

DEBT LIMIT INCREASE

Mr. DODD. Mr. President, I speak about the vote that took place yesterday to raise the statutory limit of our

Nation's indebtedness. It is terribly unfortunate that for the third time in three years this administration has run up against the Federal debt limit, thereby forcing once again an increase in the National debt from \$7.384 trillion to \$8.184 trillion.

I think it is a mistake for this body to give the administration what is essentially an \$800 billion check to continue its irresponsible fiscal policies.

For quite some time now, the Treasury Department has been forced to halt payments owed to federal retirement accounts and take other extraordinary measures in order to keep the government from defaulting. And now we are in a position where the Treasury Department has said that Congress must increase the debt ceiling by the end of this week or the government will default on its obligations. What this says is that the government is living far beyond its means.

Just several years ago, when President Clinton was President, the National debt was shrinking, not growing. In 1997, the debt held by the public was \$3.745 trillion. By FY2001, it decreased by more than \$400 billion to \$3.296 trillion. Former President Clinton made it a goal to pay off the debt by 2013, so that America would be debt free for the first time since 1835. He recognized that eliminating the debt would strengthen our economy, allow investments in education and other critical priorities, and ensure that Social Security could meet the challenges to come when the baby boomers retire.

By contrast, under the Bush administration, the debt limit was raised by \$450 billion in 2002 and \$984 billion in 2003. And now, this year, in 2004 it will increase by \$800 billion. I find it astounding that just four years ago we were having compelling conversations in the Senate Banking Committee with Federal Reserve Chairman Alan Greenspan about what would happen if we paid off the debt too quickly. And now, here we are about to pass another increase of \$800 billion to the National debt.

This new increase will bring the grand total to more than \$2 trillion under President Bush—the largest total debt limit increase recorded under any President. Now instead of being eliminated, we are expecting the debt held by the public to reach \$6.5 trillion by 2011.

When President Bush first came to office he assured the nation that if we adopted his tax cuts, we would not only see job growth, but we would still be able to eliminate the publicly held debt by 2008. Instead, we have seen 1.5 million private-sector jobs lost, making this the first Administration since Herbert Hoover to actually lose jobs. In just 4 years, we have gone from a projected 10-year surplus of \$5.6 trillion to a 10-year deficit of over \$3 trillion. And now we are about to once again, for the third year in a row, increase the debt.

If additional debt is going to be accumulated, the administration and the

majority could at the minimum ensure that we are adequately investing in our children's education, the country's infrastructure, health care, the solvency of Social Security, and other vital national priorities. But that does not appear to be the case considering that we are seeing across the board cuts in the upcoming omnibus bill, and this Administration continues to push for policies that push us further in the red without any real results.

The administration's reckless policies will pass the burden of paying for them onto future generations, and unfortunately, the administration has shown absolutely no regard for the hardship this will cause. We often discuss the so-called "death tax", this administration's reckless fiscal policies are forcing a "birth tax" on every child born today.

What do I mean by the term "birth tax"? Simply this: a child born today is born owing his or her country \$25,000. That is that child's share of the national debt. This is unconscionable. We have a responsibility as lawmakers to leave our country better off tomorrow than it is today. With policies like this, I am afraid that this administration and its supporters are failing to meet this fundamental moral responsibility to our country and to future generations.

Also deeply troubling is that in order to cover increased borrowing, the U.S. is going deeper into debt to foreign countries. Japan, China, the United Kingdom, and Caribbean Banking Centers are now the largest foreign holders of U.S. Treasury Debt.

We have borrowed over \$720 billion from Japan, over \$174 billion from China, and even tens of billions of dollars from South Korea. During the term of the President's first four years, we have seen our foreign debt holdings increase 83 percent from just over \$1 trillion to over \$1.8 trillion. This is especially dangerous because these countries can collect their debt when it suits them, which could potentially puts our nation in a very difficult economic situation.

I find it astounding that the administration and the majority of this Congress have not put forward any plan to reduce the alarming increase in our nation's debt—an increase largely caused by their reckless tax and budget policies. Indeed, their only known plans to permanently extend tax breaks for the affluent and drain at least \$1 trillion from Social Security—would only make our current problems worse.

I strongly believe that increasing the debt limit once again without a plan is a big mistake. We owe it to future generations to do more to ensure that their future is economically sound. I hope that this Administration, and the majority of the Congress begin to enact more responsible fiscal policies before it truly is too late.

Mr. CORZINE. Mr. President, yesterday I voted against legislation that will authorize a massive increase in the

Federal debt. This bill highlights the gross irresponsibility of our Nation's current fiscal policies. And I hope that, in casting a negative vote along with many of my colleagues, we have helped send a message to the White House that it is long past time to change course.

When President Bush came to office, we were expecting to run a surplus over the next ten years of \$5.6 trillion. Instead, we now project a deficit of \$3.5 trillion. That is a reversal of more than \$9 trillion.

President Bush promised that he would not raid the Social Security trust fund. But, instead, under the Bush budget, we will spend every last penny of Social Security surpluses over the next 10 years, all \$2.4 trillion. These surpluses won't be saved. They won't be used to help us keep our promise to working Americans. They will be diverted for tax breaks and other spending programs. This is not what the President promised. It is the opposite.

In effect, the administration's policies are using payroll taxes paid by working Americans, and using them to finance tax breaks for the most fortunate among us. I think that is wrong.

The past few years have been marked by unprecedented fiscal recklessness. The 2004 deficit, even including the Social Security surplus, is \$413 billion. That is a record. Last year, the deficit was \$377 billion. That was another record. The budget is spinning out of control, and few in the administration seem to care.

Unfortunately, as bad as things have been in recent years, the outlook for the long term is even worse. The baby boomers are about to retire. And by 2050, 81 million Americans will be on Social Security—about double the current level. We need to prepare for that. We need to save for it. Instead, we are doing the reverse. We are putting ourselves deeper and deeper in debt.

In 2001, gross Federal debt stood at \$5.8 trillion. By 2014, that debt will have skyrocketed to almost \$15 trillion.

With more debt, of course, comes higher interest costs. The 10-year cost of Federal interest payments has gone up from \$622 billion in 2001, to \$2.4 trillion.

All this debt, and all these interest payments, have consequences. They reduce the capital available for productive investment. They increase interest rates. They slow economic growth. And they lower the standard of living for American families.

Another consequence of all this debt is that our Nation is slowly losing its economic independence. Foreign holdings of U.S. Treasury debt has increased 83 percent under this administration. Today, the U.S. owes China more than \$170 billion. We owe Japan more than \$700 billion. Increasingly, our Nation is dependent on these countries to bolster our economy and to maintain the value of the dollar. But if

those countries and other foreign investors pull out in the face of rising fiscal imbalances, as has happened elsewhere, the consequences for our economy could be very serious.

In my view, the current course of fiscal policy is not only unwise and dangerous, it is ultimately unsustainable. We can't go on like this. Either our leaders here in Washington will face reality and reverse course, or the markets will punish us until we do. Either the dollar will collapse, or interest rates will rise substantially, or inflation will rise, or all these problems will hit at once.

When that might happen is anybody's guess. But you can't reverse the basic laws of economics. Sooner or later, the piper gets paid.

So, I think we have made a mistake by increasing the debt limit so substantially. Needless to say, we must protect the full faith and credit of the United States. But we do not need a debt limit extension of this magnitude. And we should not have approved it yesterday. Instead, we should have passed a much smaller increase, in order to put real pressure on the Congress next year to finally get serious about the need for fiscal discipline.

Next year we will begin perhaps the most important domestic policy debate in a generation when we take up President Bush's call to privatize Social Security. At that point, Congress will have to make a decision. Either we will keep our promise to American workers, or we will break that promise and cut earned benefits. I think we should keep our promise and protect benefits. But we can only afford to do that if we quickly reestablish some measure of fiscal discipline. Increasing our debt by \$800 billion is not the way to do that and, in my view, is a serious mistake.

So for all these reasons, I cast my vote no yesterday. For the sake of our economy, for the sake of our future, and for the sake of our values as a Nation, we must restore fiscal discipline. And we must do it soon.

JUSTICE FOR MARINE CORPS FAMILIES VICTIMS OF TERRORISM

Mr. SPECTER. Mr. President, I seek recognition to describe legislation that I plan to introduce in the 109th Congress. I have been asked to pursue this legislation on behalf of the 158 families of the brave servicemen who died when the terrorist faction Hezbollah—with the support of the Government of Iran—sent a suicide bomber into the Marine Corps Barracks in Beirut, Lebanon, on October 23, 1983, killing 241 U.S. servicemen—18 sailors, 3 soldiers, and 220 Marines.

This legislation will provide an explicit private right of action for United States citizens against state sponsors of terrorism in our Federal courts, and will ultimately allow victims of such acts to collect court-ordered damages against state-sponsors of terrorism. The specific provisions of the legisla-

tion have been drafted to harmonize existing statutory law with the recent direction of the District of Columbia circuit in *Cicippio-Puleo v. Islamic Republic of Iran*, 353 F.3d 1024 (D.C. Cir. 2004), which held that “neither 28 U.S.C. §1605(a)(7) nor the Flatow Amendment to the Foreign Sovereign Immunities Act . . . , nor the two considered in tandem, creates a private right of action against a foreign government.” 353 F.3d 1024, 1032–33 (D.C. Cir. 2004).

In 1996, I supported the legislation that ultimately was enacted into the statutes that I have just cited. These statutes have been interpreted by the D.C. Circuit in *Cicippio-Puleo* to provide the following:

No. 1, 28 U.S.C. §1605(a)(7) provides an exception to sovereign immunity for state sponsors of terrorism and permits Federal courts to hear claims seeking money damages for personal injury or death against such nations and arising from terrorist acts they commit, or direct to be committed, against American citizens or nationals outside of the foreign state's territory; and No. 2, 28 U.S.C. §1605(a)(7)(note), also known as the “Flatow Amendment,” named for New Jersey student Alisa Flatow, who was killed when Palestinian Islamic Jihad bombed a Gaza bus on which she was riding, imposes liability upon an official, employee, or agent of a foreign state that is designated as a state sponsor of terrorism, only if that official, employee or agent is acting in their “official capacity.”

On October 23, 2004, in Philadelphia, I was privileged to take part in a memorial service held in honor of the servicemen killed in the 1983 Beirut attack. Some of the family members of those killed attended the event. Their moving comments about how they have been denied the ability to seek legal redress, despite clear findings implicating Hezbollah and Iran in the attacks, were both poignant and persuasive. It is vitally important to victims' families that they have a private right of action against the state sponsor itself, not just its officials, employees or agents acting in their official capacity. These victims and their families deserve not simply a day in court, but also the ability to recover damages against terrorist states that commit, direct, or materially support terrorist acts against American citizens or nationals. The former, in isolation, is a hollow right—in legal terms, a right without a remedy. The D.C. Circuit in *Cicippio-Puleo* tells us that only Congress can provide such a remedy. That is my intent.

I ask unanimous consent that the October 23, 2004, remarks by Lynn Smith Derbyshire, the sister of deceased Marine CPT Vincent Smith and a leader of the families advocating for this legislation, be printed in the RECORD.

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

REMARKS OF LYNN SMITH DERBYSHIRE,
BEIRUT MEMORIAL SERVICES, OCT. 23, 2004

We are here today to honor the men who died in Beirut, Lebanon on this day 21 years ago. As families, we believe that our first duty is to remember. Thank you for coming to help us commemorate the lost.

As you know, in 1996 Congress passed legislation that gave victims of state sponsored terrorism, and their families, the right to sue those nations in a United States Court. This legislation did two things: It gave us a path to pursue justice and compensation, and it provided a way to hold rogue nations accountable for their crimes, and thereby deter more terrorism. The problem with the existing legislation, however, is that it has loopholes. And the U.S. Government is using these loopholes to continually torpedo the efforts of the families to collect damages, and penalize terrorist states.

On October 23, 1983—21 years ago today—Hezbollah, at the behest of the government of Iran, sent a suicide bomber into the Marine Corps Barracks in Beirut Lebanon, killing 241 U.S. servicemen.

One of the young Marines who was killed that day was a blond, blue-eyed, bowlegged helicopter pilot, named Captain Vincent Smith. He had just turned 30. He had a wife named Ana, a 3-year-old son named Ian, and dog named Whiskey. Vince had a penchant for practical jokes, an infectious laugh and a contagious grin. He sang in the church choir with his velvety tenor voice, he loved to water-ski, and throw the football with his brothers on crisp fall afternoons—like this one, and have cookouts on the deck with his friends.

Vince was my brother. He was my protector, my confidant, and my friend. And I loved him deeply. Twenty-one years after his death there is still a hole in my heart and in my life, and in my family. I miss him more every day.

I have learned over the past 21 years that one does not “get over” the murder of a brother. Whoever said that time heals wounds was an idiot—and whoever said that never had a wound like this. My wound cannot completely heal, because every time there is another terrorist attack, the hole in my heart is ripped open again:

The U.S. Embassy in Beirut, the Achille Lauro, the murder of Robert Stetham of TWA flight 847, Khobar Towers in Saudi Arabia, the U.S.S. *Cole*, Madrid, and even this morning, a car bomb outside of Baghdad killed 10 and wounded 42.

And who here can ever forget that fateful day: September 11, 2001.

One after the next, after the next, these events have sliced open my scar-tissued heart, and I must grieve the brother I loved so dearly over and over again. All of these events bring me to my knees. And when I am on my knees I pray for justice—not revenge—justice.

I do not want vengeance. I do not want the sisters and mothers of young vibrant Iranian soldiers to have to weep at the closed casket of their brothers and sons as I did, knowing that his body is not even whole inside the box. I do not want anyone to discover as I have that this kind of grief is an incessant pain and it hurts all over. I would not wish the last 21 years of agonizing sorrow on a rabid dog. No. I do not want vengeance.

But I do want justice. And I do want the terrorism to stop.

In March 2003, the Beirut families brought suit against the country of Iran for the murder of our beloved brothers and sons and fathers and husbands. We proved in a court of law, that Hezbollah was carrying out the direct will of the Iranian government. Iran is guilty of the murder of my brother, and of