

and their sacred honor. What would you have given for their lives had they not won that war? They were putting their lives on the line. They were committing treason. What a chance they took—for us. For us!

It is difficult today, accustomed as we are to automobiles, air conditioning, electricity, mobile phones and instant communications, to imagine what those years of war must have been like. Weeks might pass before you heard or read, by candlelight on a hot summer's night, about a decisive battle in a spot that might take you weeks to reach on horseback. Imagine life as a Revolutionary soldier: a wool uniform if you were lucky, and some French powder and ammunition hanging at your waist while you walk in the middle of long, dust-covered column between battles, carrying your three-foot-long, very heavy musket over your shoulder. I can see those boys from Vermont, can't you? In the hills of New Hampshire, Boston—can't you see them, plodding along from Lexington on to Concord?

In the winter you might have a tent to protect you from the winter, not nearly enough to eat. You might get paid only sporadically. Most of us could not do that for a weekend, let alone for six years.

This Independence Day, America is at the beginning of what promises to be another kind war—a war against terrorism. It, too, will be fought on our territory as well as at points far distant from us. It will require the same kind of resolve and commitment, and the same reliance on the protection of Divine Providence, that our Founding Fathers showed. But next week, as we celebrate 226 years spent enjoying the inalienable rights of life, liberty, and the pursuit of happiness, of freedom from tyranny, I am confident that Americans will demonstrate the same fortitude and bravery that our Founding Fathers displayed. Our ideals are too deeply ingrained in us to be lightly given up.

I close with the words from Longfellow's poem, "The Building of the Ship":

Thou, too, sail on, O Ship of State!
Sail on, O Union, strong and great!
Humanity with all its fears,
With all the hopes of future years,
Is hanging breathless on thy fate!
We know what Master laid thy keel,
What Workmen wrought thy ribs of steel,
Who made each mast, and sail, and rope,
What anvils rang, what hammers beat,
In what a forge and what a heat
Where shaped the anchors of thy hope!
Fear not each sudden sound and shock,
'T is of the wave and not the rock;
'T is but the flapping of the sail,
And not a rent made by the gale!
In spite of rock and tempest's roar,
In spite of false lights on the shore,
Sail on, nor fear to breast the sea!
Our hearts, our hopes, are all with thee,
Our hearts, our hopes, our prayers, our tears,
Our faith triumphant o'er our fears,
Are all with thee,—are all with thee!

THE PLEDGE OF ALLEGIANCE DECISION

Mr. THURMOND. Mr. President, I rise today to express my outrage at the decision reached by the Ninth Circuit Court of Appeals in *Newdow v. U.S. Congress*, in which a three-judge panel held that schoolchildren's recitation of the phrase "under God" in the Pledge of Allegiance violates the Establishment Clause of the Constitution. This case is the result of yet another attempt by the radical left to wipe away public references to God, and is an unconscionable act of judicial activism. I hope that the Ninth Circuit's decision will ultimately be reversed on appeal, allowing reason and common sense to prevail.

Simply put, there is no support in the law for this ruling, even in the Ninth Circuit's own jurisprudence. The phrase "under God" in the Pledge of Allegiance is very similar to the use of "In God We Trust" on currency and as the national motto, which has been repeatedly upheld by the courts. In *Aronow v. United States*, the Ninth Circuit Court of Appeals ruled that the phrase does not violate the Establishment Clause of the Constitution. The court said, "Its use is of a patriotic or ceremonial character and bears no true resemblance to a governmental sponsorship of a religious exercise." It also said that "it is quite obvious" that the phrase "has nothing whatsoever to do with the establishment of religion."

While the Ninth Circuit is the most relevant here because of Wednesday's ruling, other circuit courts have reached the same conclusion. The Tenth Circuit explained in *Gaylor v. United States* that the national motto "through historical usage and ubiquity cannot be reasonably understood to convey government approval of religious belief." In cases such as *Lynch v. Donnelly*, the Supreme Court has indicated its approval of these rulings. Even Justice William Brennan, one of the most liberal Supreme Court justices of the modern era and one of the most strident advocates for the separation of church and state, indicated his support for this view, saying that Americans have "simply interwoven the motto so deeply into the fabric of our civil polity" as to eliminate constitutional problems.

The same reasoning applies to the phrase "under God" in the Pledge of Allegiance. The use of this phrase simply indicates the important role that religion plays in America, but it does not establish a religion or endorse a religious belief.

It is also significant that even when the Supreme Court ruled in *Engel v. Vitale* that organized prayer is unconstitutional in public schools, the Court made it clear that the case did not apply to patriotic slogans or ceremonial anthems that refer to God. While I have always viewed this case as misguided, and have for years introduced a constitutional amendment to reverse it, even this case supports the use of

phrases, such as "under God" and "God Bless America," as part of our civic vocabulary.

The fact is that religion is central to our culture and our patriotic identity as a nation. As the Supreme Court said in *Lynch v. Donnelly*, there is "an unbroken history of official acknowledgment by all three branches of government of the role of religion in American life."

I am pleased my colleagues have denounced this ruling. Throughout the history of this great Nation, we have invoked the blessings of God without establishing religion. From prayers before legislative assembly meetings and invocations before college football games to the national motto on our currency, our Constitution has allowed references to God.

I would also like to say a few words about the Ninth Circuit. Several years ago, it was suggested that the Ninth Circuit be broken up. I think that it is time to reconsider that proposal. The Supreme Court reverses the Ninth Circuit at a much higher rate than other circuits, indicating the activist propensities of this circuit. Simply put, the Ninth Circuit is out of the mainstream, and the decision in *Newdow* underscores that fact. It is unhealthy for our democracy when one circuit routinely refuses to follow the law. During the last six years, the Supreme Court has reversed 80-90% of Ninth Circuit cases reviewed. While the Supreme Court corrects the Ninth Circuit often, it cannot do so on every questionable ruling, and this allows the establishment of dangerous precedents.

I am particularly concerned about Wednesday's ruling because one of the judges who joined in the majority opinion was Judge Stephen Reinhardt, whose own confirmation process was marked by controversy in 1980. I served as Ranking Member of the Judiciary Committee at the time, and I expressed serious concern over Judge Reinhardt's fitness to serve as a Federal judge. He was extremely active in politics and known for his very liberal views. Judge Reinhardt's major area of practice was labor law, and there was a question as to whether he had sufficient experience. His record, in my view, called into question his ability to serve as an impartial judge. During his tenure of the Ninth Circuit, Judge Reinhardt has been reversed an alarming number of times. He was reversed 11 times during the 1996-97 term, and he holds the record for unanimous reversals in one term.

I mention the matter of Judge Reinhardt's controversial past only to address his fitness as a Federal judge. This question is legitimate because circuit judges make important decisions that affect a lot of people. In the Ninth Circuit case, Judge Reinhardt helped create law that is dangerous in its precedent and unsound in its reasoning.

Mr. President, once again I want to state unequivocally that the Ninth Circuit made a poor decision in the *Newdo*

case. I hope that this decision will alert all Americans to the dangerous judicial activism that plagues the Ninth Circuit. Furthermore, I hope that this case is reversed on appeal, so that many more generations of schoolchildren will proudly learn the Pledge of Allegiance.

HIGH FRUCTOSE CORN SYRUP ANTITRUST DECISION

Mr. LEVIN. Mr. President, I wish to bring to the Senate's attention a recent decision of the U.S. Court of Appeals for the Seventh Circuit, written by Judge Richard Posner, in the case of *In Re High Fructose Corn Syrup Antitrust Litigation*, found at 2002 U.S. App. LEXIS 11940. Judge Posner's unanimous opinion, joined by Circuit Judges William Bauer and Michael Kanne, articulates in clear, cogent, and unequivocal language the standard for the Federal courts in the Seventh Circuit to follow in deciding whether circumstantial evidence of price-fixing or tacit collusion should be presented to a jury in antitrust cases. This is a much needed improvement in the state of the law, and I hope that it will soon be followed in other circuits as well.

Last month, the Permanent Subcommittee on Investigations, which I chair, completed a 10-month investigation into the reasons why gasoline prices fluctuate so dramatically and why retail gasoline prices seem to go up and down together at so many gas stations. The majority staff issued a comprehensive 400-page report explaining our findings, and we then held 2 days of hearings on the report.

I will not summarize the entire report here, but I would urge anyone interested in how gasoline prices are set to visit the subcommittee's Web site, where the report can be downloaded.

I would like to highlight, however, several of the issues the subcommittee examined that are directly relevant to the Seventh Circuit's decision. First, the subcommittee found that in several of our domestic gasoline markets where there is little competition a few oil companies have sufficient market power to raise the price of gasoline through their decisions on how much gasoline to produce.

The subcommittee examined retail prices in several geographic markets. The subcommittee found at various times in these markets the prices of the major brands of gasoline followed a "ribbon-like" pattern. The prices of these brands moved up and down together, usually by about the same amount each day, and they maintained a constant difference in price with respect to each other.

The documents reviewed by the subcommittee indicate that the marketing practices of the various gasoline wholesalers and retailers in the market contribute to this pricing pattern. First, the major brands usually seek to maintain a constant price difference with respect to one or more other brands

that are considered the major competition or the price leader in that market. Second, the market strategy of the major brands generally is to maintain market share, and avoid costly price wars which do not result in greater market shares, but often lead to lower margins for all of the firms competing in the market. Thus, most of the major brands establish their retail price simply by following the price movements of one or more other brands. They do not attempt to undercut their rivals; rather they seek to maintain their relative competitive position with respect to their rivals.

Another strategy supporting the ribbon-like retail price pattern is the influence the refiners maintain over the retail price. Major brand refiners usually set the wholesale price paid by their dealers on the basis of surveys of the retail prices of competitors; the refiner then subtracts an amount considered to be an adequate margin for the retailer, and charges the retailer for the remainder. In this manner, the dealers receive a fixed margin for their gasoline, and the benefits and costs of retail price changes accrue to the refiner rather than the dealer. In reality, therefore, a few refiners rather than many individual dealers set the retail price of gasoline for the major brands.

The resulting retail pricing pattern—the ribbon-like pattern—is exactly the same pattern one would expect to see in a market where there is some type of collusion between the firms in the market. In a collusive marketplace, each firm has an agreed-upon market share, and the relative prices of the different brands are fixed.

By itself, parallel pricing does not indicate collusion. Parallel pricing can develop in a competitive market, as each firm strives independently to obtain some advantage from a movement in price, only to be matched by its competitors who seek to deny that firm any such advantage.

Hence, to establish that firms in a market are colluding with one another, it is necessary to demonstrate more than just the existence of parallel or interdependent pricing. A plaintiff, or the government, as the case may be, must establish either an explicit agreement on pricing, or present sufficient circumstantial evidence indicating a tacit agreement on pricing.

It is rare to find in the modern age, with many corporations well-schooled in the antitrust laws, and legions of lawyers eager to educate those who are not, to find an express agreement to fix prices or restrict supply. Moreover, in markets most susceptible to price-fixing those with few firms, a high degree of concentration, homogeneous products, and high barriers to entry, such as the gasoline market—express collusion is totally unnecessary to carry out the purposes of any such conspiracy. In highly concentrated markets, the few firms can observe each other's behavior, determine how they react to various strategies, and react accordingly.

After a while, the firms in these markets can develop patterns of behavior that are as non competitive as if an actual agreement had been reached.

The problem, therefore, is how to determine whether certain market activity is the natural result of the structure of the market and purely independent decisionmaking, or is the result of some tacit agreement or understanding or agreed-upon practices that restrict competition.

Again, rarely will there be a "smoking gun" document pointing out the existence of tacit collusion. The best way—and in reality the only way to determine whether in fact such collusion exists is to look at all of the evidence regarding the marketplace and the behavior of the firms in the market. For example, are the companies acting independently? To what extent and how do they communicate with each other? To what extent do they have agreements between themselves on terms of sale, supply, storage, or transportation? To what extent do they share information? To what extent do they pursue innovation independently?

At the subcommittee's hearings we heard testimony from several attorneys general, knowledgeable in the antitrust laws, including Attorney General Jennifer Granholm from my home State of Michigan, that the standards used by the courts in recent years have become unduly stringent for plaintiffs seeking to present evidence of tacit collusion to a jury in an antitrust case. Many courts have been requiring plaintiffs in price-fixing cases to present evidence that it was more likely than not that the conduct complained of was the result of collusion before the evidence would be presented to the jury. In effect, this standard delegates to the judge on a motion for summary judgment the determination of the basic factual issues that are normally the province of a jury. Furthermore, it essentially requires the plaintiff to present evidence amounting to a "smoking gun" demonstrating collusion in order to survive a motion for summary judgment by the defendants. This standard thus prevents many cases that should be presented to a jury from ever getting to the jury.

Judge Posner's opinion in the High Fructose Corn Syrup case clarifies the law of the Seventh Circuit that economic evidence and other evidence indicating firms in a market have an agreement—either tacit or explicit—not to compete should be presented to a jury. The opinion clearly states that in a price-fixing case the question of "whether, when the evidence was considered as a whole, it was more likely that the defendants had conspired to fix prices than that they had not conspired to fix prices" should be presented to a jury, and that the antitrust laws do not establish a higher threshold for surviving motions for summary judgment than other types of cases. The plaintiff need not present one single item that demonstrates an