

To date, hundreds of cases have been found that show Iraq was engaged in activities that were prohibited under that resolution and under the initial resolution, 687.

Our case for war was and remains clear. The majority of the American people understand that, the House of Representatives understood that when this body agreed in the 107th Congress by passing H.J. Res. 114 by a vote of 296 to 133, and our allies around the world understood that and continue to share our resolve.

Clearly, there are those Democrat candidates who are using this election year for partisan politics to cloud the truth. These tactics will ultimately fail because we all understand that the United States is safer today and our citizens are far less likely to be victims of domestic terrorist attack because we have removed the Hussein regime and are on the way to helping establish and ally in the Middle East.

Mr. Speaker, it is also important to remember that who made this security possible. The thousands of American sailors, soldiers and airmen who drove the once powerful dictator to cower in a hole are owed the praise of the entire Nation.

I would ask that all Americans take a moment to think about our friends, sons, daughters, mothers and fathers who are serving proudly in Iraq and around the world as part of the global war on terrorism. They are ensuring our safety and working hard to make sure that another day like September 11 never happens again. To Members of our armed services, I say thank you. I would also remind them that no matter what they hear to the contrary from Democrat politicians, their actions in Iraq are justified and necessary.

NEED FOR CONCERN OVER JOB LOSS

The SPEAKER pro tempore (Mr. ISSA). Under a previous order of the House, the gentleman from Ohio (Mr. STRICKLAND) is recognized for 5 minutes.

Mr. STRICKLAND. Mr. Speaker, as has been noted here on the floor earlier by my colleague the gentleman from Ohio (Mr. BROWN), the President came to Ohio yesterday. It was his 15th visit since being elected, or since ascending to the presidency.

The fact is that he should come to Ohio, because Ohio is a suffering State. Ohio has lost approximately 300,000 jobs since the President has been in office. About 160,000 of those jobs have been good paying manufacturing jobs, living wage jobs, jobs with good benefits. And, quite frankly, there is no recovery in Ohio as I stand here in this Chamber today. The recovery may be happening on Wall Street, it may be happening in other States, but the recovery has not yet come to Ohio. So I think the President should be concerned.

Just yesterday in this Chamber, a group of high school students from my

district, from Jefferson County, were visiting here in the Nation's Capital, and during the question and answer session that I had with them in this Chamber, a high school student asked me what I could say to those who had worked at Weirton Steel, those who had retired, had been a part of this community and of this company, and are now being told that their health benefits are no longer there for them, that their pensions are being reduced.

Quite frankly, it is difficult to answer a question like that coming from one of my constituents, because the sad, sad fact is, there are good citizens, law-abiding, patriotic Americans, who have worked all their lives and are now finding themselves in the most difficult circumstances. They may be in their mid-fifties, with major health problems, only to find that they are no longer covered with health insurance.

So we need to focus on Ohio, and the President needs to be thinking about job creation. But that is why I am so disappointed in the President's recently published economic report to the Nation. In that report there is this sentence: "If a good or a service can be produced at lower cost in another country, it makes sense to import that product rather than to produce it domestically."

Now, the fact is that nearly every job in this country can probably be performed at lower cost in another country. The fact is that the Chinese and the Indians, the Vietnamese, those from Australia, they are doing the producing and they are taking jobs from this country. As is the case in Mexico that I visited a couple months ago, paying \$38 a week, an American company paying \$38 a week for 9½ hour days, well, of course they can produce it at lower cost there. But the last thing we need is for the President to indicate that this is a good thing.

That economic report was issued under President Bush's signature, so he is responsible for that conclusion, that statement, "if a good or a service can be produced at a lower cost in another country, it makes sense to produce it there, rather than to produce it domestically."

But what do you say, what do you say, Mr. President, to the unemployed steelworkers, to those along the Ohio River, on both the West Virginia, Pennsylvania and Ohio portions of that river, whose jobs depend on producing china and pottery, these jobs that are being threatened by imports from China, when your administration is wanting to reduce or eliminate the current tariffs of 28 percent? What do you say to them?

Of course you can make a plate cheaper in China, if you are going to pay pennies an hour or dollars a week, but that does not make it right. We need a President who is willing to stand up for American jobs, American workers, American communities and American industries.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would remind all Members to address their remarks to the Chair and not to the Executive Branch.

PRESIDENT'S GRAND STRATEGY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FOLEY) is recognized for 5 minutes.

Mr. FOLEY. Mr. Speaker, as Paul Harvey says on his radio show, now for the rest of the story.

It is interesting, many of the Democrats have talked about job loss in America, but they do not mention the fact that trade has actually brought jobs into America. In Ohio, the Honda plant now paying high wages for its employees assembling Honda automobiles. In South Carolina, I know the Democratic governor was very instrumental in getting BMW and other companies to come to their State to create jobs for their citizens, high-wage, high-paying jobs.

You can look at one-half of the spectrum and say we have real problems. We are trying to find employment for every American. But they seem to ignore, they seem to ignore the fact that trade has brought jobs to this country, good jobs to communities that were desperately in need of those jobs.

This morning in a 1-minute, I was extraordinarily critical, rightfully so, of the Democratic candidate for the presidency. I am not allowed under House rules, I was admonished today, for using the name of a Senator, so most of us know who I am talking about.

But the word and phrase used yesterday on an open mike was that this administration is corrupt and is lying. That is the charge by the Democratic nominee for President about the sitting President of the United States of America. I called it this morning despicable and disgraceful, and I stick by that terminology, because that is the truth.

Now, look at who they are talking about. We are talking really about Iraq, because they keep using that as the reason they are calling this President a liar. They are saying Iraq is the reason he should be called these derisive terms, which I believe are disrespectful for any sitting chief executive President of the United States.

So what does that say ultimately, that we should not have done anything in Iraq, we should not have gone to Iraq, we should not have dealt with Iraq? That is their conclusion.

Well, today in the New York Times, "Saddam team skimmed billions in aid projects. Cash in suitcase."

In its final years in power, Saddam Hussein's government systemically extracted billions of dollars in kickbacks from companies doing business with Iraq, funneling most of the illicit funds through a network of foreign bank accounts in violation of the UN treaties.

Millions of Iraqis were struggling to survive on rations of food and medicine, yet the government's hidden slush funds were being fed by suppliers and oil traders from around the world, who sometimes lugged suitcases full of cash to ministry offices."

That is who they are defending. Saddam Hussein, who killed hundreds of thousands of his own citizens, we should not have gone there and interrupted his killing spree. We should not have done anything to stop the demonic leadership of Saddam Hussein.

I reject the comments, and I am entering the entirety in the RECORD, because I want people to be able to read in the RECORD what the New York Times discovered about the cash-skimming operations of this ugly regime.

Now, another article that I will enter in its entirety in the RECORD, because it talks again about an outside observer's view of this President, an outside observer. It happens to be Bill Sammon of the Washington Times. The headline, "Bush's Grand Strategy Overlooked by Liberal Historians."

"An influential Democratic historian has credited President Bush with instituting one of only three grand strategies in the history of the U.S. foreign policy, by trading in the doctrine of containment for preemption. John Lewis Gaddis of Yale said his fellow historians have not paid sufficient attention to the importance of Mr. Bush's sweeping overhaul of U.S. foreign policy because they are blinded by their liberal bias. He also accused former President Bill Clinton of failing to adequately address global threats that gathered on his watch," the World Trade Center first bombing, Khobar Towers, the two embassies, all during the watch of Clinton.

"The Bush team really did, in a moment of crisis, come up with a very important statement on grand strategy, which has not been taken as seriously as it should have been taken, particularly within the academic community.

"Mr. Gaddis writes that America's three grand strategies were instituted by Mr. Bush," this President Bush, "John Quincy Adams and Franklin Delano Roosevelt. All three strategies were prompted by rare, catastrophic attacks on America by foreign enemies."

He goes on to quote, "The Clinton administration was somewhat like the Harding and Coolidge administrations after World War I, Mr. Gaddis said. There was the sense that the war had been won, the fundamental processes in world politics were favorable to us, and therefore we could sit back and let them run. But these processes of globalization and self-determination during the Clinton administration did nothing to stop terrorists from using minimal resources to inflict massive death and destruction against the United States and its interests. The former President did not act decisively to head off a gathering threat."

I bring you to September 11. I bring you to the carnage of September 11 as

a result of our not being willing to take on any enemy.

□ 1415

Look at what has happened because of his leadership: Iraq. Look at North Korea turning over nuclear documents. Look at Libya surrendering nuclear hardware. Look at Pakistan and India, finally talking over Kashmir. These are the results of a determination by this President to root out terrorism.

I conclude by saying this, and this is important in context to this article. Mr. Gaddis, who describes himself as a very long-term disillusioned Democrat who still has hopes for the Democratic Party, disputed the liberal stereotype of the President as a lightweight. There certainly have been tendencies to underestimate President Bush himself and to view him in the way that Reagan was viewed when he first came in, as being a cipher, manipulated by his own advisers. That turned out not to be true of Reagan, and it is turning out not to be true of George Bush.

Mr. Speaker, I will at this time enter the entirety of this article into the RECORD, along with other documentation referred to earlier. I salute our President. I am proud of our President and proud to stand with him in Florida in the coming months.

[From the New York Times, Mar. 1, 2004]

SADDAM TEAM SKIMMED BILLIONS IN AID
PROJECT CASH IN SUITCASES/UN SANCTIONS
VIOLATED

(By Susan Sachs)

BAGHDAD.—In its final years in power, Saddam Hussein's government systematically extracted billions of dollars in kickbacks from companies doing business with Iraq, funneling most of the illicit funds through a network of foreign bank accounts in violation of United Nations sanctions.

Millions of Iraqis were struggling to survive on rations of food and medicine. Yet the government's hidden slush funds were being fed by suppliers and oil traders from around the world who sometimes lugged suitcases full of cash to ministry offices, said Iraqi officials who supervised the skimming operation.

The officials' accounts were enhanced by a trove of internal Iraqi government documents and financial records provided to The New York Times by members of the Iraqi Governing Council. Among the papers was secret correspondence from Saddam's top lieutenants setting up a formal mechanism to siphon cash from Iraq's business deals, an arrangement that went unnoticed by UN monitors.

Under a UN program begun in 1997, Iraq was permitted to sell its oil only to buy food and other humanitarian goods. The kickback order went out from Saddam's inner circle three years later, when limits on the amount of oil sales were lifted and Iraq's oil revenues reached \$10 billion a year.

In an Aug. 3, 2000, letter marked urgent and confidential, the Iraqi vice president, Taha Yassin Ramadan, informed government ministers that a high-command committee wanted extra revenues from the oil-for-food program. To that end, he wrote, all suppliers must be told to inflate their contracts by the biggest percentage possible and secretly transfer those amounts to Iraq's bank accounts in Jordan and the United Arab Emirates.

Iraq's sanctions-busting has long been an open secret. Two years ago, the U.S. General

Accounting Office estimated that oil smuggling had generated nearly \$900 million a year for Iraq. Oil companies had complained that Iraq was squeezing them for illegal surcharges, and Saddam's lavish spending on palaces and monuments provided more evidence of his access to unrestricted cash.

But the dimensions of the corruption have only lately become clear, from the newly available documents and from revelations by government officials who say they were too fearful to speak out before. They show the magnitude and organization of the payoff system, the complicity of the companies involved and the way Saddam bestowed contracts and gifts on those who praised him.

Perhaps the best measure of the corruption comes from a review of the \$8.7 billion in outstanding oil for food contracts by the provisional Iraqi government with UN help. It found that 70 percent of the suppliers had inflated their prices and agreed to pay a 10 percent kickback, in cash or by transfer to accounts in Jordanian, Lebanese and Syrian banks.

At that rate, Iraq would have collected as much as \$2.3 billion out of the \$32.6 billion worth of contracts it signed since mid-2000, when the kickback system began. And some companies were willing to pay even more than the standard 10 percent, according to Trade and Oil Ministry employees.

Iraq's suppliers included Russian factories, Arab trade brokers, European manufacturers and state-owned companies from China and the Middle East. Iraq generally refused to buy directly from U.S. companies, which in any case needed special licenses to trade legally with Iraq.

Iraq also created a variety of other, less lucrative, methods of extorting money from its oil customers. It raised more than \$228 million from illegal surcharges it imposed on companies that shipped Iraqi crude oil by sea after September 2000, according to an accounting prepared by the Iraqi Oil Ministry late last year. An additional \$540 million was collected in under-the-table surcharges on oil shipped across Iraq's land borders, the documents show.

A lot of it came in cash, recalled Shamkhi Faraj, who managed the Oil Ministry's finance department under the old government and is now general manager of the ministry's oil-marketing arm. I used to see people carrying it in briefcases and bringing it to the ministry.

UN overseers say they were unaware of the systematic skimming of oil-for-food revenues. In any case, they add, they were focused on running aid programs.

The director of the Office of Iraq Programs, Benon Sevan, declined to be interviewed about the oil-for-food program. In written responses to questions sent by e-mail, his office said he learned of the 10 percent kickback scheme from the occupation authority only after the end of major combat operations.

As the details of the corruption have recently emerged, law enforcement authorities in several countries said they had opened criminal and civil investigations into whether companies violated laws against transferring money to Iraq. Treasury Department investigators have also been helping the Iraqi authorities recover an estimated \$2 billion believed to be left in foreign accounts. So far, more than \$750 million has been found in foreign accounts and transferred back to Iraq, said Juan Zarate, a deputy assistant Treasury secretary.

To some officials of Iraq's provisional government, what is perhaps most insulting is how little their country got for its oil money. Taking stock of what was bought before the U.S.-led invasion toppled Saddam last spring, they have found piles of non-essential drugs, mismatched equipment and defective hospital machines.

You had cartels that were willing to pay kickbacks but would also bid up the price of goods, said Ali Allawai, a former World Bank official who is now interim Iraqi trade minister. You had rings involved in supplying shoddy goods. You had a system of payoffs to the bourgeoisie and royalty of nearby countries.

Everybody was feeding off the carcass of what was Iraq.

The UN Security Council first imposed a trade embargo on Iraq on Aug. 9, 1990, one week after Saddam's invasion of Kuwait. It has kept in place after the Gulf war in 1991, with the provision that sanctions would be lifted after Iraq destroyed its unconventional weapons and ended its weapons program.

But as living conditions deteriorated, the council made several offers to let Iraq export limited quantities of oil to buy food and medicine. The two sides agreed on a mechanism only in 1966.

In 1999, Iraq was permitted to sell as much oil as it wanted, with the proceeds going into an escrow account at Banque Nationale de Paris, supervised by the United Nations. The new rules also allowed Iraq to sign its own contracts for billions of dollars in imported goods.

As ministry officials and government documents portrayed it, the oil-for-food program quickly evolved into an open bazaar of payoffs, favoritism and kickbacks.

The kickback scheme worked, they said, because the payoffs could be included in otherwise legitimate supply contracts negotiated directly by the former government and then transferred to Iraq once the United Nations released funds to pay the suppliers.

We'd accept the low bid and say to the supplier, "Give us another 10 percent" said Faleh Khawaji, an Oil Ministry official who used to supervise the contracting for spare parts and maintenance equipment. "So that was added to the contract. If the bid was for \$1 million, for example, we would tell the supplier to make it \$1.1 million."

The contract would then be sent to the U.N. sanctions committee, which was supposed to review contracts with an eye only to preventing Iraq from acquiring items that might have military uses. The kickbacks were paid into Iraq's accounts, and designated ministry employees withdrew the cash and brought it to Baghdad on a regular basis, according to Khawaji and Iraqi financial records.

U.S. and European investigators said they were trying to determine whether the banks knew they were being used for illegal financial dealings with Iraq.

Under the oil-for-food program rules, the United Nations' oil overseers had to certify that Iraq was selling its crude oil at fair value. Until the overseers changed the pricing formula in late 2001, Iraq's oil sold at a discount compared with similar oil from other producers.

At the same time, Oil Ministry officials said, purchasers of Iraqi oil were required to pay a surcharge, either in cash or by transferring money into Iraqi accounts in foreign banks.

When oil companies complained to the United Nations about the per-barrel surcharges, Iraq levied higher charges on ships loading at its port.

When Dr. Khidr Abbas became Iraq's Interim minister of health 6 months ago, he discovered some of the effects of Saddam's political manipulation of the oil-for-food program.

After a review of the ministry's spending, he said, he canceled \$250 million worth of contracts with companies he believed were fronts for the former government or got contracts only because they were from countries friendly to Saddam.

[From the Washington Times, Mar. 11 2004]

BUSH'S "GRAND STRATEGY"—OVERLOOKED BY
LIBERAL HISTORIANS
(By Bill Sammon)

An influential Democratic historian has credited President Bush with instituting one of only three "grand strategies" in the history of U.S. foreign policy by trading in the doctrine of containment for pre-emption.

John Lewis Gaddis of Yale said his fellow historians have not paid sufficient attention to the importance of Mr. Bush's sweeping overhaul of U.S. foreign policy because they are blinded by their liberal bias.

He also accused former President Bill Clinton of failing to adequately address global threats that gathered on his watch.

"The Bush team really did, in a moment of crisis, come up with a very important statement on grand strategy, which has not been taken as seriously as it should have been taken, particularly within the academic community," Mr. Gaddis said in an interview.

The eminent Cold War historian makes his argument in the new book called "Surprise, Security and the American Experience," published by Harvard University Press, which has caught the attention of National Security Adviser Condoleezza Rice and other White House advisers.

It also has earned the derision of Sen. John Kerry's presidential campaign.

"There's nothing visionary about a reckless, arrogant and rigidly ideological foreign policy that's lost America influence and cooperation in the world to win the war on terror," said David Wade, a spokesman for the Massachusetts Democrat.

Mr. Gaddis writes that America's three grand strategies were instituted by Mr. Bush, John Quincy Adams and Franklin Delano Roosevelt. All three strategies were prompted by rare, catastrophic attacks on America by foreign enemies.

In 1814, after the British burned the White House, Adams, then secretary of state, resolved to secure America through pre-emptive continental expansion, a grand strategy that endured for a century.

After the Japanese attack on Pearl Harbor prompted the United States to lead the Allies to victory in World War II, Roosevelt and his successors as president went about securing America through a grand strategy that came to be known as containment of communism. But that strategy became obsolete when the Cold War ended shortly before Mr. Clinton took office.

"The Clinton administration was somewhat like the Harding and Coolidge administration after World War I," Mr. Gaddis said. "There was the sense that the war had been won, the fundamental processes in world politics were favorable to us, and therefore you could just kind of sit back and let them run."

But these processes of globalization and self-determination during the Clinton administration did nothing to stop terrorists from using minimal resources to inflict massive death and destruction against the United States and its interests.

The former president did not act decisively to head off this gathering threat, Mr. Gaddis said.

"It just seems to me that any good strategist would be unwise to sit back and assume that things are going our way," he said. "You ought to be thinking through how what appear to be favorable trends can produce backlashes."

Such a backlash occurred on September 11, 2001, necessitating a new grand strategy, which was implemented by Mr. Bush.

The strategy included pre-emptive attacks on enemies such as Iraq that had the poten-

tial to use weapons of mass destruction, an aggressive push to democratize the Middle East and an unwillingness to be constrained by international organizations such as the United Nations.

Although Mr. Gaddis faults the president for not gathering sufficient international support before the invasion of Iraq and underestimating the challenges of postwar Iraq, the professor supported Operation Iraqi Freedom.

Many other academics opposed the war, making them reluctant to credit the president for a change in U.S. foreign policy that could very well endure for the next half-century, Mr. Gaddis said.

"The academic world is of course predominantly liberal, predominately Democratic, so there is a predisposition to be less critical of a Democratic administration than there is a Republican administration," he said.

Mr. Gaddis, who described himself as a "very long-term, disillusioned Democrat who still has hope for the Democratic Party," disputed the liberal stereotype of the president as a lightweight.

"There certainly has been a tendency to underestimate Bush himself and to view him in the way that Reagan was viewed when he first came in—as being a cipher, manipulated by his own advisers," he added. "That turned out not to be true of Reagan, and it's turning out not to be true of Bush as well."

ANNOUNCEMENT BY THE SPEAKER
PRO TEMPORE

The SPEAKER pro tempore (Mr. ISSA). The Chair would remind all Members not to make personally offensive references to Members of the Senate, even if not by name but by inference, including candidates for President.

WESTERN UNITED STATES STUDENTS ARE TREATED UNFAIRLY BECAUSE OF LARGE PORTIONS OF LAND OWNED BY FEDERAL GOVERNMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah (Mr. BISHOP) is recognized for 5 minutes.

Mr. BISHOP of Utah. Mr. Speaker, I wish to present a situation to the body that is somewhat unique which we in the West will be talking about in greater detail and more frequently as time goes on. I feel competent in being able to address this issue, because before I joined this august body I spent 16 years in the Utah legislature as Speaker at the end; but all 16 years I was a member of the Public Education Finance Committee, or Appropriations Committee. I also, as I have frequently mentioned on this floor, served for 28 years as a high school teacher before I joined this group. Even though I recognize that money does not equal education excellence and we can do many things to improve our education system without money, at some time, we still have to build schools, and teachers at some time still have to eat.

So I wish to present before the body three factual phenomena of which my colleagues may not be aware. First of all, the fastest growth in the student