

skill jobs. But since NAFTA has been in effect, the three largest exports from Mexico have been automobiles, automobile parts, and electronics, all the product of high-skilled labor. It is exactly the opposite of what the experts predicted.

I am told that we now import more cars from Mexico than we export to the entire rest of the world. We now import more automobiles from Mexico than we export to the entire rest of the world. What that means is the migration of jobs in automobiles and automobile parts to Mexico after NAFTA. Why? Because of lower wages and fewer health, environmental, and safety regulations on manufacturing. That has meant those jobs have left our country. It results in part in this very significant trade deficit, which, in my judgment, injures this country and is a long-term serious problem.

I intend to speak at much greater length about that, and repeatedly, because we must find legislative approaches to interrupt this failed trade policy. I am not saying I am opposed to free trade. I believe trade must be fair trade. There must be fair trade requirements. This free trade is a mantra that people chant. But chanting "free trade" at a time when we are up to our neck and choking on trade debt, with jobs moving from the country in wholesale quantity, it is time to stop that and decide it ought not be something to be ashamed of for anyone to say: My interest is in the economic well-being of the United States of America. I am so tired of people refusing to say: My interest is in protecting the economy of our country.

Why are we afraid to stand up for American jobs? Why do we believe it is inappropriate for an employee to make \$15 an hour in a manufacturing plant? Somehow large corporations have convinced most policymakers and editorial writers that it makes a lot of sense to hollow out our manufacturing business.

I guarantee this: No country will long remain a world economic power if it does not have a strong manufacturing base. We are headed in the wrong direction. This country needs to make a U-turn. As I have said, we are completely brain dead in trade policy. We intend to have that discussion. I will force that discussion in the next session of Congress.

#### WHISTLEBLOWER: FIRM DEFRAUDED IRAQ OCCUPATION AUTHORITY

Mr. DORGAN. Mr. President, the largest area of deficiency for the Congress in the last few years has been the failure to have oversight hearings on issues that demand oversight hearings. I have held some hearings as chairman of the Democratic Policy Committee, in cases where members of other committees have asked for oversight hearings and they have been denied. This has been particularly true, by the way, when it comes to Halliburton.

Let me give an example of why oversight hearings are critical. This comes from a report recently on National Public Radio. I will read this because it describes why this Congress must begin exercising its oversight responsibility. This is about waste, fraud, abuse, and the American taxpayers being cheated.

Let me read some of it:

Custer-Battles was a young company founded by former Army Rangers Scott Custer and Michael Battles who came to Iraq on borrowed money. An August Wall Street Journal article said that he (Mr. Battles) only had \$450 when he convinced an official to put Custer-Battles [his new company he formed] on a list of bidders at an airport security contract.

Mr. President, I ask unanimous consent for 5 additional minutes.

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

Mr. DORGAN. An August Wall Street Journal article said Mr. Michael Battles, a former Army Ranger, showed up in the country of Iraq with \$450. He and his partner, former Army Ranger Scott Custer, convinced an official to put Custer-Battles, a new company, on a list of bidders for an airport security contract. They promised to get the job done fast, and they won the contract, which included two upfront cash advances of \$2 million each.

Then there was a fellow, a former FBI agent, whose name is Isakson who said 2 weeks into this job, by this two-person company that showed up with no money but got \$2 million of advanced funding for this contract at the airport—Isakson, a former FBI agent, said something went wrong. "They approached me to participate in a scheme to defraud the government." Isakson said it involved bidding for cost plus contracts which guarantee payment for a contractor's actual cost plus an agreed to profit margin.

This is what Isakson said:

They would take and open a company in Lebanon and buy materials through the Lebanese company, which they owned, then the Lebanese company would sell it to their American company [Custer-Battles] at a highly inflated rate and then they would charge their profit on top of the highly inflated rate. In other words, they would make a [big] profit plus another profit.

Isakson said he refused to go along, and he warned company officials that such a plan would put them in jail. Again, this is an ex-FBI agent. He said he could not go along with this. It will put you in jail.

The next day at the airport, Isakson claims, Custer-Battles security guards cornered him in a hallway at gunpoint. His brother and his 14-year-old son were there as well.

Isakson said:

They said you're terminated and you're under arrest and don't move or I'll shoot you.

Isakson said the guard took their weapons and ID badges and eventually turned them out of the airport compound, where they made the dangerous journey from Baghdad to the Jordanian border. He has filed a lawsuit against

Custer-Battles over the ordeal, and he is also a party to a \$50 million Federal lawsuit filed in Virginia under the False Claims Act.

The other whistleblower in this case is a Pete Baldwin, a former country manager for Custer-Battles in Iraq who now runs another firm there. Baldwin describes a web of false billing practices designed to inflate costs and boost company profits. He cites a deal to provide forklifts on a security detail.

Now, this is what Baldwin says:

They confiscated old Iraqi airways green and white forklifts and transported them out of the airport facility which Custer-Battles had control over and painted them blue, then sold them back to the [U.S.] government on a lease.

He says:

This is a blatant example where something was actually acquired free and sold back to the government [after they were repainted blue].

So Baldwin took his suspicions to Government investigators and quit over the company's billing practices. Now Baldwin claims his life has been threatened because of his actions.

The Pentagon has suspended Custer-Battles from receiving further military contracts and sources, according to NPR, say a Federal criminal investigation is ongoing. However, a civil probe ended in October when the U.S. Justice Department declined to join in the whistleblower case.

Here is the key, and it is an interesting piece of information: A spokesman says the Bush administration has made a policy decision that cheating the Coalition Provision Authority in Iraq is, for the most part, not cheating the U.S. Government. Let me say that again. This is quoting Mr. Gracing:

The reason they gave to us is that the Bush administration has made a policy decision that cheating the Coalition Provision Authority in Iraq or basically the military, and for the most part the U.S. military, is not the same as cheating the U.S. government.

The fact is, the Coalition Provisional Authority was us. It was our money, our resources, our people. So here we have a company that takes forklift trucks from an airport property, moves them someplace to a warehouse, paints them blue, sells them back to the Coalition Provisional Authority, which pays for them with U.S. taxpayer funds, and our U.S. Justice Department says: That's all right. We'll close our eyes while you cheat us because the Coalition Provisional Authority is not really the U.S. Government. Are they nuts? Don't they care whether we are being cheated?

These are the kinds of things that literally beg for oversight hearings. Yet this Congress is dead silent on these issues. I said I have held oversight hearings about Iraq with respect to Halliburton. The minute you talk about Halliburton, somebody raises the Vice President. I did not talk about the Vice President in those hearings, but I talked about Halliburton and about

cheating. This is about Halliburton. It is not about anybody else.

When a company says they are feeding 42,000 soldiers and being paid for it by the U.S. Government and it ends up they are only feeding 14,000 soldiers a day, and 28,000 meals are being paid for that are not being fed, it seems to me there ought to be aggressive oversight hearings to figure out what is going on, who is cheating the Government. Yet there is dead silence.

I come from a really small town, about 300 people. We have one small little cafe right in the middle of Main Street. My guess is, if somebody got a check for 4 meals that were never served, they would sure know that, and the same goes for 14 meals, or 40 meals. It would appropriately be a big deal in my hometown. But 28,000 meals that are billed but were not delivered to U.S. troops? In my little town, they would call that cheating and fraud. Yet there is dead silence with respect to the oversight responsibility we ought to have as a Congress to find out what is happening, why, and who is responsible.

Mr. President, I will have more to say about this as well, and we intend to continue to hold oversight hearings as well in the Democratic Policy Committee.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, we are in morning business, as I understand it.

The PRESIDING OFFICER. Yes, with Senators permitted to speak for up to 10 minutes each.

Mr. THOMAS. I thank the Chair.

#### ISSUES BEFORE CONGRESS

Mr. THOMAS. Mr. President, I want to take a couple minutes as we come to the close of this congressional session and soon will be entering into a new one. It seems to me we have some great challenges before us, of course, as is always the case. However, in this instance, we have perhaps some more defined issues than normal. There are lots of issues before us, of course.

There are always challenging issues before the Congress. Sometimes they are less well defined, but this time hopefully we can come together on issues we have talked about, trying to find answers to questions that are important to this country.

It seems to me there are several issues that are pretty well defined. I hope we can find, on both sides of the aisle and both sides of the Capitol, some solutions or at least move toward some solutions that are very important to us.

In doing that, it seems to me—and I will comment on it a little later—we have to take a long look at the kinds of things we deal with here to try to make some kind of an analysis as to the issues that are appropriate for the Congress to deal with.

There are lots of interesting things going on, of course, but we find our-

selves in the position of dealing with lots of things that I think quite easily could be defined as a role for some other Government level or indeed for the private sector to deal with.

We find ourselves dealing with a good many of those things that are interesting. I was thinking a while back about the activity we had with respect to—I don't remember what it was—\$15 million to help kids play tennis. Well, playing tennis is a great thing, and helping kids to play tennis is a great thing, but is that a congressional activity, I wonder.

I have some concerns from time to time, but there are issues we clearly have to face up to. One of them is health care and the cost of health care throughout the country. Particularly, I am aware of the issues of health care in my State of Wyoming, as is the Presiding Officer, which include the fact that the costs of health care are beginning to limit access to one of the best health care systems in the world.

Well, we have the best health care in the world, but if people cannot utilize it and are not able to take advantage of it, then, of course, we have to do something. The cost of health insurance, which is related to the cost of health care, more and more is one of those issues we need to deal with nationwide. It is not an easy issue.

One of the obvious problems is the uninsured. Approximately 40 million are uninsured. Quite often the costs, when the uninsured receive health care, have to be shifted to those who have insurance, and that lifts the price. The same is true of hospitals and emergencies and Medicare and Medicaid, which actually pay less than the cost, quite often, so that cost again is shifted. It is particularly difficult for the families of the self-employed. In our case, many rural ranchers and farmers pay very high prices to carry insurance for their families. That is one we clearly need to work on. I don't suppose we will find the total solution all at once. We are moving forward in Medicare, but this goes beyond Medicare. This goes to health care in general. We are going to have to do some things there, I am sure.

Energy, of course, continues to be an issue that we have sort of avoided over the last couple years. I guess we have the idea that all you have to do is turn the light on or get in the car and go to the station and everything is going to be all right. The fact is, demand is exceeding production in many of these areas, and we are going to have to do something about it. I am hopeful we can at least begin with an energy policy—and we have tried a number of times—that looks ahead for 15 years or 20 years and says here is what we will have to do, here is where we want to be. And to be there, we have to do other things.

Unfortunately, in this body we haven't been able to pass a policy. I have never understood why. Some areas, such as New England, generally

have been cold on it, and they don't even have production. Production has to come from somewhere else, but there is no interest in that. We need to talk about alternative sources. We need to talk about renewables, efficiency, and conservation of energy, as well as domestic production. We find ourselves with a 60-percent dependence on imported oil, much of which comes from the Middle East, which is unsettled. That is a tough thing. I hope we can get moving on that.

Social Security is a hard one. The President has talked a great deal about it. I am sure there will be some things done here. But clearly there has to be something done for the future. It is true that over the next few years things won't change very much. When Social Security was begun, I believe there were 28 people working for every beneficiary. Now it is about three people working for every beneficiary. Obviously the system that we started with is not going to be able to continue to be the kind of system that we need. It is going to be hard. We will have to get together.

On the highway bill, nothing is more important to us than having highways. We haven't really done that in terms of the 6 years looking out. It is important because the highway departments in the various States do almost all their work by contracting, and they have difficulty contracting if they don't know what their income is going to be over a period of time.

Obviously, we have to continue our fight on terrorism until that job is done, whether it is here or in Iraq, wherever. We will do that, I am sure.

However, now we are faced with a deficit, a legitimate deficit. When you have emergencies in your business or in your family, you spend more than you would normally spend. That is what has happened in the last 4 years. It hasn't been normal. We had September 11. We had a turnaround in the economy. We had terrorism. We had Iraq. Now it is more important. I am pleased in the last year in our omnibus bill, the increase in discretionary spending was only about 1 percent. That is good. We will have to continue to do that.

I had a thick book outlining all the Federal programs we have, a tremendous number of Federal programs. I hope we can take an analysis of those from time to time and see if programs that were started 10 years ago are still as viable as they were at that time. I wish we had programs that ended in a few years so that there would be time to evaluate and see what is getting done.

I hope we can work on some of these things and that we can do a little sorting. I hope we don't become part of that group which thinks that Government action is the only answer to problems in the world. I hope we don't think the Congress has to get involved in every issue that is there. Many of them can be better done in the private