

than the administration will permit, because they have said they will veto anything with a date, anything with conditions, anything that is reasonable, that reflects what the American people want to have, which is the same policy in Iraq to get our troops home and to find a way to end America's nightmare, which has, indeed, been a nightmare.

We were told the mission was accomplished. I don't know what has been accomplished. I have read newspapers today, and everybody, people in Iraq, have no medical care, they have very little electricity, they are living in squalor, and they say life was better with Saddam Hussein than it is now. We have not improved the lives of the Iraqi people. We have pretty much destroyed their country, and we claim we did it for freedom.

But one of the conditions upon which we will measure the benchmarks is if they give us their oil and give it to some of our multinational companies, which makes you wonder if they hate us because of our love for freedom, or if they hate us because we want to take their oil. Maybe that is what it was all about was oil, blood for oil.

It's hard for me not to support a progressive measure, which I know Speaker PELOSI and I know my party's leadership is going to advance, to try to bring some end to this nightmare. But at the same time it's difficult for me to give another dollar and another life to the care and custody of this administration. I do think it's gross negligence probably to do so when you look at what they have done over the last 4 years.

I read about death this weekend in Iraq, soldiers who died who were 20 years old, 19 years old, 21 years old, and I thought about how young they were. They are children basically, children with guns, going over to Iraq, and they are dying because they fall, they have an IED blow them up. It's not *mano a mano*, it is not being shot by Iraqis. It's IEDs. Every day we stay, there will be more and more American men and women being blown up, being sent to inadequate facilities such as Walter Reed because we haven't gotten out.

I don't know that the situation there will get any better. The President today called a press conference and spoke and said we need to keep going forward; we won't know in weeks, we won't know in months, we won't know until longer if this surge or escalation will work.

It's not going to work. You learn from history. If you don't learn from history, you are a fool. The fact is you look at the past, you can look at the Sunnis and the Shi'a and the situation over there and the insurgents, and our being there has not made a difference. It just means that American men and women have died, and the dollars that should have been spent in cities in America to help children with education and health care hasn't been spent.

I am conflicted. I hope the people in my district will let me know what they think. Should we spend another dollar and sacrifice another life, or should we get out as soon as possible?

#### PETRODOLLARS AND THE IRAQ WAR

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, the Wall Street Journal reported last week what most Americans may not realize, that for the first time in history, our U.S. military is now guarding the major Iraqi oil pipeline that leads to its major refinery in Bayji. Yes, our brave soldiers from the 82nd Airborne are now maintaining around-the-clock presence at Iraq's largest oil pipeline and refinery to fight the corruption, smuggling and sabotage that characterize Iraq's oil industry, its premier industry.

The article talks about the flourishing market in stolen Iraqi oil. It says U.S. military officials estimate that as much as 70 percent of the fuel processed at the plant is lost to the black market, an amount valued at more than \$2 billion. Iraq's oil reserves may be the largest in the world. Future access to them is now being determined by a group of people we generally don't see on the evening news.

Do you know them? It's important to figure out who those people are and who exactly is now involved in writing Iraq's hydrocarbon law. How transparent are these oil deliberations?

Indeed, it is amazing how little we hear about them, as trillions of dollars are at stake. Meanwhile, oil smuggling has earned lots of shady characters hundreds of millions of dollars since the beginning of the war. Why did we let this go on? Until now, we can catch Saddam Hussein in the spider hole, and yet somehow we could not figure out who is smuggling Iraqi oil?

Americans deserve answers to so many questions. Who has been earning the money from the oil smuggling? Which global oil companies will benefit once the U.S. leaves Iraq? What percent of oil resources in Iraq will be left for the Iraqi people?

Traveling to Iraq and Kuwait a few weeks ago, I had the chance to witness how technology and power systems transformed endless deserts into oil supply lines. It is an awesome sight. Yet I couldn't help but ask, what is America doing in these deserts? Who does our oil addiction benefit? How have we let ourselves become tied to oil dictatorships? Why do we pay nearly \$400 billion a year to import petroleum rather than become energy-independent ourselves here at home?

Our able colleague, Congressman BILL DELAHUNT of Massachusetts, gave me a book last week, and I looked on page 96. This is called "The Price of Loyalty," by Ron Suskind. It explains

how Donald Rumsfeld used our Defense Intelligence Agency to map Iraq's oil fields and lists companies that might be interested in leveraging the precious asset long before the Iraqi war was declared.

Judicial Watch obtained Mr. Rumsfeld's map through a Freedom of Information request because Mr. Rumsfeld and Paul Wolfowitz would not share it voluntarily. Imagine that. Our taxpayers footed the bill for this map to benefit private firms.

The book attests Rumsfeld and his cohorts in the Bush administration were not concerned with legitimate reasons to go to war; they only concerned themselves with how and how quickly to penetrate Iraq's oil fields. Mr. Wolfowitz had written as early as 1999 that the United States should be committed, should be prepared to commit ground forces to protect a sanctuary in southern Iraq where the opposition could safely mobilize. As we pay dearly for this violent war, and our soldiers die in Iraq, just coincidentally we have to remember the world's largest untapped oil reserves are in Iraq.

Most other nations in the Middle East have guarded their oil reserves as national treasures, but I will tell you what: Halliburton, ExxonMobil, ConocoPhillips, ChevronTexaco and foreign companies like Total, Royal Dutch Shell and British Petroleum have been identified by reporters like Antonia Juhasz, who said last week in the New York Times, these oil companies would not have to invest their earnings in the Iraqi economy, partner with Iraqi companies, hire Iraqi workers or share their new technologies. In fact, she says, only 13 of the 80 oil wells, oil fields in Iraq would be for the Iraqi people. The other ones are being bargained away as the hydrocarbon law is written. Why do we hear so little about this on our evening news?

John Perkins, in his book "Confessions of an Economic Hit Man," talks about how Saudi oil money through petrodollars has been reinvested in our economy, holding up so many of our equities and certainly our U.S. Treasury securities. Why can't America become energy-independent at home? Why do we have to be dependent to the 20th century view of dependency on foreign oil?

"Almost immediately after the [1973 oil] embargo ended," Perkins writes, "Washington began negotiating with the Saudis, offering them technical support, military hardware and training and an opportunity to bring their nation into the twentieth century, in exchange for petrodollars and, most importantly, assurances that there would never be another oil embargo." Congress did not negotiate this—the overall management and fiscal responsibility lay with the Department of the Treasury, and according to the book, the ensuing agreement, which was negotiated in intense secrecy, "fortified" the concept of mutual interdependence." The very goal of this agreement was to "find ways that would assure that a large portion of petrodollars found their way back to the United States" so that "Saudi Arabia would be

drawn in, its economy would become increasingly intertwined with and dependent upon ours" and, of course, we on them. It is a ride in the economy.

Is this the America you want? Do you want U.S. soldiers risking their lives guarding Iraqi oil? I want an America free of counter-productive foreign entanglements. I want an America free of support for dictatorships, no matter how tempting their treasures. I want an America free of foreign oil. I want to invest our dollars here at home in energy independence—in solar, wind, hydrogen, clean coal, new turbine systems, fuel cells and so much more.

I think most Americans, if they understood the extent to which we are hurting ourselves, would want the same. Some global interests are getting so filthy rich year after year, that they would risk a free America for the sake of their bloodied oil profits. It's worth changing how we do business in order to regain our freedom.

[From the Wall Street Journal Europe, Mar. 15, 2007]

#### IRAQ'S OIL SMUGGLERS ARE TARGETED

(By Yochi J. Dreazen)

BAYJI, IRAQ—Adding another facet to Washington's new pacification plan for Iraq, U.S. and Iraqi forces have launched an aggressive campaign to curb the oil smuggling that is destabilizing the fragile Baghdad government and helping to fund insurgents.

In concert with stepped-up military and reconstruction initiatives across Iraq, U.S. troops for the first time are maintaining a round-the-clock presence at the sprawling oil refinery here, Iraq's largest. Soldiers from the Army's 82nd Airborne Division are cracking down on illegal gas stations, arresting refinery workers suspected of corruption and using sophisticated data-sifting methods to identify which senior Iraqi officials might have ties to black-market oil rings.

The Iraqi government, meanwhile, has begun what it calls Operation Honest Hands, which puts the entire refinery under Iraqi military control. Iraqi Army soldiers are physically monitoring each of the facility's pumps and entrances, assuming many of the responsibilities previously held by a paramilitary security force employed by the Oil Ministry that was widely considered corrupt and ineffectual. Iraqi troops are also escorting many convoys of fuel trucks from the refinery to destinations around the country.

The move represents another course change for the administration of U.S. President George W. Bush as it struggles to craft a new approach for stabilizing Iraq. U.S. and Iraqi officials have long been aware of the flourishing market in stolen Iraqi oil but largely turned a blind eye because Washington feared that stationing American soldiers in major refineries would spark a nationalist backlash and renew accusations that the U.S. invaded Iraq for its oil. The Iraqi government, meanwhile, felt its modest security resources were better used directly fighting insurgents.

But officials from both governments have concluded recently that oil smuggling had become too big a problem to ignore any longer. The loss of so much output to the black market is sharply reducing the Iraqi government's main source of revenue: About 94% of Iraq's \$32 billion budget last year came from oil revenue. The stolen oil also gives Iraq's insurgent groups a ready source of income, helping to perpetuate the country's civil war.

"Disrupting the insurgent funding is our main job," said 30-year-old Capt. Kwenton Kuhlman, who is leading the antismuggling

operation at the Bayji refinery. "I'm under no illusions—we can't stop it. It's too big. But we can try to disrupt it."

Iraq produces some 2 million barrels of oil a day, but U.S. and Iraqi officials believe the figure could rise as high as 5 million barrels a day with improved security and new infrastructure.

Former Iraqi President Saddam Hussein helped create the black market in oil in response to economic sanctions imposed in the wake of the 1990-91 Persian Gulf War. Mr. Hussein used smuggling, as well as kickbacks on oil sold legitimately through the United Nations' oil-for-food program, to generate cash for his regime and to reward allies at home and abroad.

The stepped-up fight against smuggling has no guarantee of success—and risks triggering more political and economic turmoil. Senior Iraqi officials regularly pressure the Americans to call off specific investigations or release individuals detained for suspected involvement in the black market, feeding Washington's suspicions that oil-related corruption extends deep into the government.

The enormity of the task facing the soldiers from the 82nd Airborne was evident on recent visits, and underscores the broader challenge Americans face in turning more security over to their Iraqi counterparts. Several tanker drivers said Iraqi soldiers at the plant had already begun asking for bribes. The drivers also said they don't want to be escorted by Iraqi troops for fear of attracting insurgent attacks. "I want coalition forces to guard this place, not the Iraqi Army," driver Suhaib Adil Kareem said. "The Iraqis don't care about the law."

Widespread oil smuggling siphons off as much as \$5 billion per year. At the Bayji refinery—one of three in the country [U.S. military officials estimate that as much as 70% of the fuel processed at the plant is lost to the black market, an amount valued at more than \$2 billion per year.]

Iraq's parliament will soon debate a landmark petroleum law that would clear the way for direct foreign investment in the battered oil sector and set out rough guidelines for distributing oil revenue among Iraq's 18 provinces. But U.S. and Iraqi officials warn the new law will have little substantive impact unless the smuggling is brought under control.

The endemic oil-sector corruption is a financial boon to insurgent operations. A classified U.S. government report in November estimated Iraqi militants earn \$25 million to \$100 million every year by stealing tankers full of fuel, smuggling oil to other countries, carrying out kidnappings for ransom, and charging protection money from truckers and gas station owners.

"The fuel that is stolen comes back as bombs, mortar shells and Katyusha rockets," said Hamad Hamoud al-Shakti, the governor of the Salahaddin province, home to the Bayji refinery.

The black market is fueled by three factors. Baghdad heavily subsidizes gasoline and other oil products, and the resulting low prices mean they can be resold at enormous profit in neighboring countries. The government also doesn't verify that gas-station owners—who are entitled to receive 100,000 liters of fuel per week—sell to retail customers instead of on the black market.

The biggest issue, though, is pervasive corruption. U.S. and Iraqi officials say refinery workers routinely allow tankers to pick up fuel without any paperwork, which makes it easy to sell off the books. Police officers demand bribes of as much as \$1,000 to let tankers pass through checkpoints or for "protection" along routes, the officials say. And some government officials work directly with smugglers or secretly own gas stations

and fuel trucks, giving them a share of money earned through illicit sales, U.S. officials say.

"You're talking about corruption at basically every level," says Maj. Curtis Buzzard, the Harvard-educated executive officer of the brigade conducting the interdiction push. "And it's deeply entrenched."

As part of the campaign, the U.S. in coming months will spend more than \$12 million to install video cameras to monitor the refinery's pumps and new digital scales to weigh trucks, making it easier to see if truckers are carrying more fuel than they were meant to receive. The money will also be used to build parking lots designed to protect drivers from extortion and insurgent attack.

Over the past few months, U.S. and Iraqi forces already have quietly begun arresting officials suspected of playing central roles in black-market rings. As far back as September, Iraqi forces arrested Ibrahim Muslit, who ran the Bayji refinery's oil-distribution operation, after he allegedly allowed 33 tankers in a single day to receive fuel without any paperwork. In January, U.S. troops arrested Ahmed Ibrahim Hamad, a senior transportation official at the refinery, after he allegedly tried to help smuggle out seven tankers of heavy-fuel oil. Both men are in custody and unavailable for comment.

Now, U.S. commanders say they are conducting investigations of senior officials from the Bayji city council, the local police force and the provincial and national governments. The American officers say they have made about 40 arrests since the crackdown began in earnest in early February, when the Iraqis formally joined the campaign, and they hope to make additional arrests in coming weeks.

During a surprise inspection of the refinery's gasoline and diesel pumps one afternoon, Sgt. Stephen Truesdale noticed that the analog display on one of the machines showed it had pumped 4,000 liters more than the facility's handwritten records indicated.

"He helped steal 4,000 liters of gas," Sgt. Truesdale, a former North Carolina police officer, said of the heavy-set Iraqi man who had been manning the pump. "The pumps don't lie."

The refinery worker insisted he was innocent, but Capt. Kuhlman, the brigade leader, told his men they had enough evidence to arrest him.

On the way back to their base, the U.S. forces saw a large fuel truck parked on the side of the road, surrounded by pickup trucks carrying overflowing oil barrels. The 18 Iraqis at the site freely admitted they had purchased the fuel from a tanker driver who had left the refinery a short time earlier. The men said they made such purchases several times a week and resold the oil to factory owners and other small businesses in neighboring towns.

The American forces ordered the Iraqis to drive their pickups back to the refinery, where the men were searched, photographed and escorted onto a pair of open-backed military vehicles for transport to holding cells at the U.S. installation.

The following day, Capt. Kuhlman told a room full of refinery officials and trucking-company executives about the arrests. Shakir Hamid, a businessman who said his partner had been kidnapped from the refinery months earlier, shook his head.

"In Saddam's time, oil smugglers were hung," he said.

"And I release them after two days," Capt. Kuhlman replied, shrugging his shoulders. "But it's a start."

Beneath the surface was a battle O'Neill had seen brewing since the NSC meeting on

January 30. It was Powell and his moderates at the State Department versus hard-liners like Rumsfeld, Cheney, and Wolfowitz, who were already planning the next war in Iraq and the shape of a post-Saddam country.

Documents were being prepared by the Defense Intelligence Agency, Rumsfeld's intelligence arm, mapping Iraq's oil fields and exploration areas and listing companies that might be interested in leveraging the precious asset.

One document, headed "Foreign Suitors for Iraqi Oilfield Contracts," lists companies from thirty countries—including France, Germany, Russia, and the United Kingdom—their specialties, bidding histories, and in some cases their particular areas of interest. An attached document maps Iraq with markings for "supergiant oilfield," and "other oilfield," and "earmarked for production sharing," while demarking the largely undeveloped southwest of the country into nine "blocks" to designate areas for future exploration. The desire to "dissuade" countries from engaging in "asymmetrical challenges" to the United States—as Rumsfeld said in his January articulation of the demonstrative value of a preemptive attack—matched with plans for how the world's second largest oil reserve might be divided among the world's contractors made for an irresistible combination, O'Neill later said.

Already by February, the talk was mostly about logistics. Not the why, but the how and how quickly. Rumsfeld, O'Neill recalled, was focused on how an incident might cause escalated tensions—like the shooting down of an American plane in the regular engagements between U.S. fighters and Iraqi anti-aircraft batteries—and what U.S. responses to such an occurrence might be. Wolfowitz was pushing for the arming of Iraqi opposition groups and sending in U.S. troops to support and defend their insurgency. He had written in *Foreign Affairs* magazine in 1999 that "the United States should be prepared to commit ground forces to protect a sanctuary in southern Iraq where the opposition could safely mobilize."

[From the New York Times, Mar. 13, 2007]

WHOSE OIL IS IT, ANYWAY?

(By Antonia Judasz)

Today more than three-quarters of the world's oil is owned and controlled by governments. It wasn't always this way.

Until about 35 years ago, the world's oil was largely in the hands of seven corporations based in the United States and Europe. Those seven have since merged into four: ExxonMobil, Chevron, Shell and BP. They are among the world's largest and most powerful financial empires. But ever since they lost their exclusive control of the oil to the governments, the companies have been trying to get it back.

Iraq's oil reserves—thought to be the second largest in the world—have always been high on the corporate wish list. In 1998, Kenneth Derr, then chief executive of Chevron, told a San Francisco audience, "Iraq possesses huge reserves of oil and gas—reserves I'd love Chevron to have access to."

A new oil law set to go before the Iraqi Parliament this month would, if passed, go a long way toward helping the oil companies achieve their goal. The Iraq hydrocarbon law would take the majority of Iraq's oil out of the exclusive hands of the Iraqi government and open it to international oil companies for a generation or more.

In March 2001, the National Energy Policy Development Group (better known as Vice President Dick Cheney's energy task force), which included executives of America's largest energy companies, recommended that the United States government support initia-

tives by Middle Eastern countries "to open up areas of their energy sectors to foreign investment." One invasion and a great deal of political engineering by the Bush administration later, this is exactly what the proposed Iraq oil law would achieve. It does so to the benefit of the companies, but to the great detriment of Iraq's economy, democracy and sovereignty.

Since the invasion of Iraq, the Bush administration has been aggressive in shepherding the oil law toward passage. It is one of the president's benchmarks for the government of Prime Minister Nuri Kamal al-Maliki, a fact that Mr. Bush, Secretary of State Condoleezza Rice, Gen. William Casey, Ambassador Zalmay Khalilzad and other administration officials are publicly emphasizing with increasing urgency.

The administration has highlighted the law's revenue sharing plan, under which the central government would distribute oil revenues throughout the nation on a per capita basis. But the benefits of this excellent proposal are radically undercut by the law's many other provisions—these allow much (if not most) of Iraq's oil revenues to flow out of the country and into the pockets of international oil companies.

The law would transform Iraq's oil industry from a nationalized model closed to American oil companies except for limited (although highly lucrative) marketing contracts, into a commercial industry, all-but-privatized, that is fully open to all international oil companies.

The Iraq National Oil Company would have exclusive control of just 17 of Iraq's 80 known oil fields, leaving two-thirds of known—and all of its as yet undiscovered—fields open to foreign control.

The foreign companies would not have to invest their earnings in the Iraqi economy, partner with Iraqi companies, hire Iraqi workers or share new technologies. They could even ride out Iraq's current "instability" by signing contracts now, while the Iraqi government is at its weakest, and then wait at least two years before even setting foot in the country. The vast majority of Iraq's oil would then be left underground for at least two years rather than being used for the country's economic development.

The international oil companies could also be offered some of the most corporate-friendly contracts in the world, including what are called production sharing agreements. These agreements are the oil industry's preferred model, but are roundly rejected by all the top oil producing countries in the Middle East because they grant long-term contracts (20 to 35 years in the case of Iraq's draft law) and greater control, ownership and profits to the companies than other models. In fact, they are used for only approximately 12 percent of the world's oil.

Iraq's neighbors Iran, Kuwait and Saudi Arabia maintain nationalized oil systems and have outlawed foreign control over oil development. They all hire international oil companies as contractors to provide specific services as needed, for a limited duration, and without giving the foreign company any direct interest in the oil produced.

Iraqis may very well choose to use the expertise and experience of international oil companies. They are most likely to do so in a manner that best serves their own needs if they are freed from the tremendous external pressure being exercised by the Bush administration, the oil corporations—and the presence of 140,000 members of the American military.

Iraq's five trade union federations, representing hundreds of thousands of workers, released a statement opposing the law and rejecting "the handing of control over oil to foreign companies, which would undermine

the sovereignty of the state and the dignity of the Iraqi people." They ask for more time, less pressure and a chance at the democracy they have been promised.

#### VIEW FROM AN O'BRIEN COUNTY, IOWA, SOLDIER

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

Mr. KING of Iowa. Mr. Speaker, I come to the floor tonight to read into the RECORD an editorial that was published in the O'Brien County Newsletter, O'Brien County, Iowa. It is from Sean P. O'Brien, First Lieutenant, Field Artillery, United States Army and Purple Heart recipient.

It reads like this: "There are few things that a professional military officer can attribute to editorial statements. However, I would like to share some of the ideas that more than represent what our tour of duty in Afghanistan meant to me. This ethos is to help put these personal feelings, which all soldiers have, into a tangible rallying point.

"I am an American soldier. I am a warrior and a member of a team. I serve the people of the United States and live the Army values. I will always place the mission first, I will never accept defeat, I will never quit, I will never leave a fallen comrade.

□ 2015

"I am a disciplined, physically and mentally tough trained and proficient warrior in my tasks and drills. I always maintain my arms, my equipment, and myself. I am an expert and I am a professional. I stand ready to deploy, engage, and destroy the enemies of the United States of America in close combat. I am a guardian of freedom and the American way of life. I am an American soldier.

"This is called the Warrior Ethos. Every soldier can recite it. It means everything. I cringe when I say this aloud. These words have such weight. As far as service, I understand now. When I shake hands with a veteran, there is a silent conversation that takes place that transcends all words. You can never understand this without experiencing it.

"I cannot deny the power of facing the enemies of truth with truth. The population was the center of gravity, and we systemically engaged in separating these bullies from the population, usually by simply not leaving. The stability created by our presence allowed civil leadership to stop focusing on being brutalized and start focusing on fostering a better way of life for the people, education, medical aid, and commerce. When the population realized that these ideas were worth having, they would generally take on the responsibility of denying safe havens for the bad guys.

"These people, the Afghans, are just like you and me. They want their children to have a safe place to grow. They