

come back with it in the form of a loan.

If you do not want to give away this money, if you want your children not to have to repay this money that we are borrowing in deficit spending, vote for the Rohrabacher amendment.

EXPRESSING SENSE OF HOUSE OF REPRESENTATIVES THAT FRANCE, GERMANY, AND RUSSIA CAN BEST CONTRIBUTE TO RECONSTRUCTION OF IRAQ BY FORGIVENESS OF OUTSTANDING DEBT

Ms. ROS-LEHTINEN. Mr. Speaker, I ask unanimous consent that the Committee on International Relations be discharged from further consideration of the resolution (H. Res. 198) expressing the sense of the House of Representatives that France, Germany, and Russia can initially best contribute to the reconstruction of Iraq by the forgiveness of outstanding debt between both Iraq and France, Iraq and Germany, and Iraq and Russia, and ask for its immediate consideration in the House.

The Clerk read the title of the resolution.

□ 1030

The SPEAKER pro tempore (Mr. THORNBERRY). Is there objection to the request of the gentlewoman from Florida?

Mr. COLE. Mr. Speaker, reserving the right to object, and I shall not object, I rise to support this important resolution, H. Res. 198.

(Mr. COLE asked and was given permission to revise and extend his remarks.)

Mr. COLE. Mr. Speaker, this resolution encourages France, Germany, Russia and other countries to forgive the debt owed to them by Saddam Hussein's regime; to make generous pledges for Iraq's reconstruction at the forthcoming Madrid donor conference; to work with the Paris Club on debt forgiveness issues for Iraq; to acknowledge the role that Iraq's current debt has in hindering reconstruction efforts; and to educate their populace about the importance of debt forgiveness in Iraq's reconstruction.

France, Germany, Russia and other countries have all been vocal about opening up Iraq's reconstruction contracts. If they wish to participate in this process, they should have the generosity and decency to contribute positively to the reconstruction effort by forgiving the debts.

Mr. Speaker, it is unconscionable for nations to expect the Iraqi people to repay the debts contracted by the terrorist and despotic regime of Saddam Hussein, particularly when those people were in part the victims of that regime and had no say in the loans in question. H. Res. 198 will assist the public debate in these issues going into the Madrid conference of donors and will put this House on record for sup-

porting debt forgiveness on this significant issue.

Mr. Speaker, America's given its most sacred resource, the lives and blood of its soldiers, as well as billions of dollars, in order to rid Iraq of Saddam Hussein and begin the difficult task of reconstruction. It is only right that other nations should forgive their debt and begin to participate in the process.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Florida?

Mr. SHERMAN. Mr. Speaker, I reserve the right to object. This is a good bill if it came up at any other time, but today, it serves a unique purpose, and that is, to deal with the great debate that is the big issue that will come up today as the gentleman from California (Mr. ROHRABACHER) pointed out. That issue is whether the \$18 billion, not to rebuild Iraq but to build Iraq as it has never been built before, whether that money will go in the form of a loan or some other collateralized instrument, perhaps an advance payment on the purchase of oil, or whether, instead, it will go as a gift.

What are we told? We are told that we cannot make it a loan because the Iraqi balance sheet is already in such terrible shape. I would first point out that the American balance sheet is not in great shape either, and we will be adding \$500 billion to the debt side of that just this year.

But why is the Iraqi balance sheet in bad shape? It is in bad shape because Saddam borrowed \$100 billion, and the people who hold the promissory notes signed by Saddam want to be paid, and for reasons I cannot figure out, the administration feels it is a critical national priority that those who lent money to Saddam get repaid. Promissory notes were signed by Adolf Hitler; they were not repaid. Promissory notes were signed by the Imperial Government of Japan; they were not repaid. Why is it that this administration believes that we cannot burden Iraq with \$18 billion in debt because we must preserve their ability to pay the \$100 billion of debt that Saddam Hussein borrowed?

Follow the money. Because in 2008 and 2010 and 2012, Iraq, a country with the second largest oil reserves in the world, will be exporting more oil than it needs, the revenue to finance its on-going operations. It will be able to pay debt service. It has collateral. That is why these folks lent Saddam \$100 billion. It will have that money.

Where will that money go? If none of it comes to us, the first claimant for \$25 billion is Saudi Arabia. The Saudis are not content with the revenue from their own oil. They want \$25 billion to be paid by the new Iraq because they have a loan made to the old Iraq. Who is second? Kuwait is in for only \$17 billion, except they claim that they are also owed reparations for the invasion.

Okay. That is interesting. The new Iraq should pay for the invasion of Kuwait by Saddam.

So we are told by the Kuwaitis that not only, not only did we have to spend our treasure and our blood to liberate them, not only do they have more oil than one can imagine per capita, but that they should have a high claim on Iraqi oil and that the American taxpayer should be at the back of the line.

I would say that we must do more today than give \$18 billion to Iraq and then have this resolution saying, oh, please, pretty please, these other creditors should forgive their debts. First of all, the resolution identifies as the main creditors France and Germany and Russia when, in fact, the major creditors of Saddam are Saudi Arabia and Kuwait.

Second, they do not have to forgive the loan. What incentive do they have? It is not like we are saying forgive your loan and this will happen or we will make our efforts contingent upon yours, but rather, today, we are going to be asked to give \$18 billion to Iraq to eliminate any possibility of adding an incentive for others to forgive their debt to enshrine the debt signed by Saddam while denigrating the American taxpayer.

We will be talking about more of this in the rest of today, but no one should believe that the passage of H. Res. 198, a mere plea to the wrong people that they forgive debt that they have no intention of forgiving so that we can give away American taxpayer dollars, that we do not have to give away, this is the smallest fig leaf for the biggest problem.

Mrs. MALONEY. Mr. Speaker, will the gentleman yield?

Mr. SHERMAN. I yield to the gentlewoman from New York.

(Mrs. MALONEY asked and was given permission to revise and extend her remarks.)

Mrs. MALONEY. Mr. Speaker, I thank the gentleman for yielding, and I rise in support of the resolution and thank the gentleman from Oklahoma (Mr. COLE) for his work.

This resolution is a good start but I believe the House must do more to promote debt relief for Iraq. The sense of Congress states that France, Germany and Russia should recognize the role that Iraq's current debt could play in hindering its reconstruction. I strongly agree with this language but we should move beyond France, Germany and Russia on this issue.

While total debt figures are difficult to gather, Representative Coalition Director Paul Bremer has put the number at roughly \$200 billion, and actually, the debt of France, Germany and Russia is just a fraction of the total debt. Russia's estimated to be owed between \$9 and \$12 billion. The amount of Iraq's debt to France ranges from \$1.7 to \$4 billion and Germany is owed \$4 billion. Iraq owes its neighboring countries far, far more money than it does Germany and Russia and over \$4 billion is owed to the United States.

Together with the gentleman from Iowa (Mr. LEACH) I have introduced a bill, the Iraq Freedom from Debt Act, and this legislation would require the U.S. representatives at the IMF and World Bank to vote within these highly influential international financial institutions to reduce the debt owed to Iraq.

The IMF and World Bank are owed roughly \$150 million, and together with the U.S., these institutions are working with the international community on the donor conference to reduce Iraq's debt.

As my colleague pointed out, the neighboring countries of Saudi Arabia and Kuwait owe much more. Just this past weekend in Qatar, the foreign minister indicated the \$1.5 billion owed to Qatar, they would negotiate relief in that debt. Much of this debt was odious debt to build palaces for Saddam Hussein, and certainly the people of Iraq should not be saddled with having to repay it.

I will put the balance of my remarks in the RECORD in the interest of time.

Mr. SHERMAN. Mr. Speaker, further reserving the right to object, I am going to yield to my colleague from Texas, but let me point out one use of this \$18 billion.

Two billion dollars of it is going to go to build new oil wells and oil facilities in Iraq. This will be the first time in history that we invest \$2 billion in oil drilling, hit oil and get nothing. Why do we need these \$2 billion of additional oil wells and oil facilities? So that Iraq can produce more oil, so they can sell that oil, so it can give the money to Saudi Arabia. What a great deal for the American taxpayer.

Ms. JACKSON-LEE of Texas. Mr. Speaker, will the gentleman yield?

Mr. SHERMAN. I yield to the gentleman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I will take just a brief moment to bring this point to the table.

This is a meritorious resolution if we had had a consensus and a collaboration with France and Germany and Russia on how they would participate in the overall rebuilding of Iraq, but I do believe, as my colleague from California has indicated, that this is only sort of a stopgap or sort of a distraction from the overall massive debate of how outrageous the \$87 billion is, and I will just say this, Mr. Speaker, and then I will yield back.

Right now, the \$87 billion in comparison to the Marshall Plan will generate about \$900 per Iraqi, per Iraqi, if we were to give that amount of money. That is a far cry from the amount of money that was generated on behalf of those during the Marshall Plan when there were 16 countries involved, and even though it was in those dollars, it was somewhere around \$200 per capita.

This would be a good resolution if we had had a cooperation or collaboration or agreement with our allies on how they would participate in the rebuild, but right now we are sort of making a

statement to those who are actually not going to listen.

Mr. SHERMAN. Mr. Speaker, I withdraw my reservation of objection, noting that another gentleman from California may also wish to object.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. ROHRBACHER. Mr. Speaker, reserving the right to object, let me note that I support H. Res. 198, and I commend the author for trying to do something.

I would note to the gentleman from California (Mr. SHERMAN) that a fig leaf is better than no leaf at all, and this is a step, a very small step in the right direction that focuses on the debt forgiveness and how important that is that we do not keep a mill stone around Iraq's neck, and the people of Iraq, they are going to be democratic.

If they are going to have the stable society, they cannot have this massive debt hanging around their neck that was left them by Saddam Hussein. These are debts that were given to Saddam Hussein, loans that were given to him by these major financial international partners, for example, the Saudis and certainly German and French banks. We should not be saying that they have to repay these loans because no matter how much money we give them or how much is in the donor's conference, they will never prosper with these loans around their neck.

We tried this with Russia and we tried this with Eastern Europe. We insisted that they repay the debts of the Communist-era debts, and it created chaos and undercut progress in that part of the world for 10 years. We cannot afford that with Iraq.

So I support H. Res. 198, but the gentleman from California (Mr. SHERMAN) was absolutely correct when he said this is only part of the major debate which is should the \$18.6 billion that we are going to provide as reconstruction money go to Iraq as loans or go to Iraq as a gift. The reason why they are saying it must be a gift is because of these loans that these big bankers made to Saddam Hussein when he was in power. That is no excuse at all. We should not be protecting the validity of \$100 billion for the loans to Saddam Hussein from these heavy international financial institutions by giving our money away. We are borrowing this money, this reconstruction money, \$18.6 billion because we are in deficit spending, and we are expecting our children to pay it back rather than to have the Iraqi children pay it back when they are on their feet 10 or 20 years from now, when they are the biggest oil producer in the world. We are going to end up paying it back rather than them paying it back. It makes no sense at all.

So I would ask my colleagues to make sure that they pay close attention to the Rohrabacher amendment which makes sure that this will be a loan to Iraq and not a grant and a gift

or a giveaway. With that, I support H. Res. 198.

Ms. ROS-LEHTINEN. Mr. Speaker, on a day when we are posed to debate the Emergency Supplemental for Iraq and Afghanistan, it is critical that we call on France, Germany, Russia and other nations, to contribute to Iraq's reconstruction, including by making generous pledges at the Madrid Donors' Conference.

It is a matter of fairness and equity. Many of these nations are starting to benefit from a free, liberated Iraq. Their companies will reap financial windfalls from reconstruction efforts. Yet, they expect the U.S. and a small group of nations, to bear the financial burden.

France, Germany, and Russia, in particular, should be called upon to match the generous commitment from countries such as Japan which, despite suffering from a severe fiscal situation, has pledged more than \$1.5 billion for the immediate reconstruction needs of Iraq.

These countries and all of the creditor nations to Iraq should provide debt relief, that will enable the Iraqi people and a future freely-elected government, to rebuild Iraq's infrastructure and industries which deteriorated so severely during the brutal regime of Saddam Hussein.

Were it not for the ongoing commercial relations and close links between the governments and companies of France, Germany, and Russia and the Hussein regime, the Iraqi people would not be confronted with \$21 billion in debt to 19 creditor nations. The Iraqi people and their new leaders should not be held responsible for the corruption and mismanagement of the Hussein regime.

The Iraqi people did not have a say in any of the policies or decisions of the Hussein regime. They were victims in their own homeland. Therefore, it is critical that they not be punished or made to pay for the actions of their oppressor.

We call upon France, Germany, and Russia to acknowledge this reality and make amends for the role they played in prolonging the existence of the Hussein regime and, in turn, the suffering of the Iraqi people.

Through the resolution we are considering today, we call upon these three nations to make a public commitment to debt reduction in the meeting of Paris Club creditors. We further ask them, and all nations, to make generous pledges for Iraq's reconstruction.

We hope they will answer this call.

I urge my colleagues to support the resolution.

Mr. LANTOS. Mr. Speaker, I want to thank the Gentlewoman for bringing this important resolution to the floor.

I would have preferred to see this resolution considered by the Committee on International Relations so that we could debate and discuss its provisions. It is unfortunate that a resolution like this was taken directly to the floor rather than first being considered by the committee of jurisdiction as House Rules provide.

In calling on Russia, France, Germany, and other nations to forgive Iraqi debt, this resolution focuses on one of the issues most important to Iraq's future development.

Because of Saddam Hussein's profligate and murderous ways, Iraq is saddled with an international debt estimated to be as high as \$200 billion. That means an inordinate amount of Iraq's resources will be devoted to debt repayment, unless something is done such as

this resolution suggests. Unless that debt is dealt with soon, Iraq will be unable to develop as its resources and the skills of its people would otherwise allow. This is an absurd situation and an affront to any reasonable standard of justice.

The Iraqi people had absolutely nothing to do with the acquiring of this debt. Creditor nations supplied Saddam resources to build up his army to invade his neighbors and attack his own citizens; for his effort to develop weapons of mass destruction; and for his building of palaces and monuments for self-aggrandizement.

This money did not serve the needs of the Iraqi people. These loans were not used to develop the infrastructure and resources of the country. The Iraqis not only failed to benefit from this policy of relentless borrowing; they were its primary victims.

Without debt forgiveness, we are now asking the Iraqis literally to pay for Saddam Hussein's crimes for generations to come. By way of illustration, let me boil this absurd situation down to a simple truth: Without debt forgiveness, generations of Iraqi Kurds will be asked to pay the bills for developing the chemical weapons that were used to kill and maim their brethren at Halabja.

As a further absurdity: If the Iraqi people are forced to repay Saddam's debts, most of these repayment funds would be directed to creditor nations that actually opposed Iraq's liberation.

Mr. Speaker, our nation not only liberated Iraq. It has also already donated—I repeat, donated—approximately \$3 billion to provide for Iraq's humanitarian needs and rebuild its crumbling infrastructure. And now it has been asked to give more. It is time for Iraq's creditors to step up to the plate and at last do something for the Iraqi people, instead of for Saddam Hussein. As both direction to Administration policy-makers and to strengthen their hand, it is important that this body go on record with a clear demand for international debt forgiveness for Iraq.

Mr. COLE. Mr. Speaker, I rise today in support of House Resolution 198. This is a resolution which I introduced several months ago to address the inadequacies of France's, Germany's, and Russia's efforts in participating in the reconstruction effort. In doing so, I believe it best to highlight the outstanding debt owed to them by Saddam Hussein's regime in Iraq.

Mr. Speaker, the time has come for the consideration of its resolution. In the past year, the United States has committed its most precious commodity, the lives of our men and women, for the liberation of an oppressed people. It is not an action which we took lightly as a Congress, and one which we took after much consideration. Now we must win the peace, and in doing so, call upon the very nations who have indicated they would like to see the successful reconstruction of Iraq to forgive its debt.

The odious debt which the regime of Saddam Hussein contracted with numerous countries is not one which would be foisted upon the innocent people of Iraq. Now is the time for debt forgiveness and now is the time for the community of nations to come together and assist in solving this problem. In particular, France, Germany, and Russia must bear special responsibility for this because they represent the countries most vocal in supporting the illegitimate regime of Saddam Hussein.

The Speaker, the past policies of these countries were particularly helpful to Saddam Hussein's regime when United Nations Resolutions prohibited such relationships. They have requested that they be allowed to assist in reconstruction, and this is a first step.

Furthermore, because of their particular role over the last decade, it would be particularly helpful if they were to pledge greater amounts of money to aid in Iraq's reconstruction at the upcoming Madrid Donors' Conference. Thus, we have amended this legislation to reflect that fact.

Mr. Speaker, we are about to enter into a great debate over the substance of a Supplemental that will directly aid Iraq in its reconstruction. While there are a variety of opinions on the Supplemental, there is little doubt that America will keep her word to the Iraqi people and directly aid her in reconsideration. There is absolutely no question that we will not hold the innocent people of Iraq responsible for the actions of Saddam Hussein.

Vote "yes" on House Resolution 198.

Mr. ROHRABACHER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Florida?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 198

Whereas France, Germany, Russia, and other nations have expressed an interest in assisting in the reconstruction of Iraq;

Whereas France, Germany, Russia, and other nations have previously encouraged and provided debt relief as a way to assist other nations;

Whereas France, Germany, Russia, and other nations had extensive trade relationships with Iraq;

Whereas loans and other support from France, Germany, Russia, and other nations were used by the Saddam Hussein regime to support the development of its weapons of mass destruction programs, the expansion of the Iraqi Army that the regime used to invade its neighbors, and the building of palaces, monuments, and other means of aggrandizing Saddam Hussein;

Whereas the United States has already provided approximately \$3,000,000,000 in the form of grants to provide for the humanitarian needs of the Iraqi people and to rebuild Iraq's crumbling infrastructure; and

Whereas France, Germany, Russia, and other nations are capable of making generous pledges for the reconstruction of Iraq at the International Conference on Reconstruction in Iraq to be held in Madrid: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that France, Germany, Russia, and other nations—

(1) should work with multilateral institutions and with creditor nations in the "Paris Club" to establish a debt forgiveness program for Iraq to aid its reconstruction;

(2) should make generous pledges for the reconstruction of Iraq at the International Conference on Reconstruction in Iraq to be held in Madrid; and

(3) should acknowledge the role that Iraq's current debt plays in hindering its reconstruction.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MS. ROS-LEHTINEN

Ms. ROS-LEHTINEN. Mr. Speaker, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the Nature of a Substitute offered by Ms. ROS-LEHTINEN:

Strike all after the resolving clause and insert in lieu thereof the following:

That it is the sense of the House of Representatives that France, Germany, Russia, and other nations—

(1) should work with multilateral institutions and with creditor nations in the "Paris Club" to establish a debt forgiveness program for Iraq to aid its reconstruction;

(2) should make generous pledges for the reconstruction of Iraq at the International Conference on Reconstruction in Iraq to be held in Madrid; and

(3) should acknowledge the role that Iraq's current debt plays in hindering its reconstruction.

Ms. ROS-LEHTINEN (during the reading). Mr. Speaker, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Florida?

There was no objection.

The SPEAKER pro tempore. The question is on the amendment in the nature of a substitute offered by the gentlewoman from Florida (Ms. ROS-LEHTINEN).

The amendment in the nature of a substitute was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the yeas appeared to have it.

□ 1045

Ms. ROS-LEHTINEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore (Mr. THORNBERRY). Pursuant to clause 8 of rule XX, and the Chair's prior announcement, further proceedings on this question will be postponed.

GENERAL LEAVE

Ms. ROS-LEHTINEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on House Resolution 198, the resolution just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Florida?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 3289, EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT FOR DEFENSE AND FOR THE RECONSTRUCTION OF IRAQ AND AFGHANISTAN, 2004

Mr. HASTING of Washington. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 396 and ask for its immediate consideration.

The Clerk read the resolution, as follows: