Mr. President, although

stories about Iraq have moved

off page 1, history teaches us that we

should be prepared for another crisis,

and I will tell you why. Most of the

previous debate on Iraq has focused on

military options or support for opposition

groups, but I am here to call the

attention of my colleagues to an issue

that seems to have been lost. Where is

the will of the world to enforce the economic

sanctions, including the embargo

on oil sales, that date back to the

end of Operation Desert Storm?

We must go back, I think, to the

original purpose of the economic sanctions

against Iraq and simply shut

down Saddam Hussein’s ability to fund

his program for weapons of mass destruction.

Because there is a significant

amount of oil that he is able to

sell, and the proceeds are not going for

humanitarian needs in Iraq; they are

going into Saddam Hussein’s pocket,

and, as a consequence, he is fueling his

military machine.

In my opinion there is only one way

to shut down Saddam’s military machine.

We must effectively cut off the

flow of oil from Iraq. I would like to

share a few facts that my colleagues

may not be aware of, but that are critical

to the issue of how Saddam Hussein

maintains his current grip on power.

He does that by the cash flow generated

from illegal oil sales.

Revenue from oil exports have historically

represented nearly all of

Iraq’s foreign exchange earnings. In the

year preceding Operation Desert

Storm, Iraq’s export earnings totaled

$10.5 billion with 95 percent attributed

to oil exports, so that’s really his cash

flow. Iraq’s imports during the same

year, 1990, totaled only $6.6 billion.

United Nations Security Council Resolution

687, passed in the 1991 at the

end of the gulf war, requires that international

economic sanctions, including

an embargo on the sale of oil from Iraq,

remain in place until Iraq discloses and

destroys its weapons of mass destruction

programs and capabilities and undertakes

unconditionally never to resume

such activities.

But the teeth in Resolution 687 have

effectively been removed with the expansion

of the so-called ‘‘oil-for-food’’

exception to the sanctions. The first

loosening of the sanctions occurred in

1995, when Security Council Resolution

986 allowed Iraq to export $1 billion in

oil every 90 days—$4 billion over one

year.

And most recently, during the period

when Saddam was again violating Security

Council resolution by refusing

to allow international inspectors to

conduct their work, the United Nations

voted to more than double the amount

of oil Iraq can export per year.

On February 20, the U.N. Security

Council, with the Clinton administration’s

support, adopted Resolution 1153

which will allow Iraq to export $10.52

billion in oil per year—$5.256 billion

every 180 days. In other words, Iraq is

now authorized to export nearly as

much oil, in today’s dollars, as it did

before it invaded Kuwait.

So we have now given Saddam Hussein

the green light to completely rebuild

his oil export capacity. As Patrick

Clawson, from the Washington Institute

for Near East Policy, observed

in a recent analysis of Resolution 1153:

Mr. President, will the United States

force Iraq to wait to rebuild its oil production

capability until it meets the

conditions imposed at the end of the

gulf war? Quite the contrary. In fact,

paragraph 12 of Resolution 1153 directs

the Secretary General to establish a

group of experts to determine whether

Iraq has the production and transportation

capacity to export the full

amount allowed. The resolution goes

on to say that the Security Council,

‘‘expresses its readiness’’ to authorize

‘‘the export of necessary equipment to

enable Iraq to increase the export of

petroleum or petroleum products.’’

Analyst Patrick Clawson correctly

pointed out the dangers of allowing

Iraq to resume the import of petroleum

equipment:

Even as President Clinton vowed to

‘‘keep the sanctions on’’ Iraq until the

regime lives up to its commitments, we

are creating a giant loophole for Iraq’s

most important commodity—oil.

Of course, expansion of the food-foroil

program is sold as a humanitarian

gesture. U.S. Ambassador Peter

Burleigh described the Security Council

action as the ‘‘largest U.N.-sanctioned

humanitarian program’’ in its

history. I have no disagreement with

finding ways to reduce the misery of

the Iraqi people, who have suffered

greatly under Hussein’s leadership, but

I do have a problem with the oil-forfood

expansion, because I am not convinced

it is controllable under the current

U.N. proposal.

The administration has not yet convinced

me that the monitoring of this

program is so airtight that it does not

allow kickbacks that benefit Saddam

Hussein directly.

But even if the monitoring is airtight,

Mr. President, I am convinced

that the program indirectly benefits

Saddam Hussein for several reasons.

First, using this program to feed his

people and to provide medicine frees up

other resources that can be used to finance

his factories of death.

Second, the increase in illegal sales

of petroleum products coincided with

implementation of the oil-for-food program

in 1995. Part of this oil is moving

via truck across the Turkey-Iraq border.

A more significant amount is moving

by sea vessel through the Persian

Gulf. The Multinational Interdiction

Force that operates in the gulf reported

last fall that exports of contraband

Iraqi oil through the gulf has

jumped sevenfold in the past year from

$10 million in diesel fuel sales in 1996 to

$75 million in 1997. Furthermore, Iraq

has been steadily increasing exports of

oil to Jordan, from 60,000 barrels per

day at the end of Operation Desert

Storm to an expected 96,000 barrels per

day currently.

An ABC News report in December of

1997 cited the Center for Global Energy

Studies estimate that Saddam Hussein

was generating $300 to $400 million a

year from contraband oil sales.

Mr. President, these are illegal sales

that have generated funds for Saddam

Hussein’s war machine.

I have absolutely no doubt that allowing

Saddam to increase his oil production

under the new resolution

means that contraband oil exports will

increase proportionately. It is this illegal

flow of oil that is the lifeline that

keeps his Republican Guards well fed

and his weapons of mass destruction

production program on track. A former

head of Iraq’s military intelligence, in

an interview with ABC News, said that

the dollars generated by smuggling

‘‘enable Saddam Hussein to support his

intelligence services and the military

to keep them loyal. That is how he

stays in power.’’

Finally, Resolution 1153 does more

than provide for humanitarian imports.

It finances almost the full range of imports

that Iraq would make were it not

under the sanctions. Again quoting

from Patrick Clawson:

He is not stuck in an ever-constricting

box; the box is full of holes. The

resolution provides for infrastructure

improvements such as sewers and electricity—

all activities that would normally

be undertaken by the Iraqi Government.

To the extent this U.N. action

quells citizen discontent with

Iraqi leadership, we are just prolonging

the life of this horrible regime.

So why did the U.N. Security Council

adopt Resolution 1153? I have a few

theories about the motivation of the

interested parties. For the Clinton administration,

this may have been

viewed as a counterbalance to the call

for military action. I think it was

counterproductive, but that was their

decision.

But for other members of the Security

Council, particularly those who

oppose the use of military force—Russia,

France and China—the motivation

is clear. It is an economic motivation.

As a recent Wall Street Journal article

observed:

The Wall Street Journal correctly

observes that Russia’s heavy industry

would also benefit by supplying oil

equipment, such as platforms and rigs,

to Iraq, as would Russian arms makers.

Of course, some Russian companies

have not waited for the end of sanctions.

Iraq obtained several Russian

gyroscopes used for aiming Scuds in

1995, and just last week we became

aware that U.N. inspectors accused

Russia of selling Iraq huge steel drums

that could be used to produce biological

warfare agents.

In spite of these actions by Russia, it

was reported this weekend that U.N.

Secretary General Kofi Annan was

studying a Russian request to have a

Russian named as codeputy chairman

of the U.N. special commission overseeing

the weapons inspections. I sincerely

hope the United States will use

its veto power to prevent this appointment

in light of the obvious conflicts

of interest.

I should note, Mr. President, that

both China and France have similar

conflicts of interest in that their close

economic ties to Iraq have been in existence

for some time, and their desire

for Iraqi oil is well known. These have

made them hard set against any military

action for some time.

With the United Nations having now

negotiated a deal with Saddam Hussein

that appears in the short term to have

sidetracked military options—and with

members of the Security Council actively

working to let Saddam Hussein

off the hook—what can the United

States do unilaterally to advance our

national security interests?

I have some suggestions. First, the

Congress should hold hearings to examine

the impact of increased oil sales on

Saddam Hussein’s ability to stay in

power. As chairman of the Energy and

Natural Resources Committee, I would

like to conduct these hearings jointly

with the Senate Foreign Relations

Committee and my good friend, Senator

HELMS.

Second, the administration should

keep our forces in the gulf region while

we test whether this time Saddam Hussein

means what he says.

Third, Congress should instruct the

administration to pursue means to

tighten the oil-for-food monitoring

program and to develop measures that

would prevent the illegal leakage of oil

into the world marketplace. I submitted

a resolution 2 weeks ago, Senate

Concurrent Resolution 76, which would

send that message to the administration.

I plan to amend that resolution to

reflect what is learned in congressional

hearings, and I will ask the Senate to

take action on that in the near future.

My resolution will call on the administration

to consider the following options:

First, expanding the multinational

interdiction force, the MIF, in the Gulf

of Arabia and ensuring that the rules

of engagement allow MIF forces to effectively

interdict vessels containing

contraband oil.

Second, using all diplomatic means

available to ensure that other countries

in the region are not aiding illegal

oil exports in violation of the U.N.

resolutions.

Third, inspecting all vessels leaving

the Iraqi Port of Basra to ensure that

the economic sanctions are not being

circumvented. This type of blockade is

justified under existing U.N. resolutions

implementing economic sanctions.

While it may sound like an extreme

measure to initiate a blockade, I

remind my colleagues that we have a

blockade of the airspace over that part

of the country, which we have taken

the initiative to enforce.

Fourth, and finally, entering into negotiations

with oil-producing nations

to encourage them to make subsidized

oil sales to Jordan so that the Iraqi-

Jordanian flow of oil can be shut off.

Taken together, all these measures

will serve to increase Iraq’s economic

isolation and provide a deterrence to

illegal actions. This is an approach we

used successfully in confronting the

former Soviet Union, and I think we

should return to it right now.

Again, oil is the key to controlling

the future military capability of Iraq.

We must control it if we are ever going

to contain Saddam Hussein.

Mr. President, that concludes my remarks.

I yield the floor and suggest the

absence of a quorum.