Thank you very much, Mr. Chairman, and

I certainly want to associate myself with that statement. It was

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very well put, about Saddam Hussein’s ability to produce, and

where he is marketing it.

I welcome the Under Secretary here today on behalf of Chairman

Helms. I have got a statement to put in the record on behalf of

Chairman Helms of the Foreign Relations Committee that I will

submit for the record.

I will just note that a number of us in the Senate, Secretary

Pickering, are very worried that we are going down a course now

that does not remove the problem from Iraq, and the problem is

Saddam Hussein, and as long as he remains in power we are going

to be confronting him and his regime, and whether it is chemical

weapons or biological weapons or conventional weapons, we will be

confronting him.

And now it appears we are on a course to even finance and allow

the financing of Saddam Hussein in the region, and that is deeply

concerning to a number of us from various aspects, when he is the

problem, and now he is going to have more money in his pocket,

and that is the sort of thing that I want to probe with you here.

And you are going to I think continue to hear a lot of comments

from the chairman of this committee, from myself, you are going

to continue to hear it from Majority Leader Lott, as long as our

strategy seems to allow Saddam Hussein not only to stay in power

but to grow in strength and grow in financing, and I would like to

submit this statement into the record, and I look forward, Mr. Pickering,

to your statement and a frank dialog back and forth of where

the administration truly wants to take the U.S. strategy toward

Iraq.

Is it just, Saddam is going to be there and we are going to gradually

loosen the hold on him, or are we going to put in place a strategy

long-term for the removal of Saddam Hussein, and that is the

better strategy that I think we have to go at.

Thank you, Mr. Chairman.

Secretary Pickering, thanks for joining us

today. I have a great deal of respect for your abilities and your

background and your knowledge, so I know you come prepared,

both background and today.

I want to direct your attention, if I could, to some of these charts

up here that we put forward that come from State Department-

U.N. Figures, or combined figures. You can see the typical smuggling

ship, as you know, is not a big oil tanker. Sometimes the oil,

the diesel fuel, as you call it, is just slopping over the sides as they

are sneaking it out.

The second chart—and if we could have somebody over there to

maybe bring it up for Secretary Picking to see the numbers on that

better, would that be possible for one of you? Thank you very

much—just to bring that up so you can look at those numbers, because

they were very discouraged about the numbers from what

they were in January of this year, some 270,000 metric tons per

month being smuggled out, then it fell off precipitously, so we were

encouraged about that, but now it is moving back up, which draws

a bit of concern.

I mean, it looked like something was going right there for a

while, and now it is opening back up.

And as you note, the route on that third chart, if I could focus

you on it, has to come out through Iraqi waters or agreed-upon

places, as you noted, and it seems like that is a natural bottleneck

for us to really focus on.

And I gather in your comment you were saying you have focused

in that area, but I wonder, have you let up, as to why we are seeing

this increase, or can we tighten that bottleneck back down with

them, because it looks to me as if that is the point that we can grab

it around the throat.

I have got another question I would like to make, but could you

briefly respond to that?

The administration has been very kind to

them lately, much to my dismay. I would hope they would work

with you on your ILSA waivers, which I do not agree with, although

the administration takes another view. Hopefully you have

got them to where they will work with you very closely.

We do, but several of us have different

ways of dealing with the Iranians. I think you are going to find my

route over the long run is going to be the right route.

Right, but that is the bottleneck right

there.

If you could, and I guess my time is very

short, it seems like to me that because these are illegal shipments,

and clearly illegal shipments, and the world knows they are going

on, that we ought to be able to put pressure to be able to get into

Iraqi territorial waters to be able to stop these from taking place,

and I am not as knowledgeable, obviously, as you are on our ability

to be able to do that, but I would ask, and push that.

The second point I would like to make to

you, and it is one that more troubles me than all of this, is, it

seems as if the administration has determined to take on a strategy

assuming the continuation in power of Saddam Hussein, and

just saying that this is the way it is going to be, so we are looking

out over a period of time how this loosens up to where the sanctions

are not in place.

Is that indeed the case?

Well, if I could, it seems as if the facts go

contrary to those statements, with the amount of oil and gas that

went down, back up, with the amount that legally is being allowed

to flow, with the push of removal of sanctions from a number of

countries, with our lack of desire or willingness to engage a longterm

strategy for his removal, it is almost as if we are engaged in

wishful thinking on the administration’s part but wishful actions

go the other way.

You have strong support in the Congress to put in place and implement

a strategy that would continue to really try to hold down

Saddam Hussein and continue in place the push and the power to

get him out of office over a long-term strategy, and I would just

suggest to you, looking at the administration’s policy from the outside,

that the words and the actions do not seem to match on this.

If I were an Iraqi citizen, and the situation

was getting better, and Saddam Hussein was still in power, I do

not think I am going to give that credit to the United Nations. I

think I am going to give that credit to Saddam Hussein.

And I would direct your attention just to yesterday, a Reuter’s

report that was out yesterday that said that Iraq is now requesting

funds in the oil-for-food program to improve their mobile telephone

network, and the response was from the officials of the United Nations,

they are saying, well, they cannot show a clear link between

that and the oil and food needs, and so the U.N. then asked, in return

said, ask Iraq to restate its request for phone equipment making

it clear it would lead to better warehouse management and

other improvements in food distribution.

Well, that sure seems a long ways from food, and it appears as

if we have opened this completely wide open.

Well, good, and I hope you will keep the

strategy of removing him from power.

Thank you, Mr. Chairman.

Thank you very much, and I do not get this

honor to do this very often, but I would like to call on Mr. Domenici

for a round of questioning.

If I could, just on behalf of the Foreign Relations

Committee, thank you very much, Secretary Pickering, for

coming up and joining us.

I would simply make the point in closing that there have been

a number of press reports that say that the administration is moving

toward a deterrence policy toward Iraq, rather than a removal

of Saddam policy, and I was happy to hear today that you have

said that that is not the case.

I do hope our actions continue to match those words of that policy,

and that we not shift, because I fail to see any advantage that

the U.S. gets from shifting to a deterrence strategy, so I am glad

that you agree with that, and we will continue to point out where

we think you might be able to improve in that policy area, and I

have great respect for your abilities and your work that you have

done over the years and with these difficult problems.

Thanks for being here with us today.