Let me, on behalf of the chairman of the

Foreign Relations Committee, welcome you to the Iraq question,

are sanctions working or are sanctions collapsing?

Senator Helms and I have had numerous conversations on this

issue, and thanks to him and his professional staff and other members

of the Foreign Relations Committee we agreed to have a joint

hearing, and as chairman of the Energy & Natural Resources Committee,

obviously we have an interest, and I see two members of

that committee, Senator Campbell and Senator Burns who are also

here as well as members of the Foreign Relations Committee.

It is my understanding Senator Helms may be delayed, and Senator

Brownback will make the statement for the chairman on behalf

of the chairman and himself.

As well, I am happy to see my Democratic colleagues. I feel very

much at home back in the Foreign Relations Committee. I was on

this committee for 10 or 12 years. I had hoped to eventually make

the Finance Committee, and the worm finally turned, and I reluctantly

gave up this position.

But the purpose of today’s hearing is to answer the question:

Have we so weakened U.N. sanctions that Saddam can keep his

weapons of mass destruction and threaten his neighbors and the

world’s oil supply?

I think that the actions by the administration and the U.N. particularly

have rendered the effectiveness of the sanctions less than

meaningful, and without effective sanctions the U.N. inspectors in

my opinion will never be able to force Saddam to destroy his weapons

of mass destruction.

Just last month, the U.N. chief arms inspector, Richard Butler,

reported that Iraq is not complying with U.N. requirements for lo-

cating and destroying weapons of mass destruction. Now, the question

is, can we verify his arsenal through intelligence?

Well, there is a mixed response to that. We obviously missed a

little of the activity in India the other day, so I will just leave that

open for further speculation, but clearly we were not and did not

detect India’s nuclear weapons tests before they happened, and

how are we going to be sure about Iraq?

Perhaps some in the White House believe that Saddam Hussein

can be trusted. Well, I can tell you a little story about some experience

that a number of Senators had back in 1989. Senator Dole,

Senator McClure, Senator Metzenbaum, Senator Simpson and myself

were in that part of the world, and President Mubarak set up

a meeting with Saddam Hussein for lunch.

We flew to Baghdad to meet with Saddam Hussein and were met

at that time by our Ambassador, April Gillespie, and while we were

looking forward to the meeting, Ms. Gillespie arrived and advised

us that the meeting had been rescheduled for Mosul, and we were

quite taken aback, because we traveled a long way, and reluctantly

thought we would make the change, and we would fly up in our

airplane.

We were not too sure where Mosul was, up near the Turkish border,

but in any event we were advised by Tarik Aziz that Saddam

had sent his airplane down to pick us up. With some reluctance we

said no, we will go in our airplane. He said, well, your airplane is

too big. Our runway is under construction.

So with Tarik we went in Saddam’s airplane and got up to the

meeting, which was in a hotel overlooking the Tigris River, and

began our dialog with Saddam Hussein. At this time there was a

big issue of a cannon that allegedly was being built, and part of

it was found on the docks in London, and there was a triggering

mechanism, and we discussed everything from human rights, and

the conversational got quite emotional.

And finally at one point Saddam said, you come out on the front

porch. He said, there is a helicopter for each one of you. You go in

the helicopter, land anywhere in Iraq, ask the people what they

think of Saddam Hussein.

And Howard Metzenbaum said, I am not going. That would be

a one-way trip.

At the conclusion Bob Dole said: Well, I

am never going over there for lunch, because Saddam did not even

buy us lunch.

So the point of the issue is, as I started to say in my remarks,

I do not think you can trust him to keep his word, even if it is to

buy lunch.

Now, time and time again, I think we would agree Saddam has

proved himself untrustworthy. We can review the record. In the

early eighties Saddam invaded Iran. We had hundreds of thousands

that died. They used chemical weapons against Iran out of

desperation.

In 1990, Saddam invaded Kuwait, threatening the oil supplies,

and the United States and our allies spent billions of dollars, put

a half-million troops in harm’s way to kick Saddam’s—to keep Saddam

from invading Kuwait. He wanted the power associated with

the oil. It was an oil war.

Since 1994 Saddam has illegally smuggled oil. Last year, earning

Iraq nearly $1⁄2 billion. You can be sure that Saddam is not spending

this money to keep Iraq’s children from starving.

I have got a list here of the oil production out of Iraq from 1973

through 1998, and his production was roughly 2 to 2.7 million during

that period of 1973 to 1990, and after the war, dropped off to

300,000 barrels, 400,000, 500,000, six, and then in 1997, the sanctions

with the United Nations, we picked it up to 1.2 million, and

now in February the estimate is 1.7 million.

That is rather revealing, because this is more than double the

amount previously authorized. It is $1 billion for 90 days and $4

billion a year, $10.5 billion on oil priced at $15 a barrel. That is

1.9 million barrels that the U.N. has authorized him to be able to

basically market. That is more than his production capability currently

at 1.7.

So as we look at what I think is happening, and the purpose of

this hearing is to address how that oil is being funneled into the

markets of the world, and how much of it is outside the sanctions

and is being pocketed under illegal oil sales to other countries, and

the realization that the United Arab Emirates hit a peak in January

this year of about 70,000 barrels a day, and a lot of this goes

into the pocket of one Saddam Hussein.

And then in April, Iran allowed Iraq to export more gas, oil, and

exports to the UAE. Press reports put Iraq’s exports to Jordan at

100,000 barrels a day. Total Iraq illegal oil sales amounted to 450

million last year.

The bottom line is that we have a situation where Saddam is illegally

smuggling oil as a consequence of the administration’s support,

I think inappropriately, of the U.N. resolution increasing the

authorization, and you can be sure that Saddam is not spending all

his money to keep Iraq’s children from starving.

I think the Republican Guard, the military machines, the funding

for his weapons of mass destruction are what this committee

is going to address today, so I think it is fair to say that as we reflect

on our action, the public should be indignant relative to what

is being allowed here.

Iraq can now sell more oil than it sold before the Gulf War. Iraq

is authorized to sell more oil than it can actually produce.

In summary, the United Nations, with the backing of the current

administration, has undermined sanctions, removing the incentive

for Iraq to comply with arms inspections. I think this makes no

sense. Oil sanctions are now basically a toothless tiger.

So as a consequence of that, I, as others, do not want to see our

sons and daughters engaged in another Gulf War because Saddam

is stockpiling weapons to attack his neighbors and continue his efforts

to control as much oil as he can from the Mideast that we are

so dependent on.

Remember one thing. We are now about 53-percent dependent on

imported oil. In 1973, when we had the Arab oil embargo, we were

37-percent dependent, so our national energy security is at risk.

Senator Brownback.

Thank you very much, Senator

Brownback.

In other order of attendance, Senator Campbell, Senator Burns,

Senator Hagel, Senator Johnson, and Senator Robb.

Thank you very much. Senator Burns.

Chickens?

That is what I thought you said.

We do not raise them in Alaska, either.

Thank you very much, Senator Burns.

You have obviously got your message across.

Well, I certainly heard it. Senator Hagel.

Thank you, Senator Hagel. Senator Johnson.

Senator Robb. It is good to see you this

morning.

Thank you very much, Senator Robb.

Let me introduce the Hon. Thomas R. Pickering, Under Secretary

of State for Political Affairs, and we do very much appreciate

your presence, and look forward to the administration’s position

on the questions that have been raised here and the statements

by the various Senators. Please proceed.

Thank you very much, Tom Pickering.

We appreciate your statement.

We have been joined by Senator Thomas.

Thank you very much.

Let me just advise Members I am going to limit us to roughly

5 or 6 minutes, and we will have a second round if necessary, but

thanks very much for your statement.

I am concerned—the oil-for-food is certainly a meritorious and

humanitarian commitment by the administration which we all

share, but the concerns are directly related to the illegal sales, and

whether this action, which is less than a full enforcement of sanctions,

is allowing Saddam Hussein under the circumstances to have

the best of both worlds. He is able to rebuild his oil refining capacity

and production capacity back to where it was prior to the Persian

Gulf conflict.

Make no mistake about it, oil is what fuels the economy of Iraq,

and as a consequence the economy and the ability of the illegal oil

sales is what fuels Saddam’s war machine and the capabilities of

whatever ultimately he has in mind.

Now, you acknowledged, Mr. Pickering, that sizable amounts of

petroleum products are illegally being sold. I am going to request

with Senator Helms that these two committees, the Energy Committee

and the Foreign Relations Committee, have a briefing with

our intelligence community on much of this information, which is

classified, and I respect and honor that, and with the approval of

the chairman that would be something that I would hope we could

proceed with after our recess.

So putting that aside, the realization that roughly $450 million

of illegal sales of oil was funneled into Saddam’s pocket, so to

speak, to determine as he saw fit what to do with, I think this arrangement

continues to support a regime that ultimately would collapse.

We saw what happened in Indonesia, where the people finally

rose up to the point that Suharto stepped down. Now, that situation

is not going to happen in Iraq. Saddam is going to continue

as long as he has a substantial control on a cash-flow that keeps

his Republican Guard and the security that they provide Saddam

Hussein, which is certainly dictatorial, so I think the administra-

tion should reflect on the alternatives associated with trying to

curb the illegal sales effectively.

Now, some of these, of course, are moving by sea, and you know,

the merits of a blockade perhaps are antiquated, but what in the

world is the difference between a no-fly zone that we enforce today

in Iraq in specific areas, and a prohibition of allowing this illegal

oil to move out?

We know where it is going. We have a fleet over there that could

effectively stop this, or at least make an effort to stop it, or cajole

our allies to stop buying it, because as long as he has that cashflow,

why, obviously he is going to continue to do whatever his objective

is.

So I find your statement, while somewhat reassuring, inconsistent

in specifically how this administration is going to curb these illegal

sales, which incidentally are not new. They have been going

on for a long time. They have been increasing. The Iraqis are obviously

motivated, as they get back into production.

We have had some cooperation with Iran, and then the illegal

supplies dropped, and now the Iranians have obviously gone back

and are no longer playing a role in trying to curb some of this illegal

oil, so they are back in business.

What I find inconsistent is, Resolution 687 initially required that

the sanctions, including the embargo on oil sales, remain in place,

and I emphasize in place, until Iraq discloses and destroys its

weapons of mass destruction and undertakes unconditionally never

to resume such activities. That was a condition. We came aboard,

the U.N. came aboard.

Despite his terrible record on compliance, stonewalling the U.N.

inspectors in February, the U.N. Security Council, with full support

of this administration, massively expanded the oil-for-food program,

so Iraq can now sell more oil than it sold before the Gulf

War, and it is going to sell more illegal oil, and we both know it.

And why the U.N. with the full backing of the administration

has really undermined the sanctions, removing the incentive for

Iraq to comply with arms inspection, is beyond me, and I think

that is the point of this hearing. The expanded oil sales, along with

Iraq’s illegal oil sales, is the lifeline that keeps Saddam in power,

his Republican Guards well-fed, and whatever, his program for

chemical and biological nuclear weapons, on track.

I ask you specifically, what are you prepared to do to stop it, and

why have you not done it?

The Iraqis are growing enough food to

export it to Jordan for oil?

Well, you made a point here, and I hated

to interrupt you, but I could not pass up the opportunity. You are

saying the oil is coming out of Iraq and the Iraqis are getting food

for it from Jordan?

And the Saudis are not interested in selling

oil into Jordan?

And the Saudis are not interested in selling

oil into Jordan?

And the Saudis are not interested in selling

oil into Jordan?

Thank you very much. I am going to call

on my colleagues. Let me just comment, clearly Saddam has not

seen fit to comply with the sanctions. Why the U.N. does not come

together and agree, since they have allowed him to increase his

production for food and humanitarian purposes, that they should

enforce collectively the illegal movement within the area of coastal

authority is beyond me.

And I would think that the administration could make that demand

forcefully in the U.N. so that these illegal vessels and this

illegal traffic could be intercepted by either the coastal fleets of the

countries associated with it, and that is where I would start.

Senator Brownback.

We have been joined by Senator

Wellstone, and also Senator Domenici was here and is coming back.

In the order of attendance it would be Senator Hagel next.

Thank you very much.

Senator Robb.

Thank you, Senator Domenici.

I would like to thank the Hon. Thomas Pickering for his response

to our concerns. We have one other panel, and let me just summarize

very briefly.

I think we have acknowledged here that there are illegal oil sales

occurring at a level that is unacceptable to the United States and

should be unacceptable to the United Nations, and should be acknowledged

that immediate action should be taken collectively.

What that action should be, obviously, is to end by enforcing, if

you will, a patrol action sufficient to substantially curb and hopefully

eliminate this movement of illegal oil, which we acknowledge

is running about $450 million last year, and with the increased capability

of Saddam Hussein’s refining capacity and oil production

it is likely to increase if, indeed, steps are not taken.

Now, I personally do not feel that this administration is working

toward a clear and definable end to the regime of Saddam Hussein,

and maybe that is obviously easier said than done, and I am certainly

sensitive to that, but it begs an issue, Tom.

You know, here is the *New York Times*, U.N. report sees no Iraqi

progress on weapons issue. This was dated April 17. Threat of cri-

sis remains. Inspectors said to find failure to meet terms on sanctions.

Baghdad is defiant.

And we know who we are dealing with. He is going to use every

opportunity to circumvent the intentions of the sanctions and his

concern for the people, and this is what the food-for-oil is really all

about, is if he can have, if you will, a quality of life, he is going

to take credit for it in Iraq, and those Iraqi people are going to recognize

this dictator as benevolent, if you will.

And also there is a reality that he rules by force. The Republican

Guards have basically saved him from assassination on numerous

occasions internally, but when I read that a report by the United

Nations chief arms inspector has concluded that Iraq is not closer

to meeting the requirements for the lifting of sanctions than it was

last fall, and that the evidence in the report of Iraq’s failure to provide

any new information on its weapons compiled with a new outburst

of defiance from Baghdad, it raises once again the prospect

of confrontation between Iraq and the U.S., which has twice already

threatened military action.

This is a report by Richard Butler, chairman of the United Nations

Special Commission. It has been turned over to the Secretary-

General. This is where we are today, and to suggest that this arrangement

is benefiting the people of Iraq without the simultaneous

recognition of its prolonging the regime of this despot, I

think has to be looked at in terms of how the world is going to free

itself of Saddam Hussein, and clearly, in my opinion, the policy

that the administration has embarked on simply prolongs his presence

in that country until such time as he has built up an infrastructure

sufficient to again achieve whatever his objectives and

goals are.

So for whatever that is worth, that is a concern that I wanted

to share with you and I would look forward again to our continuing

communication, and it would be my intent again, after the recess,

to have our joint committees have a review from our security people

at the CIA and other sources relative to some of the material

that we cannot disclose at this open hearing.

Is that fair enough, Tom?

I am going to call on panel two, and obviously,

the Hon. Richard Perle, former Assistant Secretary of Defense

for International Security Policy.

Mr. Perle, you have had an opportunity to hear the Members, as

well as Tom Pickering, so we look forward to your statement.

You will be followed by Dr. David Kay, vice president and director

of the Center for Counterterrorism and former UNSCOM nuclear

inspector, followed by Dr. Ken Pollack, Persian Gulf analyst,

Washington, D.C.

I would appreciate you summarizing your statements, and why

do we not shoot for 5 minutes and give you 7. How is that?

Thank you very much for those very sobering

points. I would defer questions until we finish the panel,

with the agreement of Senator Robb, and call on David Kay, vice

president and director of the Center for Counterterrorism. Please

proceed, Dr. Kay.

I wonder if you could summarize the balance?

Thank you very much, Dr. Kay. You

have certainly highlighted some statements that are provoking, relative

to parallels between Iraq’s posture and that of post Versailles

Germany.

Dr. Pollack. He is a Persian Gulf analyst with the Washington

Institute for Near East Policy. We welcome you, and ask you to

proceed.

Without objection.

Thank you very much, Dr. Pollack.

I find your recommendations of containment, to reflect on the

fact that we have had evidence of their success for the last 5, 6,

7 years, I think we have to ask ourselves is Saddam Hussein better

48

off today than he was a year ago, 2 years ago, 3 years ago, 4 years

ago?

The fact that he is able to survive and continue to rebuild his

economic base, namely oil, through the reconstruction of his refineries,

his exploration and production of his oilfields under this policy

certainly supports his continuity as head of his regime, and I

find that just a stark reality and self-evident as a consequence of

our containment policy.

Your reference that—the importance of Iraq relative to other

parts of the world is interesting, as we reflect on the reality that

we saw Iraq and its objectives 7 years ago important enough to

fight a war over. The war was over oil and power. Who won that

war? Saddam Hussein is still with us, and still surviving, and I

think, if we honestly ask the question, Saddam Hussein is better

off today than he was 6, 5, 4 years ago, whatever.

Gentlemen, there has been a suggestion of some legislative approach

to this dilemma. Where we have a policy of containment, its

success is somewhat in the eyes of the beholder. What specific legislation

do you have in mind, if any, for congressional action that

might alleviate this dilemma?

Our track record on that relative to some

previous situations has been that he has been able to take care of

his adversaries very effectively, even some of his relatives.

Well, you know, some people say that we

learn by history, and other people say, we don’t learn much. I am

fascinated with the reference to the posture of Iraq as post Versailles

Germany. Would any of you care to elaborate a little further,

because the implications of that are very significant relative

to what we thought we were doing in Germany at the time of conclusion

of the first world war, and the ability of Germany to rebuild

while everybody was technically concerned about having put to rest

ever again the possibility of Germany threatening Europe.

Go ahead, if you have anything to add. Dr. Kay, I think that was

your point.

Thank you very much, Dr. Kay.

I want to turn to my colleague Senator Robb, and I would ask

if you would be kind enough to conclude the hearing this morning,

or I should say early this afternoon. I have a meeting that I am

20 minutes late for.

Let me thank all of you, and I think what we have established

for the record here is of great significance, and the views that you

have expressed I think are pertinent to a recognition that Saddam

Hussein is not at the peak of public concern that he was a few

months ago, but nevertheless the threat is very real.

His continued efforts to pursue his own agenda are obvious to us

all, and the ultimate disposition of that, only history will tell us,

but it is clear as we look back on our obligations in our joint Committees

of Foreign Relations and Energy & Natural Resources, that

we should continue to keep the views and the public informed I

think on a regular basis and consider the recommendations that

you have suggested with regard to a clear policy toward Saddam

Hussein and the dilemma associated with just how we reach that.

I think somebody coined a word, political strategy, and I think

this current administration lacks a clear definition of just what

that political strategy is. Maybe they do not have it. I think it is

important that they address it, and maybe the contribution today

will be a start in that process.

I would intend to again have a joint opportunity for both committees

to meet with intelligence people, the CIA. I want to again

thank Senator Helms and the professional staff of he Foreign Relations

Committee for arranging this, as well as my own professional

staff of the Energy & Natural Resources Committee. Thank you

again.

Senator Robb.