Mr. Chairman, Senators, thank you very much.

Good morning. I will, in my prepared statement, attempt to address

a number of the questions you have raised, and hope that we

have an opportunity, in the questioning to follow, to follow up on

them individually.

Needless to say, I am pleased to have this opportunity to discuss

with you today both our policy toward Iraq and more specifically

the role played in it in the oil-for-food program.

I want to be very clear at the outset that our fundamental goal

is to counter the threat that the Iraq regime poses to our national

interest and to the peace and security of the Gulf. This goal remains

unchanged from the time of Desert Storm. Its importance

was manifest in the diplomatic and military resources that we

brought to bear as recently as last winter, when Iraq once again

tried to evade its obligations under the Security Council resolutions

that ended the Gulf War.

Those resolutions mandate that Iraq is to be disarmed of its

weapons of mass destruction capabilities and of its missile systems

with a range of more than 150 kilometers. They also mandate the

maintenance of sanctions on Iraq until it has complied with all of

its obligations under a range of Security Council resolutions that

are relevant to Iraq in every particular.

I will be very frank. Based on Saddam’s record, we have no reason

to think he will comply with the obligations the Security Council

has levied on Iraq. That means, then, as far as the United

States is concerned, that sanctions will be a fact of life for the foreseeable

future, but since our quarrel is with Saddam and not with

the people of Iraq, we have never sought to impose unnecessary

hardship on innocent Iraqi civilians who have no voice, self-evidently,

in the decisions which Saddam and the regime make.

The sanctions never barred the shipment of humanitarian goods,

principally food and medicine, to Iraq. Since 1991, we have worked

hard to come up with mechanisms to ensure that the humanitarian

needs of Iraqi civilians can be met within the framework of the

sanctions regime.

There is just one illustration to start this discussion in detail.

The implication that sanctions somehow have been removed, or

that we are moving in the direction which Saddam desires, is totally

antithetical to the clear fact at every turn that Saddam hates

this program and has done everything he can to stymie, block, and

defeat it.

However, to that end, and to deal with the humanitarian problems

of Iraq without in any way allowing any of the money to come

into the hands of Saddam, there have been proposed several oil-forfood

programs within the United Nations by the Security Council

with varying degrees of success.

The U.S. first proposed oil for food in 1991 in Security Council

Resolution 706 and 712. Iraq flatly, completely, and continually rejected

this program.

In 1995, the Security Council, with our leadership, drafted Resolution

986, which provided a slightly revised oil-for-food program.

As I noted, Iraq had resisted implementing this program and continued

to resist implementing this program for more than a year.

Then it dragged out negotiations with the Secretary-General for

continuing months, and it finally went into effect in December

1996.

Most recently, we supported the expansion of the oil-for-food program

under a new resolution, 1153, based on recommendations

from the U.N. Secretary-General that an expanded program was

needed to meet the legitimate humanitarian concerns of the people

of Iraq.

The so-called oil-for-food framework is a unique and interesting

effort, as Senator Johnson has pointed out. For the first time, the

international community is using the money, the revenues of a

State which is subject to strict sanctions, to meet the humanitarian

needs of that State’s citizens.

Let me be perfectly clear in this. This is not a humanitarian assistance

program that comes out of the pockets of taxpayers in this

country or somewhere else, but it is the controlled and monitored

utilization of Iraq’s own resources, Saddam’s resources, to provide

for the humanitarian needs of his own people, something that he

has continued to refuse to do out of resources that were in fact in

his hands at the end of the Gulf War.

Since 1990, Iraq has been subject to the toughest and most comprehensive

international sanctions regime in world history. It still

is, I want to assure you of that.

The oil-for-food program keeps these sanctions in place, rather

than taking them off, but it makes it endurable for the average

Iraqi, and acceptable, as a result, to the larger international community,

which, unlike Saddam, is concerned about the suffering of

his own people.

The Iraqi Government has no control over any of the revenue

generated by United Nations monitored oil sales. All revenue goes

directly into a United Nations-controlled escrow account. The Iraqi

Government may not legally purchase anything, other than humanitarian

items it was always permitted to buy under the existing

sanctions regime, with its own money, but chose not to buy,

and the U.N. Sanctions Committee must approve all of those purchases.

We sit on that committee, and the committee acts by consensus,

so we have an absolute veto over the purchases. Once in the parts

of Iraq controlled by the Iraqi Government, the distribution of

these humanitarian purchases is observed by the United Nations.

In the northern areas of Iraq, the so-called Kurdish areas, the distribution

is undertaken by the United Nations directly.

Without an oil-for-food program in place, our options would be

very stark, and let me be perfectly clear to you about what they

would be. We would be watching the Iraqi people starve to death.

Indeed, with no food, many of them would have been long gone by

now, while Saddam deliberately refuses to spend Iraq’s resources

on his own people’s welfare.

Or, alternatively, we would be then forced into lifting sanctions

prematurely, and without any justification at all on the weapons of

mass destruction side, thereby permitting Saddam to enjoy the

benefits of his oil revenues and to use that money to rebuild his

weapons of mass destruction, his conventional armaments, or

whatever else he chose to do.

There is no doubt in my mind certainly that without an oil-forfood

program in place the Iraqi Government would continue to exploit

the suffering of his own people to bring great pressure, indeed

to force the international community, as much as he can, to lift

sanctions. This has been Iraq’s policy for years. It is crass and cynical.

Frankly, after 8 years of sanctions most States in the world either

do not understand or do not care that the Iraqi Government

is fully and completely responsible for the suffering of the people

of Iraq. They just want to try to find a way to end the reports at

least, or the suffering itself.

The oil-for-food program allows us to meet the humanitarian

needs of the people of Iraq without compromising our firm stand

on sanctions. In a very real sense, the oil-for-food program is a key

to sustaining the sanctions regime until Iraq complies with all of

its obligations under United Nations Security Council resolutions.

The Iraqi Government clearly understands this basic dynamic.

That is why they hate it. That is why they rejected earlier efforts

to implement an oil-for-food program, and why they have gone to

such lengths to obstruct the current program and to oppose it both

quietly and deliberately and openly.

We now are working with the United Nations Secretariat and

with other members of the Security Council to ensure the effective

implementation of a new expanded oil-for-food program, one which

the Security Council approved last February in Resolution 1153.

Predictably, Iraq has been dragging its heels, first in producing

a distribution plan that would allow 1153 and the program approved

by it to go into effect.

Even more disturbing, Iraq publicly rejected some of the Secretary-

General’s key recommendations which formed the basis for

and which are essential to implementing Resolution 1153 as was

intended.

Given the importance of the oil-for-food program in humanitarian

terms and the sustainability of the sanctions regime, to which we

attach highest importance, we will persist in our efforts, nevertheless,

to get this program in place and get it right.

I should also mention our continuing concern at the illegal traffic

in oil and petroleum products which continues to be conducted by

Iraq. The $5.2 billion ceiling under Resolution 1153 was specifically

intended to allow Iraq to sell legally as much oil as is needed to

meet the humanitarian needs of the people of Iraq after careful

study and recommendation by the Secretary-General.

The fact that Iraq continues to export petroleum products illegally,

and a number of you Senators have mentioned that point,

and that the Iraqi Government refuses to permit the United Nations

to oversee and monitor these sales, strongly suggests that the

proceeds from these sales are intended very clearly for nonhumanitarian

purposes.

We are currently seeking ways to make the Iraqi Government accountable

for this illegal traffic, or to end it through tougher enforcement

mechanisms, and I will be glad to go into this in some

detail in response to your questions.

Obviously, this program is not perfect. We recognize that there

have been and that there will continue to be problems in the implementation

of an effort on such a large scale, especially given the

attitude of Saddam Hussein toward this program.

We also must face the fact that some members of the Security

Council are unfortunately, in my view, more interested in hastening

the end of the sanctions than we are, and therefore are not

very concerned that the oil-for-food program be implemented as intended

and, indeed, use the absence of these kinds of programs to

justify sanctions removal, a real perversion of the whole effort of

the Security Council.

But these are realities that we have to take into account as we

move forward with the program, and the program itself is one of

the key answers to the fictions about the question of the United

Nations and the United States blocking humanitarian aid to the

people of Iraq.

I have outlined for you very briefly our approach to the oil-forfood

program. I hope that some of these facts will help to begin to

answer the questions that you have quite carefully posed in your

statements.

We have tried, of course, to explain to you some of the reasons

behind this program and its importance in our common objective

of keeping the sanctions regime in place until there is full compliance.

I hope now that we can have a frank and productive exchange

of views on these issues.

Thank you very much, Mr. Chairman.

Thank you very much, Mr. Chairman. First,

there are a number of points that you have raised that I would like

to try to address, and I will, if I may, take some time to do so, because

they are important and significant questions.

To begin with, the oil-for-food program is not a derogation from

the sanctions regime. The commodities it supplied were never sanctions.

The original sanctions that were put on never touched food

and medicine. It was never intended to touch food and medicine.

The oil-for-food regime was put in place when it was clear that

other things that were touched, including export of oil, would not

permit Iraq to feed its people, but this was put on in a way that

kept it entirely under U.N. control.

In effect, the proposals made by the United Nations took the oil

export industry of Iraq and put it under the control of the United

Nations solely for the purpose of feeding the people of Iraq, solely,

obviously, to deal with an issue which was never covered by sanctions,

and so the conclusion that the sanctions regime has changed

or been eroded is not in accordance with either the resolutions or

the facts in this situation.

Second, you have touched on the question of smuggling, and so

did I, and it is an important issue, and we really ought to talk

about it because it is of concern to us. We need, of course, to put

it in perspective. We need to put it in perspective in monetary

terms, where it represents perhaps about 10 percent of the oil

which Iraq can now produce, although the monetary resources that

Iraq derives from this smuggling is somewhat less than 10 percent,

and I want to explain why.

There are three areas in which Iraq sells oil not through the

U.N. system. One of those is to Turkey. There is cross-border truck

trade between Iraq and Turkey through the common border area

still under the control of Iraq. This amounts to about 50,000 barrels

a day.

Second, there is truck trade between Iraq and Jordan. The Jordan

amount amounts close to 100,000 barrels a day.

Through the Turkey trade, Iraq derives cash, because the transaction

is a money-for-oil transaction.

The Jordan trade is quite different. Jordan has, for many, many

years, been solely dependent upon Iraq for its petroleum resources.

It has no other resource.

Second, the way in which the Jordan trade is organized is barter.

Jordan is allowed to ship food and other produced consumer goods

from Jordan to Iraq, and that offsets the oil that is provided to Jordan,

so it is not a cash transaction, and so roughly about half——

Please repeat your question again. I was talking

and I missed it.

That is right.

The Saudis are interested in selling oil into Jordan

at world prices. For many, many years Jordan has received oil

from Iraq at concessional prices, but paid for in barter, so there is

no cash accruing in the Jordanian transaction.

The third area, and it is one we need to focus on—we have been

in touch with the Turks, obviously, to see what we can do to get

that trade shut down, because that does result in cash transactions

accruing to Saddam’s credit.

The third area is one that we are all concerned about, and that

is in the Persian Gulf. That amounts to another 50 to 60,000 barrels

per day of transportation, and I see you have been good

enough to put up the charts.

This is an example of a small tanker used to move that trade

and, if I could turn your attention to the maps, you will see that

there are two sources of Iraqi gas-oil, essentially diesel-refined

product, that move in this smuggled trade. One is in the Iraqi-controlled

ports just north of Kuwait, and the other is in the Iraqi-controlled

ports in the shared estuary of the Shatt Al Arab, shared territorially

with Iran.

Both of those smuggling routes take the vessels inside territorial

waters along the coast of Iran, and at various points, depending

upon the situation, the smuggled ships either make a break for the

United Arab Emirates or other ports, or try to move further along

the coast to escape detection.

The naval interdiction force which we have placed in the Gulf is

permitted only to operate in international waters. They have, however,

increased their efforts, Mr. Chairman, against the movement

of oil smugglers along the Iraqi coast before they get to Iranian waters,

and for a period of time, several months at the beginning of

this year, we saw that Iran was stopping this smuggling.

Now it appears to have returned, and we understand and would

not be surprised, in fact, if the smugglers pay a consideration to

the Iranian Revolutionary Guard naval forces which are otherwise

supposed to keep that smuggling from happening, in light of Iran’s

international obligations under the U.N. resolutions. We are going

to try to continue to keep that process going.

In addition to that, we have worked very hard to try to catch

these vessels, although it is a long and difficult coastline, moving

away from the Iranian shore in the direction of ports where they

can unload their cargoes.

United Arab Emirates has been a principal destination, and we

have worked very closely with them to shut down this traffic, and

they have shut down traffic that involves their own flag vessels

and others over which they have authority.

They have, by the imposition of stricter regulations in their ports

against the transshipment of volatile gas-oil into barges and

trucks, also shut down some of this, and the Crown Prince, when

he was recently here, I had an opportunity to talk to further about

this, and he promised further coordination and efforts on his side

from the United Arab Emirates to shut down that part of the traffic.

But this gives you at least an illustration of some of the difficulties

that our cooperating naval forces face in trying to shut down

this traffic.

We will continue, at all of these points along the coast of Iraq,

to continue to keep all of the pressure we can on the Iranians to

avoid being complicit in the breaking of sanctions, working with

the United Arab Emirates and others, and with our own naval

forces, to continue to try to find ways to reduce this smuggling traffic

because, as you made clear, any dollar that goes freely into

Saddam’s hands can be a dollar used to defeat, obviously, the whole

sanctions regime, and it is something we do not want, and which

we are clearly against.

Can I just make a comment on that, Senator?

First, about six of our allies are cooperating with us in the naval

interdiction force.

Second, just to give you a sense of it, 20 of these smuggling vessels

have already been intercepted in recent months, and if we can

put one out of action, obviously, it keeps them from making return

trips.

I wish I could tell you that we had the kind of influence over

Iran that would make it possible for us to assure that their routing

of these vessels, which is a primary escape route, as you can see

from the map, could be shut down. We will continue to do all that

we can through people who are close to Iran to do what can happen

in that area, but that is the primary loophole that I see now.

Senator Brownback, I think there are two questions.

Question number one is why has the chart gone down and

then started to go up again, and I think that is directly related to

Iran. In those months beginning in January, certainly in February,

we believe the Iranians made a major effort to stop this traffic.

They have since relented on that.

I do not know that I can tell you how to read the Iranians on

this. We need to get them, obviously, back in the earlier posture,

because it made a real impact.

The second point is that——

I would hope so, but I cannot tell you that I have

high confidence in our capacity to influence Iran, otherwise I think

we could get rid of the weapons of mass destruction and terrorism

problem which still hangs around, and I think which you and I

both share a great concern about.

I hope I can persuade you I am right, and the

fact that they did move on this particular thing could be translated

into more action. We will have to wait and see, but we are both

agreed on at least where that part of the problem is.

The second part of the problem is that moving along the Iraqi

coast in a very short area, that is, some of these vessels can move

directly from Iraqi territorial waters to Iranian territorial waters

and, as a result, it makes it very hard, obviously, for interdiction,

and that is in the area of the Shatt Al Arab.

Others, however, move from ports further west

than that, further west, and the Iran-Iraq border, from ports such

as El Fal and Umm Qasr in Iraq, and they come down into Iraqi

territorial waters and move along their areas, where we are going

to make a major effort to try to get them.

The naval force obviously has to operate—a former naval officer

of 30 years’ antiquity should not be commenting on this. We might

want to talk to one of our naval people, but it requires shallow

draft vessels and obviously a different posture than we have been

able to have with our larger vessels to interrupt that, but we are

clearly going to try that.

We agree on that, and we have been talking to

our Navy and others about doing that, and I believe that that is

moving in that direction.

No, it is not, and our statements, particularly referring

back to Secretary Albright’s statements in March of last

year, where she made it very clear, crystal clear that our anticipation,

our heart’s desire, if I could phrase it that way, is to be dealing

with a successor to Saddam.

We all know, obviously, the difficulties of making that happen,

and that is a different problem, but our policy has not changed in

that regard.

With respect, Senator, we have never felt any

lack of support from either the House or the Senate on all of these

objectives.

A second point is that we totally agree on the smuggled oil. We

have no difference on that, and we are doing all we can to get at

it, and I have explained I think in some detail.

The third point, quite frankly, your interpretation of the oil-forfood

program does not accord with our understanding of the facts,

if I could be very direct on that.

This is a program that takes Saddam’s revenue away from him.

It puts it in the hands of the United Nations, and it allows the

United Nations to use this only for stated purposes, to feed his own

people.

It is a program which separates him from his revenue and his

oil, and which separates, in fact, his people from him if they begin

to know and understand that he is not providing the food but the

international community is.

It is a program, because of what we are doing, keeps the international

consensus on and helps us to avoid people, in our view

wrongly minded, who want to take the sanctions off, and so in effect

I think we are accomplishing precisely the objectives we agree

on, and we are doing it in a way that makes a great deal of sense,

and we are doing it in a way that obviously takes into account the

fact that we do not have to starve 19 million people to do it.

It does to us. We have made it very clear we will

not support that particular effort.

Senator, I think there are two quite simple answers

to both parts of that question. Answer number one, it is the

U.S. policy that he has to comply with all of the resolutions before—

I was going to say all the revolutions, but all the resolutions

before the sanctions can come off.

Second, having had the pleasure of participating in writing these

sanctions, it was very clear that when we wrote the original sanc-

tions we made it possible for any single permanent member, including

the United States, to oppose the removal of sanctions using

the veto that we have, so that they would not come off if we were

not fully satisfied that all the resolutions had been met, and so we

have in that sense a unique and dispositive role in the removal of

sanctions, and I see no interest on the part of the United States

in changing its policy in this regard.

The second question is, where do we want Iraq to go? I think

quite obviously we would like to see a successor regime to Iraq that

would represent the interests of all the Iraqi people, the three

major ethnic and religious groups, that would move the country in

the direction we would like to see all countries move, one that observes

human rights, one that has democracy. This would be a real

revolution, to go back to my former Freudian slip, and take the

question that far forward.

Nevertheless, I think it is in our interests to continue to promote

that direction for Iraq, however difficult it may seem now to see the

disappearance of Saddam Hussein right around the corner.

It is certainly what we would like to see, but it is not an issue,

and it has been debated in these halls and in my halls and in the

press, that we have, to borrow Senator Robb’s phrase, a silver bullet

magic early tomorrow solution to.

We must be patient. We must be persistent. We must use the

very effective sanctions regime that has been put in place to continue

to keep all possible pressure on this and, at the same time,

because we have not discussed this in detail, we must continue

fully to support UNSCOM in the remarkable work that they have

done, but which is still not complete, in getting at the weapons of

mass destruction.

We believe that there are real possibilities he still has serious

weapons, particularly in the chemical and biological area, and we

are deeply concerned that there have not been answers to all the

questions on nuclear and certainly on missiles.

Sure. Let me just say, in February, when it

looked very much like we would need to use military force, more

than 20 or 25 States—and we will get you the list—made actual

contributions, some in aircraft and in men, some in basing, some

in other support, and beyond that an additional number, up to 40

or 45, made very strong statements in the public realm in their

own countries in support of us should we have to use force to deal

with a problem with UNSCOM, or whatever it might be, and so I

do not think the international community is eroding.

What I do think is that Saddam has managed to convey the idea

that it is the international community that is responsible for the

plight of his people rather than he himself, who in fact failed to use

this particular U.N. mechanism for 5 years or 6 years to feed his

own people.

And why did he do it? He did it precisely because he saw it as

taking away his own control, as sequestering his revenue, if I could

use it that way, and using it for purposes than he would otherwise

want to use it, and so he was in the position of favoring oil in the

ground rather than oil coming out to feed his own people.

Now, I believe that is extremely important. I do not think anybody

who lives under the tyrannical regime of Saddam is quite

frankly happy whether they are fed better or not fed better, and

I think that that is self-evident and apparent for lots of people who

come out, including members of his own family.

Finally, I am concerned that the United Nations members of the

Security Council have swallowed Saddam’s line maybe hook, line,

and sinker, and as a result we are moving a program finally which

I believe is the right sort of program to deal with the humanitarian

problem and getting those people back on the right side of the

fence with respect to sanctions by doing this particular approach,

and so I think the oil-for-food program is bad for Saddam and good

for the Iraqi people and good for us in our effort to maintain the

sanctions regime.

Thank you, Senator Robb.

First, I accept Senator Hagel’s admonition that we should consider

sanctions as a tool and not as a foreign policy, and not as an

objective of foreign policy, although confusion often arises around

these points.

Second, I cannot tell you that I know of any place today, and

there are very few places where we have multilateral sanctions,

which I think by definition, sir, are the kind of sanctions that have

a chance of being effective, where there are not efforts to circumvent

them.

The world community is not united on very, very many of these

issues. We happen to feel much more strongly than many countries,

both up here on the Hill and down at the other end of Pennsylvania

Avenue, on a lot of these questions.

We have used and are continuing to use sanctions as a foreign

policy tool way above many others, and most disagree with us and

therefore find it useful and, in fact, maybe the root of their disagreement

is that they could take advantage of our preoccupation

with sanctions for moving ahead to take away the share of the

trade that we enjoy, or the share that we might expand to were

sanctions not in place, because we are obviously the world’s largest

trading partner, and we are continuing to be more efficient and

more effective in that particular effort.

I also think—and you will have seen it, too, because I have heard

from it that often sanctions have a reaction and an impact against

American domestic interests far outweighing their impact on others.

There is one historical example that is debated by the political

scientists, but it is frequently cited, and that is the long-running

sanctions against South Africa as having had an effect, maybe even

more a political effect than an economic effect, but I would leave

it to the historians and the history books to come to a final determination.

What I do believe, however, is that they played a serious role in

bringing about change in South Africa over a long period of time,

and the exact quantification of that I think is in doubt and debate,

and I have engaged in debates with a number of people about that,

but I tend to feel that they are important. They are perhaps in a

different way, in a lesser way in what was then Northern Rhodesia,

now Zimbabwe, but that is even more debatable.

So the record here is not an easy one, I think, to defend as having

sanctions is the silver bullet, to borrow your phrase again, to

end all of these problems.

I think there is a serious debate that his number

one objective exclusive of any others is the removal of sanctions. I

also think his number one objective, together with removal of sanctions,

is the preservation of everything he can preserve in his

weapons of mass destruction program.

Senator ROBB. Let me look to the other side of the question.

Again, I feel a little awkward in the situation, because I have consistently

been advocated a tougher position in many cases than the

administration, or succeeding administrations have taken against

not only Saddam Hussein but others who have thwarted the will

of the international community in much the same way, but what

would be the effect if we were to end the food-for-oil program at

this point on the Iraqi people, and what would be the reaction of

the international community?

I covered that in my prepared statement. The options

if we end the oil-for-food program I think would be serious

mass starvation in Iraq, at least major reductions in caloric intake

levels of very serious proportions. I am not a nutrition expert or a

specialist in this.

It is also very clear that that would take place because Saddam

began by feeding his people on a minimal basis and then has taken

advantage of unfortunately the oil-for-food program to reduce that

support. It would take a more deep study to know whether there

was a cash advantage to him in that or not. I just do not know.

The other alternative would be, in my view, adding impetus to

the pressure that we have seen to remove sanctions in order to deal

with the problem of mass starvation, or at least mass underfeeding

of the Iraqi people, and as a result, that is why I make such a

strong case for the oil-for-food program.

Well, as I said in simple terms when I was in

New York before the Gulf War began, Saddam in relation to the

sanctions regime would eat the last chicken sandwich in Iraq, so

we know in fact that he and his people are certainly taken care of

by whatever money the regime had hidden, had in the bank, sequestered,

or is able to chivvy out of illegal oil smuggling, which

is his principal source of income, and that remains the case.

Second, it does seem to me clear that with the oil-for-food program,

which began in late 1996, the health and nutritional status

of the people of Iraq has improved. The Secretary-General went to

look at it because in November a team that went out there was still

disturbed by both what they hear and thought they saw. His recommendations

that came forward earlier in the year and were

looked at by the Security Council in February, or the increase that

we are now talking about, were based on that and that, of course,

is coming forward.

I would just add one other point, and that is that the United

States is not in any way barred under U.N. supervision from participating

in this program and, indeed, a very large share of the

food, to get back to Senator Burns’ question, that goes into Iraq

would come from American sources through the U.N. program,

carefully monitored and supervised.

Finally, if sanctions were to come off we would be literally turning

over to Saddam something between $10 and $15 billion in free

money to use. If the oil-for-food program stays on, certainly we

would like to keep it there for as long as that can possibly be kept

on in order to keep the sanctions from coming off.

That money is in escrow accounts in the United Nations, carefully

supervised. We and others make decisions about how it is

spent, and the issue is that it is spent on food and medicine for the

Iraqi people and not free money available to Saddam. It seems to

be something that the committee had a misimpression about when

we started out today.

I believe it is. No program this large, as I said

in my opening statement, is going to be free of problems or glitches,

but I can tell you that the people inside our Government who

watch these things very carefully have recently told me that they

believe both the monitoring and the absence of diversion is—in

their view that standard is being met quite well by the United Nations.

They have not said we do not have any problems, but they said

we do not have any major problems, if I can put it that way, in

this area.

The degree of bad is something we could argue

about, but I do not quibble with the basic statement.

And borrowing.

I understand that.

I would argue that our leadership is, as I think

you have put it, is extremely important, as it is all around the

world, but I would also argue that others are willing to be with us,

and that Saudi Arabia and Kuwait, when it comes to existence-type

problems, existential-type problems, are certainly going to make

the right decision in their own interest, as they did when the question

came up at the beginning of this year for us beefing up our

forces in the area and working out of their territory and being close

to them.

They also obviously for years have liked the idea that the United

States was a close friend and ally, that we could do it all from over

the horizon. Nobody likes foreign forces on their soil, particularly

on a long-term basis. On the other hand, I think that we have

found useful ways, working closely with them, to resolve those particular

problems, but they go up and down under the circumstances,

and I believe we have to be flexible in our leadership

there.

The issue is obviously, as you know much better than I, because

you have been at this a long, long time, very much tied to world

energy resources, and access to world energy resources.

Senator, I would just like to say, on your last

point, that every time it has come to critical decisions those Governments

have been with us and they have worked with their people

to understand the importance of what we have to do.

They want to be obviously with us in both the process of carrying

out the decisions, but also in consulting closely with us in making

the decisions, and that is a process that we follow, and it is an important

process, because obviously they want to be, to use the old

phrase, in on the take-offs as well as the landings on these particular

sets of issues, and I think that is extremely important.

The second point, I think, is that Saudi Arabia, interestingly

enough, has supported the oil-for-food program, and why? Simply

put, because they have seen it in its two dimensions. They have

seen it in its dimensions as humanitarian need, and the Saudis are

particularly attached, as members of the Arab world community, to

fellow Arabs who are suffering, innocent of crimes, and under the

yoke of Saddam, and they have supported that.

But they have also seen that this takes revenue, if you like, away

from Saddam, and they want to be sure that it does not get back

into his hands, because they will be the first to get hit if, in fact,

Saddam is able to rebuild his conventional forces and his weapons

of mass destruction.

Yes.

Thank you, Mr. Chairman.