Mr. Chairman, thank you very much, Senator.

Very nice to be here. I really do appreciate the opportunity

to testify before the subcommittee and particularly as my first opportunity,

Senator, since you were the one who chaired my confirmation

hearing.

A couple of points on the items that you mentioned before. I

think we are going to be in a much better position to talk about

the Syrian track of the peace process after Sunday and after the

meeting of the President with President Assad. Hopefully, we will

have an opportunity to consult after that.

Clearly, the President understands and the Secretary understands

fully the importance of having congressional consultations

prior to the kinds of commitments that are being talked about. We

have not reached the point yet where this has been pinned down.

We will be shortly doing that, and at that point it is my expectation

that we will begin consultations on the Hill.

The Iran subject is a complex one and I think would be better

taken up in a forum in which we had more time to discuss it.

Because it is a complex situation and we

do not want to have misinterpretation of what we have done

through the Secretary’s statement. So, I think it is important to

have that conversation.

I do welcome the opportunity to mention the Libya situation. It

is very important that people understand that what we are doing

with sending a consular delegation to Libya is strictly a consular

matter. There are only two countries in the world where the United

States passport is not authorized. One is Iraq and one is Libya. We

have business interests in Libya. It is our intent to see if it is safe

for Americans, and that is the sole purpose of the consular visit.

If it is safe, then the Secretary will have to make a decision whether

or not to authorize U.S. passports. That decision has not been

made yet.

This has no relationship to subsequent steps. There are no subsequent

steps in mind. We have a series of requirements of Libya

that have been put down by the United Nations Security Council.

We are adhering to those requirements relating to cooperation with

the trial authorities, the Scottish authorities, relating to support

for terrorism and relating to compensation for the families of the

victims. There is no change in that policy, and we will continue

along those lines.

So, I want to make sure that people understand that this is not

a move to take Libya off the terrorist list or to change any of the

sanctions that have been imposed by the Security Council.

Now, if I may, Senator, I would like to read a statement, and

then I welcome the question and answer period when we can clarify

some of the items that you have discussed already.

Iraq, under Saddam Hussein, remains dangerous, unreconstructed,

and defiant. Saddam’s record makes clear that he will remain

a threat to regional peace and security as long as he remains

in power. That is why the United States is committed to containing

Saddam Hussein as long as he remains in power. But we are also

committed to helping alleviate the suffering of the Iraqi people and

to supporting Iraqis who seek a new government and a better future

for Iraq.

We contain Saddam through U.N. sanctions which deny him the

resources needed to reconstitute weapons of mass destruction, by

enforcing no-fly zones in the north and south, and by maintaining

a military presence in the region and a readiness to use force if

necessary.

An effective disarmament and monitoring regime inside Iraq

would strengthen containment by further limiting Iraq’s efforts to

rearm. Resolution 1284 reaffirms that Iraq has not fulfilled its obligations

under previous Security Council resolutions to declare and

destroy its weapons of mass destruction. The resolution establishes

a new arms control organization, the United Nations Monitoring,

Inspection and Verification Commission, or UNMOVIC, to replace

UNSCOM. UNMOVIC retains UNSCOM’s broad mandate and authorities.

It has the right to conduct intrusive inspections into

Iraq’s past weapons of mass destruction programs, as well as to

monitor and to prevent future developments of weapons of mass destruction.

It has the right to immediate, unconditional, and unrestricted

access to any and all sites, records, and facilities.

The United Nations is moving ahead with implementation of the

Resolution 1284. The Secretary General has appointed Hans Blix

of Sweden, a former director general of the International Atomic

Energy Agency, as executive chairman of UNMOVIC, and he took

up his duties on March 1. We have met several times with Dr. Blix

since his appointment, and he has made clear that he is committed

to putting in place a robust, technically proficient body which will

accept nothing less than full Iraqi cooperation.

Sanctions are the most critical element of containment. In the

absence of the sanctions regime and a comprehensive international

system of controls, Saddam Hussein would have sole control over

Iraq’s oil revenues, estimated at $20 billion over the coming year.

In the absence of comprehensive international controls, even if a

military embargo remained in place, it is inevitable that Saddam

would once again threaten the region and ignore the needs of the

Iraqi people.

But it is also essential that we address the humanitarian needs

of the Iraqi people. Not only is it right for the international community

to do all it can to assist the Iraqi people who are the pawns

of Saddam Hussein, but doing so minimizes the risk of sanctions

erosion and alleviates international pressures to ease or lift the

controls which keep Iraq’s revenue out of the hands of Saddam

Hussein.

U.N. sanctions have never targeted the Iraqi people and have

never limited the important food and medicine for the Iraqi people.

In fact, it was the United States that pressed for the creation of

the first oil-for-food program adopted in 1991. Baghdad rejected

this program, and it was not until 1996 that it finally accepted oilfor-

food.

Since the first oil-for-food supplies arrived in Iraq in 1997, the

program has brought tremendous improvements in living conditions.

Iraqi per capita intake has risen from 1,300 calories before

the program began to over 2,000 calories now provided by a U.N.

ration basket which is augmented by locally grown produce.

Food imports are now at about prewar levels. In the year before

the program began, Iraq imported about $50 million worth of medicines. Since the program began, more than $1 billion worth have

been approved. Ninety percent of essential drug needs in hospitals

are now being met. Over a billion dollars worth of goods for the

water, sanitation, electrical, and agricultural sectors have been approved.

Saddam Hussein, however, has abused the program to the detriment

of the Iraqi people in an attempt to get sanctions lifted

without compliance. The Secretary General reported earlier this

month that Iraq has still not implemented the supplementary feeding

programs recommended for years by the United Nations for

malnourished children under 5 and for school children.

To get the clearest picture of the oil-for-food program and its potential,

it is helpful to compare its operation in northern Iraq

where the United Nations controls distribution and in southern

and central Iraq where Saddam controls the distribution of goods.

A UNICEF report on child mortality in Iraq conducted last year revealed

a disturbing rise in child mortality rates, more than double

pre-war levels, in south and central Iraq, the parts of the country

controlled by Saddam Hussein. But the report also revealed that

child mortality rates in northern Iraq had dropped below pre-war

levels. These numbers show that oil-for-food can work to meet the

needs of the Iraqi people if the government can be prevented from

interfering or can be compelled to manage the program efficiently

with that priority in mind.

Even with the successes of the oil-for-food program, more can

and should be done. That is why the U.S. supported Resolution

1284, adopted by the Security Council on December 17, which introduces

further enhancements of the oil-for-food program. The resolution

permits Iraq to sell as much oil as needed to meet humanitarian

needs of the Iraqi people. I would interject at this point that

every dollar that is sold in that program is controlled by the United

Nations. It does not go to Saddam Hussein.

We do not believe there should be any limit on the funds spent

on the Iraqi people. As it has in the past, the U.N. will continue

to monitor the program to ensure that the regime spends these revenues

only on humanitarian projects. The resolution also streamlines

the contract approval process to facilitate the supply of legitimate

goods and authorizes the use of oil-for-food funds to purchase

local goods, such as wheat, to provide a boost to Iraq’s agricultural

sector.

For our part, we are examining our own national procedures for

reviewing oil-for-food contracts to ensure that they are optimized to

meet our priorities; that is, maximizing assistance to the Iraqi people

while denying the regime access to goods it could use to reconstitute

its weapons of mass destruction programs.

At the same time as we work in the United Nations to strengthen

containment, we continue to support Iraqis who are supporting

the removal of the current Baghdad regime and its replacement by

a new government in Baghdad under which Iraq can resume its

rightful place in the Arab and international communities. We continually

tell the Iraqis that they alone must be the ones to determine

the future of Iraq. We will assist them as we can, but we will

not—indeed, should not—be the ones to decide who will be the next

leader of Iraq.

Using congressionally appropriated funds, the State Department

and the INC will sign an initial grant worth over a quarter a million

dollars this week. The grant will enable the Iraqi National

Congress [INC] to continue its efforts to reach out to constituents

and to establish the infrastructure necessary to accomplish its objectives

and to take advantage of other congressionally mandated

programs.

As a government, we are also stepping up our efforts to gather

evidence to support the indictment of the top Iraqi leadership for

crimes against humanity, genocide, and war crimes. We are gathering

evidence from U.S. Government files and we are supporting

the work of NGO’s that make important contributions to this effort.

We expect the Iraqi opposition to make a major contribution to the

campaign to bring the Baghdad regime to justice.

Thank you, Mr. Chairman. I welcome any questions that you

may have.

Mr. Chairman: I am pleased to appear before you today to discuss U.S. policy towards

Iraq, a key foreign policy issue.

Iraq under Saddam Hussein remains dangerous, unreconstructed and defiant.

Saddam’s record makes clear that he will remain a threat to regional peace and security

as long as he remains in power. He will not relinquish what remains of his

WMD arsenal. He will not live in peace with his neighbors. He will not cease the

repression of the Iraqi people. The regime of Saddam Hussein can not be rehabilitated

or reintegrated as a responsible member of the community of nations. Experience

makes this conclusion manifest. That is why the United States is committed

to containing Saddam Hussein as long as he remains in power. But at the same

time, we are also committed to working to alleviate the suffering of the Iraqi people

who are forced to live under a regime they did not choose and do not want, and

to supporting Iraqis who seek a new government and a better future for Iraq.

The first two elements of our poiicy, containment and the effort to alleviate conditions

for the Iraqi people were strengthened considerably by the Security Council’s

adoption of resolution 1284 in December of last year. Let me begin by reviewing the

elements of containment.

We contain Saddam through UN sanctions which deny him the resources needed

to reconstitute weapons of mass destruction, by enforcing no-fly zones in the North

and South, and by maintaining a military presence in the region and a readiness

to use force if necessary.

We have enforced a no-fly zone over northern Iraq since 1991, and over southern

Iraq since 1992. These zones were established to prevent Saddam Hussein from

using his air force against the civilian populations of these areas, as he has done

so brutally in the past. We have been highly successful in this effort. The zones also

provide critical buffer zones to detect any Iraqi troop movements north or south.

Iraqi propaganda denounces the no-fly zones as a pretext for ongoing military action

against Iraqi forces, a charge which some others have repeated. Let me just state,

once again, that the no-fly zones are protective, not offensive, in nature. Since December

1998, following Operation Desert Fox, Saddam Hussein has mounted a sustained

challenge to our patrols. Iraqi forces have violated the no-fly zones over 600

times in 1999. Our forces are fully prepared and authorized to defend themselves

and we have responded to these challenges with strikes on Iraq’s integrated air defense

system. Saddam Hussein will not deter us from our commitment to maintaining

these zones which are a key element of containment.

An effective disarmament and monitoring regime inside Iraq would strengthen

containment by further limiting Iraq’s efforts to rearm. In the absence of inspectors

on the ground, we must rely on national technical means which cannot provide the

same level of assurance as monitoring on the ground. Resolution 1284 re-affirms

that Iraq has not fulfilled its obligations under previous Security Council resolutions

to declare and destroy its WMD. The resolution establishes a new arms-control organization,

the UN Monitoring, Inspection and Verification Commission, or

UNMOVIC, to replace UNSCOM. UNMOVIC retains UNSCOM’s broad mandate

and authorities. It has the right to conduct intrusive inspections into Iraq’s past

WMD programs, as well as to monitor to prevent future development of WMD. It

has the right to immediate, unconditional and unrestricted access to any and all

sites, records and facilities.

The UN is moving ahead with implementation of the resolution 1284. The Secretary

General has appointed Hans Blix of Sweden, former Director General of the

International Atomic Energy Agency, as Executive Chairman of UNMOVIC, and he

took up his duties on March 1. We have met several times with Dr. Blix since his

appointment, and he has made clear that he is committed to putting in place a robust,

technically-proficient body which will accept nothing less than full Iraqi cooperation.

He has had extensive experience with the deceitfulness of Saddam’s regime

and the lengths it goes to in order to preserve its WMD programs.

The Secretary General, in consultation with Dr. Blix and Security Council members,

has also named a 16-member College of Commissioners for UNMOVIC to provide

advice and guidance to the Executive Chairman. They represent a technically

expert group. Assistant Secretary for Non-Proliferation Affairs, Robert Einhorn, has

been appointed as a Commissioner. Like UNSCOM’s College of Commissioners, we

expect that they will meet periodically so that Dr. Blix can draw on their collective

expertise. Dr. Blix is now embarked on drawing up an organizational plan for

UNMOVIC which is scheduled to be completed by April 15.

If weapons inspectors are allowed back into Iraq, the next step is for UNMOVIC

and the IAEA to draw up the key remaining disarmament tasks to be completed

by Iraq. If Iraq fulfills these tasks, and cooperates with weapons inspectors for 120

days after reinforced monitoring is fully operational, the Council could act to suspend

sanctions temporarily, provided appropriate financial controls are in place, and

bearing in mind the humanitarian purposes of the Council’s decisions. The embargo

on military imports would remain in place, and dual-use items would continue to

require prior approval. If Iraqi cooperation ceased, sanctions would be re-imposed

automatically. Renewal of the suspension would require a positive Council decision

every 120 days.

The condition for lifting sanctions on Iraq—full compliance with UN Security

Council resolutions—remains unchanged.

Containment has been strengthened by the adoption of the resolution. All members

of the Security Council—even the four that abstained from the resolution—are

committed to implementing the resolution, pressing Iraq to accept inspectors, and

maintaining sanctions until Iraq complies with the terms of the resolution.

Sanctions are the most critical element of containment. In the absence of the

sanctions regime and a comprehensive international system of controls, Saddam

Hussein would have sole control over Iraq’s oil revenues—estimated at $20 billion

over the coming year—to spend on priorities of his regime, whether it be to rebuild

his WMD capacity, produce chemical or biological weapons, bolster his oppressive

security apparatus, or to build opulent palaces. In the absence of comprehensive

international controls—even if a military embargo remained in place—it is inevitable

that Saddam would once again threaten the region and ignore the needs of

the Iraqi people.

As long as sanctions remain in place, it is essential that we address the humanitarian

needs of the Iraqi people. An effective oil-for-food program, which provides

the Iraqi people with basic civilian and humanitarian goods while denying the regime

access to the most dangerous dual-use goods, serves both humanitarian interests

and regional security. Not only is it right for the international community to

do all it can to assist the Iraqi people who are the pawns of Saddam Hussein, but

doing so minimizes the risk of sanctions erosion and alleviates international pressure

to ease or lift the controls which keep Iraq’s revenue out of the hands of Saddam

Hussein.

UN sanctions have never targeted the Iraqi people and have never limited the import

of food and medicine for the Iraqi people. In fact, the United States was an

original sponsor of the first oil-for-food program, adopted in 1991. Tragically, Baghdad

rejected this program and it was not until 1996 that it finally accepted oil-for-food.

Since the first oil-for-food supplies arrived in Iraq in 1997, the program has

brought tremendous improvements in living conditions. Iraqi per capita intake has

risen from 1,300 calories before the program began to over 2,000 calories now provided

by a UN ration basket which is augmented by locally-grown produce. Food imports

are now at about prewar levels. In the year before the program began, Iraq

imported about $50 million worth of medicines. Since the program began, more than

$1 billion worth have been approved. Ninety percent of essential drug needs in hospitals

are now being met. Over a billion dollars worth of goods for the water, sanitation,

electrical and agricultural sectors have been approved.

Saddam Hussein however, has abused the program to the detriment of the Iraqi

people, in an attempt to get sanctions lifted without compliance. Since the first delivery of oil-for-food supplies in March 1997, the government of Iraq has failed to

work with UN authorities to maximize the benefit to the Iraqi population. The

needs of the most vulnerable groups, including children and the elderly, have been

of particular concern. The Secretary General reported earlier this month that Iraq

has still not implemented the supplementary feeding programs, recommended for

years by the UN, for malnourished children under five and for school children.

These programs have been very successful in the North, where oil-for-food is administered

by the UN. By contrast, vaccination levels in Baghdad-controlled areas are

worse than they were in 1994. Ordering remains slow and erratic, and the distribution

of goods after they reach Iraq continues to be a problem. A major reason for

this suffering is Saddam’s cynical manipulation.

To get the clearest picture of the oil-for-food program and its potential, it is helpful

to compare its operation in northern Iraq, where the UN controls distribution,

and in southern and central Iraq, where Saddam controls the distribution of goods.

A UNICEF report on child mortality in Iraq conducted last year revealed a disturbing

rise in child mortality rates—more than double pre-war levels—in south/

central Iraq, the parts of the country controlled by Saddam Hussein. But the report

also revealed that child mortality rates in northern Iraq, where the UN controls distribution

of the oil-for-food program, had dropped below pre-war levels. What these

numbers show is that oil-for-food can work to meet the needs of the Iraqi people

if the government can be prevented from interfering, or can be compelled to manage

the program efficiently with that priority in mind.

Publicity surrounding the release of this survey last year led Baghdad to finally

place orders for nutritional supplements—something the UN had long advocated.

Early last year, the Secretary General reported that there were $275 million worth

of medicines sitting in Iraqi warehouses undistributed. As a result of the publicity

generated by this report, stockpiles were eventually reduced. We hope that the Secretary-

General’s latest report will generate pressure on the regime to introduce supplementary

feeding programs, improve distribution of supplies and rationalize the

Government’s ordering.

Even with the successes of the oil-for-food program, more can and should be done.

That is why the U.S. supported resolution 1284, adopted by the Security Council

on December 17, which introduces further enhancements of the oil-for-food program.

The resolution permits Iraq to sell as much oil as needed to meet the humanitarian

needs of the Iraqi people. We do not believe there should be any limit on the funds

spent on the Iraqi people. As it has in the past, the UN will continue to monitor

the program to ensure that the regime spends these revenues only on humanitarian

projects. The resolution also streamlines the contract approval process to facilitate

the supply of legitimate goods, and authorizes the use of oil-for-food funds to purchase

local goods, such as wheat, to provide a boost to Iraq’s agricultural sector.

For our part, we are examining our own national procedures for reviewing oil-forfood

contracts, to ensure that they are optimized to meet our priorities: maximizing

assistance to the Iraqi people while denying the regime access to goods it could use

to reconstitute its WMD programs. The United States has been criticized by many

for the numbers of holds we have placed on oil-for-food contracts. We recognize that

some of this criticism reflects humanitarian concern, and we are reviewing our procedures

with this concern in mind. However, we must also be objective, as well as

compassionate, in assessing the big picture.

The regime of Saddam Hussein has used chemical weapons against its own people

and its neighbors, it has developed biological weapons and had an active nuclear

program. It has obstructed weapons inspectors for nine years in an effort to conceal

these programs. This regime has the expertise and the will to produce weapons of

mass destruction. We can not hand it the goods it needs to turn those intentions

into reality. Particularly in the absence of weapons inspectors, we will continue to

hold on dual-use goods which can be used in WMD development.

At the same time, it is critical that we do all we can to ensure that the Iraqi people

receive the goods they need. Not only is it right for the international community

to do all it can to assist the Iraqi people who are the pawns of Saddam Hussein,

but doing so minimizes the risk of sanctions erosion and alleviates international

pressure to ease or lift sanction in the absence of Iraqi compliance with UN Security

Council resolutions.

At the same time as we work in the UN to strengthen containment, we continue

to support Iraqis who are supporting the removal of the current Baghdad regime

and its replacement by a new government in Baghdad under which Iraq can resume

its rightful place in the Arab and international communities. We continually tell the

Iraqis that they alone must be the ones to determine the future of Iraq; we will assist

them as we can, but we will not, indeed should not, be the ones to decide who

will be the next leader of Iraq.

Using funds appropriated by Congress, free Iraqis held a broad-based National

Assembly in New York in October. At the conference, the Iraqi National Congress

elected a new leadership. Frank Ricciardone has been working intensively with

them to channel fresh U.S. support to the Iraqi opposition as they identify and plan

specific operational goals and activities:

Developing and broadcasting a vision for the restoration of civil society in Iraq

and for Iraq’s reintegration as a responsible member of the international community.

Building the case for the prosecution of Saddam Hussein and key members of

the regime for war crimes and crimes against humanity;

Channeling training, information and material support, under the Iraq Liberation

Act, to the forces of change inside Iraq.

Channeling humanitarian assistance to Iraqis in need, in the face of Baghdad’s

obstruction and monitoring Saddam Hussein’s performance in providing for the

basic needs of the Iraqi people.

Building stronger ties to and between the internal resistance and with regional

states.

Using congressionally appropriated funds, the State Department and the INC will

sign an initial grant worth over a quarter of a million dollars this week. The grant

will enable the INC to continue its efforts to reach out to constituents and to establish

the infrastructure necessary to accomplish its objectives and to take advantage

of other congressionally mandated programs.

In particular, we hope and expect that the INC will soon have the organization

and staffing needed to take full advantage of training and material support that we

will be ready to provide under the Iraq Liberation Act. As you know, four INC members

were invited to participate in a first military training course under the ILA

in November at Hurlburt Air Force Base. The Iraqis participated side by side with

colleagues from other Arab countries for the first time in many years. Now, the Defense

Department is preparing a more extensive list of training options for free

Iraqis. We anticipate that by late spring, many more Iraqis will be in line for training

enjoyed by other allied and friendly officers in areas related to logistics, civil

reconstruction, management, and public relations.

Another important area the INC will be working on is providing humanitarian assistance

to Iraqis inside Iraq. This is an important area that dovetails with our own

national goals and we look forward to working with them on it. The INC would develop

an infrastructure to deliver critically needed humanitarian goods to segments

of the Iraqi population that Saddam Hussein has ignored.

As a government, we are also stepping up our efforts to gather evidence to support

the indictment of the top Iraqi leadership for crimes against humanity, genocide

and war crimes. We are gathering evidence from U.S. Government files. We are

also supporting the work of NGOs that make important contributions to this effort.

We have already provided $2 million in congressionally appropriated funds to four

separate but related activities: making captured Iraqi documents available on the

Internet; gathering videotape and imagery of Iraqi crimes against humanity; gathering

witness statements to justify indictments of top Iraqi officials and helping to

generate the international public on the crimes committed by the Baghdad regime.

We expect the Iraqi Opposition to make a major contribution to the campaign to

bring the Baghdad regime to justice.

This heightened attention by NGO’s to crimes of the Iraqi leadership has already

borne fruit, as we saw by the precipitous departure of an Iraqi regime leader from

Austria last September and with Tariq Aziz’ decision shortly thereafter not to participate

in a forum in Italy. We have increased our diplomatic activity on the issue,

discussing the possibilities of a UN tribunal or committee of experts with other UN

members and ensuring that documents in U.S. control are available for use in any

eventual legal action.

I cannot predict with any certainty when this brutal regime will be gone. But by

maintaining sanctions, enforcing the no-fly zones, committing to use force if Saddam

Hussein crosses our red lines, and supporting the opposition, we increase the pressure

on the regime and we contain the threat it poses to the region and the Iraqi

people.

I welcome any questions you may have.

I would say that we cannot predict what

will happen in Iraq. The probabilities would lead in the direction

that he would still be in power by the end of the administration.

That does not mean that we cannot use the intervening time to

buildup the capabilities of those who would seek to remove him.

That is in the draw-down authority. This

is the ESF moneys that the quarter million will come out, and the

total authority there is, I believe, $10 million, of which $2 million

goes to the war crimes effort and $8 million goes to the INC.

Now, we have a general outline of the program that the INC will

be putting forward to us. They will use this quarter of a million

to help establish their offices and to get a complete program to us.

But we have outlined the general elements of the program.

In support of the INC, there was money

devoted to a supporting agency, and I do not have the figures on

that, Senator. I do not know exactly how much went to the subcontractor

which was helping them develop the meetings that we had

in New York and so on. I will have to get you those figures.

Well, and working with the INC to make

them grant worthy so that we could move on to direct programs

with the INC, yes.

At this point there has been no program

developed for use within Iraq. That is the whole purpose of the

quarter of a million and the program that we will be developing.

In the course of that program, we hope to, over the course of the

next year, help the INC develop its capabilities so that it can, one,

establish an office in London and offices in the region; two, take

care of its internal security procedures so that it can operate in

Iraq safely; three, monitor the oil-for-food distribution program;

four, establish a distribution network for humanitarian supplies;

five, collect war crimes evidence; six, establish a Free Iraqi information program, television, radio, magazines, which would reach

inside Iraq and also be available outside Iraq; and finally, collect

such other information as might be useful.

This is an immediate program that we hope will be able to help

the INC develop its infrastructure and establish the foundation

that could be then used for other things later on.

I do not mention lethal assistance, nor am

I discounting the possibility in the future. But it has been our experience

that with several unfortunate situations in 1991 and 1996,

that you need to have the foundation solidly built in order to move

forward in any campaign that would have a hope of unseating Saddam

Hussein.

Right.

Well, actually a lot has been done, Senator.

It is not easy to set up a new organization from the ground

up and to make it credit worthy or grant worthy in the U.S. Governmental

terminology. We have a number of requirements of

transparency, contracting capabilities, and so on that have to be

met under congressional guidance that take time for any organization

to develop. When I was Ambassador in Egypt, we tried to get

several NGO’s grant worthy under the AID programs and found

that it was extremely difficult to do so, and it took time.

Now, the very process of doing this, however, assists them in developing

their infrastructure, their capabilities so that they will be

able, our expectation and hope is, to move quicker with our help

in trying to develop the kind of program that I have outlined here

before you.

Right.

Mr. Chairman, I can see the point. I can

tell you that we believe that we have been successful for 9 years

in keeping this man under containment, that he has been unsuccessful

in reestablishing the capability to threaten his neighbors,

and it is our objective, very serious objective, to both strengthen

the controls in that area, the sanctions, as well as to work with the

INC and others in order to build the kind of a structure they would

need to actually do something about Saddam Hussein.

Now, when I say that we are trying to strengthen the controls,

I am talking about working to limit the flow of smuggling, the outflow

of oil that is not coming under the U.N. control but is being

smuggled out of Iraq and which does put hard currency in his pocket.

Because, as I said before, the key here is to keep control over

his money, as far as the sanctions go. So, that is an effort that we

are engaging in now. We hope that we will be able to limit this

loophole or this flow.

In the meantime, I had a meeting yesterday with Akhman

Shalabi. We have an agreed proposal or an agreed agenda for work

in the future. We are serious about it. We admit that it will take

some time to put it together. But it is not our objective or our interest

to see a slaphappy or a slapdash kind of program put together

that costs people’s lives. These are serious people, Mr. Chairman.

They care about Iraq. They want to do something about it, and we

want to help them do it.

Senator, there is a correlation in the sense

if we can get monitors on the ground, it is a heck of a lot easier

to ensure that the sanctions are working properly and that the

items that are going into Iraq are going through the U.N. and national

systems and are being controlled.

One of the problems we have, in the absence of having monitors

on the ground, is that there is seepage in the system and there is

smuggling going on. A monitoring agency would be extremely helpful

in trying to limit this.

The 1284 calls for a replacement organization for UNSCOM,

UNMOVIC. It has the same authorities of inspection, a no-knock

inspection concept, and ability under the parameters established by

the Security Council in the resolution to do what UNSCOM did.

Now, Hans Blix is in the process of putting together procedures

that will implement that. As everybody knows, procedures have a

lot to do with the effectiveness of an organization. We have had a

number of conversations with Blix. We believe he is moving in the

right direction. We want to see the results of his consultations and

his decisions, and he will be reporting shortly to the Secretary General.

We will be able to evaluate at that time whether the procedures

are everything that we think they should be.

There is nothing in the resolution that takes away the authorities

available to the previous organization.

So, if Iraq accepts this inspection regime, I think we will be far

ahead of the game.

With regard to the sanctions themselves, 1284 does not change

the sanctions regime.

I do not see the linkage there, Senator. I

think the linkage comes in the question that Senator Wellstone

raised. Where we are having a problem in maintaining the sanctions

regime and we are having erosion is in the perception that

it is sanctions that is responsible for the problems that the Iraqi

people face. That is a perception that is widely held throughout the

entire region. That is much more of a problem for us, and it is an

unwarranted assumption.

Senator, I think your conclusions are probably

well placed. They are accurate. There is a very strong likelihood

he will not accept this system. I would argue that if he did

accept it, that he would be at a very severe disadvantage trying to

reconstruct his weapons of mass destruction program and we would

be ahead of the game.

So, either way, I think there are advantages

that can be derived from this.

Senator, the position that we took before

was a weak sanctions inspection regime is worse than no inspection

regime, and I believe that we would take the same position now.

We would not support it.

Senator, I do not think that if you are in

a position where you are required to cooperate with Saddam that

you are going to have an effective system. I think there has to be

tension in that relationship for it to work. Otherwise, Saddam

would simply walk away from any inspection regime. But we have

yet to see what this regime will look like, how it will be structured

or, for that matter, how Hans Blix will organize and run it.

It can be effective under the terms of the Security Council resolution.

It can be effective. From our initial discussions with Blix, we

think that he has the intention to make it effective. To say that he

can do that by simply caving in to Saddam Hussein is not true. He

cannot do that. It cannot be effective under those terms. So, yes,

there has to be a confrontational aspect to this inspection regime.

Then we get in the situation, Mr. Chairman,

that Senator Biden was talking about. First he has to accept

the regime, which is not clear at this point.

Senator, I am not able to make a decision

like that and I am not able to tell you one way or another what

the military actions the United States might or might not be under

those circumstances. It is certainly one of our options.

We are aware that there may be occasions

in which we would want to consider the possibility of military force,

and we have established certain red lines of his behavior. If he attacks

the Kurds, for example, or if he rebuilds his weapons of mass

destruction program, or if he attacks our forces, those are red lines.

If he does not comply with inspections, I

simply have to say that again I do not have the authority to tell

you whether or not we would use military force. That is a Presidential

authority. It would depend on the situation at the time and

on the recommendations of various elements of the U.S. Government.

I do not exclude the possibility. That is all I can tell you.

It has not been established by the administration

one way or another at this point. We do not have an inspection

regime in place. When we get an inspection regime in

place, we can make a decision as to whether this is something that

would require—all I can point to is our past action under the circumstances.

Well, I believe that Blix will have to report

to the Secretary General within the next 2 weeks. After that, the

clock starts ticking. There is no specific time set for acceptance or

non-acceptance. In the past, Saddam Hussein has taken several

years to accept things, such as the oil-for-food program. This will

be a process that we will just simply have to see how it works out.

I cannot say that.

No, I did not say that, Senator.

Let me correct the record.

Let me correct that record. What I am

talking about is the perception that the United States is responsible

for this is unwarranted.

We have been in favor of the oil-for-food

program. We established it in the first place. It was Saddam Hussein

who did not take advantage of it.

Absolutely not. We are appalled by these

reports.

Let me start by saying that this is an unacceptable

situation, the situation of the Iraqi people. The sanctions

are not designed to come at their expense. They are designed

to come at Saddam Hussein’s expense.

No, no. I agree. Therefore, we have to do

two things.

First, we have to implement Resolution 1284 which, first of all,

takes the cap off of the oil exports, keeps the money under control,

but it takes the cap off so that there will be more resources available

to provide for the well-being of the Iraqi people.

Second, 1284——

Yes.

Resolution 1284 already has in it the expansion

of lists of preapproved items. That list is being drawn up

now by negotiation, and we expect it to be completed very shortly.

That will mean that many more items will be preapproved for automatic

shipment to Iraq. It will not include dual-use items, obviously,

but it will cover some of the most difficult situations.

Also, according to the Secretary General, the Iraqi oil industry

requires additional resources and spare parts in order just to maintain

itself. We agree with that position and we will be supporting

the expansion of the number in items for spare parts and so on for

the oil industry.

We are also examining our own procedures. We are increasing

the number of staff that is available for reviewing those items

which may be dual-use so that we can speed up the process. Resolution

1284 calls for a 2-day turnaround time. We do not meet that

yet. We want to do that.

We are also looking at the nature of our own holds and where

they make sense and where we can speed the decisions and the determinations

up. In some cases, we simply do not have the amount

of information we need. There is major contract hold now on an important

electrical project which the Russians have, but we have not

gotten the cooperation from the company yet getting the information

there.

So, it is a complicated situation, but it is one we are very much

aware of and trying to do our best to ensure that these sanctions

hit Saddam where it hurts and they do not hit the people of Iraq.

No. There is no Iraqi role in this. Once it

is completed, the Sanctions Committee has agreed, then it goes into

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